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Book Review: Learning to Manage Rural Development

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Anish Kumar reviews *Designing and Managing Rural Development Organisations*, which contains 11 papers selected from presentations at the national workshop on Building and Managing Organisations for Rural Development, held at Anand on December 13-14, 1999 to mark 20 years of IRMA. He is based in Kesla, Madhya Pradesh.

Project Updates

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Smita Mohanty provides updates on our teams in East Singbhum (Jharkhand), Balliguda (Orissa), Kesla (Madhya Pradesh) and Research and Resources Centre and Human Resource Development Unit (New Delhi). She is based in New Delhi.

Letters to the Editor

Harnessing Forest Resources

I write in response to the interesting article by Soumik Bannerji (*Forever Forests*, NewsReach May 2002). There would be many takers for Soumik's basic contention that we have not looked at forests as a resource for livelihood generation. I would go further to say that we seldom look at local resources (this despite sensitisation through Dinabandhu's model) except possibly a *nala* or rivulet for lift irrigation. Why is this so?

We are comfortable with interventions requiring higher investments, complex technology and management solutions and distant markets, all of which are far removed from the tribal cultural context and requires a paradigm shift for most subsistence survivors (most of our target communities). This 'disconnect' makes it difficult for the poor to participate fully and makes them depend on exogenous factors like 'us', which we lap up as it fits easily with our professed role of 'capacity building'. It also provides a good ego massage to our professional pride. The basic argument notwithstanding, I would like to take this opportunity to share my reflections.

The quote on value of services from forests being 10 times as compared to croplands was intriguing. But how much of this was monetised? Researchers putting a value on fresh air from the forest would cut little ice with poor forest dwellers or livelihood interveners like us. The interventions like mahua trading and chirayata, where we want to access end-use markets, needs to be understood for its complexities. When we took up mahua trading in Kesla, we observed that mahua collectors were unable to store the flowers and sell it when the rates appreciated and that they were short-changed by traditional traders. We tried addressing these by measures similar to efforts in Godda and elsewhere. Our efforts included addressing self-consumption, trading by individuals, trading by groups, using procuring agents, self-use for liquor and measures directed at reducing the short-changing problem. We failed. A local NGO called NCHSE did it on a larger scale and even toyed with the idea of forming a mahua collectors' co-op. That effort also fizzled out.

Collection of a free good like mahua is an absolutely risk-neutral activity for the poor with no other corresponding engagement. Trading, on the other hand, introduces substantial risk where the collector competes with the knowledgeable and entrenched trader with no apparent edge in any factors of production. Because of the peculiar nature of the trade, access and policy restrictions and monopolies, a sub-optimal effort can only succeed for a limited period. We therefore need to focus on mahua production and increasing its productivity. In Kesla we recently got people from CSV to provide hormonal treatment to increase gum yield. A 2-ml shot, priced at Rs 2, can in a year increase gum yield in *Boswellia serrata* by 10 times and in Dhawra and Khair by 3-4 times. This could also be effective in case of mahua. There could be other intercultural operations to increase the mahua yield.

As Soumik has pointed out, mahua raisin is another good possibility. Similar possibilities exist with mahua roasts. But how do we go about it? Creating markets for these products is a long haul and requires good deal of preparedness and investment. How much can Nirula's consume? This multi-chain fast food giant is unable even to absorb the oyster mushroom production of one mushroom producer. Similarly, we need to properly understand strategies for accessing terminal

market prices. Our mushroom venture sells retail packets at Rs 1,000 per kg after buying it from producers at Rs 200 per kg. We are finding it difficult to breakeven even with such margins. If we want to reduce market inequities, the most common (and often wrong) diagnosis in the NTFP (non-timber forest produce) sector, options like 'Van Dhan' could be instructive to look at. In Bastar, the District Collector used a panchayat policy provision to eliminate traders from operating. Sal leaf plate economics also looks promising. However, we need to understand the industry through cases such as the involvement of big firms in West Bengal and the failure of other agencies in Sundarpahari with the same IIT Kharagpur technology. Merely looking at the price differential and overlooking the comparative advantages of the poor in factors of production would end up being ephemeral.

Regarding kendu leaves, the system in Madhya Pradesh is worse than Jharkhand. Although the state has created a minor forest produce federation and primary co-ops to manage operations, collectors have little say because it is entirely managed by the forest department. The whole set-up including bonus payments etc. is good politics. N C Saxena and Y K Alagh have argued for removing this kind of contrived monopolistic state control that reduces market opportunities. In Jharkhand the state auctions collection rights to highest bidder. It is essentially a revenue generation system for the state. It is an entirely different struggle if we want to argue for the control of the local populace. We can however create space for the poor if our self-help groups (SHGs) can come up with a mechanism that increases revenue without increasing transaction costs. One possibility could be influencing department policy to allow SHGs participate in the auction and making smaller parcels on a compartment or coupe basis. This would lead to more sustainable harvest as the collectors have a longer-term stake than contractors. Kendu leaves primarily go for bidi rolling and almost all of it is shipped out. We can add significant value by cutting the leaves according to requirement. The traders would also gain by saving on transportation.

Organic farming is another interesting idea since a sizeable portion of our target population practices organic cultivation anyway. The Indian organic foods market is a very niche market with some big time players. If we want to access large western markets, we need to understand the visible and invisible trade barriers. For instance, the European Union recently argued for imposing import conditions for milk that included expanding the quality norm from hygienic (ISO certified) processing to collection. Not many Indian producers can then make the grade. The last point I would like to make is about the NTFP-based co-operative comprising SHGs, Gurus (medicine men), tasar collectives, etc. I am not clear what kind of co-op this would be. Each of these operates in distinct sub-sectors. Perhaps it would be better to look at supra-structures (or federations) within the same sub-sector to achieve some degree of 'unity of purpose'. Finally, let me thank Soumik for helping me reflect on these issues. All the ideas brought out in the article are potential big time livelihood ideas. But to realise their potential we need to concentrate and persevere on fewer things. My suggestion would be to sharpen focus, critically look at 'defining' advantages enjoyed by the poor and learn from industry without any preconceived ideas.

Anish Kumar, Kesla, Madhya Pradesh

We urge all readers to freely share thoughts and responses to articles in NewsReach. Email your letters to pradhanho@ndb.vsnl.net.in or post them to Pradan, 3 CSC, Niti Bagh, New Delhi 110 049.

BASIX Difference

BASIX is pioneering a programme where trained microfinance agents promote and groom savings and credit groups as viable credit risks for banks

Neelam Maheshwari

I visited BASIX in Hyderabad in January 2002. In the following case study I describe the concepts and practices behind how BASIX forms self-help groups (SHGs) and the inferences I have drawn from the visit.

BASIX is a livelihood promotion institution committed to promoting a large number of sustainable livelihoods for rural people through provision of financial services and technical assistance in an integrated manner. It provides credit for agriculture and allied non-farm activities and technical assistance and support services to producers and producers' groups for effective credit utilisation.

BASIX is composed of 3 financial services and technical assistance companies: Bhartiya Samruddhi Finance Ltd, a rural microfinance institution; Indian Grameen Service (IGS), which provides technical assistance and support services to customers, and Krishna Bhima Samruddhi Local Area Bank (KBSLAB), a local area bank registered under the Banking Regulation Act. It is working in 12 districts in Karnataka, Andhra Pradesh, Maharashtra and Orissa. Till June 2001 BASIX had disbursed around Rs 525 million in rural areas and granted over 50,000 loans.

BASIX provides credit and support services to its customers through 2 channels, direct and indirect. Direct credit services are provided to farmers, micro enterprises and micro entrepreneurs. Indirect credit, on the other hand, is extended to landless farmers, women and poorer clientele.

Customer Service Agents (CSAs) carry out

financial transactions in the field. These agents are selected and trained by BASIX. CSAs are not full time employees. They are usually local youths who work with BASIX on a contract basis. They earn a particular percentage on every repayment. CSAs are supported and monitored by field executives, the professional employees of BASIX. At the block level, BASIX sets up units under the supervision of a unit head. Field executives and assistant accountants comprise the rest of the unit. BASIX's team supervises CSAs associated with each unit.

BASIX's SHG Programme

BASIX's SHG-based micro-finance programme is envisaged as a channel of indirect lending to the poor. In this case it is microfinance agents (MFAs) and not CSAs who are the local agents. Bhadrachalam district in Andhra Pradesh is one of the places where BASIX has initiated its SHG-based approach to reach the poor.

The programme is meant to reach those who are usually overlooked by both formal and informal credit services. These people often reside in remoter areas and need small loans primarily for consumption rather than self-employment.

A large section of the rural population consists of assetless individuals who depend on daily wage labour for self-sustenance. SHGs are largely accepted and acknowledged as good channels of credit for such sections of society. High repayment rates and

The MFA programme is meant to reach those who are usually overlooked by both formal and informal credit services. These people often reside in remoter areas and need small loans primarily for consumption.

low transaction costs are other incentives behind lending to SHGs because these qualities are attractive to bankers.

The 2 main motivating factors behind BASIX's SHG programme were the creation of a large borrower base and a commitment to reach those individuals who have been marginalised from credit services. Through SHGs BASIX is able to retain a large customer base for a longer period.

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SHGs also has a low transaction cost in comparison to direct lending. Recovery rates have been the highest in this programme amongst all types of lending.

Bhadrachalam Experience

Bhadrachalam is the second largest district of Andhra Pradesh where BASIX started its operations with a SHG programme. Initially it contacted small NGOs who had formed SHGs in the area. It provided some loans to eligible SHGs ready for bank linkage. This collaboration did not work because NGOs failed to understand the importance of financial discipline insisted upon by BASIX.

BASIX then started operating through MFAs in July 1998. It started the MFA programme to reduce dependence on outsider intermediaries and to establish SHGs as an effective and profitable channel to lend to the poor. The MFA programme promotes lending to

SHGs with the help of agents who are paid on the basis of performance. BASIX provides support in terms of training of agents and SHGs promoted by them. The programme has been a success in Bhadrachalam because it proved to be an effective channel of credit. Repayment rates are high and the large number of small loans makes it a profitable channel so far.

The MFAs are not employed by BASIX but work on a contract basis. A MFA monitors the group and provides it with its first loan. The group perceives the MFA as the first service provider and depends on him for its immediate needs. The MFA therefore operates as a link between the SHGs and BASIX.

Selecting MFAs

The MFAs are local qualified (minimum 10th standard) youth who are asked to take a written test and appear for an interview. The written test assesses a candidate's IQ, basic writing skills and numeric ability and the interview assesses his attitude towards rural people, ability to get along with rural women, willingness, openness to learning, honesty, sincerity, commitment and social and general awareness.

The selected candidates are given 3 days of classroom training followed by a field exposure visit to quality SHGs. The MFAs are taught methods of data collection, survey, etc. BASIX also provides regular training on stages of group formation, bookkeeping and various other aspects of credit and SHG processes.

The MFAs are then asked to do a survey of the selected villages. BASIX chalks out an action plan so that the MFA knows right from the beginning how many villages he will be working in and how many groups he

will promote. BASIX finally ratifies the plans in the light of a larger plan made for that region.

After the survey a MFA starts forming SHGs. He organises village meetings where he introduces BASIX and its ideas of SHG promotion. This leads to group formation of 10-15 interested women. Groups are formed both in remote areas and main growth centres such as Bhadrachalam town.

In the first few meetings of the groups the MFA facilitates the democratic election of president, vice-president and secretary. He also delineates basic norms and rules. The date, place and time of the meetings are also fixed.

The group then starts saving. It opens a savings account at the nearest bank or post office. The savings by the members are deposited into the account. The president and secretary become the joint signatories of the account. This is done as proof of the existence of the group. The group generally meets monthly or fortnightly.

There is a high emphasis on timely meetings. The MFA must be present at every meeting. He conducts the meetings as an accountant, facilitates group processes and asks BASIX as and when training is required or when the group has to go through the graduation or linkage test. He is paid by BASIX.

Linking Process

BASIX conducts a graduation test when a group is 6 months old. Various aspects such as savings, attendance, bookkeeping and execution of norms and participation of members are the criteria for a group to pass the graduation test. This is a prerequisite to get a loan from BASIX though clearing grad-

uation does not automatically ensure a loan. The group has to pass another test for linkage.

After the graduation test, the SHG has to go through the second level of training on fund management, credit discipline and loan decision-making, importance of on-time repayment and bookkeeping. The group then has to take a linkage test. The features tested in this include regularity of meetings and savings, internal lending, repayments, credit utilisation, bookkeeping, following of norms, participation, democracy, self-help business attitude and education and awareness in the group about group functioning.

The score a group achieves in this test is the basis of the volume of credit BASIX provides to it. Besides scores, the SHG's own fund is another criterion. The overall score may make the group eligible to take a loan 1.5 to 6 times of its accumulated savings.

All SHGs are trained on the management of external funds. The MFA continues to attend meetings regularly and supports the group in terms of decision-making, bookkeeping and fund management. He also recovers the BASIX loan. The MFA acts as a facilitator, service provider and stakeholder in the entire programme (See Box on page 7).

Paying MFAs

BASIX pays a fee of Rs 1,800 to a MFA for every SHG promoted and linked to the financial institution designated by BASIX. This is subject to a maximum of 100 groups within 60 days of linking up.

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To facilitate the work of the MFA BASIX gives an advance of Rs 500 for every SHG proposed, provided that they meet the criteria laid down by BASIX. When at least 10 SHGs promoted by the MFA have successfully passed the graduation test conducted by BASIX, an additional advance of Rs 600 is given to the MFA. The total advance amount

is then adjusted against the service charges payable to him on the successful linking of SHGs to the designated financial institutions.

This payment scheme is functioning but has yet to complete its first cycle. According to anticipated calculations a MFA can easily earn at least

Rs 1,500 to Rs 1,800 per month if he manages 25 groups. This amount can go up to Rs 3,000 per month.

It is however not possible for MFAs to generate a regular income just by forming SHGs. At present they form SHGs as well as lend directly. Direct lending (selecting clients and lending to them) brings in direct income to the MFAs. SHGs, on the other hand, are process oriented and start providing income to the MFA only when they start absorbing credit.

The MFA's income grows with the maturity of the SHG. Once a group is formed and linked to BASIX, it is the MFA who takes care of the group. He gets a certain percentage from every loan repaid. Thus he maintains and provides support to groups as and when needed with or without BASIX's help.

BASIX's strategy to form groups, to engage selected local competent people and sup-

port them through rigorous training and monitoring has by and large been able to deliver the goods. This enables a BASIX professional to oversee a large number of groups at any point of time.

At present there are only 2 MFAs involved in promoting SHGs in addition to their direct lending activities. The MFAs have formed 95 groups. Another 77 have been formed by an NGO that BASIX was working with earlier. Out of these 162 groups, 104 are linked with BASIX. As of April 2001, Rs 19 lakh has been given as credit. BASIX reports a 100% recovery rate.

Observations

The groups I visited ranged from a group of tribal women residing in a remote area to groups right in the centre of a block. There were some striking features in all the 7 groups I visited. Financial discipline was strictly maintained in all groups. Accounts were maintained by the MFA and one copy of every meeting transaction was kept in BASIX's office. Another common feature in each group was the emphasis on timely repayment. On-time repayment is the soul of the BASIX MFA programme. BASIX provides SHGs with a printed repayment schedule in advance, which the MFAs maintain.

I found the attendance to be quite high at 80%. Only women who were not well or out of town did not come to meetings. There were one or 2 leaders in every group. These women were middle aged, articulate and by and large accepted by the group as its representatives.

Although the MFA develops a relationship with the group and at times becomes its spokesman to BASIX, the group sees him as a banker's representative and may not let

BASIX's SHG Programme based on MFAs

	BASIX	Microfinance Agent	Self-help Group
Roles	<ul style="list-style-type: none"> ● Provides efficient savings and credit services to poor rural women. ● Remunerates MFAs for good services. 	<ul style="list-style-type: none"> ● An efficient mediator between SHGs and BASIX. ● Facilitates loans to SHGs and ensures timely recovery. 	<ul style="list-style-type: none"> ● Forum for self-help that deals with member's financial and social emergencies. ● Accesses credit from financial institutions.
Responsibilities	<ul style="list-style-type: none"> ● Trains MFAs and SHGs. 	<ul style="list-style-type: none"> ● Helps SHGs attain strength and bargaining power. ● Trains SHG members. 	<ul style="list-style-type: none"> ● Builds credibility by disciplining members' savings and credit behaviour. ● Helps members repay loan on time.
Activities	<ul style="list-style-type: none"> ● Closely monitors MFA's progress in the initial stages of work. ● Conducts graduation tests. ● Conducts linkage tests. ● Provides credit to SHGs 	<ul style="list-style-type: none"> ● Promotes women SHGs ● Strengthens groups. ● Recommends groups for graduation and linkage tests. ● Facilitates credit transfer from BASIX. ● Recovers loans from SHGs. 	<ul style="list-style-type: none"> ● Builds credibility by disciplining members' savings and credit behaviour. ● Helps members repay loan on time.
Benefits	<ul style="list-style-type: none"> ● SHG borrower based. ● Promotes livelihoods on a large scale. 	<ul style="list-style-type: none"> ● Service charges for every linked group. ● Receives commission for collecting repayments on time. 	<ul style="list-style-type: none"> ● Improves strength and credibility of individual members. ● Able to successfully access credit. ● Members are able to fulfil individual financial obligations by borrowing from the group.
Risks	<ul style="list-style-type: none"> ● Investments in MFA programme is under-utilised if maximum number of groups are not linked. 	<ul style="list-style-type: none"> ● Time, money and effort wasted if some groups fail to qualify for linkage. 	<ul style="list-style-type: none"> ● No risks involved.

him know what they have done with the loan. In one case 10 women received a loan from BASIX to buy sewing machines but none did so. They used that money to repay their old debts. This was however the only incidence I came to know of where the group did not use the loan the way it had proposed.

Broadening Vision

It was clear that SHG formation had broadened the women's horizons about possibilities of growth. Almost all groups planned in advance about what they were going to do with the next loan from BASIX.

At the end of my visit to Bhadrachalam, I got an opportunity to talk to Prasanna, the unit head of Khammam unit where the MFA programme was initiated. According to him, the programme is successful in Bhadrachalam. The basic idea was to start and groom groups in such a way that they become joint liability groups. The groups should finally reach a stage where a group member can take a loan from BASIX individually.

All the groups I visited said that they would continue even if the MFA stops visiting them. This was indicative of their sustainability. The groups were even willing to pay the MFA for his services. A few groups

have been reported to have taken loans from commercial banks. This indicates that they are capable of independent decisions. When they are dealing with these banks, it is up to them and the MFA to negotiate how to define their relationship since in these cases the MFA gets no commission.

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Lessons from the Visit

The visit has prompted me to see the SHG programme in a new light. I was impressed by the clearly stated objectives of programme. In BASIX SHGs are formed to reach that untapped potential borrower who is difficult to approach otherwise. The clear agenda was making finance available to SHG members.

This clarity makes everything else much simpler and predictable at all levels. This common understanding of the agenda makes it possible to set a benchmark that all groups are supposed to reach. All groups get evaluated by certain set of indicators, leaving no scope for confusion.

The MFA programme is also very cost effective. As the performance of an SHG is directly linked to his payment, it is hard for a MFA not to pay adequate attention to each SHG. Thus the motivation to properly nourish group is grounded firmly on material gains.

The ratio of groups formed and qualified for linkage is 100:60. There are serious consequences the MFA would face if he fails to promote good groups. His hard work and investments can go to waste if a group does not qualify.

The programme also ensures objective evaluation of the groups. Since the field executives of BASIX, unlike the MFAs, are not personally involved with the SHGs, they can impartially evaluate whether the groups are eligible borrowers or not.

Stable Stakeholders

BASIX and the MFAs seem to be the stakeholders in the groups since each SHG has a financial value. However, the high stakes of the MFAs may result in over dependence of

the group on him. There have been cases where the group processes are directed by group leaders and the MFA. In such cases the other members behave as silent participants. Such meetings are the most comfortable meetings where one or 2 people direct members as it takes minimum meeting time and least frictions.

The consequences of such meetings are not very serious. The presence of the MFA rules out any violation of norms. The fact that the groups intend to continue savings even in the absence of the MFA indicates that they have realised the importance of group action.

It seems to me that the motivation and value system of the MFA determines the kind of groups he is going to promote. Thus selecting and training a MFA is crucial. Detailed and intense training by BASIX has to take care of that.

The visit also prompted some comparisons with the SHGs promoted by Pradan. The groups we form go through a unique process as we feel that all the desirable values and processes leading to institutional strength must be internalised by the group to call itself a self-help group.

We do however promote local people to play important roles in Pradan's groups as well. We promote them as accountants, auditors and cluster accountants. Their services are paid for by the groups themselves. In some cases women members promote new groups in some areas. The idea of expanding their roles from being a service provider to promoter is also not new. Such attempts have been made in the past. In fact Pradan's oldest locations still have local experts promoting groups.

I believe after this visit that the idea of local actors being involved in group promotion is not a complete washout. The strategy to include local actors playing larger roles can help us maximise our efforts to promote a large number of quality SHGs.

This case study has been prepared with help from T N Sasidhar and inputs from Vijay Mahajan.

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Spinning Off from Tasar

Field notes on Pradan's tasar programme and pointers at its future

M S Sriram

My journey to Jasidih and Deoghar, where I conducted a workshop on accounting and finance for Pradan professionals, was capped with a trip to the field. Satya, whose enthusiasm was addictive, accompanied me. Our ultimate objective was to reach Godda and look at the tasar accounts to see whether some issues could be picked up for developing case material in the area of cost accounting.

We spent the travel time talking about Pradan's tasar project. Satya talked about the grainages, the plantations and the work done in early stages when the tasar project was conceived. We visited a couple of plantations. The soil and water conservation techniques used in some of the locations were impressive. For an uninitiated person like me, the 5% model of Dinabandhu looked absolutely relevant and useful.

On the way we stopped at Rajdah village to interact with women who were spinning tasar yarn. Much would have been written about the processes followed in the formation of the groups, the background and the expected livelihood multiplier and impact. The amount of income that the women were generating out of the project seemed to be substantial. Our back of the envelope calculations indicated an income enhancement of around Rs 1,000 to Rs 1,500 per month depending on the quality of yarn produced.

Stand Up and Work

Yet what struck me was that the women were standing while they spun the yarn. I was given a brief about the nuances of how quickly the cocoons had to be converted into yarn after boiling to get a good A-grade price. Considering that they would work for long

hours in a given day, it was obvious that the conditions under which the women worked could do with some improvements.

It was true that a work centre was being built in the village with help from the Member of Parliament's Local Area Development Fund. This might make the situation a bit better. But would the women use this facility when it is fully ready? They might if they saw value in getting away from home and being able to work uninterruptedly. They might not if they are spinning amidst their other activities at home. Most likely it would be the latter. They could then work intermittently and relay work amongst other members of the family. This possibly explains why none of them have thought of getting a stool to sit on.

Anyway, the issue was not the ergonomics of the operation. It was just something that struck me as strange. If the activity was generating enough income they could easily invest in a stool. There might be 2 reasons why they might not have done so. One, they expect Pradan to trigger them on to do it. Two, using a stool might be uncomfortable. If it was the former, it is an area of concern. Are we building dependency on such small matters as well? We did ask a woman who promptly replied that Pradan had never given them the stools.

There was another aspect that struck me as strange. There were savings and credit groups operating in the village. Still, there were times when women bought cocoons on credit from the supplier. There was a regular and consistent supply of cash coming in every fortnight. The women hired their own manager, who was paid a commission on the basis of their collective and his individual performance. We saw a

sophisticated system of grading and payments according to grading happening there. Given the maturity level of the group, we would naturally expect to see substantial activity in the savings and credit activity.

Unfortunately that did not seem to be true. While Pradan had initiated both the activities of savings and credit as well as livelihood augmentation, we did not see a linkage between the 2 programmes. In fact, I learnt that the initial work in the village started not with tasar but with savings and credit. If that was the case, what were we doing to build the internal capital of these poor women?

Toil Conservation

The 5% rule that applies to soil conservation must naturally apply to toil conservation. Why was it that the savings were voluntary? Why was it that we did not have a self-regulated thrift, where 5% of the fortnightly earnings goes into compulsory savings to be withdrawn only on termination of membership or when the fund reaches a proportion where the group feels that it is too much to handle? This is something that we may want to wonder about.

There were other questions that cropped up as I continued with the field trip. The major issue that appeared strange was that Pradan was procuring yarn from the women and making fabric. Surely there must be a justification in Pradan doing this business. I could think of the following reasons.

- Pradan wanted to understand the backward and forward linkages of the tasar trade. The best way of learning is by doing the business hands-on. Once Pradan has understood this trade, it would be more effective in propagating this activity.

- If we were working towards livelihood aug-

mentation, there was no point in doing it unless there were strong market linkages. Therefore, this was a support activity for the livelihoods activities promoted by Pradan.

- This was a pilot project to demonstrate the value addition up the chain. Once the women understand the value in the chain, they may take up this activity on their own.

- The day-to-day work of forming groups, motivating them, dealing with government officials and working in the area of 'development' could turn out to be monotonous beyond a point. It is could be even more frustrating when the results or the impact of the work is not particularly 'tangible' except in case of plantations where we could physically see the trees. There needed to be some activity that stimulated the development staff and trying a hand in business was one of those activities.

In my interaction with Satya and others, I could not find a clear answer to these concerns. What struck me as very interesting was that Satya did say that in the long run Pradan would like to concentrate more on yarn trade and making of fabric was only to demonstrate the possible uses of the yarn. Unfortunately, till now, the fabric segment seems to be growing and not the yarn trade. All the strategic inputs seemed to be going towards getting new designs, costing them, getting them woven and marketing them.

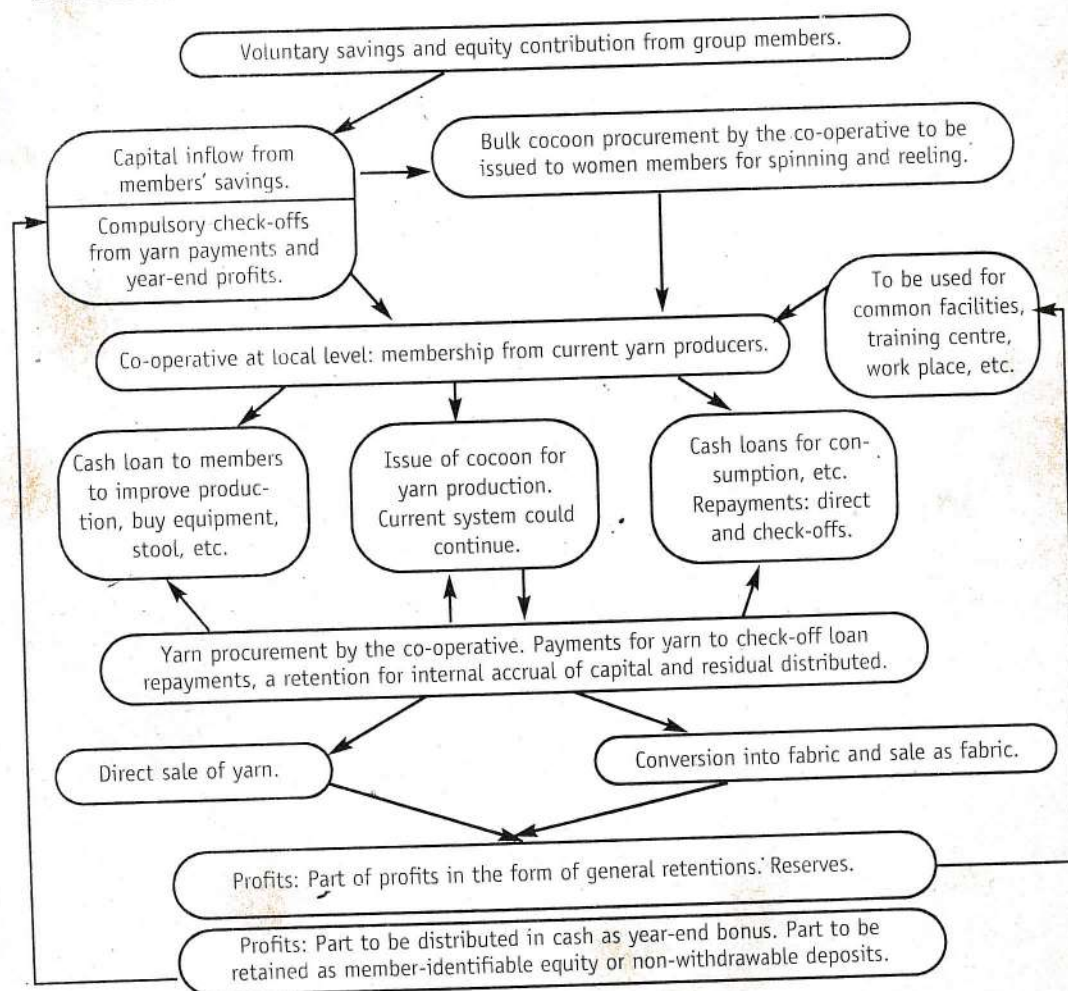
One way of addressing this issue is to slowly involve the stakeholders in this activity. The issues I raised about the conservation of savings could be closely linked with this activity. If Pradan could build up a separate organisation that looks at marketing of not only yarn but also fabric, all the initial efforts made by Satya and his team would bear fruit in terms of a larger multiplier effect. If this was a clear

objective then the starting point could be to revitalise the savings and credit activities and have a close linkage of this activity with the yarn marketing activity rather than treat it as a stand-alone activity.

Since both Bihar and Jharkhand have a liberal co-operative societies act and now that the Multi-State Co-operative Societies Act is also amended, co-operatives could be the best form of organisation to take these activities through. At present the yarn procurement and fabric-making activity stands out as an inde-

pendent activity with little or no involvement of the stakeholders.

This would then mean that all the 4 points that I mentioned above would be addressed. It will give the community a good understanding of the entire linkages, work towards livelihood augmentation and give the women a good understanding of the value chain. This might also help some of the present Pradanites to shift towards a meaningful commercial enterprise. An illustrative structure is given in the accompanying diagram.



Learning to Manage Rural Development

Anish Kumar

The book under review, *Designing and Managing Rural Development Organisations*, contains 11 papers selected from presentations at the national workshop entitled Building and Managing Organisations for Rural Development, which was held at IRMA, Anand on December 13-14 1999. Many distinguished people involved in the sector attended the workshop organised to mark 20 years of IRMA.

A glimpse of the discussions at the workshop is briefly given in chapter 1. Written by the editors, K Prathap Reddy and Katar Singh, this chapter provides an overview of the papers presented in the workshop. There were some thought provoking ideas in this chapter such as the argument of Alvin Toffler, which holds that sustainable social development should be based on exploitation of the one resource that is inexhaustible -- information and the human capacity for creative imagination.

Toffler further argued that social institutions must be designed with the intention of gaining advantage of this resource. It does lead us to ponder how Pradan's effort at promoting people's institution such as self-help groups (SHGs), poultry groups and watershed and lift irrigation groups compare on this criterion. According to my understanding, most of our interactions with communities have a heavy techno-managerial focus that leave very little room for integrating people's knowledge.

Knowledge Institutions

The second chapter, *Building and Managing Knowledge Institutions: Lessons of Indian Experience* by Tushaar Shah, is a must read for all of us. Tushaar has used the term

'knowledge institution' to describe an organisation usefully engaged in acquiring, creating, imparting and applying knowledge to address pressing needs of the society. Building from the available literature on institutions, particularly Easman and Blaise, Tushaar comes up with several criteria on when an organisation can be called an institution. These include survival over time, genuine autonomy and quality and scale of influence in its environment.

By these yardsticks Pradan is definitely a knowledge institution. But are we a high performing knowledge institution? I think this

chapter has lot of relevance for us although all the examples in the article are of educational or training organisations. In my perception the challenge before Pradan professionals today is 2-fold: making Pradan a truly great high performing institution and making the various community groups and organisations traverse this length. According to Tushaar, what distinguishes high performing knowledge institutions from mediocre organisations is in their operative practices and launch practices.

The table comparing operative practices in high and low performing institutions on page 35 was very instructive. The comparison was on 7 areas. The key areas for us to look at in Pradan include organisation design (key word here is performance oriented), organisation culture (excellence and internality of locus of control) and management and operations (systems towards performance and impact, high activity level, sensitive to

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client feedback, strategic approach).

I also found the discussion on launch practices useful, particularly when I related this with our experience of launching the poultry co-operative at Kesla. Launch practices also have an impact on adoption of best operative practices. The institution-building model on page 47 captures this dimension.

It would be useful to learn how and what needs to be done to ensure a certain degree of 'culture coherence' in a dispersed and fast growing organisation like ours.

Some key launch areas that one needs to look at include concept, governance, critical linkages and operating leadership. A good launch concept would provide the organisation with great purpose. This would continue to inspire all those involved in the institution and make them ageless creations and not just tools to

perform tasks that seem important at a particular point of time. The key to governance is having people who are interested and drawn from a cross-section of stakeholders. High quality operating leadership is also critical because it provides direction in the formative years and devotes its energies on institution building.

After reading this chapter one cannot but ponder on issues related to Pradan. Some areas that come to mind are the role of the governing board, mission sanctity, operating leadership and culture. It would be useful to learn how and what needs to be done to ensure a certain degree of 'culture coherence' in a dispersed and fast growing organisation like ours because all the examples discussed in the chapter are of one location institutions. I understand that 'integrating mechanisms' in any organisation play a critical role in addressing these issues. There seems to be some problem here. Most of it is because of the erroneous perception of what constitutes

the integrating mechanism. Even when we are clear, we fail to appreciate the implications of not being serious of our role.

The chapter on *Kerala Horticulture Development Programme: An Integrated Development Model* highlights the salient features of this project. It also analyses the important components. Although the model is designed for a very large area covering 35,000 farmers, the intervention of high technology cultivation and marketing of fruits and vegetables and the target community (small farmers and leaseholders) are not much different from our livelihood strategies. However, the usefulness of this chapter is restricted by lack of process and procedure details.

Relevant Case Study

The article on *Co-operatives and Dairy Development: A Case Study of Amul* by Katar Singh is relevant to us as some of us are now initiating dairy interventions. The case study provides a good overview of the Indian dairy industry and captures the Amul model in detail right from genesis, growth and development to salient features and impact. This chapter would be useful to all our dairy enthusiasts. Some of the salient features of Amul are useful to keep in mind. These include the use of external financial assistance to meet the massive capital requirement (Rs 300 million per district). Particularly instructive is response to criticism of Amul for high capital requirement. Singh says that to attain any growth it is essential that the initial stimulant to development be of certain critical minimum size. Access to assured market is also important ("For every Anand to succeed, there must be a Bombay"). Enterprising milk producers and enlightened leadership and facilitating government policies and programmes are the other critical factors.

I have quoted these features from the chapter not to belittle the tremendous achievement or scare enthusiasts but to help us appreciate the nuances and work on sourcing and creating a favourable enabling environment, which becomes conducive for rapid growth. Another point that underscores the importance of dairy as a livelihood intervention for the poor is the competitiveness of the Indian dairy industry even in the liberalised economic environment because of its extremely low energy consumption in producing milk as compared to developed countries. This point was also made forcefully by Ram Reddy of CDF in the National Workshop on Livelihoods organised by BASIX.

Banks in Development

The article on *Building a Sustainable Rural Financial System* by Y C Nanda was useful for an overview of the banking sector and its role in development. The first section that deals with planning phases provides an idea of evolving focus of various plan periods starting from the first plan of 1951-56 specific to rural development and role of credit right till the ninth plan period ending in 2002. The second section on impact of credit on rural development was quite current and informative. The areas chosen were employment generation, capital formation, rural non-farm sector and infrastructure.

The way policymakers and planners work with economic figures was instructive. Somehow in Pradan we have always lost sight of these macro pictures. The All India Debt and Investment Surveys, NSS rounds would be useful as we plan large-scale programmes. The findings of the AIDIS (1991) are worth looking at. According to the findings, the share of moneylenders in total rural debt registered a growth of 2.2%, share of farm related debt in total rural debt reduced amazing-

ly from 60.1% in 1981 to 14.7% in 1991. In the case of NFS, the debt reduced to 7.8% from 9.1%. However, share of debt for household expenditure increased from 23.3% to 40.1%. It will be important to look at the figures for 2001, which would capture one full decade of liberalisation policies. It could shed light on the rural debt market role of new generation financial institutions that includes SHGs. In the later sections such as innovative approaches to rural credit, the author has mainly discussed the programmes of NABARD in detail.

The article on *Building a Sustainable Rural Financial System* by Vijay Mahajan was as always, excellently written. It will be instructive for Pradanites involved and interested in micro finance to

understand what constitutes the rural financial system and how we can help our SHGs evolve to deliver the entire gamut of financial services. The readers would get a detailed understanding of all the 4 components of the rural financial system: supply, demand, intermediation and regulation.

We would easily relate to section 3 on estimates and attributes for savings and credit, which gave a good perspective with a wealth of data and analysis. The section on rural financial institutional structure provides us with a good understanding including the problems of the mainstream financial institutions and the new generation institutions. It also provides pointers to the ways forward.

M S Sriram, with whom many of us are now familiar, has written on *Strategies for*

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Financial Co-operatives in the New Millennium. It was an interesting comparative study of evolution of Indian co-operative credit movement and the Desjardins co-operative credit movement in Quebec, both of which started around the same time in the early days of the 20th century. Both the movements were in response to the usurious interest rates being charged by moneylenders and were largely inspired by the Raiffeisen model of Germany. The essential difference however was in the involvement of state in the case of India, where the co-operative was used as an instrument of credit delivery, in contrast to Desjardins movement where the founding belief of Alphonse Desjardins was that the "problems of the people had to be solved by themselves".

History of Co-operative Credit

It would be of interest to all us involved with micro-credit to know how the Indian co-operative credit movement evolved over the years. The Indian co-operative credit movement started on the initiative of the colonial British administration. There was very little self-reliance built in the set-up. This welfare-oriented process continued with accelerated

The Indian co-operative credit movement started on the initiative of the colonial British administration. This welfare-oriented process continued with accelerated fervour under the Nehruvian state, which today's prognosis shows has been singularly responsible for the erosion of the movement.

fervour under the Nehruvian state, which today's prognosis shows has been largely responsible for the erosion of the movement. A break from this happened in the last decade of the 20th century when the SHG movement and the mutually aided co-operative initiatives in Andhra Pradesh really picked up.

The Indian financial co-operatives are now a good century behind the Desjardins movement as far as the quin-

tessential co-operative values of autonomy and self-reliance are concerned. Interestingly, this phase has also been one of great churning for Desjardins. The Desjardins movement, which is now the single largest provider of financial services in Quebec, is going through growth pangs. It is becoming technology and market savvy but losing on its old values and finding it difficult to retain member interest. The section on strategies for the Indian financial co-operatives in the new millennium is quite instructive, as the author provided concrete suggestions based on the Indian as well as Desjardins experience.

Overall this book is a good and instructive read. I learned quite a lot. It provoked me to reflect on the way we work in Pradan and what could be done to improve our functioning.

Designing and Managing Rural Development Organisations

Editors: K Prathap Reddy and Katar Singh
Published by Oxford & IBH
Pages: 251.

Project Updates

Smita Mohanty

East Singbhum District, Jharkhand

Our East Singbhum team promoted 80 new self-help groups (SHGs) in 2001-2. We linked 18 groups to banks (Rs 8.27 lakh mobilised), with 10 more in the pipeline. We also re-linked 3 groups to banks and installed 4 lift irrigation (LI) points. We facilitated crop planning and training for 93 farmers and did livelihood intervention for 346 families. We introduced new books of accounts in 228 SHGs out of 277. Cumulative savings and credit from banks till March 2002 stood at Rs 20,72,322 and Rs 16,49,400 respectively.

Our focus last year was to strengthen the older SHGs although lack of manpower was a constraint. The highlight of the year was the specially designed cluster *adhibeshan*, where all SHG members of a panchayat (cluster) were invited.

Our main intervention in livelihood was in agriculture. We conducted 3 rounds of exposure visits for farmers to villages where farmers earn huge profits from improved practice of vegetable cultivation. We also intervened in the late Kharif vegetable crop. We promoted improved vegetable cultivation in a contiguous area, keeping the women in special focus.

We submitted 5 LI proposals in the district. Recently, all 5 were sanctioned. We have already installed 2 LIs. For the first time we could access funds for a LI from the newly created Saraikela district. The project is completed and members are earning good profit from their fields. The district authorities are now keen to give us a watershed project.

We also intervened in trading. One SHG took their first SGSY (Swarnajayanti Gram Swarajgar Yojana) activity loan of Rs 2,19,000, which it invested in animal trading. We conducted an impact study of this group of 20 members and found positive changes in their lives.

Almost everybody earned Rs 1,500 to Rs 2,000 a month and saved Rs 2,000 to Rs 3,000 after purchasing some household assets and livestock. Another group invested their second SGSY credit in their existing businesses of small shop and trading (goat, fish etc). Fifteen members of the group took a loan of Rs 2,30,000 and within a month they earned Rs 800 to Rs 1,500.

Many of our SHG members are investing in paddy processing and puffed-rice making, which is a traditional business in this area. Returns from this business are not high. We studied this business in one group and found if a person invests Rs 2,000 and could continue the business for 9 months, she could earn an annual profit of Rs 4-5 thousand for paddy processing and Rs 5-6 thousand for puffed-rice making.

The major concerns of the team are to create a stable and strong team, to stabilise the systems of SHGs, to make the older SHGs stronger and more viable and to make further headway in bank and SGSY linkages. For the next year we plan to form 100 new SHGs, link 70 SHGs to bank, facilitate second SGSY linkage for 10 SHGs, initiate 16 clusters and install 15 LIs. We also plan to intervene in livelihoods so that 855 targeted families can earn a total of Rs 37.5 lakh.

Balliguda, Kandhamal District, Orissa

Kandhamal is one of the poorest districts in the country with 90% of its population below the poverty line. Our team, with a base in Balliguda, has selected an operational area that comprises 14 contiguous panchayats. We plan to work with 5,000 families in 5 years. Since most of our target families are in the clutches of money-lenders, we plan to vigorously promote women's SHGs.

Our focus is to promote SHGs among the families with whom we will be promoting a basket of income generating activities starting from production systems to marketing. We aim to increase the income of members to a tune of Rs 8,000 over 3-year period. The activities selected are from the families' present sources of livelihoods as they already have the orientation, knowledge and skill base.

We promoted 48 new SHGs, which have a total of 667 members. We linked 16 SHGs to banks and re-linked 2. Savings mobilised and credit generated during the year was Rs 1.4 lakh and Rs 5.49 lakh respectively. We also conducted training programmes on accounts and to groom members. In the coming year we plan to focus on the development of existing SHGs.

We intervened in backyard poultry by distributing 1,200 chicks (unit size varying from 6 to 24) in 5 clusters. We expect that the rearers will earn an average additional income of Rs 3,000 a year. Making leaf plates is a traditional occupation in this area. We intervened to add value to the plates and to reduce exploitative marketing channels. This helped the families to earn an additional Rs 1,800 a year. We also intervened in the kharif paddy crop. We

plan to intervene in rearing goats, which may provide an income up to Rs 7,000 per family in a year.

Thematic guidance in SHGs has been a felt need of the team as none of our team members have prior experience in this. We also need help in market study and selection of income generating activities. The third major concern is that we do not have funds available to promote SHGs and the livelihood interventions we have planned.

Kesla, Hoshangabad District, Madhya Pradesh

In the past year the Kesla team formed 49 SHGs, linked 21 SHGs with banks, linked 7 groups to SGSY and formed 14 clusters. We have now linked 53 SHGs with banks, mobilising credit worth more than Rs 11 lakh. Although such a large number of groups are linked with banks, credit absorption has not been satisfactory primarily because there is not much demand for credit for consumption needs and there are not enough livelihood opportunities for poor families to invest largish sums of money in. Creating such opportunities is a major challenge for us.

Although we worked towards consolidating the accounts system in all the groups, it is still a long way from standardisation. We have also not performed optimally in implementing the OTR (on-time repayment) system. However, we have ensured that many new groups start using the system. Since we were spending a lot of professional time compiling accounts data we have introduced community accountants to perform this task. We organised a *mahadhiveshan* on March 2 on behalf of the Narmada Mahila Sangh where about 3,000 women from 191 groups participated.

Our main focus was to promote small enterprises such as lime orchards, semi-intensive goatery, dairy and backyard poultry. The Sinchai Sanchalan Samiti (irrigation steering committee), which consisted of 70 women members, sold water for Kharif cultivation. We organised an exposure visit for 11 farmers. Just before the Rabi season 10 farmers participated in a one-day training on wheat cultivation at the Zonal Research Centre, Powarkheda.

We worked with 19 producers {women or men? SHG members or not?} to grow lime tree orchards and have identified another 31 to work with in the future. We also shared the idea of kuroiler poultry as an enterprise option in various cluster meetings during this period. We promoted a mother unit entrepreneur, who would rear batches of 500 chicks. These would then be purchased and reared by women in batches of 5-10 and sold to local buyers. We expect this activity would enable a mother unit owner to earn Rs 10,000 a year and would enable women to generate an additional income of Rs 3,000 a year.

We arranged visits to BAIF's Dry Land Horticulture Project, Mulberry Silk Project and Nimkar Institute, which works mainly on artificial insemination of goats. We are exploring the possibility of drawing support from BAIF to provide support in the initial stages of our work on mulberry silk. We have also initiated work with Swashakti Pariyojana, which provides an opportunity to create community assets that would benefit both SHG members and others. Group members have decided to tackle the problem of water for irrigation. Four sites have been identified so far and proposals have been submitted in the district project office to install LI points that will irrigate

150 acres of land. This will benefit 40 members of 4 SHGs along with some non-members.

Mushroom Programme

Last year was a watershed year in our efforts to stabilise livelihoods based on the cultivation of oyster mushrooms. We carried out intensive interactions with various research institutions and experts to find out what ails our production system. We also made efforts to market fresh mushrooms in Delhi and Bhopal through a professional agency.

Our focus remained on ensuring viability of the individual producer. Cumulative producer incomes crossed Rs 1.25 lakh and cumulative profit was more than Rs 80,000. Spawn makers booked handsome profits for the third consecutive year. The central lab for spawn production is now fully functional.

We now have 110 functional producers. We trained 90 more producers this year, who are constructing their sheds as part of World Food Programme (WFP) commitments. We provided training to 106 women in the 1st module and 94 women in the 2nd module.

In marketing, we were short of supplies during the first half of the year and had to procure about 200 kg from outside. The key to good round-the-year supply is adequate and proper storage systems. We are hopeful this would be addressed to a large extent by vacuum and nitrogen flush packing. This year we have marketed 735 kg of mushroom worth Rs 2,27,808.

Poultry Programme

In poultry our focus was to organise producers at Kesla through an independent organisation and to launch a SDTT (Sir Dorabji Tata Trust) assisted marketing initiative in

Bhopal. Other activities in poultry included promotion of new producers under SGSY, improvement in sales management, stabilising performance of Sarni operations so that it generates a surplus, improving production performance and increase profit of producers' co-op from 0.6 % of the turnover to a minimum of 2% of the turnover. We also focussed on expanding our prototype within and outside Pradan projects.

The Kesla Poultry Sahakarita Maryadit (poultry co-operative) was registered in June 2001. The co-operative commenced operations from January 1, 2002 with its office in Sukhtawa. Wholesale and retail operations in Bhopal named Sukhtawa Chicken is being maintained as a separate profit centre from January. Two state-of-the-art retail outlets opened in Bhopal in March. The Sarni shop has posted a profit for the first time since inception. Twenty new producers were launched under SGSY. Total producers now number 239.

We have initiated replication of the Kesla model in Sidhi under the Madhya Pradesh DPIIP (District Poverty Initiative Programme) project, where we work as a special sector organisation. We plan to provide 350 poor families in the identified villages significant and sustainable income generating opportunities through broiler farming within 5 years.

We opened a wholesale depot in Betul in January, helping us to improve our outreach in Betul as well as other neighbouring markets. We have been trying to raise working capital from local banks for quite some time. This year we have been successful in raising Rs 2 lakh from Kesla Grameen Bank. We have also helped 2 groups of poultry producers raise Rs 5 lakh as working capital under SGSY.

Next year we plan to introduce 20 new producers under SGSY and try convince WFP authorities to allow us to use unutilised funds to launch another 15 producers. We also plan to start a modern feed production plant. We have already set up a small grinding unit. Funds for the feed unit would be raised from Khadi and Village Industries Board under their margin money scheme. We also plan to intervene in maize since it is the main feed for the poultry. This would support our efforts to start a feed plant. We would work with about 1,000 families to ensure regular supply of quality maize for the feed unit. We expect that this would translate into an incremental income of Rs 2,000 per acre of cropped area.

Research and Resource Centre, New Delhi

The Research and Resource Centre continued to document on-going project experiences for internal use and dissemination to outsiders, to develop methodologies for expansion of matured projects and to undertake research in the field. We also continued publishing and adding value to our in-house journal, NewsReach. It is now distributed to around 400 readers within Pradan as well as close associates, supporters and members of the larger fraternity of development practitioners.

We also photo-documented our work, to be finally used in a power point presentation to spread awareness about our work and its impact to students on campuses, to our supporters in the districts and local administration and in workshops and other forums. Earlier documentation continues to be in demand. For instance, the Hindi translation of the savings and credit manual produced by Pradan has been adopted by the Swa-Shakti project of the Department of Women and

Child of the Government of India.

Rights to broadcast the film on Pradan's *paal* programme have been given to IGNOU. Our work on irrigated agriculture is being documented, a brochure prepared and a booklet of best practices compiled. These would be inputs towards an internal workshop to develop a strategy for promotion of irrigation agriculture as a source of livelihoods.

Areas for research include studying the impact of our interventions; identifying thematic or sectoral issues that require systematisation in order to push the frontiers of knowledge in a specific area of development. It also includes developing creative methodologies such as participatory learning methodologies and internal learning systems. On this front, Pradan has initiated a collaborative research effort with the International Water Management Institute's Tata Research Programme to develop strategies for irrigation as a means to fight tribal poverty in the central Indian belt. We are also working on fleshing out and sharpening the concepts underlying the SHG theme, developing methodologies for project promotion as well as a series of manuals and systems to support practice on the ground.

Pradan has also initiated the development of a set of methodologies for participatory learning for women's empowerment and for programme learning through SHGs. Dr Helzi Noponen, an international expert in gender, micro-credit and participatory learning methodologies, has worked closely with us in the field to help us develop these; produce training packages for Pradan and a wider group of users; integrate it into the standard operating procedures for group promotion, and developing an integrated impact assessment methodology.

We initiated 2 studies of the impact of the SHG programme. The first is an impact assessment of the SHG programme in Godda and Alwar, which is part of the larger IDS-funded impact assessment project. The second is a study of the impact of membership of the SHG on the woman's 'personality', the psychological dimensions of her 'empowerment'. These would soon be published.

Human Resource Development Unit, New Delhi

Our major thrust this past year was to disseminate the Development Apprenticeship programme amongst all responsible for the programme and to initiate in-career programmes for professional development at all levels beyond apprenticeship. We also planned to address the growing need for apprentices and assess need for a test for general mental ability for the recruitment of apprentices. Computerising personnel systems towards decentralisation and efficiency was another key area of attention. While we have worked towards most of these areas, increasing the number of apprentices without compromising quality remains a challenge to be addressed in the coming year.

The 25th batch of apprenticeship started on April 1, 2002. Fifty-eight offers have been made. Four have already joined us, 13 were expected to join by April 15 and 13 offers are still valid. For the 26th batch 46 offers have been made till date and 25 offers are yet to be made. An all-out effort by most recruiters for the past 3 years resulted in 22 executives joining Pradan. We expect 29 new executives this year. This is against a requirement of about 50 executives.

Pradan's requirement for manpower has increased manifold. To meet this growing need, we plan training events on recruitment

and increased pool of applicants through a mental ability test. Two more planned efforts to increase the quantity and quality of pool of applicants are to develop a power point presentation for recruiters and place it on the web to encourage online and direct applicants. We also plan to introduce a quarterly, Campus Reach, targeted at teachers across campuses. Both will be launched in 2002-3.

The new design of the apprenticeship programme was disseminated in teams and has enabled integrators to come on board with the programme. It has also enriched the design by learning from practice. Supporting systems like PAS, PRA training, Field Guides Forum etc. have also taken root as the basic elements of the design. While a SHG orientation programme has been introduced, lack of systematic thematic inputs continues to be a key concern. We would work closely with the thematic unit to offer such programmes to our experienced staff. An initial framework has been discussed with our HRD consultant and we plan to flesh this out in the coming year.

An Employee Contributory Welfare Fund has been set up to provide financial support to employees for normal medical care as well as to meet expenses for major health problems requiring hospitalisation or surgery and assistance in case of disablement from illness or injury with effect from April 1, 2002.

We have prepared a computerised personnel systems software with an accompanying manual. We also conducted training programmes for users. The software is now installed and would be used from April 1, 2002. Now that the software is ready we will revise the booklet on personnel systems and bring out a second edition. This

year our major focus will be to introduce a system for reflection and feedback for all across the organisation.

In our ongoing professional development for Pradanites we plan a programme for fresh guides this year. Our responsibility to initiate programmes for ongoing professional development at all levels beyond apprenticeship is also taking shape. We initiated 4 new programmes during last year: TOT for Entrepreneurial Motivation Training, Programme on Group Development, an Internal Facilitators programme for the group of 36 and a pool of internal resource persons for PRA training for development apprentices in Pradan. EMT was launched for Kesla, Vidisha, Raigarh, Purulia, Keonjhar, and Chakradharpur teams. This programme is planned for Godda and Dumka in April, 2002. We also conducted an advanced programme of PRA for internal resource persons. We have initiated a process to develop and run a gender and poverty awareness and training programme. The programme will start in August 2002.

Apart from this, we are also working on the overall framework for in-career education programme. The process is taking longer than expected because it would require weaving organisational priorities into the design and scheduling. Issues of time spent by professionals in off-line events will be kept in mind during this process.

Our main concern is to flesh out and launch the in-career programmes. Programme integration continues to be a key concern. We would also need to identify ways to induct more professionals into Pradan.

People, News and Events

- Thirteen apprentices of the 25th batch attended the Joint Organisational Orientation Programme and Orientation to the Self-Help Group Programme on July 8-12 and July 13-16, 2002, respectively.

- Thirty two apprentices have joined the 26th batch starting on July 1, 2002. Another 12 are in the process of visiting projects before deciding whether to accept the offer of apprenticeship.

- We welcome 5 graduates from the 23rd batch of apprenticeship as new Executives of Pradan. They are Sumita Kasana at Dholpur, Sharbani Bose at Godda, Pankaj Das and Abdul M Chaudhury at Gumla and Kavita Maria at Kesla.

- Annie P A, based at Sironj; Rajiv Upadhyay, based at Dausa, and Roopa Ratnam, based at Kesla have bid farewell to Pradan. We wish them a bright future.

- Anjani Singh, on study leave at Tata Institute of Social Sciences, has completed his Masters in Social Work. He explored work in Pradan but has decided to follow his preference to set up a team from scratch in an entirely new area. With no such current opportunity available with Pradan, he is exploring other opportunities. We wish him luck.

- Pradan's Governing Board met on July 17, 2002.

- There has been progress on the IWMI-ITP, Sadguru-Pradan research project entitled Quest for Approaches to Promote Sustainable Agriculture-based Livelihoods in the Central Indian Tribal region. Sanjeev Phansalkar of Amol Consultants conducted a workshop on research methods for the participants in the first phase of the initiative on July 2-4. Manas

Satpathy, Rajesh Mit, Saroj Mohapatra, Rajesh Mit and Nivedita Narain from Pradan attended the workshop. Other participants were from ASA Dahod, SRTT, IWMI, N M Sadguru Foundation, Progress, CARD and AKRSP.

- The Internal Learning Systems pilot was launched at a workshop in Kesla from June 24-27. The workshop was facilitated by Helzi Noponen and was attended by 18 participants. Seven participating teams will pilot the ILS -- Alwar (Rajasthan), Godda (Jharkhand), Balliguda (Orissa), Raigarh (Chhattisgarh), Kesla (Madhya Pradesh), Purulia (West Bengal) and Barhi (Jharkhand).

- A training programme for block level government functionaries of 5 selected blocks from as many states was held at the Xavier Institute of Social Service, Ranchi from July 1 to 10, 2002. Pradan organised the NGO attachment programme as a component of the training from July 4 to 7. Thirty two participants including block level functionaries from Jharkhand, Chhattisgarh, Orissa, UP and Tamil Nadu, representatives of training institutions and NIRD conducted PRA based micro-planning exercises in 2 Pradan project villages in East Singhbhum and Lohardaga. They also held interactive sessions with the respective Pradan teams as well as district collectors and other senior government functionaries. The participants made presentations on their fieldwork and NGO attachment phase on July 8-9.

The event was the first in a series of training programmes to be conducted for district and block level functionaries, being executed by the Ministry of Rural Development, Government of India under a sub-programme of the UNDP. National Institute of Rural Development, Hyderabad is anchoring the countrywide exercise. The trained block level functionaries will

undertake a planning exercise of their respective blocks beginning January 2002. Kuru block of Lohardaga and Tamnar of Raigarh are 2 such blocks where we plan to assist them.

● **Update on the Kharif intervention:**

Dinabandhu called a meeting on August 6 to review progress. Colleagues are following up the nursery raising. Nursery sowing is almost over in most places. We expect to achieve 80% of our nursery target. Irregular rain affected nurseries in some places. Supply of paddy seeds by the government at subsidised rates affected our seed sale at Purulia. We found it difficult to motivate people to go for improved paddy varieties. Some seeds remained unsold.

There were problems in following the prescribed practices in all the nurseries. The reasons were varied. In some cases, people did not follow our instructions. They did not believe that the recommended practices would give any additional benefit. But within the past 20 days it became clear to them that our recommended practices had value. Nurseries with recommended practice showed better seedling health.

The performance of the Lalat and Konark variety was not satisfactory. The seeds were not of good quality. In some places, farmers were forced to compromise with quality nursery due to heavy rain during nursery sowing days. At present, nurseries are almost ready for transplanting but now most regions are experiencing a dry spell. Some nurseries are over aging. Seedlings are drying up where irrigation is not available. We are waiting for the rains. If it does not rain immediately, it may affect the crop badly.

We have circulated a format to collect nursery related information. We conducted improved nursery raising training for the service providers and selected farmers and follow-up training for

service providers at Gumla, Lohardaga and Purulia. Satya reports that things are moving as per plan in Hazaribagh.

In the July issue of NewsReach, the number of targeted nurseries has been reported to be 400. Actually we targeted to cover 3,811 families. Same families may have raised more than one nursery for different varieties. Our target is to demonstrate at least one nursery per family.

Remembering Sukhvarsha

It is with deep sorrow and grief that we inform you about the demise of Sukhvarsha Roy on July 12, 2002.

Sukhvarsha touched the life of each of us. Her passing away has left a void that would never be filled. She worked closely with Pradan's apprenticeship and field guide development programmes for over 4 years and trained almost every Pradan professional and over 150 apprentices during this period. She was about to embark on taking all of us through a journey on group development and devoted many hours in the last few months towards developing a first of its kind programme on facilitating groups and social change. The intensity of her engagement and the unsurpassed intellectual depth and instinctive wisdom she brought to her work and relationships left a deep impression on all of us. We mourn her absence. We stand with Deepanker and Ashish in their grief. Those of our readers who may wish to send in condolences may do so at the following address.

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PRADAN (Professional Assistance for Development Action) is a voluntary organisation registered under the Societies' Registration Act in Delhi. We work in selected villages in 7 states through small teams based in the field. The focus of our work is to promote and strengthen livelihoods for the rural poor. It involves organising them, enhancing their capabilities, introducing ways to improve their incomes and linking them to banks, markets and other economic services. PRADAN comprises professionally trained people motivated to use their knowledge and skills to remove poverty by working directly with the poor. Engrossed in action, we often feel the need to reach out to each other in PRADAN as well as those in the wider development fraternity. NewsReach is one of the ways we seek to address this need. It is our forum for sharing thoughts and a platform to build solidarity and unity of purpose.



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