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Growing from Strength to Strength

Mousumi Sarkar

From struggling against huge odds individually to forming SHGs, clusters and federations, the rural poor of Raigarh have travelled a long way, becoming more confident, more articulate and more conscious of their rights and entitlements

Introduction

The Raigarh project was initiated in April 1998. Currently, the Pradan team works in around 132 villages spread across two blocks—Raigarh and Tamnar. In November 2008, the team extended its initiatives to the Lailunga block. The activities initiated in Raigarh are SHG promotion, paddy cultivation through SRI, vegetable cultivation, poultry, tasar yarn production and INRM-based activities.

The initial few months of the team being there went in understanding the location, the livelihoods profile of the villagers, their dependencies and vulnerabilities, resource endowments, market conditions, state of public infrastructure, services and other dimensions. Among other things, it was found that most of the target families used to avail of credit ranging from Rs 100 to Rs 10,000 from large farmers, moneylenders or local traders at a very high rate of interest (for example, if someone took Rs 100 he would have to repay Rs 25 for 5 weeks), against cultivable land or other valuables or agreeing to work as bonded labour. The major sources of livelihood for the people were agriculture, NTFP farm wages and wages from the industrial area nearby. Land distribution was skewed, ranging from 0.5 to even 80 acres; about 10-15 per cent of the population was landless in a village. Women played a major role in earning for the family and in family agriculture. However, their participation in the family and village-level decision-making was very low.

Initiating Clusters

The team started promoting SHGs in early 1999. At present, there are around 650 SHGs, covering about 9,500 families in two blocks of Raigarh district. The SHGs provided an alternative source of credit and a saving mechanism for the women. Away from routine household chores, attending the weekly SHG meetings and engaging in various discussions, the women found an occasion to think for themselves. Gradually, they began articulating their vision and aspirations in the group. The initial meetings of an SHG were attended by Pradan professionals. Subsequently, the professionals attended one-off meetings. During one such meeting, the members reflected on how the SHG had helped them. The answers were wide ranging and included:

- They could now take care of the health problems of the family members, education of the children and buy clothes for the family. Very few focussed on themselves and their own needs.
- It helped them to manage the lean periods of food deficiency.
- Loans from the SHGs were useful during festivals and social ceremonies.
- The SHGs helped them to manage the necessary inputs and labour requirements during agriculture.
- A number of SHG families could start small trading and other businesses.
- Loans from the SHGs helped in repairing and extending their dwelling units.
- Loans from the SHG helped a large number of landless and marginal farmers

take land on lease for agriculture. It helped them to be food secure and to lead dignified lives.

- A number of families got back their land and other valuables that had been mortgaged, and were able to secure the release of family members from bonded labour.
- The SHG members could now go to the bank and interact with the bank officials without any hesitation.
- A number of SHGs were involved in community activities such as running ration shops, preparing mid-day meals for schools and *anganwadis* and also in activities related to pregnant women and children.
- It has helped create a space and identity for the women in their families.
- Attending regular meetings also made the SHG members aware of how useful and important the group was. The group was a big support in times of need and helped build their confidence.

Within 3–4 years, the number of SHGs in the villages increased. The regular facilitation of the SHG meetings by Pradan professionals helped strengthen the groups and build a strong value-based foundation. The interactions in the group and the discussions kindled an urge in many of the members to go beyond immediate savings and credit concerns and take active interest in the broader issues in the village. The members of the SHGs wanted to get to know the other SHGs in the village as well as take an active part with the panchayat in addressing village-level problems. Intense group meetings, special training events and large meetings were conducted in which the women collectively addressed various social issues in the villages and strengthened solidarity.

A number of leaders emerged in this process of regular engagement with groups. The team also found that these members were socially motivated. The team thought that it would be useful to have a forum in which these leaders could meet regularly, discuss and take action on issues that concerned them. Thus, the team initiated the idea of clusters in the groups.

Several group meetings were held, in which the idea of forming village-level or panchayat-level SHG clusters came up. It was decided that 10 to 12 SHGs in an area would form a cluster. Three representatives from each SHG would meet once in a month in a fixed place. The cluster meetings were similar to the SHG meetings, except that there were no savings and credit transactions. The cluster representatives discussed about their SHGs and sought ideas and support from the others for the better functioning of their SHGs. Thus, it became a forum for cross-learning.

In one cluster meeting, a representative shared that her SHG had decided to save Rs 20 to Rs 30 per week and not to withdraw their savings. They thought that this would increase their individual savings and help them to take bigger bank loans. This was discussed at length. Within three months, most of the groups of that cluster decided to do the same and increase their savings rate.

Reviewing and monitoring the SHG health (financial and social) and making action plans accordingly were taken up as the main agenda of the cluster meetings. SHG representatives made presentations about the achievements and issues in their groups. They brought up issues that the SHGs could not solve. Deliberations by the other members and the facilitator helped address issues. The action

plans that emerged from these discussions were then conveyed to the groups by their representatives.

Once there was a problem of bank loan default in an SHG. The bank manager, therefore, did not sanction new loans to other groups. This issue was taken up in the cluster. It was decided that two members would attend the next SHG meeting and would try to understand the situation in order to resolve the issue. Accordingly, they collected the necessary financial data from the Computer Munshi and attended the meeting. The meeting lasted three hours. The group worked out detailed repayment schedules, both for the members who took the loans and for the SHG to repay the whole loan to the bank. Together, they decided to repay the entire loan to the bank. Today, the SHG enjoys a very smooth relationship with the bank.

Over a period of time, the clusters have gained credibility and have diversified into providing a variety of support services. For a bank loan or for opening a savings bank account, SHGs now inform the clusters, instead of the Pradan office. The bank considers a cluster's recommendation as an important input for decision-making. The clusters also function as stock centres for the registers and the pass books of the SHGs.

Cluster Facilitators

With the increase of the number of the SHGs and clusters, it became difficult for the professionals from Pradan to attend all the cluster meetings and address the concerns of the SHGs. Over the years, the team has witnessed the potential and wisdom of the SHG leaders in facilitating meetings and resolving conflicts. Their interactions with Pradan and others, and the response during this training process vindicated the team's conviction that the SHG leaders are capable

facilitators, who could fit into the roles that the professionals performed earlier. The team, therefore, trained some SHG members to facilitate cluster meetings. These members are called Cluster Facilitators (CFs).

The team repeatedly sensitised the CFs during the training to keep themselves a step behind the members they were facilitating and never to take the initiative in problem-solving or decision-making. They were to facilitate the process with the SHG members rather than solve the problems themselves. The team noted a remarkable shift in the nature of discussions in the cluster meeting. Earlier, with a Pradan person present in the meetings, the women would raise issues and expect a solution. Now, they do not look to the facilitator for a solution; instead, they propose solutions themselves, after discussions. A number of local social issues are raised in the discussions. They discussed issues at the village or panchayat levels. Because they belonged to the same village or to the same panchayat, these were their own problems. Different clusters started to address different village-level issues in a very systematic way. In one visit to a cluster, the team explored the members' perceptions of the cluster. The members thought that a cluster:

- Helps cross learning.
- Helps to monitor and improve the financial status of the groups.
- Is a forum for interface with bankers.
- Is a forum to address social issues, for example:
 - An initiative was started against the selling of liquor in the village. Some clusters succeeded whereas others are still in the process.
 - Electricity was brought to one village.

- There is demand for the proper utilisation of panchayat funds.
- Protests are voiced against the abusive behaviour of husbands.
- Rigid beliefs about the caste system are being shed.
- Protests were raised against the witchcraft system in the village.

The members realised that if the clusters were useful to them in the ways mentioned, they also needed to take responsibility to see that the cluster meetings are regularly held and that the CFs attend each one of the meetings. If the CFs needed to be compensated, the members should do that as well. So they decided to pay a service charge to the CF. This was important because the CFs performed a number of services, essential for the effective functioning of the clusters. The CFs ensured that the meeting processes were followed correctly and decisions were made in a consensual manner. In many clusters, the CFs delivered the financial statements from the Computer Munshi and helped the cluster review the information on its financial health. Many of the CFs were also trained to be auditors; they helped the SHGs with the bank, NREGA and SGSY linkages, to prepare application forms and other documentation. Since they provided such a variety of services, the members also found it prudent to pay them service charges.

At present there are 650 SHGs and 54 clusters in the two blocks. Last year, 50 per cent of the SHG members gave Rs 25 each towards service charges. They reviewed the quality of the service of the CFs in the cluster itself. This year, 70 per cent of the SHG members have deposited Rs 50 towards service charges. A number of intense meetings at the SHG and the cluster levels were held to raise the amount from Rs 25 to 50. All the processes

were conducted by the CFs and the cluster leaders.

During this period, a number of SHGs took loans from the SGSY scheme, a few implemented the NREGA scheme, some used the SRI method for agriculture to raise production and some used bank linkages to improve their livelihoods base.

The Need for a Federation

The questions that arose then were: Were the group members getting dependent on a few members? Were these members overloaded with work and responsibilities? Were there chances of a few members dominating the SHGs and clusters? How could conditions in which more and more members took charge of various roles and responsibilities be created?

Noticeable also was the fact that the quality of functioning was not uniform across clusters, with regard to the quality of discussions and follow-up, the financial health of the groups, extent of linkages with banks and government, etc. The members were getting the benefits of the government schemes sporadically, and not systematically. The extent to which the clusters raised their voice and took action on social issues also varied across clusters. The CFs brought this to the notice of the clusters, with the question as to how could they move ahead more systematically and how could the differences across clusters minimised.

The main problem identified by the members was that there was very little that each cluster knew about other clusters. They expressed an urge to learn from each other. Accordingly, inter-cluster visits for the members were planned. The objective was to see how cluster meetings functioned; how issues were raised

and addressed; what were the processes members used for decision-making and problem-solving; what were the failures and the reasons thereof; and so on. These cross-visits helped them develop a common understanding on how to handle various issues.

Another idea that emerged from the visits was that a new forum be formed wherein the representatives of the clusters could come together regularly and take forward the mutual learning process more systematically. By mid-2007, cluster representatives and the CFs started to conduct meetings at the SHG and the cluster levels on the idea of having a new forum. The agenda was to explore how they could evolve as a much larger group that would encourage learning across all the clusters as well as strengthen solidarity among the groups. A consensus emerged after these discussions. The members decided that they needed a federation (*sangh*) at the block level. This would create an identity at the block and district levels and build solidarity. Through the federation, they would be able to demand their rights and entitlements in a systematic way. With a strong institutional mechanism for peer review and learning, growth would be uniform across the groups and clusters. The processes of mutual help and support would be further strengthened.

It was decided that there would be two federations in two blocks. Because there are about 650 groups and 54 clusters, it would be difficult to manage everyone in one federation. The clusters would select and send their respective representatives for regular meetings at the block level. From the 31 clusters of Raigarh block, 15 representatives were selected. The criterion for selection was a good track record in one's own SHG vis-à-

vis regularity of savings and attendance, participation and the willingness to travel outside their village.

In April 2008, the first meeting of the federation was held with the selected representatives of the cluster at Raigarh block. The members took an oath and broke a coconut as a ritual. In the meantime, the SHG members in the block had started depositing their annual payments towards service charges for CFs. They had already collected about Rs 2 lakhs. It was decided that since the federation had already been formed this money now could be kept at the federation level. Most of the discussions were on what to do with the money. Having a bank account was necessary. To open a bank account, the federation had to have a name. The members also decided to raise the number of representatives to at least one per cluster so that every cluster is represented. They also resolved to articulate the objectives of the federation and prepare a set of bye laws of the federation. That would take about a month of discussions in the SHGs and clusters. This process was important to strengthen a sense of being a collective and also to build ownership in the SHGs. They also decided to have regular monthly meetings of this body of members, the notional Board of the federation.

In the next few days, they opened a bank account in the name of Raigarh Mahila Sangh. Since the body was unregistered, the account was opened as a joint account. Three members from three different SHGs of three different villages became the signatories. At present, 31 cluster representatives from 31 clusters, ten CFs and one Pradan professional attend the Board meeting. The team thinks that such hand-holding and facilitation will be

necessary for about a year after which the women will be able to take on all responsibilities on their own.

The Board meetings are being held regularly. There is no hierarchy among the 31 members today, and they are gradually getting into their roles. One of the activities initiated is to try and meet with the officials in the various departments and appraise them about the federation and the large number of SHGs existing in the district. So far, they have met the officer responsible for SGSY in the district as well as the block levels, the officer responsible for NREGA implementation in the district level, the MLA of the area, the DDM of NABARD and a few bank managers. The objective was to create awareness about the federation and to build their confidence in dealing with the external world. In that sense, these meetings have been quite useful.

A few months later, the team and the board reflected on where the federation was. The board members tried to articulate in greater detail what they wanted to do through the federation. The points that emerged are as follows:

- To provide accounting, auditing and MIS services to SHGs regularly.
- To reinforce the value of savings for the women and create a movement for enhancing savings.
- To develop linkages with different government schemes and to mobilise the benefits for the members.
- To spread the ideas of improved agriculture in all the villages and to reach all the members of the federation (in Kharif 2008, a number of members did SRI themselves and also arranged exposures for about 50 per cent of the members).

- To arrange for the collective purchase of agriculture inputs.
- To improve relationship with the bankers and increase credit.
- To develop a pool of leadership through different trainings.
- To demand rights and entitlements and influence the delivery of government services.

Whereas these developments are, in themselves, quite satisfying, the team has some concerns. Are the women taking on too much work and responsibilities, which they might find difficult to handle? These agendas have been raised by the women themselves; in that sense, there is a lot of enthusiasm and ownership. However, will raising the team's concerns with them dampen the enthusiasm of the women and transfer ownership to the team? These issues require sensitive handling. The team does not want to see the women faltering and losing hope mid-way.

This year the livelihoods plans were passed by the federation. As per the SHGs' demand, there is a plan to take up SRI with 5,000 families. The concern is, how does the team work with the federation in a manner that the women remain fully in-charge of the planning and implementation and, at the same time, ensure that the target is achieved and the quality maintained? The federation also wants to approach the district administration for better implementation of the activities under NREGA. The team wonders how this can be organised.

The CFs and the task providers such as auditors, trainers perform diverse tasks and impart knowledge and skills. In the initial days, the Pradan team was instrumental in the training and placement, review and even

payment; therefore, the CFs thought they were accountable to Pradan. As of today, however, all these tasks have been handed over to the Board of the federation. The SHGs will now deposit their payment to the federation, and the Board will pay the service charges of the various task providers. The team initially thought that this system of centralised payment may be difficult for the federation to handle and the SHGs may not like to make these deposits. However, after discussions with a number of groups, the team realised that the SHGs preferred the new system of one-time deposits to the federation and the centralised payments to the CFs and other task providers. The reasons they stated were that payment at different times would affect the group fund whereas in the present system group members pay the charge for the whole year at one time as decided by them. This would prove to be less cumbersome than monthly collections and follow-ups. For the service providers, this system proved more beneficial because now they are assured of bulk payments every

month, with no arrears. They would be able to plan their family expenses better.

Concerns

Some concerns that continue to occupy the team are:

- How can the agenda of the federation and the clusters be set as per the requirements of the SHG members?
- How can a channel for smooth information flow to and fro between the various levels be ensured?
- How can the federation be all inclusive, so that the weaker members are not excluded?
- How can the livelihoods need of all members be addressed effectively?
 - Would the federation become like an NGO in the long run and be run by only a few members?
 - How effective will the federations be in raising their voice collectively for their rights and entitlements?

When the women refer to themselves, they say "We" rather than "I". There lies the hope!

Masuta Producers Company Limited-The Dawn of Women's Entrepreneurship

Madhabananda Ray

By establishing Mutual Benefit Trusts at the village level and the Masuta Producers Company Limited for marketing yarn and its products, Pradan's efforts at organising and empowering the rural poor, is slowly and steadily bearing fruit

The Genesis of Masuta

Over the years, Pradan has actively promoted, developed and incubated the tasar sericulture-based income generation activity amongst its beneficiaries. Pradan reached an important milestone in this journey with the formalisation of the entire tasar sericulture effort when an independent entity was floated—a producers company named Masuta Producers Company Limited (MPCL). The company was registered on 26 December 2005 with a paid-up share capital of Rs 1 lakh from ten promoting directors. This effort is especially significant because it is a women-driven company, which builds around the combined potential skills of women, thereby sharing earned profits and contributing to their enhanced status and increased bargaining power. Additionally, with the formation of MPCL, a robust mechanism has been put in place for the effective, enhanced growth of the tasar-based livelihood.

The formation of MPCL was preceded by initiatives of Pradan in yarn production. The first initiative was the formation of Tasar Development Center (TDC) in 1998. TDC was responsible for marketing tasar yarn and fabric and provided a protective cover to the producers against losses. Gradually, with the business growing and the arrival of high-profile clientele, a new fabric marketing division was created in New Delhi called 'Tasar by Pradan'.

Rationale for an Independent Entity

With the increasing demand of yarn, a need was felt for a more focused and specialised effort, solely for yarn production and its

packaging components. Pradan was more inclined to enhance the earning of its SHG members; its focus, therefore, was on providing productive livelihoods through capacity and efficiency building. All these factors meant and necessitated the need to segregate yarn marketing. The marketing of yarn is a specialised job and yarn producers do not have the requisite skills to undertake marketing. It requires a distinct set of people to take care and ensure the sale of all the yarn produced at a price that provides a reasonable income to the producers. It also requires marketing innovation and professionalism to create a demand for the yarn through initiatives such as positioning the producers' yarn as a unique raw material for certain designs, constantly bringing in these designs in the market and followed by the aggressive promotion of these designs in domestic and international markets.

Membership Development

In order to scale up yarn production, a joint strategy for membership development has been worked out by Pradan and MPCL. This strategy has four different stages for producers: a) acquiring the basic skill of yarn making, b) understanding the yarn-making business (these two are pre-requisites for becoming a yarn producer), c) developing the perspective of a small primary business group d) and developing a business perspective of the larger secondary business organisation (here, Masuta). In the process, both Pradan and Masuta work jointly to bring potential leaders into the governance of the company. MPCL is totally owned by the yarn producers; however, the producers participate in the

governance of the company through representatives of their primary, village-level organisation, registered as Mutual Benefit Trusts (MBT). The formation of MPCL is one of Pradan's approaches of meeting its primary objective of bringing women into the mainstream of society by developing viable livelihood prototypes. The intervention in the 'tasar sericulture' sub-sector may be viewed as one such integral initiative.

Tasar Sericulture Production—The Process

The tasar sub-sector is divided into the 'pre-cocoon' and the 'post-cocoon' segments. The pre-cocoon segment is made up of activities such as seed supply and silkworm rearing for commercial tasar. The post-cocoon segment entails the processing of the cocoons into yarn and fabric. The production process of tasar silk involves rearing silkworms to produce cocoons. Commercial tasar yarn is extracted from the cocoons of an insect called *A. Mylitta*. Tasar silkworms, in forests or plantations, survive on leaves of the Asan (*Terminalia tomentosa*) and the Arjuna (*Terminalia arjuna*) trees during the larval phase of their life cycle. The larval phase ends with the spinning of silk cocoons. Silk is extracted from the cocoons to make yarn that is eventually woven into fabric.

Tasar Sub-Sector in India

India ranks second in silk production in the world. Silk is of four kinds, namely, mulberry, tasar, eri, and muga, and all these are produced in the country. The annual silk production of the country is about 15,000 MT. The foreign exchange contribution from the silk goods exports is over Rs 2500 crores.

Tasar sericulture in India is practised by 1,40,000 tribal families in Jharkhand, Bihar, Orissa, Chattishgarh, Madhya Pradesh, West Bengal, Andhra Pradesh, Uttar Pradesh and Maharashtra. The demand for tasar silk in India far exceeds supply. The overall trade of tasar fabric in India (catering to both domestic

and international markets) is estimated to be about 1,200 MT, which is worth about Rs 520 crores. India produces about 300 MT of tasar raw silk annually. The demand-supply gap is, thus, nearly 900 tonnes.

The tasar sub-sector provides gainful employment and income-generating opportunities for rural poor families both during the cocoon production phase and in silk yarn and fabric production.

A majority of the tasar silkworm rearers are tribal people living in forests and its peripheral areas. Their primary source of livelihood is subsistence agriculture. However, this vocation barely ensures food security for them. Rearing tasar silkworms is a traditional occupation for a majority of tasar rearers; it helps them to raise critical additional earnings. This supplemental income from selling tasar cocoons gives them the purchasing capacity to meet basic consumption needs. Rearers spend an average of 60–90 days in rearing silkworms and, in a good year, a household could earn about Rs 3,000 from a crop cycle, using traditional methods.

However, currently, the tasar sub-sector is facing a host of issues, which acts as stumbling blocks in the smooth and fast development of the sector. These include:

- Tasar yarn is almost non-existent as a livelihood sub-sector. Although there are many registered pre-cocoon co-operatives and post-cocoon weavers societies, there are very few running and vibrant weaving societies.
- Considering its low contribution to the net GDP, tasar cannot demand greater investment from policy makers or research institutions. Consequently, there is very little technological development and policy development specifically for tasar.
- Although, there are around one lakh farmers involved in this activity, they

are spread over a wide area and are, thus, unable to influence local or national decision-makers.

- Lesser investment and loose monitoring in central and state administrations have led to adulteration in basic seeds as well as yarn. The lack of infrastructure support for quality laying production has weakened the raw-material sector.
- Consequently, the uneven supply of traditional tasar forces the weavers to use imported Chinese tasar, which comes at half the price of *desi* tasar. Liberalisation policies have helped Chinese tasar make further inroads into the weavers' houses.

Tasar Sericulture Promoted by Pradan

The number of the issues listed above notwithstanding, the demand for *desi* tasar is still high. Due to the low production of cocoon and thus lower yarn production the supply fails to match the current demand. Pradan saw huge potential in developing tasar sericulture as a sustainable and long-term livelihoods option for the following reasons.

- The huge gap in the demand and the supply of tasar silk yarn in India provides huge potential for a sustainable livelihoods option.
- The raw material is available in the areas where Pradan works.
- The technology requires low capital investment.
- It gives the rural woman a chance to earn an income with dignity at home instead of having to scrounge for wage labour in nearby villages
- Yarn production is free of the various health hazards that plague wage labour.
- It has the potential to offer round-the-year income to women unlike the seasonal wage labour.

Many of the traditional rearing communities in Bihar and Jharkhand had given up tasar sericulture because uncertain harvests in tasar cocoons made it unviable. This was until

Pradan stepped into the tasar silk value chain in 1985. The challenge was to 'provide organisational and technological support and other relevant linkages. The central and state organisations were located far away from this geographically challenged rugged terrain.

Pradan soon identified that the poor quality of moth eggs hindered the successful harvesting of tasar cocoons. It developed and promoted local production units (known as grainages) to supply disease free layings (DFLs)—eggs laid by healthy tasar moths. The other reasons for the poor harvest were lack of sanitation in the rearing fields and the damage inflicted by pest and predators. Pradan promoted new rearing practices, developed by the Central Silk Board (CSB), and it worked like an extension agent, transferring technologies developed by CSB to tasar rearers. The results are visible—whereas earlier the average cocoon production was 10–12 per DFL, it has become an average of 40 cocoons per DFL.

The CSB, under the ministry of textiles, is the nodal agency of the central government. Pradan's formal collaboration with the CSB has brought in technical and promotional supports. Till date, Pradan has promoted tasar-based livelihoods in 12,500 families, which includes almost 10,000 families in the pre-cocoon segment and the remaining 2,500 families in the yarn production activity.

Pradan also introduced nylon nets in the fields to act as a safeguard during the early stage and save silkworms from predators and the vagaries of the nature. It has also promoted the use of prophylactic measures in the rearing fields to check pest attacks and disease outbreaks. These modern and scientific measures have today enabled about 5,200 silkworm rearers to increase cocoon yields manifold. The reduction of risk at various stages of rearing, crop insurance and higher price realisation have made tasar silkworm rearing a robust, successful and remunerative

practice today. Many poor villagers are now willing to raise tasar host plantations on the wastelands they own. The additional advantage of this is that these plantations have a positive impact on the environment because the green cover in these areas is on rise.

Promotion of Tasar Yarn Production as a Livelihoods Option for Women

Traditionally, yarn production was considered an inseparable and integral part of weaving and, was seldom carried out independently. In traditional weaving clusters, yarn-making is the responsibility of the weaver. The women, including small girls of the weaving households, were engaged in the production of tasar yarn. The method, as practised by the women, entailed rolling the tasar filaments with their palms on their bare thighs. This method was painful and quite inefficient. Tasar yarn produced in this manner brought negligible remuneration. Seen through the prism of equity, this method exploited women through the physically harmful practice and a discriminatory wage system.

Pradan came up with the innovative strategy of introducing yarn production as a new, stand-alone occupation for rural women. This has resulted in nearly 2,000 poor women from tribal and backward communities in Bihar, Jharkhand and Chhattisgarh earning a living round-the-year through reeling and spinning tasar yarn. The findings by Pradan in the 1990s formed the basis for promoting yarn production as an independent activity. According to the findings, yarn production could generate a large number of livelihoods among economically marginalised rural women. This is especially applicable to those who earn a living mostly through wage earnings and own little or no land.

This led to the subsequent formation of MPCL. Currently, each reeling/spinning group of 30

women gets registered as an MBT; production is not directly under the control of Masuta. MBTs specialise in production whereas MPCL focuses on service delivery and yarn marketing. MPCL today is the result of 90 primary groups of women joining forces to create a successful tasar sericulture-based business. MPCL not only plays a major role in getting maximum possible profits for the producers but also protects the interests of small producers operating in the competitive markets of today.

The focus of MPCL has also been on imparting skills; along with the CSB, it has trained and developed a team of experienced producers, who have been imparting training to the MBTs. That the state governments of Madhya Pradesh and Chhattisgarh invited these trainers to train producers is a testimony to the effectiveness of the trainers. Moreover, various local NGOs have also requested the services of the trainers. A performance evaluation-cum-accounting software for individual producers and the MBTs has also been developed and is operational now.

Organisational Structure of MPCL

The tasar yarn production enterprise that Pradan has been promoting in its operational area among the women SHG members is organised into two-tiered structures for its faster growth and sustainability—primary and secondary.

The primary structure: The primary group is village based, comprising 20–30 women of the same hamlet or nearby hamlets drawn from one or more SHGs, who work under a common shed (common facility centre, or CFC) and is registered as an MBT. Each MBT elects its representative for Masuta. The aggregation of small-scale producers to face the challenges of the larger market (input and output) is one of the objectives of Masuta. Such trusts will function at various villages in the operational areas.

The secondary structure: At the secondary level, the MBTs or tasar yarn producing groups have been organised into producer companies. Masuta is owned, at present, by 90 primary groups or MBTs (shareholders) of 2,500 producers. Keeping the producers as central to Masuta in the entire operations, Masuta has retained the core business of yarn-making and its marketing as its operations and outsourced the cocoon and fabric business from its partner organisations (joint venture companies).

Legally and operationally, Pradan and Masuta are two separate entities. However, the members of Masuta are also the beneficiaries of Pradan; therefore, Pradan plays an important role in the transfer of technology, capacity building, membership development, etc. Besides, Pradan will continue to draw developmental finance to invest in technological up-gradation and the promotion of new yarn producers for Masuta.

Partner Organisations

Masuta's operations include the procurement of cocoons, the conversion of cocoons into yarn, and the sale of the yarn itself and some part of it as fabric (value addition). With its expansion and the operations becoming complex, it could be foreseen that activities peripheral to the main business of yarn-making should be kept out of Masuta's core functions. Masuta would then grow fast. Masuta searched for suitable partners to de-link the cocoon and fabric business operations from itself. An entrepreneur offered to take on Masuta's fabric business and a joint venture company—Eco-Tasar Silk Pvt. Ltd.—has been registered for fabric operations.

Similarly, as the search for a suitable partner continues, the cocoon business is being maintained as a separate branch of Masuta. Jharcraft, a Government of Jharkhand corporation has offered to form a joint venture company. This is under process.

The functions of each joint venture have been described below.

The Tasar Cocoon Development Pvt. Ltd. is a deemed joint venture company between Masuta and Jharcraft, with each partner having a 50 per cent stake in equity. Both partners mobilise soft loans to procure cocoons during the season, stifle it and store it for the yarn producers promoted by each of them. The main objective is to make cocoons available throughout the year to the producers at a fair price.

The Eco-Tasar Silk Pvt. Ltd. is a joint venture company between Masuta (76 per cent stake) and a private entrepreneur (maximum 24 per cent stake). It started functioning in October 2007 with an authorised share capital of Rs 20 lakhs. Bringing in new designs, promoting Masuta's yarn as fabric in the market, and purchasing tasar yarn from Masuta, converting it into various fabrics and marketing it in domestic and international markets are the objective. The company acts as a profit centre for Masuta.

Functions and Business Process of the Company

The focus of Masuta is on serving the existing and the new members by the pooling, aggregation, segregation and distribution of materials and services, the developing of new tasar yarn types, creating awareness in the producers about the market and developing membership.

The main objectives of MPCL are ensuring a round-the-year supply of raw material (tasar cocoons) and buying yarn from the MBTs at a fair price. The production units of the company are located in Godda, Dumka, Koderma and Petarbar in Jharkhand, and Raigarh in Chhattisgarh.

The peculiarity of tasar cocoons is that the commercial type is available only once a year—

from October to December. There are no organised marketing channels and thus it has to be procured from individual rearers. Some state governments have tried to organise the rearers into co-operatives but the control is vested in the state's officers; as a result, the transactions between these officers and the local traders are not transparent.

The operation starts with the bulk procurement of raw material, that is, the tasar cocoons, by the Tasar Cocoon Development Pvt. Ltd. The MBTs assess their annual requirements of cocoons well ahead of the annual harvest and inform the joint venture company through Masuta. Once the cocoons are purchased for the whole year, these are stifled and stored safely in godowns.

As and when required (normally one month's cocoon at a time), the MBTs place indents for cocoons to Masuta. In Masuta's books, the price of cocoons is advanced to the accounts of the MBTs. The sale price of cocoons is based on the silk content of the cocoon and not on the cost of purchase.

Masuta keeps a central stock of spare parts, certain chemicals, etc., required by the MBTs, which purchase these from Masuta on credit/cash.

On a working day, at each MBT, the CEO (centre manager) treats the cocoons chemically and distributes these to individual members in the morning. The value of the cocoons is debited as advance to the respective members. The member producers convert these cocoons the same day into yarn and deposit the yarn to the MBT every fortnight.

On a prefixed date, called the grading day (normally twice a month), the yarn graders (a set of skilled Masuta's employees, who

have the knowledge and the experience of production and market exposure on qualities) grade the yarn of the individual producers in their presence and give them feedback on the quality, based on market requirements. Masuta lifts the yarn at a perceived market price (lifting price) from the MBTs and collects the yarn in the company's office. After the grading, the CEO, with the help of the computer *Munshis* (a set of trained local youth provides computer services on payment) record all the transactions in a specially developed computer software. The software generates all sorts of MIS and accounts-related data for the MBTs and its members. Masuta pays the price of the yarn minus the price of the cocoons used to manufacture the yarn to the MBTs, immediately after the report is submitted to its office. In Masuta's books, the price of cocoons is deducted and adjusted with the cocoon advance account of that particular MBT. The MBTs distribute the money among the producers on the same basis, that is, the yarn price minus the price of the cocoons issued and other expenses.

Masuta then aggregates, grades and sorts the yarn, based on the colour and quality; it stores and maintains a stock of all varieties of yarn. It can offer any quantity of yarn of any grade to the yarn buyers. Masuta has two avenues to market its yarns. First, it sells the yarn directly to the market and, second, it sells a part of the yarn to the Eco-Tasar Silk Pvt. Ltd., which converts it into fabric and sells it. The money is realised in the third month of such sales.

Eco-Tasar also purchases yarn from outside (about 50 per cent of the total requirement), based on the need of the design for the fabric. This is sold to the market in bulk or in retail. There are, at present, about 300 different designs; for each design, the company keeps a minimum stock of fabrics. The business cycle is a minimum of four to five months.

Infrastructure, Scale of Operations and Impact

At present, Masuta only has four big cocoon godowns, to each of which is attached a stifling chamber and a drying floor, created with financial assistance from Ministry of Rural Development and CSB. It also uses the cooperative buildings, created for the rearers of the same project. Besides, it has some office equipment such as computers, scanners, etc., and operates from a rented house.

Masuta has, at present, a work force of 28 staff with varied qualifications and experience. Each of the important functions such as production, finance and marketing is managed by professionals from the relevant fields. They are assisted by a pool of supervisory staff and field staff. Each unit is manned by a production officer, an accounts officer and a few support staff.

In 2007-08, there are 2,500 tasar yarn producers (OBCs, SCs and STs), organised into 90 primary groups, or MBTs, that have contributed 5 tonnes of different tasar yarn this year, contributing to an annual turnover of Rs 150 million! The producers are mainly in Jharkhand (1,850), Bihar (375) and one district each in Chhattisgarh (248) and Orissa (just started with 20 producers). MPCL has also been filing IT returns, ROC returns, Form 32, etc., on time.

MPCL is committed to ensuring maximum benefits through its operations. It aims at increasing the earnings of the producer members by distributing the maximum profits. Many of the members have been raising concerns that a major chunk of their earnings goes into paying the medical bills of the family. This, in turn, severely affects their cash flow. MPCL now offers health insurance (cashless); Rs 4 lakhs have been set aside as premium to meet this need and it is a revolving fund.

An important impact of MPCL has been the increased income of the women beneficiaries, giving them additional purchase power. The women normally keep 25 to 50 per cent of the cash earned from the activity. Many of the women have purchased gold and silver jewellery from their earnings.

Recalling her experience, Jaba Das of Gandhrakpur village, Dumka, Jharkhand says "When I started working, I could extract yarn from only 50 cocoons daily. Now I utilise more than 150 cocoons and earn about Rs 1,000 in a month." This income has transformed her family from being chronically poor to a situation in which Jaba pays for private tuition for her daughter and son. Loans and mortgages are things of the past.

As a result of the increased income, the women have been found a voice and a say in the decision-making in their homes. Men see this activity as a successful venture. It boosts the morale of the women and puts them on an equal pedestal with men. With a permanent livelihood opportunity in hand, the families in the areas of intervention are less vulnerable and more creditworthy. Moreover, the number of school-going children is steadily rising as result of increased incomes and many women state that without the additional income, they would not have been able to send their children to school.

Kunti Devi of Gandhrakpur village in Dumka district of Jharkhand is a case in point. For her, reeling yarn from tasar cocoons has resulted in a much better quality of life for her and her family. She no longer has to worry about feeding her children. She sends her 15-year-old daughter and 12-year-old son to school and provides them with private tuition. Far more important, Kunti Devi believes that reeling has brought new meaning and dignity to her life since she became a regular earning member contributing to the welfare of her

The Turnaround in the Life of Salkhi Devi

The struggle to make both ends meet had added many years to Salkhi Devi's face. She looks much older than her 40 years. She belongs to a remote village called Junglepura Letwa in Banka district, Bihar. Bereft of basic amenities such as paved roads and electricity, the people here have to really struggle for food, clothing and shelter; a steady supply of these is a distant dream for many. A mother of three sons and three daughters, Salkhi Devi struggled to feed her children. The land her husband Kailu Tanti cultivated was barely sufficient to feed the family for a few months in a year. He migrated long for wage labour every year. Their life was ridden with debt. They saw no way out of this life of poverty and misery.

However these adverse conditions have not held Salkhi Devi down. Today, she is a star producer of tasar yarn, earning more than Rs 18,000 a year. It has changed her life. For someone who had never seen the world outside her village till she was 37, Salkhi Devi is a frequent traveller today, visiting many villages to train women and spreading the skills of reeling yarn, to transform lives.

Salkhi Devi became a member of an SHG promoted by Pradan. The active peer support and credit from the SHG ensured that she managed little domestic crises such as illnesses without getting further indebted to local moneylenders. Then came the turning point. Pradan set up a tasar yarn reeling centre in the neighbouring village of Bhushiatari in Katoria block. This provided Salkhi and other SHG members a way to earn regularly. A reeling centre was built with funds from the special SGSY (Swaranjayanti Gram Swarajgar Yojana) project, and reeling machines were bought for the women. After the initial hesitation, Salkhi Devi started to reel her way out of poverty. Today, she is a proud working woman, whose earnings contribute significantly and regularly to family. "If it were not for reeling yarn, I would still be struggling to make ends meet and would have never dreamt of a better future for my children," says Salkhi Devi. She went to Raksha village in Jharkhand for her training. "We learnt about the raw material (cocoons) and the reeling machine, learnt to improve our hand-eye coordination and understand quality parameters," she adds. The CSB provides technical training. Additionally, entrepreneurship motivation training is conducted to help women understand the business, its economics and their position in the overall business. Reeling yarn is now a way of life for Salkhi. "SHGs gave us hope against poverty and debt. Reeling has given us the opportunity to turn our hopes into reality," she says happily.

family, all without leaving her home and village. Says she, "I have learnt to earn and stand on my own feet. What more could I wish for?"

With the additional income, the saving rates have been raised voluntarily in many Pradan-promoted SHGs. The ownership to mortgagable property and access to SHG loans have forced the *mahajans* to change the prevailing interest rate in the area. Loans are now available at 5 per cent per month or

even less if taken for a longer period. The same loan is 10 per cent for non-members.

In many areas, the women were engaged in stone crushing and agriculture work. Now they work in their own fields or demand competitive wages from their erstwhile employers. Consequently, the wage rates during the transplanting season have gone up. Another advantage is that since MBT is an all-woman entity, issues including those related to reproductive health are sorted out better.

NREGA: Beyond Wages to Sustainable Livelihoods

Academicians, practitioners and policy makers discuss the high points as well as the areas of concern of NREGA, the path-breaking legislation in rural development

Introduction

The National Rural Employment Guarantee Act (NREGA) came into force in September 2005. The guidelines issued by Ministry of Rural Development (MoRD) in 2005 emphasises that it is a rights-based programme. This makes the state legally accountable to provide wage employment to those who demand it. The Act provides a social safety net to the rural poor by providing wage employment in times of dire need. The various provisions in the Act—the legal binding on the state to provide employment; the total ban on the use of contractors; transparency and accountability at all stages through social audit; the provision of unemployment allowance in case employment is not given—are path-breaking in the history of rural development programming in India. The Act also aims to strengthen decentralised planning and implementation by making Panchayati Raj Institutions (PRIs) the implementing agency for the schemes. NREGA also recommends that the works taken up to create employment give priority to the development of natural resources and the creation of livelihoods assets.

Unfortunately, on the ground, the results have not matched the enormous expectations. According to MoRD's own reports, a mere 10 per cent or 0.22 crores of the 2.10 crore-employed households received the full 100 days work promised under the Act. The average employment per household was 43 days in 2006–07 and 35 days in 2007–08. Thus, the overall impact on the economic well-being of a poor household is clearly small as of now. Independent reports on NREGA implementation have commented on, among other things, lack of manpower, inadequate plans, the need to improve maintenance of records, etc.

There is clearly an urgent need to re-envision NREGA, and provide a comprehensive livelihoods framework, which alone will create a durable impact on the poverty in India.

The National Resource Centre for Rural Livelihoods, hosted in Pradan, held a one day experience sharing workshop in Delhi on 21 November 2008 to deliberate on the different issues that have been raised regarding NREGA and examine ways forward to use NREGA to promote sustainable livelihoods. The workshop pooled together the views of practitioners, academicians and policy makers on the various provisions in the employment guarantee programme to identify areas of resonance and find ways forward.

Overview of the Workshop

The Workshop on 'NREGA: Beyond Wages to Sustainable Livelihoods', saw wide ranging participation from various stakeholders, including Ms. Amita Sharma, Joint Secretary MoRD, Mr. Chinmoy Basu, Additional Secretary MoRD, Mr. Ram Lubhaya, Principal Secretary, Rural Development, Govt. of Rajasthan and Ms. Rashmi Shami, Director NREGS, Govt. of Madhya Pradesh. In addition, Mr. Deep Joshi, Mr. Prabhu Ghatge, both development consultants, Mr. K. S. Gopal, Centre for Environment Concerns, Mr. P. S. Vijay Shankar, Samaj Pragati Sahyog, Mr. A. Ravindra, WASSAN, and Ms. Madhu Khetan, Pradan, participated as resource persons.

The 90 participants in the workshop were drawn from different fields; many were practitioner NGOs from the states. The states represented were Jharkhand, Orissa, Madhya Pradesh, Chhattisgarh, Assam, Maharashtra, Rajasthan, Bihar, Uttar Pradesh, West Bengal and Andhra Pradesh. There were also participants from academic institutions,

donors, multi-lateral and bilateral institutions.

The experiences in Madhya Pradesh, in which the administration has deliberately taken steps to graduate families from wage employment to the creation of durable assets by designing and incorporating many need-specific sub-schemes into the overall NREG Scheme converge, were received very well. Interesting also was the Andhra Pradesh experience in which innovative ideas of generating wage employment have been tried out. The presentation from West Bengal focussed on capacity building of PRIs by creating trained community resource persons to undertake large area planning based on watershed principles, thereby increasing the productivity of the whole area and creating long-term livelihood assets. The resource persons spoke about the issues and constraints that the implementers of the programme face and the need to streamline systems and increase transparency. They highlighted the need for the NGOs to strengthen the social mobilisation of workers so that they are able to demand their rights effectively.

The participants also talked at length about the struggle they are going through to ensure the effective implementation of the programme. In spite of the large number of issues, it was felt that there is a lot of hope and expectations of the programme; the workshop reiterated the resolve of the participants—both government and NGOs—to work together to ensure that the schemes are implemented properly and the benefits reach the deserving communities.

NREGA for Sustainable Livelihoods: Issues and Recommendations

Various issues, suggestions and ways ahead were voiced at the workshop.

- Some two-thirds of the farmlands in India are rain-fed and need comprehensive development in order to increase productivity and carrying capacity, and to reduce degradation. The development of these through appropriate rainwater husbandry and diversification of farming systems will make a huge dent on rural poverty, concentrated in the rain-fed regions, with a majority of the rural poor being farmers. Such a strategy alone will bring about equitable and sustainable economic growth and ensure aggregate food security for the nation.

The NREGA emphasises the creation of water harvesting structures and similar assets; its implementation, particularly in a systematic and participatory manner is a distant reality.

When the choice is between large, standardised works such as large ponds and roads at discreet locations, and decentralised works such as bunding and levelling of fields and in-situ water harvesting in each plot of land, the planners and the implementers will choose the former if for no other reason than for the ease of measurement, record keeping and supervision. The primary objective, after all, is to generate wage employment. Not surprisingly, there is a preponderance of conventional civil works such as construction of *kuchha* roads, large ponds, social forestry, etc., under NREG schemes.

NREGA is definitely a safety net programme and, thus, should result in protection from the requirement of another safety net programme. Thus, the works undertaken should result in productive activities and assets so that gradually NREGA becomes redundant.

The NREGA planning can be such that it enhances the resource endowment, based on people's needs and demands in a given area. These area development plans can be converted into projects to be implemented under NREGA.

- There is an urgent need to review the guidelines to create space for extensive development work on private lands in the rain-fed regions. There is an understandable preference for working on community lands under NREGA, but it is important to take up works on private lands as well if one is concerned about creating durable productive assets in the hands of poor people and thus remove poverty.

The Act provides for works to be taken up on the land owned by SC, ST and BPL families. However, if comprehensive natural resource development has to be taken up, this restriction may have to be amended. Most farmers in the rain-fed regions are poor because the productivity of land is low due to absence of water security. Yet, given the vagaries of the enumeration process, many poor families may not be listed as BPL. Inclusion of farmers owning up to 5 ha of un-irrigated land (per *chulha* rather than per *patta* as many families do not go for mutation even when the land is divided between adult inheritors) will go a long way to promote the comprehensive development of rain-fed areas, using a watershed approach.

Investments in private assets should be scaled up so as to create and develop small holders' assets, providing them with sustainable incomes.

- This requires participatory planning at the hamlet and village levels in order to

draw up plans that meet people's aspirations and take on board the varying local contexts. Once the plans are prepared by the participating families themselves, it is not difficult to organise them into worker groups to put the plans into action. The enhanced productivity of resources will provide the workers with a more robust source of livelihoods than having to resort to measures such as NREGA perpetually. The idea is that engagement with NREG schemes should enable a rural household to come out of the social safety nets in two to three years by creating or enhancing productive assets in a planned manner.

Preparation of participatory people's plans requires a fair amount of social mobilisation, which calls for a specific orientation, skills and deliberate effort. Involvement of panchayats is deemed to be a proxy for people's participation, which is not always the case, especially with respect to the very poor and marginalised sections that constitute the bulk of NREGA workers. The nature and quantum of works are more or less decided by the panchayat and the Block functionaries and the participation by the people is minimal.

Ideas for works should be generated from the people so that works that are actually beneficial and cater to the aspirations of the community are taken up.

Educating communities to generate their own plans and develop their capacities to exercise their rights is an important intervention for CSOs.

Technical capacities of the people also need to be enhanced. CBOs and user groups need to be strengthened to undertake planning and to ensure

effectiveness, transparency and accountability in planning and execution.

- The panchayats have limited ability to undertake livelihood interventions such as land husbandry, in-situ rainwater husbandry, watershed planning and development, horticulture plantations and so on. This is more so because the success of livelihoods interventions often requires up-stream and down-stream linkages.

PRIs need to build capacities for both planning and execution as demonstrated by West Bengal's experience in creating village-based community resource persons (CRPs) trained by CSOs that help people in planning and generating works. The planning for works has to be shifted from the gram sabha level to the hamlet level. The gram sabha is conducted at the revenue village level, comprising many hamlets that are unable to relate with each other socially and physically, and their realities are many a times quite different.

Technical support institutions need to be identified at the district level as has happened in case of Backward Region Guarantee Fund (BRGF), to support PRIs in making estimates and plans, evaluating works executed, etc., which can help in operational-level bottlenecks.

- The convergence of potential area development programmes such as the horticulture mission, watershed programmes and individual household-level assets and capability programmes such as the SGSY with NREGA is necessary to bring about synergy and to have the

maximum livelihood impact on poor families. Ways of doing this have to be explored. In April 2008, the Ministry constituted a Task Force comprising various department officials to look at inter-sectoral convergence with NREGA schemes. The report has just been published. It has to be studied carefully to see whether the genuine concerns, which have been raised about the NREGA in its current form, have been substantively addressed.

Many ideas of convergence were presented in the form of learning from the Madhya Pradesh, Andhra Pradesh, Chhattisgarh and West Bengal experiences. More pilots need to be taken up on similar lines. For instance, a goat or dairy programme can be taken up by converging NREGA with SGSY schemes in which NREGA can contribute to fodder development, the creation of physical infrastructure (sheds) and production subsidies in terms of wages. SGSY can help in procuring the animals and the other inputs.

More pilots for demonstrating the convergence approach need to be taken up for longer project periods of 3-5 years.

- Labour subsidies in production: Opportunities do exist in improving private assets, creating common assets for specific production systems and providing critical services for improving these production systems. Such labour subsidies through NREGA wages will help in establishing sustainable production systems to promote agriculture and reduce further dependence on safety net programmes.

- Creation of Social and Human Capital: The National Rural Employment Guarantee Programme (NREGP) investments may also enhance human capital needs by creating trained nurses (*dais*), para-vets and literacy workers, and provide wages to them.

Concerns about the Implementation of the Scheme

- The Act is quite silent on the roles of the CSOs in implementing the NREG schemes. Some state governments have evolved schemes for the involvement of CSOs. The experience has to be studied carefully and replicated in the other states, wherever feasible.
- The Act mentions SHGs/user groups. However, their role in the absence of specific guidelines has remained marginal. In the absence of specificity, the initiative has been left to line departments and the results have, expectedly, been poor.
- The long-term stake of the worker in the work being done could lead to sustainability of the intervention. In absence of this long-term vision and stake, the worker tends to be disinterested in the upkeep of the asset. Sustainability of assets is an area of concern. This is an area that requires close monitoring and study.

Conclusion

It is clear that if NREGA has to move beyond mere provision of wages and things need to be done differently. The same systems of service delivery and programme implementation and the usual wage-oriented public works such as roads, ponds, etc., will not suffice. The centrality of the people and their choices must become key to NREGA

implementation strategies. Empowerment of the workers is of paramount importance. It is not only important to have the right to get wages, but also to decide what kind of works are taken up. This can lead to effective enhancement of peoples' agency and power. A rights-based initiative such as the NREGA, embellished with a sustainable livelihoods perspective is the kind of programme this country requires, in order to address the multi-faceted problem of poverty and hunger.

The challenge before civil society is to organise people so that they will get the money. One should not have to plead on their behalf or go to the DRDA chief, the collector or the state secretary. If the poor are organised, they can demand that their land be developed. For example, a village with 100 families can get Rs 10,00,000 per year for as long as it takes to develop the land and water resources. All this is because it is the law.

In sum, it was widely felt that though the immediate objective of NREGP is to provide employment to rural unemployed people, it is in the best interests of the rural poor to create as many durable assets (that is, water resource development, agro forestry, micro watershed, ground water development and recharging) as possible. Since NREGP will be implemented over a few years, it allows for long-term planning and incremental improvements. It is hoped that the early stages of implementation of NREGP has been a phase of learning and reflection and the next phase will see a greater focus on Natural Resource Management (NRM) and the strategies to ensure the creation of durable assets.

Abridged from the report of the Workshop on "NREGA: Beyond Wages to Sustainable Livelihoods" held on 21 November 2008 in Delhi.

A Time to Dare

Deep Joshi

We need to be daring rather than defensive in addressing issues of widespread poverty and crass inequalities

Individuals and organisations in the so-called voluntary sector follow a variety of strategies ranging from the ameliorative to the transformational. Underlying these, however, is a shared concern of influencing the future of Indian society and to make it more just and humane so that more and more of our citizens live a life of dignity and purpose in freedom. I believe this underlying vision needs a clearer articulation by all of us in the sector. Where do we think we are headed as a nation, as a society? What kind of future do we envision? What are the objective conditions? What are we working towards? What is a reasonable prognosis for, say, two to five decades hence? What could we do now to secure the future we want?

I believe we are at a stage in our evolution when it is imperative to ask such questions and seek concrete answers instead of assuming those under broad labels such as development for all, prosperity for all, an egalitarian society, etc. It is not just adequate to rue about the state of things and then proceed with actions as if all is well and under control.

It is well beyond the scope of this paper to draw a comprehensive picture of the likely future. I only highlight here the key issues that must inform our actions as individuals and institutions that value freedom, dignity and purpose and want to enhance those with our actions. In doing so, I draw on ideas developed by Robert Chambers and Gordon R Conway in *Sustainable Rural Livelihoods: Practical Concepts for the 21st Century*, Discussion Paper 296, Institute of Development Studies, February 1992.

The trebling of India's population over the past 50 years and the prognosis for continued growth through much of this century calls for a basic reassessment and explicit statement of what material prosperity is likely. That alone will inform the choice of institutions and human processes to ensure a climate in which freedom, dignity and purpose remain achievable objectives for all.

Moderate Well-being

Given the overall prognosis for material progress and population growth, it is clear that a large segment of the population in India will have to do with very modest levels of material well-being in the foreseeable future. I believe we tend to shy away from speculating about the limits of the modernisation and growth paradigm. It somehow seems only fair and, therefore, the contrary, unfair and even shameful thought to assume that everyone will sooner or later catch up and enjoy the kind of material well-being associated with the modern, urban middle class. Yet a little reasoned thought and analysis will show that widespread material prosperity is least likely. It is not merely a question of time. It is not only a question of what the economically feasible rates of growth are and, therefore, how much time it will take to 'pull everyone up' but also a sociological, political and ecological question of sustainable growth.

In a society endowed with grossly unequal distribution of resources and capability, there will be many who will enjoy unprecedented prosperity as our economy grows, spurred by the unrelenting human search for material well-being. This is all too apparent already.

In this scenario, unless there is a widely shared sense of equity and fairness, it will be increasingly difficult to keep the social fabric together. Therefore, our actions must be informed by a concern to enhance the notion of fairness and certainly not diminish it.

Touchstone of Equity

The idea of equity and fairness has both material and psychological dimensions. That one is able to create choices and influence phenomena that affect one's well-being is as, if not more, important as material well-being. That everyone has reasonable opportunities to affect one's future regardless of one's roots is basic to the idea of equity. This I believe is an issue that the sector must use as a touchstone in developing strategies and actions. Only if we do so will we come up with alternatives to current normative frameworks.

Capability has always affected human well-being. Spurred by the growth in technology, heightened interconnectedness and the pressure on resources, it has now become a critical determinant of human well-being. This will become more acute every passing day. There has been unprecedented growth in human capability in India, as indeed globally.

We know more about the natural phenomena that affect our lives and that we seek to harness to enhance well-being and limit misery. We have developed new ways of doing things and organising our actions. More people than ever before have access to such knowledge. Capability goes beyond such knowledge. It includes one's perception of place in society, one's ability to influence the world one is affected by, the ability to make choices, to adapt, experiment, innovate,

to build networks and to contribute to others' well-being.

The growth in capability in our society has only been matched by unprecedented inequality in its distribution. While more Indians than ever before now have the capability to make a place for themselves anywhere in the world, large populations are poorly endowed with the capability to affect even their immediate environments. Many such as the tribal people and those earlier dependent on traditional institutions have, in fact, suffered erosion in their capabilities.

Our choices of strategies and actions, therefore, must be informed by an abiding concern to enhance the capabilities of the people. This implies that our work must focus on building people's capabilities rather than merely ameliorating their present situation. More importantly, it implies that we seek developmental frameworks that build on people's capabilities, potential or actual, rather than the other way around.

The development process in India during the past half-century bears a deep imprint of the concern to modernise a 'backward society'. Often explicitly, and always implicitly, it has meant catching up with the so-called developed nations. Catching up means, first and foremost, materially, followed by a fair deal for all as implicit in the democratic and socialist pattern of society we have sought to create.

Inevitably, catching up also means clearing up the backlog. It means quickly educating the armies of illiterates, never mind the purpose and efficacy of the education our schools peddle; producing enough food quickly to stave off starvation, never mind the inability of poor people to buy that food;

providing health care services to prevent epidemics, diseases and ill health quickly, never mind the motivation of the service providers and the professional and sociological walls that separate them from the poor, and so on. The sheer size of the slate that needs to be cleaned means the state feels impelled to become the cleaner itself.

Cleaning Messy Slates

The state as the provider of services—the cleaner of messy slates—and as the harbinger of development has thus seen unprecedented growth. This unprecedented turn in human—especially Indian—history has had several undesired implications besides unimaginable erosion in quality, capability and legitimacy of the institution of the state itself. In the arena of institutions, the state has been like the proverbial banyan tree. As the state took upon itself the responsibility of delivering development, other institutions have remained stunted or have even withered away.

Thus it is the state that installs a hand pump for drinking water and the citizens who drink from it do nothing for its upkeep. The state employs over three million teachers but cannot get them to teach, leave alone educate. Citizens readily empty their pockets to bribe government functionaries but cannot collect small sums to repair a school building, a village road or a leaky pond. In short, much of the development fostered by the state-led 'catching up' paradigm is institutionally unsustainable and many actions of the state have eroded other institutions.

I believe much social and political energy in the near future will be wasted in folding back the institutionally unsustainable carpet of development unfolded by the state. The process is already underway. The emerging institutional vacuum also implies that it is not enough to come up with bright new ideas or technologies to solve society's problems.

Institutional mechanisms must be created to ensure that the ideas are translated into sustainable action on a large scale.

In this scenario of a state unable to cope and on the retreat, stunted institutions and powerless and emaciated citizenry, voluntary organisations must work to promote institutionally sustainable processes of development. In concrete terms, it implies that people must play a central role and take charge of the development process themselves. How do we address these challenges? There are no easy answers and I certainly have none. I can, however, offer a few pointers that may aid our continuing search for answers.

Changing Mindsets

Foremost in my view is the need for us to radically change our self-perception. The roles and identities of key institutions, especially the state and the market, are undergoing radical changes. So must ours. It is imperative that we get out of the 'interstices' and 'on the margins' mindset. I did not believe such a mindset was appropriate even when the state was the pre-eminent 'development agency'. It certainly is not appropriate now because the state itself is throwing up its hands.

Isolated action on the margins can hardly affect such monumental issues as equity, capability and institutional sustainability. How can we achieve salience if we continue to operate in our little enclaves on the margins? I believe we need to take a longer-term view of our work and develop broader perspectives. The issues I have highlighted are transformational and call for the involvement of an ever-widening circle of citizens. Should the sector not see itself as a vehicle for enabling more and more citizens to apply themselves to the issues of widespread poverty and crass inequity? I

believe it is a time to be daring rather than defensive. If lawful action to create a fairer society is not 'mainstream' in a democracy, what is?

To be in the mainstream, we must first set very high standards for ourselves. I believe there is much scope to improve the quality of internal governance and to inculcate a culture of transparency. We require much higher standards of performance and effectiveness. We need to be far more reflective and critical of the 'what and how' of our work. Our actions must demonstrate our motives, rather than the other way around.

Widening our circle, involving more and more citizens, proactively and methodically, is another strategy we need to follow. Little is known about the sector and much that is known is biased and not very flattering. We do little to change these perceptions, expecting that our 'good work' will eventually stand out. For example, we do little to use the media or inform the vast numbers of young people in schools and colleges about our work. We need to work to change that and not remain confined to our own organisational preoccupations.

Alternative Paradigms

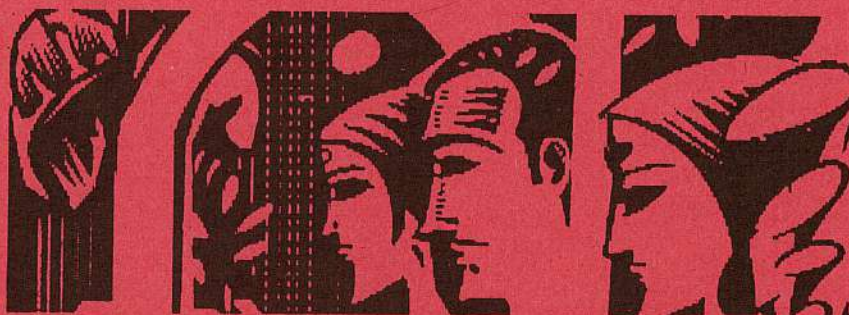
Another area where there is need to be daring is that of the perspectives and paradigms of development itself. We need to develop and carry through alternative paradigms of development. Much creative work has been done in the sector that has the promise to redefine basic propositions about education, health, governance, livelihoods and the management of the commons and basic services. Rarely do these 'interesting experiments' create new social constructs. For example, can we not develop an alternative system of education so that people

themselves will take charge rather than remain dependant on the state and tied to the 'catching up' paradigm? Can we develop and carry through a construct of local governance outside the 'three-tier' framework? Can we imagine and work towards forest management without forest departments?

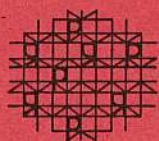
Perspectives about development are unlikely to change unless our views about people's potential and capability change. We need to build on people's capability and have faith in their capability. After all, little progress can be made unless people themselves take charge of their own development. There are plenty of examples to demonstrate that poor people can manage complex human and technological processes. Yet many among us shy away from handing over. For example, we know poor people spend significant sums of money to get poor quality health services and education. Yet we would balk at the idea of designing services that require poor people to pay, at least to their capability. As a result, our approaches often are no different from those of the state agencies whom we rightly criticise.

Finally, I think we need to be much more outward looking than we are. Very few among us build bridges with agencies of the state, the market and even with each other. For example, many among us harbour very negative views about panchayati raj institutions, leave alone collaborating with them. The refrain is that panchayats are dominated by vested interests. It is perhaps true. But how would they change if we do not work with them and create mechanisms to enable poor people get a toehold? After all, the idea of development itself demands that poor people be able to effectively deal with the institutions of society. How would that happen if the agents of change themselves work inside little cocoons?

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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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