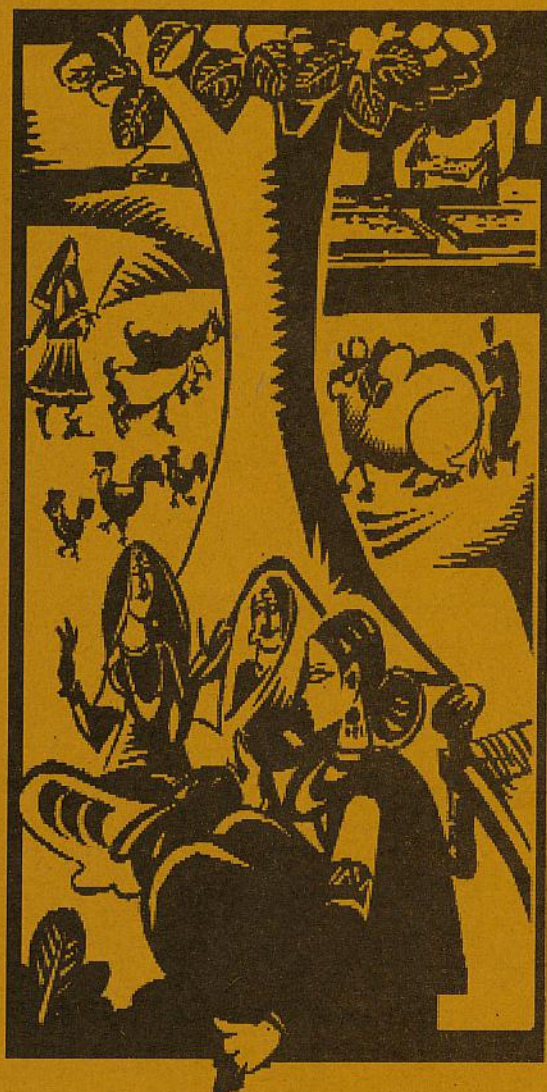


# News Reach

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## Letters to the Editor

### Exciting Reading

I read the various contributions from Pradanites in NewsReach and am excited every time I find that one of them has reflected on his or her experience and gained some wisdom to add to their knowledge. As regards their contributions on microfinance, they generally seem to be swimming with the current that originates from books and articles based on experiences outside India. Nevertheless, I read NewsReach because I am excited when I see young people in the field trying to make sense of their experience. Sometimes they try to be too theoretical, but that is expected. It is the opportunities they are getting thanks to Pradan and its leaders, which to my mind is unique. So keep going. You guys are doing a great job.

Aloysius Fernandez, Myrada, Bangalore

### Kudos to Sabita

*When Men Migrate* (NewsReach October 2005) was poignant, telling and direct. I was glad I read it, and so were my colleagues when I shared it with them. It has been photocopied and circulated to all our project locations. Not much may happen as a result – at least, not immediately – preoccupied as we are with ‘dairy, poultry and agriculture’, but even if some chord is touched somewhere and some staff or community resource person is motivated to look beyond ‘late fines and credit linkages’, it will hopefully make a difference to some victimised woman. Thank you, Sabita, and keep it going, NewsReach!

Vidya Ramachandran, Myrada, Bangalore



# Goat Rearing in Kandhamal

Improved goat rearing in Kandhamal in Orissa provides an alternate and secure livelihood option for deprived communities

Amulya Khandai

Kandhamal in Orissa is one of the poorest districts in India with 78% of the population living below the poverty line. Of the total population, 52% and 18% belong to scheduled tribes and scheduled caste communities, respectively. The terrain is highly undulated. Forest cover is 58% and net sown area is only 23% of total the geographical area. The villages are scattered and more than half of these are inaccessible during most parts of the year. The population density is only 80 per square km. Average landholding is only about 1 hectare and that of scheduled castes is meagre. The communities living here is highly dependent on forest.

The average food security is only for 4-5 months. The average annual income of a family is about Rs 15,000 and almost all livelihood sources are vulnerable. The area is rich in natural resource base and has the potential to bring a significant change in the life of these deprived communities. People of this area prefer to rear goats and sell bucks in the local market to meet their needs.

## Evolution

Pradan started working in Balliguda in May 2000. We observed that all families either reared 2-3 goats or had some experience in it. We also found that some families tried to purchase one or two goats even by taking small loans from SHGs. Also, during village level planning exercises, goat rearing as a desired activity was articulated clearly. Goats are perceived as an asset for poor families, useful during crises.

A market study in Cuttack and Bhubaneswar

revealed that Orissa was purchasing goats from places like Jamshedpur in adjoining Jharkhand. The study also revealed that the demand in Cuttack and Bhubaneswar was about 700 goats per day.

Guided by the study, we piloted this activity with 26 families in 2003 with a partial (Rs 2,500) subsidy in cost of constructing the shed, which cost about Rs 4,000. The participant families took loans from commercial banks to buy the mother stock.

The pilot project suffered a setback due to a sudden out break of the deadly PPR (Peste des Petits Ruminants) disease. More than 40% of the goats died. We then arranged for PPR vaccine from Indian Veterinary Research Institute and eradicated the threat. The families took a second loan and revived their units.

The local people have gained confidence in the methods we were promoting after we facilitated control over deadly diseases and provided strong follow-up. We scaled up the activity, as there are numerous government schemes to promote goat rearing.

Currently, 161 families are rearing goats. They work together through 13 rearing groups. The number of participant families is expected to cross 200 by March this year. Out of the 13 rearing groups, 6 have stabilised, and have achieved an average mother stock of 9 and an average herd size of 14.6.

We hope that another 4 groups will stabilise soon. In the rest 3 groups the work of con-

structing the sheds and buying the mother stock is in progress. Out of 13 groups, 5 have taken up this activity with direct loans from banks and partial shed grant from Pradan. The remaining 8 groups have received subsidised loans from the government under SGSY (Swarnajayanti Gram Swarajgar Yojana) and OSFDC (Orissa Scheduled Caste and Scheduled Tribe Development Finance Corporation Limited) schemes.

## Resource Base, Skill and Social Context

The forest area in Kandhamal is more than a lakh hectares, which has the potential to sustain around one-lakh goats. This assumes that a hectare of land produces 500 kg of dry forage and a requirement of 3 kg of dry fodder per 100 kg of goat per day. Therefore if a family rears 10 does and 20 kids, averaging to 15 adult goats, about 6,000 families can opt for this livelihood option. Although the temperature in this area varies from 6 degrees during winters to 40 degrees in summers, goats are able to withstand the variation. The climate is, therefore, not a constraint.

As most of the families have been traditionally rearing goats, they have the basic skills like taking care of does and kids, feeding, cleaning, and grazing, which can be further strengthened to bring the practice in line with modern techniques. Goats as live assets that meet emergency needs of the people (during critical illness, marriages etc.) and shield that from debt trap.

Goat rearing by every community is well accepted in this area. However, trading in goats is considered to be in the domain of scheduled caste community. Rearing goats (often called the poor man's cow) is suited to poor because it does not require a lot of land and water resources that the poor do

not have. It is thus possible to promote this activity with the poor people with low resource base.

## Promoting Modern Methods

In the traditional method, goats are kept at night in very small enclosures (less than 4-5 sq ft per adult) inside the houses of the owners. Sometimes people also keep goats along with cattle and buffaloes. Death of many kids and the prevalence of stillborn kids can be attributed to this. This is also a major reason for excessive inbreeding. The small space is often extremely unhygienic, leading to several disease outbreaks.

The modern method we are promoting requires an average 150 sq ft enclosure for 8-10 does and 20 kids equivalent to 15 adult goats (@10 sq ft per adult goat). Initially we promoted sheds with cement floors, asbestos roofs and wooden walls. Since forest is a scarce resource and a large amount of wood was being used for the sheds, we now recommend brick and mud walls. The winters in this area is rather intense and most kids suffered from cold and some times even died. We are therefore promoting wooden platforms on a mud floor instead of the much colder cemented floor.

## Death and Disease Control

We have found that mortality rate of goats is often as high as 40% to 45% in a year. Sick goats were only fed with certain leaves believed to have medicinal properties. A veterinary doctor was never consulted. It was only during epidemics that the people sought help from the state veterinary department.

To meet the healthcare needs of the goats, we have groomed 15 local paravets. They visit rearing groups for weekly health check ups and provide necessary medicine on credit and



cash. If medicines are provided on credit, the paravet is recompensed in a monthly meeting from a medical fund created by the rearer groups. We have also arranged for an expert paravet at the central level to visit the groups every fortnight. The local paravets are always on call in emergencies.

The goats are also vaccinated regularly (see table). We are planning to include pox vaccine in the schedule, as there has been an outbreak of goat pox in the area.

**Table: Vaccination Schedule**

No.	Month	Vaccine
1	June	FMD, PPR
2	February, July, October	De-worming
3	December	FMD

### Feeding and Grazing

Presently the rearers engage a goatherd to graze their goats from the June to January. From then on it is the responsibility of the owner to rear the goats. It so happens that jackals eat many kids during the non-grazing period. During the summer the goatherd demands more money due to low availability of green areas and to compensate for the opportunity of wage labour, which is very high in summers.

Feeding concentrates was something unheard of in this area. We promoted feed concentrates that have yielded good results, especially for pregnant and mother goats (in terms of milk availability for kids). The concentrates also have improved the health of kids, thus reducing mortality among them. More than 60% families now feed concentrates to their goats.

This had a positive spin-off. It is now found

that the goats do not stray due to their attraction to feed. This has helped in controlling jackal attacks during the summer. Also, rearers do not graze the goats during rainy days, providing them with concentrates instead. It has helped control common colds and fevers.

We have also promoted subabool plantations among 3 groups and plan to promote them with the other groups next year. We also intend to link up with IVRI for production of concentrates from locally available material such as sal seed, mohua, karanja, neem cakes, etc. and explore planting other fodder trees suitable for the area. Thus grazing pressure on the jungles will then be reduced and the activity would become sustainable in the long run.

### Breed Improvement

People in Kandhamal rear the black Bengal breed, which has a high demand in the market due to its low-fibre content and skin. Its capacity for producing twins is more than 50%. This breed has been in the area for a long time and has become used to local climatic conditions. People usually maintain bucks out of religious custom rather than for breeding.

At present there are 2-3 bucks per herd to take care of the mating needs of the does. However, the bucks are not castrated in a timely manner, leading to poor maintenance of the bucks that affects the progeny. We are now promoting timely castration at 2-3 months for the bucks. We are also introducing beetle bucks, which is a dairy breed with a 'twin-producing capacity' of 52.6%. This breed has been found to have successfully adapted to local climatic conditions. We are trying to maintain a buck to doe ratio of 1:20-25.

We have also introduced a MIS to monitor three critical indicators of progress of the

activity: kid mortality, mother mortality, and kidding rate and growth. Each rearer has a passbook to keep track of growth (birth, death, sale, purchase), medication, vaccination and costs. The book is maintained by the respective local paravet during his weekly visits.

Each rearer group holds a monthly meeting on a specified date, which is mostly attended by a Pradan professional and the expert paravet. These meetings address emerging issues and concerns and also serve as a place to collect data to monitor overall progress. The data is entered into the well designed excel sheet for intermittent review and planning.

### Impact

The success of participating families in rearing goats has prompted interest in several other families in the neighbourhood. More and more people are gaining confidence in our model and are willing to engage in the activity even by taking bank loans. The encouraging response is mostly due to control over diseases and lower mortality.

The paravets are also providing regular service because they are able to earn around Rs 500 from the rearers promoted by Pradan. They also provide services to other people and even treat in emergencies, thus supplementing their incomes. Even the local livestock inspectors of the state veterinary department are taking the help of the paravets we have trained for vaccinating and treating animals. As a result, the self-esteem of the paravets has become high.

We have found goat rearing does not interfere with other livelihood activities of a family because it takes up very little quality time in a day for cleaning the shed, feeding and

care. But the work pressure on women has increased compared to the men.

After seeing the result of our intervention, officials from government departments and commercial banks are showing interest in more collaboration. More schemes are being sanctioned for this activity. In the current fiscal 10 out of 12 SGSY groups have taken up goat rearing in the Balliguda block.

### Emerging Model

We have realised that to start an optimum unit of 8-10 mother goats, a rearer has to invest around Rs 16,000, out of which Rs 4,000 is the cost of constructing the shed and the rest to buy the mother stock. This model is considered with a subsidy in initial investment to help rearers to have at least Rs 5,000 per annum cash in hand during the period of loan repayment.

Although the project is viable without any subsidy, without it a rearer would be able to earn only Rs 3,000 per annum during the 5 years of loan repayment. This income is not substantial enough to keep the rearers interested in the activity because it would not be able to meet their day-to-day demands.

We have found that average family incomes in this area is around Rs 15,000 a year. An activity like goat rearing can be productive for a family if it can provide an additional income of about Rs 5,000. With existing manpower and skills, a rearer can easily rear 8-10 mother goats to earn a regular incremental annual income of Rs 5,000 to Rs 6,000 after two years of initiation.

As stated earlier, traditional goat rearing practices is extremely inefficient, with kid and mother mortality as high as 30% and 10%, respectively. We therefore intend to



further strengthen the services like regular health checkup at the doorstep and regular vaccination provided by paravets trained by Pradan. It will restrict kid and mother mortality to 15% and 5% respectively. Improved shed construction and improved rearing practices will also help in mitigating production risks.

This model assumes that there are 3 births in two years; the kidding rate is 1 in the first 2 years and 1.5 after 2 years per birth per year; kid mortality is 20-25% in the first 2 years and 15% after that, and mother mortality is 10% in the first 2 years, which declines to 5% after 3 years.

### Challenges Ahead

In this emerging model there is continuous flow of services and inputs to the rearers. These continuous services can either be provided by individual entrepreneurs operating on a revenue model (who not only meet the needs of the members but also non-members), or through institutional mechanisms like cooperatives.

Although a people-managed institution like a cooperative would prevent rearers from exploitation, it is difficult to meet the operating cost from the present input margins. Taking up marketing of goats to provide better margins to rearers is also difficult because the business cycle seems to be uncertain. Therefore the biggest challenge before us is to decide on the type of institutional mechanism to promote.

Goat rearing has a long gestation period of 2 years before the first returns. But the rearer has to pay interest to the self-help group and also meet expenses during that period from other sources. Should we in that case start units only with mother goats or mother goats

with buck to help rearers to get returns after just a year? We hope to come up with a model with both bucks and mother goats.

The groups supported by government schemes have automatic insurance for the goats. The claim process, however, is very complicated and time consuming. Now that we are able to keep the mother mortality rate at 7%, we intend to initiate an internal insurance system for mother goats. Under this scheme, a rearer pays a premium of 5% to be able to get 50% of insured amount instantly on the recommendation of the group and the concerned paravet. This system will work if the mortality rate is kept at a maximum of 10% of the insured population.

We have also seen that some families own very few kids due to abortions, still births, and infertility. As a result, their progress slows down, which extends the gestation period. These families cannot purchase kids from market because nobody sells them.

To tackle this issue, we are planning a kid supply system, in which the paravets will be given a few goats on the condition that they will rear the goats to supply 50% of kids born to other rearers for a period of 5 years. After 5 years the paravet will have full ownership of the goats. Rearers with few kids will purchase them from the paravet. The system will operate with 50% grant and 50% loan from a commercial bank. It will ensure some financial benefit for the concerned paravet to run his business.

Selling the goats at a fair price is also a challenge. At present the rearers are selling goats to brokers for a lump sum without properly assessing the weight. We are planning to develop a proper system to ensure a fair price to the rearers promoted by Pradan.

## Why Sanghamithra is Different - II

**Myrada has successfully separated its development programmes and microfinance functions by setting up Sanghamithra, a microfinance institution with a difference**

**Aloysius P Fernandez**

Is the criticism valid that NGO-led microfinance adopts a minimalist approach – that credit suffices for the borrower to take off on the growth path? Are NGO-MFIs the only operators who are vulnerable to the minimalist tag? Is the strategy of minimalism adopted because the MFI needs to grow rapidly to achieve self-reliance?

There is evidence that some NGO-MFIs believe that credit is the critical and only trigger necessary for growth in the informal sector where the poor operate. Therefore, once credit is provided, the borrower is capable of finding opportunities to invest and grow.

Critics say that this is not a valid assumption since their studies show that micro-credit can provide only consumption smoothening and at best promote small activities, which do not add value or increase productivity and generate employment. They say that micro-credit may increase scale to some extent but the activities are usually seasonal and not viable. Therefore, this is not adequate to lay the basis for eradicating poverty in a sustained manner and for increasing the GDP.

The reasons why the impact of NGO-led MFIs is limited, however, are not clearly spelt out by many critics. Is it that other supporting services are required for credit to blossom into productive investment (which NGO-MFIs cannot provide if they are to achieve financial sustainability), or is it that the pressures to achieve financial sustainability and growth pushes MFIs into a

portfolio that gives priority to small loans with a quick turnover. Growth is thus based on new small loans ('firm births and not firm growth') rather than on larger loans over a longer period which, critics say, have the potential to increase productivity, income, employment and sustainable growth?

Is there a difference in the loan portfolio of MFIs which stand alone (MFIs which started out and remain as financial institutions without linking with organisations that promote all round development in the areas where the MFI provides credit) and those MFIs that work within a broader development context?

### Sanghamithra's Position

Myrada and Sanghamithra's position is that credit is necessary but not enough. They believe that supporting services are required. However, these supporting services need not be provided by the MFI. They can be provided by an NGO or come from the all-round growth in the area where the MFI operates.

This is one of the reasons why Sanghamithra, even though it provides credit directly to SAGs (self-help affinity groups), enters into formal partnership agreements with NGOs promoting the SAGs as part of a broader development strategy. There is some reassurance in knowing that while credit flows to the SAGs from Sanghamithra, other capacity building and back stopping services needed for the SAG members are provided by the NGO partners.



In the case of Myrada for example, SAGs are formed in the context of livelihood support programmes such as watershed development, skills training, linkages with technical and marketing support services and animal husbandry, agriculture, horticulture and non-farm enterprise extension services. Since the risk mitigation measures and improved investment opportunities are created under the programme, credit linkages with banks or Sanghamithra enable greater livelihood security and enterprise development. Once it breaks even and earns a surplus, the MFI can provide funds to invest in certain of these support services (including management and skills training, market linkages and infrastructure development). It can even raise separate grants for this purpose provided there is clarity on end-use and separate tracking of such funds. This is exactly what Sanghamithra has started to do after three years of functioning.

FWWB (Friends of Women's World Banking) is another micro-credit provider that has demonstrated a similar partnership approach that engages with its partners to create a supportive environment through capacity building, leadership development and linkage establishment where credit has a greater chance to be productively deployed and build sustainable livelihoods. However, the deployment of surplus income for capacity building and provision of other support services is valid only for MFIs which are not-for-profit and which do not distribute dividends. In areas bordering small towns and cities which experience all round growth due to investment from private and public sources, there are often adequate opportunities and support services including linkages and market information without the need for NGO intervention in these areas.

### Quest for Quick Turnover

The priority given by some MFIs to small loans to individuals with a quick turnover in order to reduce risk and increase the number of loans in the rush towards sustainability is another noticeable trend. It is also driven by the model where the MFI controls the size and purpose of loans.

In our model, the Sanghamithra does not control the size and purpose of loans to members. The SAG is in control of both. The SAG also negotiates the size of the loan. Studies indicate that in the first year or two the loan size from Sanghamithra to the SAG is small (Rs 10,000 to Rs 50,000). It increases from the third loan where loans of Rs 2 to 3 lakh are becoming common.

Where SAGs do not divide the MFI loan equally between all members (as no well functioning SAG will do – equal division in fact is a sign of a weak SAG which should not have been eligible for a loan in the first place), the average loan size to individual members (average number of members in an SAG in Myrada is 18) is increasing year on year.

A survey in 2005 of the size of loans taken by individual members in 238 SAGs (in Myrada projects) shows that 83.6% of loans to individual members are over Rs 10,000 (a large number of these loans are for amounts ranging from Rs 20,000 to Rs 30,000 but since Myrada's current software stops distinguishing after Rs 10,000, we cannot break this down further) and 8.3% between Rs 5,001 and Rs 10,000 (a large number of loans are over Rs 15,000 but the software was not developed to capture this).

There is adequate anecdotal evidence that

this amount provides the borrower with a financial base, which she can then invest in small enterprises, or businesses that earn an adequate income to keep the family above the poverty line. Case studies to provide further insights into this process and on the impact will be undertaken by Myrada and Sanghamithra.

### Lending to Individuals

A major feature in the minimalist approach adopted by some MFIs is the trend to lend to individuals. There is evidence that this trend is accompanied by the rapid shift in the borrower profile from those below the poverty line to those above, who have basic assets and resources and can acquire the skills and linkages required to negotiate for a loan and to utilise the credit productively.

This trend to raise the profile of borrowers is also evident where MFIs engage intermediaries on commission or incentive basis who in turn try to cut their risks and transaction costs and increase their profits by pushing larger loans to borrowers who can provide proof that they possess adequate resources and productive assets, which are (implicitly or explicitly) offered as guarantee.

Myrada and Sanghamithra have no quarrel with this trend to lend to borrowers who are above the poverty line since they also do not have access to credit from official institutions that is adequate to start or expand small business enterprises. However, to include such initiatives under the label 'Microfinance Institutions' does not exactly reflect the origin of micro-credit, which began with a clear focus on poverty.

The problem arises in remote and neglect-

ed areas where MFIs enter with credit provision only and where there is no NGO promoting growth through an all round development programme, and neither is there adequate growth in the area due to public or private investment.

Our understanding of growth here includes investment to increase productivity and to reduce risk of existing livelihood activities, undertaking new ones, investment in health, basic education, infrastructure and linkages and above all in the building of people's institutions appropriate to the resource to be managed (examples being SAGs to manage savings and credit, micro-watershed management associations, milk societies, village water and sanitation committees, functioning *gram sabhas* and *gram panchayats*, etc.).

In such areas, which are remote and neglected, the evidence indicates that the provision of micro-credit alone is insufficient to raise people and keep them above the poverty line. Besides being insufficient, the non-performing assets also increase rapidly which makes it difficult to sustain the MFI.

### Alternate Approach to Growth

Sanghamithra also differs from other MFIs in its approach to 'growth'. Unlike the train described earlier (NewsReach January 2005), Sanghamithra does not seek to grow faster and faster. It slows down at the curves and gathers speed required by the external situation rather than by the internal organisational demands.

What does this mean on the ground? Sanghamithra has a clear policy that it will only enter an area where Myrada and other NGOs have functioned for some years. It will lend to SAGs only if local banks are not



responsive. In Dharmapuri district of Karnataka, for instance, Myrada alone had over 1,000 SAGs eligible for bank linkages but very few were linked with banks. Sanghamithra opened a branch there. Within six months, the bank managers who were aware of the success of Sanghamithra's activities since all transactions passed through the banks came forward to lend. The Chairman of a bank visited Sanghamithra's Chairman and offered full cooperation in extending credit to SAGs. Sanghamithra therefore scaled down its involvement.

A similar situation was encountered in Chitradurga district, where a very dynamic bank chairman increased the bank linkage programme by over 100%, enabling Sanghamithra to withdraw from SAGs and to look for other people's groups that were functioning well, like the watershed management associations.

However, if the bank's performance falls, as has happened in the service areas of some branches when the managers were transferred, Sanghamithra enters the area once again. Sanghamithra's corporate policy is not to grow rapidly or to grow into a mammoth institution. It plans to target an out-

standing portfolio of around Rs.30-35 crore and is planning its staff and supporting systems to manage this portfolio effectively and efficiently.

Myrada plans to start other Sanghamithras in other areas. These Sanghamithras will be supported and regulated by a fund management company, which, it is hoped, will introduce and implement a regulatory mechanism that is both institutionalised and distinct from Myrada and Sanghamithra.

If minimalism refers to credit provision alone, without attempting to foster an enabling environment in which this credit has the opportunity to convert to flourishing enterprise, is it borne out by fact that this tag can be applied only to NGO-MFIs? How many non-NGO financial institutions – including large banks – can claim to be doing more than credit provision? Their loan sizes and transaction volumes may be larger than NGO-MFIs but it still amounts to giving loans and doing no more than that.

Several recent entrants into the microfinance sector – many of them with previous

Both Myrada and Sanghamithra recognise that credit is important but not a sufficient condition. Other support services are necessary. They recognise that even credit is inadequate if it is not available in repeated and timely tranches and in an adequate amount.

But they also recognise that it is not necessary for the MFI to provide all these support services in the first phase, especially when its energies are focused on finance management (mobilising, lending, repayments and building up the infrastructure and staff to support its operations) and when it has still to break even.

As far as Sanghamithra is concerned, after it achieved financial and operational sufficiency, it has invested in institutional capacity building both of self-help affinity groups and NGOs, which, with Myrada's support, it has the capacity to implement. However, Myrada and Sanghamithra still believe that services like insurance, for example, should be left to other institutions more capable than the MFI.

experience in major banks – tend to view MFIs in the same frame that they view banks and other financial institutions that are driven by growth and profit and largely restrict their services to finance provision and to enable transactions to be carried out quickly at any time and in any place. The major concern of these stand alone, as against NGO-backed, financial institutions, is growth and sustainability. After all, they have to keep their shareholders happy.

In the final analysis, the MFI comes first, and often last. The impact of the loan may be relevant from a development point of view but it is not a critical indicator of success provided repayments are made on time. This group too is open to the minimalist tag.

### Just Consumption Smoothing?

Is the criticism valid that NGO-led MFIs can at best achieve consumption smoothing and not true enterprise or business development?

There is a great deal of variation in the understanding of the terms 'livelihoods', 'micro-enterprises' and 'micro-businesses'. This is where some of the confusion arises.

Livelihood activities are understood by experts as those that involve only one individual or family. They are small, do not employ others, are not driven by sound business norms, are low skill, operate out of home or are mobile, with low margins and low growth rates and do not bring the household out of poverty. They do not contribute to growth of employment and GDP. These livelihood activities serve to address the symptoms of poverty rather than to eradicate it.

An analysis of the purposes of loans given

by SAGs in Myrada's projects indicates that a large number of loans fall in this pattern. They are managed by one family, require low or traditional skills, do not employ others and have low margins and growth rates. However, it must be noted that 'low' margins relate to expectations.

### Going Further

Examples of loans falling in this category in SAGs promoted by Myrada are agriculture, animal husbandry, cottage industries, trading or hiring. But is the assumption valid that these livelihood activities address only the symptoms of poverty? Myrada's experience indicates that they go further.

Enterprises are distinguished by these experts from livelihood activities. In the early 1980s, enterprises were described as businesses from which the expected outcomes are increased productivity, jobs and purchasing power adequate to lift a poor family out of poverty permanently and to contribute to overall growth, employment and GDP. However, by the late 1980s the term micro-enterprise, they claim, entered the development discourse and came to be associated with the informal sector and with the poor.

A summary of micro-enterprise characteristics drawn from the literature on the informal sector during the 1990s shows that micro-enterprises are similar to livelihood activities described above. Hence, Thomas Dichter concludes, "Many micro enterprises (including livelihood activities) are thus hedges, not ways to build sustainable growing business. Few are dynamic firms. In the majority of developing countries only a minority of informal firms with four workers or less experience growth of any sort. Indeed informal sector growth comes



not from firm growth, but from net gains in firm 'births'."

This understanding of micro-enterprises appears to be the common one in India. For example, a recent flier (November 2005) from IRMA announcing a programme called 'Development and Management of Micro-enterprises' defines micro-enterprises as 'tiny businesses employing one or two or a few family members and lying in the informal sector ...they show marked heterogeneity in size, investment, outputs, viability and survival. With the governments paying little attention to them, they need to be supported by voluntary agencies and donors, at least in their initial stage, and helped to graduate to small viable units.' This removes the distinction between livelihood activities and enterprises and both are considered to be non-viable by themselves.

### Issue of Viability

What does 'viable' mean? The dictionary meaning is something that is 'capable of working successfully or surviving.' For poor people, an activity is viable if they feel that they get an income from the activity that they think is worthwhile or worth the effort put into it, either in comparison to some other income generating activity or (more commonly in the rural area) in comparison to doing nothing that brings tangible benefit.

Some of these activities by their very nature are seasonal; therefore 'survival' has to be interpreted differently. They survive for a short period every year. Dry land agriculture is a good example.

Further, Myrada's data indicates that the activity for which micro-loans are taken is one of several income generating activities

that households juggle with to meet their daily needs throughout the year. Given the scarce resources, poor infrastructure and inability to take risks due to lack of supporting systems, poor people tend to opt for a bundle of livelihood activities just as they practice multi-cropping due to the uncertainty of rain. Does this lower the value of a micro-enterprise and make it just a non-viable activity or a consumption smoothing one?

### Avoiding Straitjackets

The critics of micro-credit assume that a genuine enterprise should be a business large enough to provide full employment throughout the year to the family, and even to employ others. Such an enterprise, however, has to be the only income generating activity since it demands the full time and attention of the household. Why should the poor be put into this straitjacket of 'one major enterprise' throughout the year? Are they not the ones to choose what they find most suitable and 'viable'?

They may consider getting involved in one major enterprise throughout the year as too large a risk, which the household is not capable of handling. In this they are not different from large business houses that also do not put 'all their eggs in one basket'. And finally, why should an activity be downgraded if it does not provide employment to others?

For example, under the Integrated Rural Development Programme, one viable activity projected was a sheep unit of 20 (female) plus 1 (male). A poor woman who got this unit had to give up all other livelihoods in order to maintain this sheep unit. How was she to survive? She solved her problem by selling one sheep every month

until she felt her flock was of a manageable size that she could juggle with her other livelihood activities. The 'viable unit' concept did not survive!

### Loan Analysis

To go back to the analysis of 238 SAGs related to the purpose and size of loans that Myrada undertook recently (September 2005). It indicates that 83% of the loans taken by individual members were over Rs 10,000. The purposes for which members took these loans were for: agriculture, horticulture, sericulture inputs (33%); household expenses like purchase of jewellery, vehicles, health, food, clothing, socio-religious functions (35%); non-farm activities like cottage industries, small businesses, trading, hiring equipment (18%); animal husbandry, poultry, fisheries, insurance (8%); high-cost debt release, from personal bondage, mortgaged lands and assets (2.7%); housing related, biogas, toilets or bathrooms (1.75%); new opportunities like training in skills, education, land purchase (1.5 %).

Some of these activities are seasonal (agriculture related and some non-farm activities). Others continue throughout the year. Yet others are one time purchases partially as savings or for better living conditions (jewellery, vehicles, land purchase, release from bondage and land mortgage which makes productive assets available and provides opportunities to people to work for themselves or to be educated).

We venture to assume that an investment of over Rs 10,000 in these activities - in the context of an overall development programme in the area managed by an NGO or government or private enterprise - has the potential to provide an increase by 75% to

100% in family income. Besides, the households have in most cases also taken other loans from the groups at other times for other income generating activities. Further data on the impact of these loans is being collected and case studies are planned to assess whether this assumption is generally valid or not. However, at first sight, it does not appear that these loans are only for consumption smoothing or for 'non-viable' activities.

Thus, Myrada's experience indicates that the criticisms related to 'consumption smoothing loans' raised by critics cannot be applied to all SAGs or NGO-MFIs. Much depends on the opportunities provided in the area due to investments from NGOs, the private sector and government and if the borrowers are also resource owners (like landowners) which they can improve or utilise more productively by borrowing from micro-credit institutions for inputs like assured irrigation.

### Increased Incomes

In such cases or situations, there is ample evidence to indicate that group members (SAGs, joint liability groups) have borrowed for investments that may not have created additional employment but have surely increased their incomes in a sustainable manner through increases in scale and productivity.

In the case of loans taken for trading and cottage industries, there is also ample evidence that members of groups around cities and towns where there is overall economic growth have increased their incomes substantially, some by increasing the scale of their enterprise, others through productivity increases (and for the poor person income is important, more than how it is



achieved). These households have risen above the poverty line and remained there.

It is true that not all the members of the groups have progressed in this manner. But then the ability and willingness to take risks also differs from person to person not just with the poor but also with all of us involved in development.

While preserving their separate identities can the two (NGO and MFI) be closely meshed so that a balance can be maintained between on the one hand promoting a supporting environment for poverty eradication and on the other, a loan portfolio that includes activities that increase income through genuine business initiatives?

This meshing is what Myrada and Sanghamithra have attempted to accomplish. Can Myrada preserve its primary objective to assist the poor in building their institutions and necessary linkages so that they have an institution to manage credit and finance as well as a power base to influence changes in society and at home? At the same time, can Sanghamithra achieve financial sustainability while providing credit in a manner that supports the efforts of the poor to rise above poverty?

### Common Vision

What is common to both institutions (Myrada and Sanghamithra) is the vision. Both believe in 'building poor peoples institutions' and to work with institutions of the poor appropriate to manage finance, namely the SAGs. Self help Affinity Groups. Myrada also helps to build other types of institutions like the watershed management associations, gram sabhas, school management committees, water and sanita-

tion committees, etc. Sanghamithra also lends to watershed management associations.

Myrada's mission is to assist in building the SAGs to manage their affairs including finance. This requires investment, which SAGs cannot provide, and therefore comes from elsewhere, usually as a grant. Sanghamithra's mission is to provide these institutions with credit. It does not lend to individuals, neither does it lend to individuals in groups (the joint liability model). It lends to the SAGs. Over the past 5 years of Sanghamithra's functioning, there is ample evidence that these two institutions have been able to work to support one another, while maintaining their identities.

### Balancing Act

Maintaining this balance is not easy. Myrada attempted to create this balance when it promoted Sanghamithra, and continues to do so. In substantial part it has been made possible by the fact that several of Myrada's senior staff are on Sanghamithra's Board and there is a regular exchange and sharing of reports and assessments. It also requires that Sanghamithra share the vision of Myrada while maintaining an independent mission. This again is not easy to achieve.

Sanghamithra is under various pressures - both from external sources (originating from the prevalent culture in the microfinance sector and the various appraisals that it is subject to by rating agencies and individuals prior to being accepted as eligible for a loan from a financial institution) as well as from internal sources, since the staff tend to slip into the 'growth and sustainability box' as the only or dominant organisational objective.

These pressures can cause it to drift away from its original objectives. Maintaining this balance requires constant monitoring of Sanghamithra's operations. Whether it has succeeded or not will require further and more in-depth studies. Meanwhile, in order to maintain this balance the following signposts guide the decisions of Myrada and Sanghamithra:

Credit is critical but can be absorbed productively only within a larger development context: While Myrada does not promote microfinance, neither does Sanghamithra open branches except within a context of over-all development investment and growth which is undertaken by the NGOs who implement an integrated development programme within which formation and training of SAGs is a critical component.

Most of this investment is a grant. People's investment in cash is mobilised and their participation in planning, managing budgeting and implementing these activities and maintaining assets is critical. Within this context, Sanghamithra (or the banks) are brought in to extend loans.

Credit alone is not enough but this does not mean that the Sanghamithra has to become the single-source agency for all financial services. Savings, insurance, marketing, capacity building, linkages are equally important components necessary to sustain livelihoods. Since Sanghamithra's focus is only to provide credit, can this be called a minimalist approach? Is it necessary for Sanghamithra to take on all functions?

Myrada and Sanghamithra's view is that it is not necessary. Other institutions must be brought in. Myrada (NGOs) provide the

infrastructure, linkages and training but not all the other services. For example, when Birla Sun Life came up with a good insurance product that appealed to SAG members, it was decided that they could well perform this service.

The company relates directly with the projects where Sanghamithra is lending. The administration required to support the insurance policies is carried out by the community managed resource centres (which earn a commission) and not by Myrada or Sanghamithra. Similarly several insurance agencies have been brought in to cover animal insurance. Health insurance is now being explored. And savings, as already mentioned, is a service managed by the SAGs themselves.

### Setting Standards

Growth in size of loan portfolio is not the major driving force or measuring stick. True, Sanghamithra had to achieve a certain size in order to achieve operational and financial self-sufficiency, which took it 3 years from the date it advanced its first loan. Now that this stage is reached, it can resume focus on its original goal to be 'not the sole one and not the biggest but the best'. It would like to contribute to setting standards in good practices. A portfolio of Rs.30-35 crore outstanding - which is what it intends to remain at for the moment - may not make it a 'big' organisation but it can still prove itself to be an effective organisation.

There is no doubt that this came about solely because it was born as, and continues to be a 'sister concern' of Myrada. However, this influence extends only to providing the parameters for lending and growth; it does not compromise on the



other banking practices needed to make it a self-sufficient organisation as long as it chooses to remain in the sector.

Not competing but creating competitive conditions. Myrada has endeavoured to push the SAG-bank linkage programme, while at the same time promoting Sanghamithra. Myrada thus fosters competition in the sector because it believes that competition plays a critical role in ensuring the best service to the members of the SAGs. Consequently, Sanghamithra has been under pressure to keep its service charges (including interest rates) comparable to the banks and to provide better service at the doorstep.

The results of this competitive environment during the past five years are evident. Banks in rural areas filled in the gaps they had left when they found that Sanghamithra's loans were being repaid on time. They also increased the size of loans to match with Sanghamithra. Bank Managers went to the SAGs and even to the houses of the SAG representatives requesting them to take loans (a totally new experience). Some of them also set up facilities and funds for SAG training.

Sanghamithra on its part has had to keep its transaction costs down and to ensure that its services were friendly and at the doorstep in order to remain competitive. True, it has had to mobilise grants in the initial phase so that it could keep the cost of credit low, but this was clearly stated up front by the founders of Sanghamithra and incorporated into the strategic business plan. Whether this pressure from bankers to link with SAGs will continue in future given the increasing focus on profit and in view of the amalgamations of several regional

rural banks, is a major concern at this time.

To conclude, Myrada's experience indicates that the pebble of microfinance causes larger ripples than its size leads one to presume.

*Colleagues who contributed to this paper are acknowledged with thanks. Vidya Ramachandran clarified several points and edited the paper. Chandra Singh, William D'Souza and S M Adiga contributed data.*

*Concluded*

#### **NewsReach Livelihoods Compendium**

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## **Reminiscences of Alang**

**A mission to 'protect the environment' at Alang instead recommended better living and working conditions for workers at the ship breaking yard**

**Somnath Bandhyopadhyay**

I still remember the sharp chill that went down my spine when I first set my gaze upon Alang on an afternoon in the spring of 1996. As far as I could see from my elevation at the north end of the yard, there were nearly a hundred vessels, or what remained of them, being gently lapped by the rising tidal waters of the Gulf of Khambhat (formerly the Gulf of Cambay).

I was informed that the waters could rise and fall by as much as 12 metres in almost as many hours. It was this tidal amplitude, second only to the Bay of Fundy in Canada, along with a gently sloping, flat and rocky shoreline that prompted entrepreneurs, mostly based in Bombay (it was still not Mumbai), to snatch away a lucrative global business proposition from the shores of Taiwan.

What began as a small operation in the early 1990s grew quickly to attract an estimated male workforce of about 60,000 from eastern Uttar Pradesh, Bihar and Orissa on a seasonal basis depending upon the harvests (or lack of it). Able-bodied men earned a decent sum of around Rs 2,500 per month, while those who could operate the crude, LPG-based cutting system earned almost double the amount.

These were princely sums compared to what they could earn from the land back home, particularly during the lean periods in agriculture. The men spend almost half of their earnings on food, knowing that strong bodies translated into better income opportunities. The other half they could save meant a lot in terms of repairing that thatched roof, providing for medicines of an ailing parent

or the marriage of a sibling back home.

But the downside of such income opportunities was also substantial. A dozen men shared each of the shacks, constructed crudely with wooden planks dismantled from the ships, each furnished with six bunks and three clotheslines. While six men did a 12-hour shift in one of the 183 yards along the coast of Alang-Sosiya, the rest had the option to rest.

The sea provided for toilet and bath, if needed. Food and sex were available for a price, but medical service, fire service and police services were conspicuous by their absence. Yet, these were badly needed.

There were unconfirmed reports of 2 to 5 deaths due to accidents per week on an average. Most of these were either caused by a fall (the cutters needed to suspend themselves on ropes while big chunks of the hull were spliced) or by a fire (the cutting gadget often ignited the fuel chamber where the residual gas and petroleum sludge ignited).

### **Environmental Twist**

Oddly, however, these had nothing to do with my maiden visit to Alang. I was there to address the environmental issues, that too with a twist. Apparently, environmental concerns were raised in the Parliament and the Ministry of Steel had engaged MECON (its consulting establishment) to make an assessment. The Gujarat Government was naturally concerned because Alang ensured annual revenue of about Rs 250 crore to the state exchequer, which could rise further. The



Gujarat Maritime Board (GMB) – custodians for the Alang-Sosiya ship-breaking yard – sought the assistance of another state agency – the Gujarat Ecology Commission (GEC).

As I, a young ecologist from GEC (fresh out of university research), and Mr Shah – the Chief Engineer of GMB (months away from his retirement) – walked along the coast of Alang on that spring afternoon in 1996, we could not but be overwhelmed with the enormity of the tasks that lay in front of us.

He pointed out a carrier that caught fire in the high seas off Sri Lanka, a single-hulled hydrocarbon tanker and a peculiar closed vessel that was used as a prison off the coast of Siberia, among others, that were being dismantled with the help of gas-cutters and dragged with the help of ropes. A piece of history was being shredded every day!

Mr Shah quickly explained that we had the mandate to do all that was required to comply with the environment protection laws and save the industry. Should we dredge out all the muck from the seabed? Should we pick up all the floating debris and ensure that no further debris is chucked into the sea? Should we plant trees?

I had no immediate answer but I knew that our environmental laws – like most other laws – were woefully distanced from the realities on the ground and could not care about other related aspects such as living and working conditions of the people there. These are dealt with – if at all – in other laws, which did not concern us really at this point of time.

With very little scientific literature on the matter, I did not have an idea of where to begin and what to look for. I therefore cre-

ated separate research teams to study almost all conceivable angles including geography, sedimentary geochemistry, hydrology, water pollution, benthic fauna (including foraminifera) and micro flora (including microbes that lived on hydrocarbons). The socio-economic studies focused on the resident population, the migrant workers and the entrepreneurs (including those in ancillary steel re-rolling mills and bottling plants) and their views on the living conditions, working conditions and general environment conditions.

### Astounding Findings

The findings were astounding. Hydrocarbons were detected a metre below the water surface about a kilometre from the shores of Alang, which was the residual fuel carelessly emptied before the vessel embarked upon its final lap to the beach. Heavy metals, released from the paints scraped from areas on the hull where the cutting edge of the gas flame would glow, were detected in the sediments and not in the waters.

The geochemist told us that the sediment in this region was particularly good at binding heavy metals and hence immobilised much of it from the water while the tidal waters flushed out the rest quickly. Dredging, therefore, was totally avoidable since a disturbed bottom could risk release of all those pollutants.

Few living creatures were adapted to withstand conditions of such high tidal amplitude and even these assemblages were found to be normal just a kilometre away from the ship-breaking zone both to the north and south. That is, unless they were physically trampled upon, the effects of pollution were not evident.

The debris, however, would either float as eye sores (assuming someone did visit the region as a tourist) or would fill up the trenches on the seabed. On the other hand, as mentioned initially, the socio-economic studies were quite a revelation.

There were a couple of aspects, though, that we could not explore. A pilot had mentioned the possibilities of dumping nuclear wastes off the shores of Alang, more from an analysis of the laws and weaknesses in the system rather than from any real evidence. And second, quite a few workers were suspected to be infected with AIDS. Since health check up was voluntary and the HIV tests still quite basic, it was difficult to confirm.

### Living and Working Conditions

When we sat down to synthesise our findings and make recommendations, we were faced with a strange dilemma. On the one hand, we were to highlight environmental problems that did not really exist and deal with technological options that did not really make sense. On the other hand, there were real issues related to living and working conditions that needed only a bit of regulation, management and investment on infrastructure, but that was definitely not the issue uppermost in the minds of policy-makers at that point of time, both at the central and state levels. In consultation with our advisors like Mr V Ramachandran – who described ship breaking as a 'foot-loose' industry – we decided to bite the bullet in favour of realism.

It was in 2000 that I again chanced upon Alang, this time on a separate project for the two gulfs in Gujarat. Our jeep drove down a wide metalled road with streetlights that actually lit up when we were returning

in the evening. We passed a fire station, a police station, a post office, a bank and a huge container for the supply of drinking water.

A siren went off and thousands of workers stepped out from the yards, all with yellow helmets, boots and gloves. They worked to 8-hour shifts now, and had basic protective gear. Casualties had dropped drastically, and so had drunkenness and petty street fights.

The workers certainly looked more content and purposeful. The junkyard looked more organised and even the sea looked clean. But business, I was told, was not really as booming as was being projected earlier. Footloose it was, I thought, and thank God we did not waste money on so-called 'environment protection' measures.

*The author is personally responsible  
for this article*

#### Present a New Idea for Peer Review

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## Finding Bearings in Jhumkakudar

A stay in an Orissa village was a voyage of self-discovery and finding out how the poor in rural India lived

Sanjeev Mohapatra

It was in late August when I was on my way in a Sumo with Bijay and Neeladri to Jhumkakudar village in Karanjia district of Orissa for my village stay. When Bijay dropped me at Jhumkakudar, my initial worry was how to adjust to living in a village since I had an urban upbringing.

I was so taken up with myself that a few days later when Manu, a Jhumkakudar farmer, showed me a few rotten tomatoes I did not understand that the fruits had rotted because of a disease. He started showing me a few rotten tomatoes everyday. It became a routine torture session. I could not do anything as my knowledge about agriculture was zero and I had no way of contacting the office.

Bijay was away on a gender sensitivity training. By the time he came back and medicines were brought, it was too late. Manu suffered a heavy loss. Bijay was very troubled because Manu was a hardworking farmer and his crop was to serve as a demonstration to the village.

Initially the tomato crop was doing so well that Manu had started building castles in the air. He started dreaming of buying a two-wheeler from the profits, supplemented by a loan. When his dreams crashed and since we tried to help by providing medicines, he concluded that we were trying to undo some wrong we had committed.

He then tried to analyse what had gone wrong. Another villager Sanju jokingly told Manu's wife Subhadra that the tomatoes had died because they were overfed and suffered from indigestion!

What started as a joke became serious when Manu concluded that the vermicompost he was supplied by Bijay lay at the root of his troubles. I was very troubled when I came to know of this. I therefore cycled 12 km in the hot sun to our Karanjia office to inform Bijay. I could not meet him because an important meeting was going on. So I wrote him a letter and went back to the village. Bijay came the very next day to the village to set matters right.

### Effect of Rotten Tomatoes

The tomato incident left a deep impression in my mind. I was angry and confused. At first I thought that our method of intervening in agriculture was wrong. Then I learnt about Dinabandhu's approach. He had said that we should choose at least one village for intensive actions and learning. The remaining time could then be distributed to chase targets.

I also felt that if any other professional had known what has happened, he would have taken proper action. But it did not happen due to lack of proper feedback. I thought that if we had asked the members of the self-help groups (SHGs) to write out their agricultural problems and drop it in the letterbox in an envelope, we could have shared our expertise with them or made suitable arrangements.

Manu's rotten tomatoes made a big impact on Bijay, Surjeet and I. We were particularly worried that after so much effort, we have come back to square one. We were quite sure that the disease had not occurred on the field. So the infection must have started in the nursery. If that could

be avoided in some way, it would not only enhance the crop but things would become more suitable to realise our objectives of successful demonstration.

Surjeet then came with the idea of a polyhouse. A polyhouse is basically a greenhouse. It involves covering the nursery bed with a frame covered with plastic material that protects seedlings from UV rays and rain. Polyhouses also ward off insects and pests, which are the major carriers of infection.

I was very enthusiastic because Surjeet gave me the opportunity to design and deploy the polyhouse. While designing my main concern was how to make it portable without compromising with the shade area involved. Moreover, if the polyhouse frame were too big, it would require two persons, which would be a disadvantage during replication by other farmers.

My continuous interaction with Upendra, my first polyhouse client, was a success. We were able to evolve a strategy for the design. I found that the most important input that I provided was making the farmers understand the problem and to motivate to adopt the solution. Although my assistance in the field was minimal, my presence made them feel that somebody was supporting them.

At the end it was a pleasure to see a big smile on their faces, which more than made up for my discomfort. I was happy that my commitment to work had paid off. The support that I received from the farmers made me more confident. I wanted to replicate it across the entire village, so that every farmer can harvest at least 2 bumper vegetable crops every year.

### Discovering the Poor

During the first 2 weeks I did not find any poor people. So I asked Bijay about the poor people in the village. Bijay did not give me a direct reply. Instead he tried to tell me about the conditions in which the poor lived and asked me to identify those conditions.

I had in fact discovered such a poor family but my mind had refused to recognise the fact. Just as water flows through a path of least resistance, the mind tries to absorb only those emotions that give it the least pain. Bijay made me realise this and I went back to that poor man's house. I found that the house was so charged up with misery that it made me cry, though I am no crybaby. I just realised that the poor were so helpless.

Consider the case of Rahas, a poor, landless farmer of Jhumkakudar. When I went to meet him I saw him sitting crouched on the mud threshold of his house watching the grain drying in the sun. His wife and daughters were away on work. He was sitting there as if somebody had taken away his manhood. It was as if he was praying to God to take him away from this world because he could not take any more suffering. It was as if he was saying that he no longer wanted to be a burden on his wife and daughters.

He did not have the money to marry off his daughters. Even if he took a loan, he did not have the strength to work and feed his family. He had developed an internal defence mechanism. Whenever he saw something about which he felt bad or got very angry, he became numb, devoid of all feelings and sensations.

The meeting with Rahas left me shaken. I



## News and Events

- The American India Foundation organised a livelihood partners' meet during February 14-17, 2006 in Ahmedabad. Fourteen partners NGOs of AIF working in rural and urban areas attended the workshop. Some of the participating organisations were CRD, Maya, Anandi, Nidaan, Samerth, Saath, Utthan, GDS and Pradan. It was a platform to learn about the various activities of AIF and the elements of its livelihood grants. The purposes of the workshop included sharing experiences of partners working with specific marginalized groups to learn from good practices; to learn about various issues and legislation concerning urban and rural informal sector workers and communities (agricultural and construction workers); their impact on livelihoods and how the partners can play a role in this; to discuss different strategies and approaches that the partners can adopt to influence various arms of governance (Panchayati Raj Institutions, urban local bodies and municipal corporations) in favour of improving livelihood opportunities for the poor. The workshop also discussed issues in scaling up livelihood interventions and its impact in the context of self-help groups (SHGs), enterprise development and interventions in water resources. Mousumi Sarkar from Pradan Raigarh attended the workshop. She made a presentation on Pradan's experience with the Computer Munshi system and the Internal Learning System.
- The Orientation Programme for Pradan's development apprentices was held in Kesla between January 16 and February 2, 2006. The programme consisted of an organisation orientation, a thematic training on SHGs, a gender and poverty workshop, a training on integrated natural resource management and a village study workshop. Twenty-one apprentices of the 35th batch participated in the programme. The resource persons included Deep Joshi, Rajesh Mit, Sameer Bhattacharya, Anil K Verma, Madhu Khetan, Manas Satpathy, Dinabandhu Karmakar, D Narendranath, Mousumi Sarkar, Nivedita Narain and Abha Bhaiya from Jagori.
- Pradan's Executive Committee met in New Delhi on January 7-9, 2006.
- The Phase-I of Field Guides' Development Programme was held between January 28 and February 4, 2006. There were 12 participants in the programme. Deepankar Roy and Ramesh Galohda were the facilitators.
- The working group on PRADAN 2015 met during February 10-13, 2006. Deepankar Roy facilitated the meeting. The meeting discussed the different design options for PRADAN 2015.
- The Consultative Group for PRADAN 2015, comprising 49 senior Pradan professionals assembled at Vishwa Yuvak Kendra in New Delhi on 22-25 February 2006 to deliberate on various issues related to PRADAN 2015. The Working Group updated the Consultative Group on the progress till now. A panel of experts comprising of Ravi Chopra, Somnath Ghosh, Vijay Mahajan, Ajay S Mehta, Bharti Gupta Ramola, Ishwar Dayal and Pradip Khandwalla also participated and provided their inputs on the different design options for PRADAN 2015. Deepankar Roy facilitated the workshop.





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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