

# News Reach

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*Rohini Somanathan* studies poverty targeting in Pradan-promoted women's savings and credit groups in Jharkhand. Rohini is associated with the University of Michigan in the United States and the Indian Statistical Institute and is based in New Delhi.

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*Nityananda Dhal* studies Pradan promoted micro-irrigation schemes in Balliguda subdivision of Kandhamal district in Orissa, revealing ways to optimise the use of these schemes. Nityananda is based in Balliguda.

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*Rajnikant Prasad* and *Sourav Mishra* report on how communities in Ghagra block in Jharkhand find maize cultivation as a better option in their quest for food security. Rajnikant and Sourav are based in Lohardaga in Jharkhand.

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*Bikash Roy Medhi* and *Pranabeswar Baruah* write on how farmers of 2 community managed lift irrigation sites developed consolidated agricultural plans. Bikash is Assistant Executive Engineer in the Irrigation Department of Assam Government and Pranabeswar is an Anthropologist with Assam Rural Infrastructure and Agricultural Services Project Society. They are based in Guwahati.

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*Balaraju Nikku* reflects on development issues and the policies and people that power them. Balaraju is the founder president of Resource Educational Society and is based in Srikakulam in Andhra Pradesh.

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*Yagya Ghale* reports on a visit of women from Nepal's co-operatives to learn about best practices in Indian micro-finance. Yagya is Senior Programme Officer with the Centre for Micro Finance in Nepal. She is based in Kathmandu, Nepal.



## Letters to the Editor

### Useful Publication

My article in NewsReach (*SARAL Solutions*, NewsReach December 2002) was read by Dr Soren of Micro Credit Innovation Division at NABARD in Mumbai. He recalled me when I met him in Bidar while I was presenting my SHG (self-help group) software. Later, I received an invitation to bid for a NABARD pilot project on SHG-bank linkage and bank automation from Srikakulam Gramina Bank 3 months after I met Dr Soren. Initially I could not connect the invitation to Dr Soren and then to NewsReach. As I started asking as to how Gramina Bank got my address, I discovered that NewsReach had played a role in enabling me to bid for the NABARD bank pilot project. I hope we win the bid and get the opportunity to work.

Subodh Kumar Gupta, CEO, SAFAL Solutions, Hyderabad

### Targets before People?

Binod Raj Dahal very honestly shares the ironic state of a development worker who is torn between achieving development goals through the corporate way and ground realities (*Dimensions of Development*, NewsReach December 2003). It seems that we have misinterpreted the 'corporate way'. I wish somebody would define this much-desired development through the corporate way. Does it mean putting targets before people?

It is sad that at times we get obsessed with doing development so much that those who should be central to this is found missing. This prompts me to talk about 'investing in institution building' that is somehow not looked upon as a necessary step in promoting livelihoods but a novelty that requires us to spend numerous hours sitting next to *didis* to figure out what they want and how comfortable they are with our livelihood plan while we are in hurry to scale up and reach huge targets.

Binod's article has only reconfirmed that capacity building is not to be looked upon as an exclusive and isolated activity but a necessary process that requires investment (with or without the existence of SHGs) if we are to leave any signs of impact on poor people's lives and livelihoods.

Neelam Maheshwari, New Delhi



## Updates

### BASIX Lending to Tasar Project

BASIX integrates financial services, livelihood promotion services and human resources and institutional development services. In keeping with this overall mission, the Bhartiya Samruddhi Finance Limited, a BASIX group company, is lending to Pradan's tasar project. As a result of this collaboration, Samruddhi has provided working capital credit for grainages and the post-cocoon stage in tasar (trading, reeling and weaving). Samruddhi has lent an aggregate amount of Rs 78 lakh to 117 grainages (through joint liability groups of 5 members each) supported by Pradan, in Godda, Dumka and Banka districts.

### Micro Insurance in Alwar

Tata AIG Life Insurance Company Limited has started a micro insurance training programme in Ramgarh and Kishangarh blocks of Alwar district in Rajasthan. It equips selected village youth as insurance advisors. The programme aims to provide set-up systems to deliver insurance services to the rural poor at an affordable cost by advisors selected from the community.

This has dual benefits. First, it will help provide a very important service that is vital for the poor in the area. Secondly it will provide the insurance advisors a source of livelihood.

Those selected underwent 100 hours of insurance training followed by one day of product and process training at Alwar. The topics covered in the training included what is insurance, how it works, it's important for the poor, vari-

ous kinds of insurance plans, calculation of premium, etc.

The course curriculum has been prescribed by Insurance Regulatory Development Authority (IRDA) and is mandatory for anybody who wants to solicit insurance. The minimum qualification required to be eligible for the training is 10th standard. Besides Pradan, the other organisations that participated in the IRDA training were Sakhi Samiti, CECODECON, Shohard Centre and IIRD.

The participants have taken an examination conducted by the Insurance Institute of India on December 14. Those who have passed will be licensed from IRDA as insurance advisors, who will solicit insurance on behalf of TATA AIG Life Insurance Company Ltd.

The insurance advisors will be able to earn an average monthly income of Rs 700-800 for 6 years if they can sell 10 policies every month with an average annual premium of Rs 425 for 2 years. This income could increase substantially if they sell higher premium products to the higher strata of the village society and work beyond 2 years.

They will later be trained for selling general insurance products and providing other financial services. The idea is to build a pool of financial services providers who can provide insurance services to poor villagers. Those interested in further details could contact Piyush at [piyush.kumar@TATA-AIG.com](mailto:piyush.kumar@TATA-AIG.com).

## Targeting Poverty

### Studying poverty targeting in Pradan-promoted women's savings and credit groups in Jharkhand

Rohini Somanathan

Programmes that involve poor households in credit markets have become very popular with governments and a variety of non-government organisations (NGOs) and donor institutions all over the world. Many developing countries, after achieving political independence, tried to create a network of formal credit institutions to reach rural borrowers.

In India, the largest commercial banks, after they were nationalised in 1969, established branches in rural areas to provide subsidised credit to the poor under a variety of nationally sponsored schemes. In addition, a variety of rural development programmes, most notably the Integrated Rural Development Programme (IRDP) was initiated to meet the credit needs of the poor in these areas.

The expansion in the number of formal banking institutions in India did result in a decline in the share of informal credit sources, from 71% of rural credit in 1971 to 40% in 1991, but such lending never became financially viable and often did not reach really poor households. Repayment rates were often below 50% and were less than one-third for loans made under the IRDP. These failures in penetrating rural credit markets were fairly typical among other countries following similar development strategies.

### New Players in Micro-Credit

The late seventies saw the emergence of a new set of players in these markets. Microfinance institutions (MFIs) such as the Grameen Bank introduced group-lending contracts and innovative repay-

ment schedules. These methods were successful in achieving high repayment rates in the absence of collateral but also implied high operational costs. As a result, most lending to the poor was not financially sustainable, even at annual rates of interest close to 20%. As a result, most MFIs, including the Grameen Bank, relied on grant support to expand their activities.

The growth of microfinance in India has been somewhat unusual. Pre-existing formal financial institutions rather than specialised banks have been extensively involved in subsidised rural lending. NGOs across the country have been promoting informal groups of women, commonly referred to as self-help groups (SHGs) that mobilise small savings from group members and made loans to meet their contingencies.

In 1992, the Reserve Bank of India issued guidelines to nationalised commercial banks, encouraging them to accept deposits from SHGs and make loans to them. In the same year, NABARD formally launched its linkage programme, under which it provided subsidised credit to these banks, specially earmarked for SHG lending.

The cooperation of NGOs and formal financial institutions has made for lower costs of administering microfinance loans relative to the more specialised MFIs and repayment rates have been comparable. If these loans do in fact reach the intended beneficiaries, the Indian case provides an alternative institutional structure for



micro-credit that might be worth emulating in other countries.

### Pradan's Activities

Pradan has been promoting SHGs since 1988. There are now over 4,000 Pradan-initiated groups in operation and about 57,000 women are involved. Pradan personnel help form informal groups through village meetings, train them in basic accounting practices, and help establish a group savings account at a nearby commercial bank.

When the group is ready, they help them apply for loans for a variety of income-generating activities. They also provide complementary inputs in the form of technical expertise and marketing, which are often crucial to successful self-employment.

Between April 2001 and March 2002, these SHGs collectively mobilised about US \$200,000 in savings and about 700 of these groups took bank loans totalling \$184,000. Bank credit was used for a variety of income generating activities, ranging from paddy processing, with an initial investment of about \$40 per group, to cattle trading which requires close to \$400 per group. To put these figures in perspective, these SHGs often start with monthly contributions of \$0.50 per group member.

This study examined the characteristics of new members in Pradan-promoted SHG groups in Jharkhand and compared them to non-members in the same area to assess the effectiveness of the programme in targeting poor households. If Pradan's programme does in fact reach the very poor, it appears to have

the potential of helping them climb out of poverty.

Of the 26 administrative districts and 60 development blocks in which Pradan is active, half the districts and two-thirds of the blocks are in Jharkhand. The state contains about 70% of all existing SHGs formed by Pradan and 80% of those that have already established links with commercial banks. Jharkhand is one of the poorest states in the country. At the time of the last census in 2001, Jharkhand had a literacy rate of 54%, eleven percentage points below the national average of 65%. About half the population in Jharkhand is below the national poverty line, as compared to about a third of entire country's population.

### Household Survey

A household survey was conducted over a period of 2 months, starting in the middle of August 2002. The purpose of the survey was to compare the standard of living of member households entering the programme with comparable non-member households. Only villages with newly formed SHGs were considered since the objective was to examine Pradan's success in targeting poor households, rather than in raising incomes through the SHG programme.

The inclusion of members from previously formed SHGs might have contaminated the analysis because access to credit and other aspects of SHG functioning might have changed the household. The survey population consisted of 149 new SHGs in 100 villages from 11 different districts in Jharkhand and the adjoining district of Banka in Bihar that

is covered by one of the Pradan's Jharkhand teams.

The survey population was stratified into 4 geographical clusters: the Santhal Parganas in the Northeast, Hazaribag and its surroundings in the Northwest, the Ranchi-Lohardaga area in the Southwest and Singhbhum in the Southeast. Populations in these areas have quite different demographic characteristics. The majority of the population in southern Jharkhand is classified as tribal as opposed to about 40% in Santhal Parganas and 10% in the Hazaribag area.

### Selection Rationale

Since the different social composition in these clusters may affect the propensity for collective action and therefore the composition of SHGs, it was decided to use a stratified sampling strategy. For each cluster, a simple random sample of 6 villages was chosen from the set of all villages with at least one SHG formed during the period April 1 and June 30, 2002.

The principal reason for focusing on these villages is that very little lending takes place during the early months of SHG formation and yet their membership is fairly stable. A total of 24 respondents were surveyed from each of these villages: 6 of them were members of SHGs in the village and the remaining 18 were randomly selected non-members from the same village.

Most surveyed households were found to be extremely poor by national standards, although those in the Hazaribag area possessed more durable goods and spent more on major items of expendi-

ture than the others in the sample.

### Method of Analysis

Principal component analysis is a fairly popular method of creating indices of income and wealth based on a large number of individual or household characteristics. The procedure is useful because it combines a large number of household characteristics into a single variable by optimally assigning weights to each chosen household characteristic so as to explain as much of the variability in the chosen set of household characteristics as possible. The procedure is available in most statistical software packages.

The following variables were used to create the index for surveyed households in this study: meals consumed in the 2 days prior to the survey, the daily household consumption of food grains (in kilograms), annual household expenditure on clothing and footwear, the number of rooms in the dwelling, the quantity of land owned and the total value of livestock and durable goods owned by the household at the time of the survey. These were chosen based on what past studies have found to be important indicators of consumption and wealth and on conversations with Pradan professionals on what characterises poverty in this region.

The distributions of the economic index for members and non-members were compared using a variety of statistical tests. These distributions were found to be very similar for the region as a whole, except for the poorest households in the survey, who were predominantly outside these groups.



In fact, the poorest 3% of all households in sample had no members. This exclusion of the very poor from the SHG programme also appeared in the regional distributions suggesting, perhaps not surprisingly, that being part of a SHG depends not only on absolute economic well-being but the household's position relative to others in the area.

### Defining the Poorest

In order to better understand the reasons for the exclusion of the poor, it is useful to translate the value of the index economic index for the poorest households back into commonly observed household characteristics. The poorest 5% of surveyed households, based on the economic index used in this paper, were seen to have dramatically different lifestyles and consumption levels from the rest.

Ninety three percent of these households consume two or fewer meals per day and 71% of them live in one-room dwellings. They consume between 25-30% less food grains (by weight) than the other households and significantly less high protein foods, such as fish and eggs. The mean value of their assets of livestock and durable goods is only a twentieth of the mean for other households and their average per capita expenditures on clothing and footwear are less than half the average for other households.

These households also seem more excluded from educational opportunities, local village organisations and from the political process. The literacy rate among adults in the poorest households is 22% (about half the rate for the rest of the sample). The school attendance

rate for children below the age of 15 is 34% for these households and 49% for the rest.

Social exclusion seems to accompany the dismal economic conditions of the poorest households. Only 7% of these households have ever approached a government official as opposed to 28% of all other households. Their participation in local village organisations and in state and central government elections is also more limited.

A few years ago, the Indian government launched a poverty alleviation programme that provided subsidised food grains to households that were well below the official poverty line. District administrators are responsible for keeping lists of the poorest households and providing them with identity cards to avail of the subsidy.

The survey asked respondents whether they were in the official list of those below the poverty line and whether they had a card for subsidised food grains. About equal shares of both the poorest households and all other households were in the official list and the fraction with access to subsidised food grains was lower for the poorest than for the middle 90% of households! The poor who are excluded from the SHG programme also seem to be excluded from other interventions that are, in principle, designed for their benefit.

### Conclusions

Over the last decade, Pradan has created a large network of SHGs in Jharkhand. Levels of poverty in Jharkhand are among the highest in the country with

about half the population below the national poverty line, which in turn, is well below \$1 per day. The fact that Pradan works with tribal women is worth special emphasis because the Indian population of scheduled tribes is both extremely poor and is socially isolated.

Unlike other socially disadvantaged groups that come under the category of scheduled castes, tribal women in particular, have literacy rates that are dismal, even compared to the low national average. In 1991, the last year for which data is separately available for the scheduled tribes, 39% of all Indian women were literate, 24% of scheduled caste women were illiterate and only 18% of scheduled tribe women were literate.

In the state of Bihar, which contained Jharkhand in 1991, female literacy rates were as low as 7% for the scheduled tribes. These are partly attributable to the generally high levels of poverty among the tribals, and partly due to the fact that the villages inhabited by the tribals often do not contain other more powerful groups who can successfully attract public schools and other amenities to the area.

The survey suggests that within the region there is no major difference between members and non-members of SHGs. This is perhaps not surprising given the overall levels of poverty in the region (none of the surveyed households own an automobile, two households own a jeep, and only 5% own a motorcycle). The poorest households in the region do seem to be excluded from the programme. Their responses to questions on levels of

education, voting behaviour, participation in local village organisations and on receipts of government subsidies suggest that these households are also excluded from village level activities and from government sponsored programmes aimed at poverty alleviation.

It is difficult, on the basis of the data collected, to assess the reasons for such exclusion. On average, members of these households do spend fewer months in the village than others in the sample. This may contribute to their difficulty in being a member of a regular savings group. It is however also possible that these families are socially excluded and discouraged from being members, or that they find it difficult to regularly save even the small amount that is required by the SHG.

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## Optimising Water for Irrigation

An exploratory study of Pradan promoted micro-irrigation schemes in Balliguda subdivision of Kandhamal district in Orissa has revealed ways of optimising the use of these schemes

Nityananda Dhal

Pradan has been working in the Balliguda subdivision of Kandhamal district in Orissa since mid 2000. Promoting livelihoods based on land and water is a natural choice in this area, given that tribal communities here are practising settled agriculture to meet food requirements. Our team therefore selected irrigated agriculture as one of the livelihood interventions. We have promoted 32 micro-irrigation schemes in our working area. Each scheme is capable of providing irrigation to about 20 to 40 acres belonging to about 15 to 40 farmers in a village.

Although the irrigation schemes were introduced within a period of 2 years, there is a wide variation in their use. Besides crop coverage, the percentage of farmers cultivating a second crop varies from site to site. This study is an attempt to understand the reasons behind such variations. We selected 6 irrigation schemes on a sample basis. Out of those 4 are functioning relatively well and the other 2 are performing poorly (see box 1).

Our working area is one of the most backward in the country with about 92% of the families below the poverty line. The major tribe is Kandha, classified as one of the primitive tribes. Kandhas are in a transition phase from shifting cultivation and gathering to settled cultivation. The practice of shifting cultivation is widespread with a sharply declining trend. With a high degree of forest coverage (58%), most Kandha families depend greatly on forest produce. Their

agricultural practices are primitive. With a very poor market network, the trading system in the area is very exploitative. Food security is also a major concern for most families.

### Investigating Critical Factors

The objective of the study was to identify critical factors that influence the use or lack of use of irrigation schemes. We also wanted to come up with some pointers to enable families to better utilise existing schemes. This could include factors to be considered for the selection of new projects and suggestions for their implementation.

We adopted a fairly rigorous methodology to conduct the study. It included a detailed technical assessment of each scheme from primary as well as secondary sources; profiling the users and non-users; physical assessment of infrastructure and land profile; focus group discussions with men and women, both users and non-users. Our investigations yielded a wealth of data.

A variety of reasons emerged for not using the schemes, or dropouts. These included

- High cost of irrigation
- Water not coming to the homestead
- Difficult to guard the crop from buffaloes at night
- No food to eat during the cropping season, thus forced into wage labour
- Lack of manpower to concentrate in Rabi crop along with other work
- No money for initial investment

Box 1: Maize versus Upland Rice (for one acre)

Goda (upland rice)	Maize
Seed: 50 kg @ Rs 4/kg = Rs 200	Seed: 7 kg @ Rs 55 = Rs 385
Weeding: 5 labourers x 14 days @ Rs 15/labour = Rs 1,050	DAP: 60kg @ Rs 9.80/kg = Rs 588
	Urea: 40 kg @ Rs 5/kg = Rs 200
	Potash: 25 Kg @ Rs5/kg = Rs 125
	Follidol: 16Kg @ Rs16/kg = Rs 258
	Insecticide/fungicide: Rs 100 @ Re 1/decimel on common sharing basis
	Interest (for 5 months): Rs 146
Total cost of production: Rs 1,250	Total cost of production: Rs 1,800
Average yield (5 quintals): Rs 2,000 (At average rate of Rs 4 per kg)	Average yield (15 quintals): Rs 6,825 (At average rate of Rs 4.55 per kg)
Total income: Rs 2,000 - Rs 1,250 = Rs 850	Total Income: Rs 6,825 - Rs 1,800 = Rs 5,025
Assuming no chemical fertiliser is used	

acceptable food. Even if they were to sell maize and buy *goda*, there would be some money left after they have procured food for 12 months.

### Contiguous Approach

Of the 75 SHGs we have promoted, we involved only 30 for the maize intervention since the others were less than 6 months old. Most of these groups were in a contiguous geographical patch. It was initially a difficult task to promote maize since it was a relatively new concept in most villages in the region. We seeded the concept thoroughly in all the intended villages with required charts and economic details.

Initially we had planned to work with 220 families cultivating maize on 140 acres. We ultimately worked with 130 families cultivating on 80 acres. The main reason for the shortfall was that communities

were apprehensive that they would be burdened with debt experimenting with this new idea. Vagaries of the monsoon and expected attack of forest animals also dampened people's morale.

We procured hybrid maize seeds from two companies: Pioneer and Advanta. We bought pigeon pea seeds from the ICRISAT research station, while fertilisers, insecticides and fungicides were procured from local outlets. The role of SHGs in this agricultural intervention was to access credit (from ICICI bank), procure inputs and act as a monitoring body for the entire process.

### Experience From the Fields

The sowing was scheduled from the second fortnight of June but heavy rain discouraged farmers so much that they were about to abort the programme. But our constant motivation and counselling put



them back on track. Most of the sowing was completed by the end of June.

The picture was dismal a week after the sowing. Pigeon pea suffered dieback and maize was germinating hesitantly. We however kept following proper practices and the 80 acres sprouted with green maize cover. The rains vanished suddenly during vegetative growth and early tasseling stage, which lead to dryness of the land, disenchanting the farmers.

We stood steadfast till there was a severe attack of aphids, almost in the form of an epidemic, which threatened a possible crop failure. The grains were yet to be set and the attack was damaging the reproductive organs. We fought hard with available resources (use of systemic insecticide Metasystox) and saved the crop.

### Community Reactions

Although the productivity was not comparable with that of the fertile Gangetic plains and other maize producing areas, it was encouraging enough for the community to take it up as a main crop. "No *goda* next year, we all will switch to maize," said Hari of Kurag, a village that cultivated 20 acres of maize.

Box 2: Returns from Maize

Name of SHG Member	SHG/Village	Acres under Maize	Yield (Quintal)	Cost of Production (Rs)	Income (Rs)	Net Profit (Rs)
Tembo Devi	Banjari/Kurag	2	30	3,600	13,650	10,050
Budhmania Devi	Tetar/Kurag	0.8	12.36	1,461	5,623	4,162
Bandhain Devi	Gulab/ Nawdiha	0.7	11	1,418	5,010	3,592
Bayjanti	Sarna/Ruki	1	6	1,800	2,730	930

A lot of farmers in the entire region and even people outside SHGs promoted by us share the same view. They are being lured by the remuneration this crop brings compared to *goda*. Besides the higher remuneration, maize did not fail with the erratic monsoon even as their staple crop of paddy failed. This has inspired confidence in maize. If we take into consideration last years severe and this year's partial drought, the community finds maize as a better option in their quest for food security.

### Returns from Maize

As we had assumed, the average yield was about 15 quintals per acre. It varied from a high of 18 quintals (Budhman Oraon of Chadheya village) to a low of 3 quintals (Shiri Oraon of Lalpur village). The entire yield from the intervention could not be valued since the maize was not entirely sold. It was instead stored by many families to be later used as a staple food. We present data from a few representative families (see box 2).

It is evident from the data that the first 3 entries show average yield under the recommended practices. The low production in the case of Bayjanti Devi was due to poor intercultural practices and

no application of urea. There are few more cases of such poor production, mainly due to no intercultural operations and application of fertilisers.

We need to mention at this point that a single person can manage the furrowing and easily apply insecticide in one acre. The returns from one acre is approximately Rs 4,500, which a farmer earned over 5 months from a land that he earlier used to think as unproductive or marginally productive.

### Intervention Introspection

It is well know that maize is a heavy feeder of soil nutrients. For higher yields farmers in this region need to apply more chemical fertilisers since the soil is not so fertile and lacks the advantages of fertile alluvial deposits in the Gangetic plains. We need to figure out how justified it is to abuse the land in such a manner. The local farmers do not use fertilisers and agro medicines (barring occasional exceptions) to cultivate *goda* rice but maize will demand such inputs.

This year the intervention was a sort of contact farming in which the entire package was made available to the farmers. Intensive follow up by us ensured large-scale production. Would it be the same if the people did it on their own?

The seeds from Pioneer was a crowd puller with its attractive packaging and Advanta seeds had few takers. But the field realities are that Pioneer failed everywhere. The pigeon pea seeds failed completely and maize production was much lower compared to the promise

made by the companies. The issue in this case is fixing responsibility in such setbacks, which have dire consequences on the lives of hundreds of families. Can there be proper backward linkages and responsibility sharing with the concerned institutions and companies if they are involved in such big programmes? We also need to give thought to proper storage facilities. Rain, fungus and termite attacks and high moisture levels delayed the marketability of the produce this year.

Despite selecting a contiguous patch, it was difficult for some of the villages when it came to final procurement due to inaccessible terrain made worse by the monsoons. However, it was the first major livelihood intervention in Ghaghra and has been a morale boosting experience for us since we received such favourable feedback from both farmers and traders.

#### Write in NewsReach

- Confused?
- Caught in a dilemma?
- Want to share your questions?
- Done something differently?
- Found a new solution to an old problem?
- Used a known solution to solve a new problem?
- Write in NewsReach.
- Did an article strike a chord within you?
- Do you disagree with something you have read?
- Would you like to share your experiences with the writer?
- Or ask her or him a question or two?
- Send your responses to the articles in this issue to promote the exchange of views.



## Hamlet-based Agriculture Planning

Farmers of 2 community managed lift irrigation sites in Assam develop consolidated agricultural plans to optimise returns

Bikash Roy Medhi & Pranabeswar Baruah

The Social Management Unit of the Project Implementation Unit of the ARIASP (Assam Rural Infrastructure and Agricultural Services Project) Society in Khanapara in Kamrup (Urban) district of Assam organised a training exercise for hamlet-based agriculture planning between October 30, 2003 and November 3, 2003.

The primary objective of the exercise was to train some farmers from CMLIS (community managed micro lift irrigation system) and activists of an NGO based in the same area. Alok Jana and Dibendyu Choudhury from Pradan were invited as resource persons.

There were 32 participants that included CMLIS farmers and personnel from NNGO. On October 30, classroom training was imparted in Guwahati. On the second day, besides classroom sessions, we conducted a survey in a Guwahati market. On November 1 and

2, we conducted a site-specific agriculture planning at Rajabheti and Bahbari Bagicha CMLIS in Bahbari block of Sunitpur district. On the last day we consolidated lessons and presented these at Naltoli Agriculture Extension Training Centre.

### Market Survey

A market survey is absolutely necessary to the process of agriculture planning and market linkage. The demand for various crops and their prices could only be ascertained from a local market survey.

We therefore decided to survey the Machkhowa market in Guwahati on October 31. We found that the marketing chain in Machkhowa was from producers to *dalals* (middlemen) to *gaddi* (wholesaler) to retailer to consumer. The market prices of various produce during September and October 2003 at Machkhowa market is presented in box 1.

Box 1: Market Prices

Vegetable	Period	Price	Production Belt
Potato	September	Rs 7-8/kg	Shillong
	October	Rs 10-11/Kg	Shillong
Pumpkin	September	Rs 4-5/kg	North Bengal, Garo Hills
	October	Rs 7-8/kg	North Bengal, Garo Hills
Radish	September	Rs 5-6/kg	Shillong
	October	Rs 8-9/kg	Shillong
Chilli	September	Rs 8-10/kg	Lanka, Lamding, Sarupathar
	October	Rs 20/kg	Lanka, Lamding, Sarupathar
Squash	September	Rs 4-5/kg	Shillong
	October	Rs 6-7/kg	Shillong

Box 1: Details of the 6 selected irrigation schemes

Particulars	Ballisuga	Kumbharsahi	Poilasahi	Terjakia	Khajuripanga	Colonisahi
Performance	Very good	Very good	Good	Good	Very Poor	Poor
Scheme ready for operation	2000	2000	2000	2001	1999	2001
Target families	21 ST + 2 SC	8 ST + 6 Gen	15 ST + 1 SC	22 ST + 3 SC	22 ST + 3SC + 1 Gen	9 ST+ 11 SC + 1 Gen
Engine power	8hp	5hp	5hp	8hp	8hp	8hp
Cost of water	Moderate	Low	Moderate	Moderate	High	Moderate
Primary occupation	Agriculture	Agriculture	Agriculture	Agriculture	Agriculture and shifting cultivation	Wage labour
Distance from market	8 km	12 km	12 km	13 km	20 km	16 km
Input arrangement	Pradan, seed shop	Pradan, seed shop	Pradan, seed shop	Pradan, seed shop	ITDA, self	Pradan, self
Credit arrangement	SHG, Bank, seed shop	SHG, seed shop	SHG, seed shop	SHG, seed shop	SHG	No source
Pradan's follow-up	Regular	Regular	Regular	Regular	Initially high than stopped	Irregular and then stopped
Earlier crop experience	Very positive	Very positive	Positive	Positive	Nil	Nil
First year experience	Positive	Positive	Positive	Positive	Bad	Bad
Major problem as perceived by the families	Low price of produce	Low price of produce	Credit and low price of produce	Credit and low price of produce	Land far away and no water to homestead	Not proper land, wage labour

- Very low price for produce
- Experienced vegetable growers incurring loss
- Inability to repay loan if losses are incurred
- Huge water losses in earthen conveyance
- Others are not coming forward
- Undulating land
- Loss incurred in previous year
- Fencing very costly and time consuming in first year

We did a detailed analysis based on the feedback (see box 2 on page 10).

### In View of Analysis

After the analysis, we realised that a few steps could be taken to motivate the farmers to optimally use the irrigation schemes. For instance, a group of farmers with positive experience in Rabi cultivation earlier could take initiative in the first year to demonstrate success.



## Box 2: Result analysis

Criteria	Sub-criteria	Early adoption	Late adoption	Non adoption	Reason
Patch	Location	Homestead, fenced	Adjacent to homestead and can be under watch	Farther from home	Protection and care taking
	Land type	Levelled and bunded	Undulated		Land productivity and irrigation management
	Distance from outlet	< 50 m	50 m -100 m	> 100 m	Conveyance loss
Family	Experience	Earlier experience in Rabi	Kharif vegetable grower	Non agriculturist	Knowledge and skill level
	Food security	High	Moderate	Low	Risk taking ability and cash flow crises
	Working hand	3 or more with supporting children or more than 3 elders	Effective 2-3 working member	Nuclear family with only 1-2 effective working member	Looking after a number of engagements and contingency for illness
	Primary income source	Agriculture	Agriculture, wage labour/shifting cultivation	Wage labour	Confidence and dynamics involved for a change in focus
Outlets	Head	Low	Medium	High	Discharge per unit cost
Market	Distance	<10km	10-20 km	>20 km	Easily assessed by own conveyance
	Communication	By cycle	By cycle + small regular vehicle	Poor communication	Easily approached
	Earlier linkage	Existing	Existing with nearby village	No linkage in the panchayat	Market intelligence and information flow
Input and credit	Quality input	Assured source, Pradan's intervention	Better seed shops	No source	Timely availability of quality seed
	Credit	Easy source like seed shop, SHG, Pradan with partial advance	Own relatives, Money lenders	No source generally in case of poorer section	Easy availability of credit at an affordable terms and conditions

Additionally, the scheme should irrigate their earlier cropping area or their homestead to demonstrate successful

cultivation. These farmers would then be confidence builders for others who watch and wait.

We also realised that prioritising water delivery to homestead land would help farmers initially practice irrigated agriculture on well fenced and fertile plots with full care without diverting a lot of their time and effort. Once it works there, and they experience success, they would be more open to irrigating the fields. Therefore outlets need to be laid out in a way that most homestead plots get water without much problem and water loss. Technically, we need to ensure provision of additional branches and outlets. We have ourselves noticed that a positive experience for a year or 2 does lead farmers to gradually cover more land adjacent to the homesteads by extending the fence.

It is also a general experience that better-off farmers with more working hands join hands with experienced vegetable growers from the very first year or from the second year onwards. Afterwards, the poorer farmers gradually join in the effort. In many cases first timers learn by jointly cultivating with experienced farmers.

We also need to first address the food security issue by intervening in Kharif so that the farmers are able to concentrate on Rabi cultivation without being forced to look for wage earnings. We have observed that the success of such schemes is poor in cases where most of the farmer's primary source of income is from non-agricultural sources such as shifting cultivation or wage labour since they cannot concentrate on cultivation.

## Study Recommendations

*Village selection:* The selected villages should have at least 4-5 experienced

farmers. Most of the families should depend on agriculture as the primary source of income.

*Command area:* The homestead needs to be irrigated as an absolute priority.

*Distribution network:* Pipelines, outlets and the canal network should be provided extensively.

*Land development:* Land reclamation should be taken up as an integrated part of the scheme.

*Kharif intervention:* Food security has to be first ensured in Kharif to enable farmers to go for Rabi cultivation.

*Input arrangement:* Efforts are needed for timely input availability by making simple and easy credit arrangement.

*Training:* Intensive training in water management and crop production needed.

*Intervention strategy:* There has to focus on the core group consisting of experienced vegetable growers and interested better-off farmers in the initial period. Gradually others can be involved with the first batch through building knowledge and confidence.

*Crop selection:* First timers should try sturdy crops that are less risky to cultivate in a small scale.

*Linkages with outside markets:* To prevent a high degree of cheating and exploitation by traders, market linkages need to be organised properly to ensure timely supply of quality inputs and to ensure competitive prices to the producer.



## The Edge of Maize

Communities in Ghagra block in Jharkhand find maize cultivation as a better option in their quest for food security

Rajnikant Prasad and Sourav Mishra

Pradan started work in the Ghagra block of Gumla district of Jharkhand in April 2002. One of the poorest blocks in the state, about 90% of the population in Ghagra lives below poverty line despite having considerable land holdings.

The poor agricultural production here may be attributed to erratic rainfall, not so fertile soil and a hilly topography practically devoid of irrigation. Only 4% of the arable land is irrigated.

The agriculture season is limited to Kharif only, when farmers cultivate paddy and a little millet in both low and uplands. During the other agricultural seasons of Rabi and Zaid, the majority of the fields are fallow and people migrate to brick kilns to earn wages. The major reason for such migration is food insecurity, due to poor productivity of the staple crop.

### Point of Primary Intervention

Our point of primary intervention was to bring about food security to the entire region. People generally depend upon lowland paddy for their food requirements while vast tracts of uplands remain unused or are used for marginally productive upland paddy.

Besides working to increase the productivity of lowland paddy by improved practices (use of HYV, fertilisers, disease and pest control), we also thought of improving productivity of the uplands so that people are able to better manage their food requirements as well as earn some extra income. We

thought of either improving the productivity of upland paddy or replace it with some suitable crop.

We have promoted 75 self-help groups (SHGs) in the block. We consulted extensively with the people to figure out what they preferred and took into consideration agro-climatic conditions and market dynamics. Maize turned out to be the frontrunner on all the fronts. Pigeon pea (arhar) was considered as an intercrop to enhance soil fertility (by fixing nitrogen). The latter could also provide some additional income.

### Advantage Maize

Maize competes with *goda* (upland rice) for the available upland (tand). Traditionally, *goda* is the main crop because of its suitability to high water stress conditions and poor soil chemistry of the region. Besides, it supports the low risk taking capacity and poor agricultural skills of the tribal people. But maize out-classes *goda* by possessing all its hardiness, plus higher productivity, less labour and higher returns (see box 1).

In exceptional cases a *goda* plot of an acre can provide a net income of Rs 1,000. Generally the income is much lower and the usual production of 5 quintals is sufficient as food for only 6 months for a family of 5. In comparison, maize can provide better returns if all the practices are followed properly and the climate is favourable. It can also provide food security for more than a year. However, in some cases people consider *goda* as the more

### Box 2: Participant Information

Name of Scheme:

Name of WUA:

Code no.	Name of Farmer	Area in bighas	Utilisation of land last year	Infrastructure available (irrigation and other)	Gaps

During the planning process each family (head of the family and female member taking part in family matters) of one hamlet were involved at a time. They needed 2 days to work out an action plan for coming years.

Several games were played during the exercise to help farmers understand the importance of sharing responsibility. After this we conducted an ownership mapping exercise.

### Mapping Ownership

In this exercise participants, with help from resource persons, identified their land on a map. Farmers drew a map showing the position of their land in the command area. These lands were divided into clusters and encircled by different colours and names. Family code numbers were marked in the clusters, showing ownership.

After the ice breaking session a name slip was given to every participant, and each family coded with a number. Participants pinned the cards on their chests, used as reference for the entire programme.

Each farmer then described the previous year's land use. We then mapped infrastructure, area utilised, available irrigation and gaps in agricultural practices, etc. A format (see box 2) was used to document the information.

We then conducted an exercise that highlighted responsibility sharing.

We also recorded family data of the

### Box 3: Family Data

Name of farmer	No. of family member		Total landholding				Irrigated area	Migration from family	
	Total	Working	Upland	Medium	Lowland	Total		Male	Female



participants in a predetermined format (see box 3 on page 17) including data such as numbers of family members, landholding, migration, duration of migration and food sufficiency, etc. A discussion with each participant farmer helped to assess the level of knowledge about agriculture (seeds, fertilisers, irrigation, costs, benefits, etc).

#### Field Visit

Participant farmers then visited fields with the resource persons. There they observed the soil condition, soil type, present cropping patterns, infrastructure (used and unused), etc. They also identified gaps in agriculture and land use.

These discussions were documented. During the field visit, the resource persons also studied farmers' house-







holds, homestead cultivation, quantity of livestock, other means of income such as handloom, etc.

#### Pre-Planning Visioning Exercise

After these exercises we prepared a chart with figures (see box 4). The pictograms in the chart showed 2 sets of human faces. The faces at the bottom were shown as unhappy and the faces on top, happy. The lines between the 2 sets represented the steps or ways from sorrow to happiness (bottom to top).

Participants then asked to come forward (with family members) to think and indicate the position they were in the previous year, either towards sorrow or towards happiness. This process took some time and the resource persons elaborated on the

Box 4: Visioning Pictogram

facts till the farmers easily understood the concept.

Once they had indicated their positions in the previous year, participants were requested to think again and show the position they wanted to be this year or in the near future. A line was then drawn between the 2 positions, showing the path of advancement each family desires.

The resource persons then helped the families make their destination plan with the help of data generated in the subgroup and in the field. The exercise was repeated with all the families.

The participants were then asked to look again at the chart to see the

reflection of their present position and how far they wanted to go in coming year or in the near future.

#### Action Plan

After the visioning exercise the participant farmers knew where they wanted to go in the coming year. They were then requested to plan the utilisation of their resources so that they could reach their goals. The resource persons facilitated this process by providing the following inputs:

- Option generation (to generate ideas for alternative land use)
- Cost benefit analysis
- Prioritising
- Support required
- Financial planning

Box 5: Planning Information

Name of Scheme:

Name of WUA:

Crop to be grown in the coming season in different land							Support Needed
Name of land	Area	Option	Cost	Expected income	Expected incremental benefit	Prioritisation	

Box 6: Consolidated Action Plan

Name of Scheme:

Name of WUA:

Name of Farmer	Details of crops	Area	Investment	Expected benefit



- Planning linkages
- Consolidation of action plan

Before embarking on this planning process, the resource persons collected detailed information about local markets and agriculture practices. This information was documented in another format (see box 5 on page 19). The resource persons consolidated this data with the help of participant farmers during the nights.

After each participant farmer chalked out their individual action plans, the entire data for the groups was consolidated into a format (see box 6 on page 19).

The details of the consolidated action plan were discussed in a meeting organised on the last day of the exercise. We then presented the consolidated action plan to the community for additions and alterations.

### Conclusion

The training programme was organised at the Rajabheti and Bahbari CMLIS sites. The participants were divided into 2 groups (one from each CMLIS site) and were facilitated by a resource person from Pradan. The training programme was a great success, driving home the point that we need to be especially attentive to all aspects of the exercise.

For instance, care has to be taken during the responsibility game so that the inner minds of the farmers are sensitised and they automatically feel the responsibility. Also, active listening, polite conversation and care for the

sentiments of the farmers are essential for the success of such an exercise.

In view of the success of the hamlet level agriculture planning exercise, we propose a district wise market survey for cost analysis of agriculture products and their demands. We have also chalked out a tentative programme for agriculture planning in other CMLIS hamlets.

#### NewsReach Livelihoods Compendium

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## A Personal Quest

Reflections on development issues and the policies and people that power them

Balaraju Nikku

I began to reflect and write these few lines on November 3, 2003, my 33rd birthday. When I was passing out from higher secondary school in 1985, I asked my father what if we do not agree to give our rice field to the government that wanted to dig a canal across it. My father answered, "It is not possible and we cannot stop the government if it decides to do so." I wondered but could not ask more. Consequently, the Vamsadhra canal was dug.

I travelled over 500 km from my village for my college studies. Once when I came home for Christmas and Pongal vacation, I noticed that my father was out in the night, irrigating the field next to the canal. The next day morning when I asked my father why he was taking so much trouble to pump water, which he could have done in the morning.

He replied saying that we cannot officially use the water since the land level was high and was not recognised by the irrigation department. The question I had in mind was how come we cannot use the water when we gave our piece of land without protest and economic benefits so that the canal could be dug?

My unanswered questions have also grown with age. Perhaps these questions led me to postgraduate studies in social work although I had secured my bachelors degree in science with good grades from a reputed Catholic institution. It was during my college days that I started understanding the power struc-

ture within society and the people who make policies. We are often not aware or bothered how policies made by them are affecting poor community members in remote villages of the nation.

### Unanswered Questions

I wondered how a municipal commissioner could take a decision to remove a slum that existed for the past 10-20 years. At the same time, how can an authorised 5-star hotel project come up in the same location with the blessings of an influential politician?

After completing my masters, I went to work the field with lot of hopes and enthusiasm. I thought I could make a difference to the lives of people who are in need some additional help. I have seen the power of putting in a word in the right time to a person in grief. But then, there were many occasions that government departments turned deaf to organised demands for better livelihoods and justice by grassroots organisations.

I questioned myself. Where are we failing? Is it that our understanding about the state is incorrect and hence we are not able to move it? Or are the powers of the state so much that we cannot think of moving it? My search has continued wherever and with whomever I worked with.

### Chemistry of Policy

After a few years of soul searching, I landed up in a planning school to learn more about the power and policy game that I wanted to understand. The lessons



I learnt helped me to some extent and I have started relating how a commissioner can order to clear a slum overnight.

Social workers need to understand the chemistry of policy, the people behind these policies and the powerful network that operates and influences these policies. Then we can prepare better strategies that would probably be cleverer in dealing with these structures. I used to share my insights and check my understanding with my colleagues who were in the hard-core activism.

Fortunately, there was financial support to continue my search for further answers. I got an admission in to a PhD programme with a university in The Netherlands and continued my fieldwork in Andhra Pradesh. Now I am in the phase of analysing my work and reflecting on the questions that I have for all these years.

#### **Lack of Entitlements**

I have realised that farmers do not receive water not because there is no water but because they do not have the capacity to fight for it. A powerful farmer grows sugarcane with government-subsidised water and fertilisers but a small farmer on the same canal cannot even grow enough millets or corn to feed his family. It is very similar to Amartya Sen's thesis that it is not lack of food but lack of entitlements to resources that make people go to bed on hungry stomachs.

Policies are nothing but decisions by people in power. A democratic government should give priority to the socio-economic and political welfare of its cit-

izens. These decisions of the state affect different people differently. Most often, it is the weak and disadvantaged that are affected negatively.

#### **Facing New Realities**

The irony is that these policies are mostly made in the name of welfare for the disadvantaged. How to judge a person or community's well being is an ethical question. But I believe all of us who are in the development sector by choice can answer this question. It is not too late for us realise these facts and prepare ourselves to face the new realities and play effectively on the boundaries of policies.

We need to acquire new skills and understanding to rise from the charity mode to a strategic mode while working with and for communities and against the powerful. At this stage of my life journey I am standing at the crossroads searching for new insights that would lead me to some meaningful action. My search continues...

## **Best Practices in Indian Micro-finance**

**Women from Nepal's co-operatives visit India to learn about best practices in Indian micro-finance**

Yagya Ghale

The Centre for Micro-Finance (CMF) of Nepal organised a visit to study the best practices of micro-finance in India with special focus on activities of community-based women MFIs (micro-finance institutions). This was one of the activities towards strengthening their women's savings and credit co-operatives project, called Mahila Jagaran II. The Canadian Co-operative Association supports the programme.

Our study team comprised 7 representatives from Nepalese women's co-operatives. The 18-day tour began from August 25 August and continued till September 11, 2003. The objectives of the visit were to

- Provide an exposure to the leading MFIs of India specifically successful community based Women MFIs.
- Get Nepalese savings and credit co-operatives acquainted with operational and management systems of these MFIs.
- Establish a linkage between interested MFIs to widen their scope of MFIs' network building in the region.

Our team visited different organisations in 3 states: Pradan in Rajasthan, CDF (Co-operative Development Foundation) in Warangal district of Andhra Pradesh, YCO and SWMC in Visakhapatnam district of Andhra Pradesh and SEWA in Gujarat. The exemplary activities of these organisations provided abundant learning

experiences to the study team.

We visited Pradan promoted Sakhi Samiti in Kishangarh Bas in Rajasthan, a federation of 300 women savings and credit group with the total membership of 4,000. They also visited the vermiculture activity and watershed management activities in Khairthal and Rampur; income-generating activities (livestock and dairy) in Chorbasai and women dairy groups in Rasgan, Ramgarh.

#### **Lessons Learnt**

We learnt lessons in poverty reduction by observing how Pradan directly works with the rural poor by using professional and appropriate technical skills.

CDF's micro-finance activities in Warangal district of Andhra Pradesh provided us with an exposure to the effectiveness of operational and successful second tier co-operative organisations. It was clear that a geographical area distribution rather than administrative or political area distribution could help and support the growth of primary co-operatives.

At SEWA in Gujarat, we saw in practice the concept of organising the unorganised poor women to achieve full employment and self-reliance. We saw this can happen through the cooperative movement, if there is strong commitment and leadership.



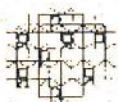
## People, News and Events

- A delegation from Sa-Dhan led by Ela Bhatt and Vijay Mahajan took part in a meeting organised by the Secretary, Financial Sector, Government of India on December 23, 2003, to deliberate on appropriate policy changes to enhance the flow of micro-finance services to the poor. The Chairperson of NABARD, Chairman of SIDBI and other representatives from the banking sector and RBI attended the meeting. D Narendranath from Pradan was part of the Sa-Dhan delegation.
- Neelam Maheshwari attended a seminar titled Micro-Finance: IT Progressive Paradigms on December 22-23, 2003 at Habitat Centre in New Delhi. Planet Finance organised the seminar in collaboration with i4d, an IT magazine. Participants included NGOs (BASIX, Pradan, ASA, Chaitanya), corporates (ITC, SIDBI, RBI, NABARD) and independent consultants. The purpose was to take stock of current ICT practices in micro-finance, policy, implications of RBI's directives on computerisation of banks, information and transaction security, MIS systems or how micro-finance has helped empower communities.
- Twelve Development Apprentices attended the Process Awareness and Sensitivity Module (PAS-I) during December 15-20, 2003. Deepankar Roy and Ramesh Galodha were resource persons for this programme.
- Eighteen participants from different teams attended the first phase of entrepreneurship motivation trainers' programme during December 12-17, 2003 in Ranchi. Resource persons were Rita S Gupta and Tamali Kundu.
- Thirty apprentices attended a Joint Orientation and SHG Thematic programme in Kesla during December 12-21, 2003. Deep Joshi, Alak K Jana and Mousumi Sarkar were resource persons for the orientation programme. Satyabrata Acharyya, Alak K Jana and Mousumi Sarkar were resource persons for the Orientation to Village Study. D Narendranath, Sukanta Sarkar and Sangram Choudhury were resource persons for the SHG thematic training programme.
- Twenty five apprentices attended a Village Study and PRA Workshop during December 7-12, 2003 in Jasidih. Dinabandhu Karmakar, Ajaya K Samal, Avijit Mallik, Dhrubaa Mukhopadhyaya and Rajesh K Mit were resource persons.
- Twenty participants from 7 NGOs (YUVA, SADHAN, SRIJAN, IBTADA, HARSHA Trust, Pradan and DEEPALAYA) participated in the accounting software training for NGOs during December 9-10, 2003. Pradan took the lead to redevelop the software on modern IT platforms together with M/s Sharada Computer Services.
- B Narshing Kumar, Development Apprentice of the July 2003 batch, rejoined at Balliguda in December 2003 after a prolonged illness. Welcome back.
- Subhankar Chatterjee, based in Khunti, got married on December 02, 2003. Congratulations.
- Ashok Kumar, Executive (Projects) of Gumla project, became the father of a baby boy on December 25, 2003. Congratulations!





**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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