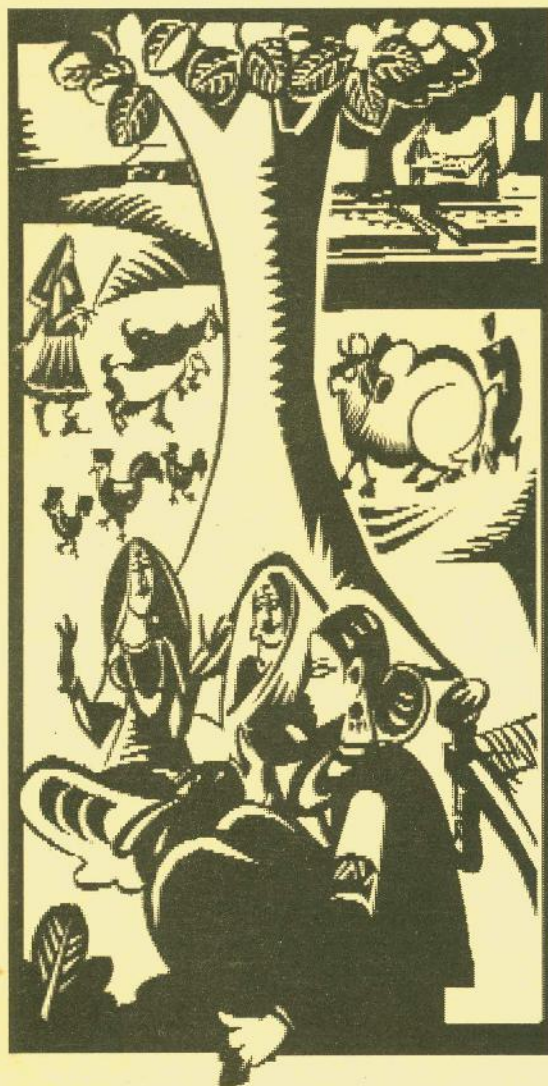


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What Price the Livelihoods of Women?

Improving the lives of poor rural women requires that we look at larger issues that affect them and not just livelihoods

Sukanta Sarkar

Pradan is working to improve the lives of the rural poor by promoting sustainable livelihoods. Our main objective is to improve the overall well being of poor families. In order to achieve this we have chosen to form self-help groups (SHGs) of rural poor women as the primary unit of our intervention.

My understanding is that there are four important reasons for choosing rural poor women. First, they are the most deprived even among the poor. Secondly, they are good money managers. Thirdly, they are more easily available in the village, being less mobile than men. Finally, helping them automatically helps the entire family because women are found to be more caring for their families than men.

Most importantly, we have primarily considered poor women as our target group because they are deprived in all aspects of life: social, economic and political. The efforts needed to bring them to the mainstream are more challenging than working with any other category of people in society. It is our conscious decision.

However, I feel we are somehow deviating from our primary objective. We are now more involved in promoting sound, viable livelihood prototypes and scaling up. We have been quite successful in that venture. I do not view this growth of Pradan in a negative manner. The promotion of sound livelihoods requires a lot of energy and effort. Today we

have a substantial presence in the tasar silk sector. In poultry we are collectively the largest producer in Jharkhand. In agriculture, too, we are progressing quiet steadily.

Putting the Women First

But our basic motive in initiating all these efforts was to help rural poor women as well as their families in their overall growth. Therefore I think we should review what is happening at the family level to those women who are our clients.

We have seen that large numbers of SHG members have successfully participated in the livelihood activities we have promoted. These women have proven themselves as excellent clients to banks, proving our hypothesis that they are good money managers. They are main reason why banks have come forward to finance livelihood projects. We, too, have become confident to take on the risks of promoting livelihoods.

Similarly, these women have established themselves as good yarn reelers or poultry producers. They have in fact helped Pradan to scale up its projects. They have proven their credibility and capability in all areas whenever and wherever they have been asked.

Questions of Well Being

In this context my question is: What are their gains regarding their and their families' well being? We need to ask this question because all our efforts originated from it. We want to

visualise a rural poor woman who has a decent income, enough knowledge to manage her family affairs, increased self-confidence, a say both in her family as well as in the society. These, we feel, should come about after a intervention by Pradan for 5-6 years. However, some recent incidents have forced me to rethink on it seriously.

Pradan has promoted a yarn reeling centre with SHG members in Santh village in Koderma district of Jharkhand. The SHGs in the village are about 3 years old. They are functioning well. Most have been able to secure bank loans. The financial discipline in the groups is also commendable. However, a recent incident at the reeling centre was extremely disturbing.

It was found that during the time of payments, the mother-in-law of one of the reelers was actually taking the payment although the reeler was signing for it. It happened a couple of times. The reeler, who is also member of a SHG, then asked the concerned Pradan professional to declare a lesser amount than was actually due to her so that she was able to draw the balance after her mother-in-law had taken her payment. When this news reached her mother-in-law, the reeler was beaten up.

Another disturbing incident took place in Hirodih village. Last year Pradan promoted a SHG in the village. The group has been functioning well. It secured a bank loan of Rs 35,000. This year they participated in Pradan's paddy programme. Everything was going well. Then suddenly we heard that a SHG leader has poisoned and killed her daughter-in-law. Shockingly, the SHG sidelined the incident as a family affair.

In the first case, the reeler was serving just

as a labourer in an activity in which she had no control over her income. What do we do in this scenario? I know this will not happen to all members. However, my question is, do our members have control over their incomes?

The irony is that other members of the reeling centre did not address this issue because they did not feel strongly enough about it. The core values that we promote in the SHGs are mutual help, empathy and co-operation. Was this not a case where all members should have come forward and helped her to get justice? It, however, did not happen. I do not find this too surprising because we have never helped them to dwell seriously on these issues.

Desirable Outcome?

The women are doing fine in the areas in which they have been groomed. Their groups are doing well as financial institutions and as platforms for external financial intermediation. But at the end of the day, what is the fate of individual members? They may get bank loans at fair rates and engage in good income generating activities. If after all this they do not have a say on their incomes, is it a desirable outcome of our intervention?

Everyone in Pradan will say no at this point. But these incidents in the field clearly demonstrate that we are not able to promote SHGs to become capable enough to address these issues that concern the women closely.

We have seen that the migration of men in the area adversely affects the lives of poor women (*When Men Migrate*, NewsReach October 2005). Working class men migrate to Mumbai, Delhi and Gujarat in search of

employment. They come home only once in a while. It has resulted in dire implications for the women.

One implication is sexual exploitation by fathers-in-law. As the husband stays away from home for long periods, sometimes there is pressure from the in-law for sexual favours. The woman often has to succumb to the pressure. But if something happens, the entire onus is on the woman. It often results in suicide or murder.

Such cases are prevalent in the Mahato (OBC) community in the Barhi-Koderma region. Agriculture is primary occupation of the Mahatos, as they have some good land-holdings. Among them brides are often older than the bridegrooms. People prefer to marry their young sons to older women because older women are capable of working harder. This often results in very little difference in age between the father and daughter-in-law, sometimes leading to sexual exploitation.

Another implication of migration is the increasing workload, especially in nuclear families. Sometimes the woman faces an acute financial crunch if the flow of money from her husband is irregular or uncertain. She then also has to labour outside the home in order to feed the children.

In some cases, exposure to urban areas increases the expectations of the migrant men from their wives. They want their wives to be like urban women. This creates pressure on the women. It is often found in the Rabidas and Paswan communities.

The number of children also seems to be higher in migrant families. The most disheartening fact is the lack of support during pregnancy.

Migration has also led to increased incidence of sexually transmitted diseases. Cases of AIDS have been reported in this area. However, AIDS often undetected or wrongly diagnosed. Sometimes it is called TB, sometimes a mysterious fever, etc. These cases are found mostly among migrants who travel to Mumbai for work.

Raising Issues

People in Pradan have been raising these issues sporadically in different forums. Our team in Barhi is also concerned, particularly when such incidences of rank injustice to women come to light.

I feel that we should opt for a systematic and rational approach to redress these issues of inequity and injustice through our SHG theme. The main challenge would be to design our SHG approach in such a way that social and economic issues are integrated into it. Our main objective should be raising awareness about issues that affect the lives of the women we work with. Our role would also be to help them to realise the importance of forums like groups and clusters to address these issues.

One of the most disturbing aspects is the silence and indifference of the SHGs towards these issues. The response from SHG members on the killing of a daughter-in-law by her mother-in-law was, "*Uska gharelu mamla hai, usme dakhil mat dijiye* (It is her family matter, do not interfere)."

It is evident that at present the SHG members do not even feel that this is their territory. So until and unless this awareness is generated, we cannot expect any action.

I think we can definitely help the women to become aware of these issues within our

framework of working with groups of poor women for savings and credit and livelihoods. It will also bring an overall vibrancy to the groups.

If we do not approach this systematically, our SHGs will become just a conduit to channel funds and SHG members will continue to be deprived and exploited despite earning a livelihood for their families.

No Running Away

We cannot shy away from our role by saying that we are a livelihood promoting organisation. In that case I would say that by selecting poor rural women as our target group, we are doing them an injustice by actually increasing their burden.

Addressing these issues is not an impossible task. We can do it without diluting much of our focus. We have to redesign our SHG promotion in a suitable way so that we can help the women to become more aware of their roles, responsibilities and rights. We can design such meetings accordingly.

This awareness is quite palpable in the older groups that Pradan had promoted in the Barhi-Chouparan area of Jharkhand. SHG members in these groups feel responsible for whatever, good or bad, happens to their fellow members. They also feel it is their responsibility to take part in the different development programmes or initiatives in the villages.

Inspired by this experience, our team has decided to address this issue systematically. We are visualising an outcome where members would have a fair understanding of the word 'well-being', specifically about their own life. The intervention required to achieve this would include:

- Creating awareness about gender inequality to create an environment to stimulate action;
- Creating awareness regarding the patriarchal system, emphasising on the position of women;
- Creating awareness on legal, financial and reproductive rights, etc., and
- Utilising SHGs and SHG clusters as forums to discuss and act on these issues.

Initially, we have decided to select 4-5 members from each cluster and put them through structured training programmes around these issues. These members will help generate discussions around those issues in cluster meetings. Pradan professionals will support them in the initial stages.

The selection criteria includes members who feel strongly about women's issues and those who have experienced some problems in their lives. Our assumption is that such people would be willing to do something about these issues. Systematic training will help considerably in this regard. Some of the members can also be groomed as trainers who would train other members.

Based on the experiences of a few training exercises, we can decide on the specific kinds of training required to achieve this. We can then integrate those training modules in our SHG promotion programme, similar to the membership training that we provide today. We also intend to design cluster meetings and block level meetings to discuss women's issues periodically.

Why Sanghamithra is Different

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

Aloysius P Fernandez

The observations made in this article apply only to the rural programme of Sanghamithra. They also apply to the Indian context, and to areas in India where the tradition of banking and banking infrastructure is comparatively well developed. The author is aware that there are certain 'atypical' areas where networks and facilities are weak, or even threatened by a breakdown of law-and-order. Such areas merit separate processes and institutional arrangements. Universal solutions that work under all conditions are rare, if they exist at all. While writing this paper, the author had two options – produce a regular paper on Sanghamithra's performance or explain why it is different. He chose the latter.

Sanghamithra – A MFI with a Difference is the title of a book published in July 2004 by this author. The reasons for this 'difference' will form the major content of this article. These reasons may also serve another purpose, namely they may help to throw some light, as a first step, on the several queries and criticisms related to microcredit and microfinance ranging from whether NGOs should be involved in MF to its impact on poverty.

It is also hoped that this effort to explain the differences will help to set the framework for further detailed studies to test the assumptions behind the claims to be different and the reasons for these choices. The

queries and criticisms are many, but the following will be addressed, however inadequately, given the limitations of this article.

Affinity Groups

Why did Myrada, an NGO, which has been involved in promoting self-help affinity groups (SAGs) since 1984-1985 and the SAG Bank Linkage programme since 1992, decide in 1993 to set up a separate MFI (Microfinance Institution) – Sanghamithra – instead of lending money itself? When Myrada started working in 1984-85 with affinity groups, who emerged when the cooperative societies broke up, they were called Credit Management Groups. When NABARD provided Myrada with a grant in 1986-87, the name was changed to Self Help Groups (SHGs). When in early 2000, Myrada discovered that SHGs were being formed on the basis of external criteria, provided with credit just after formation with little or no institutional capacity building, it changed the name of its groups to SAGs (or Self-help Affinity Groups) in order to stress the 'affinity', which binds the members together.

Briefly the answer rests on Myrada's assessment that there is a difference in culture of the staff and in the supporting and monitoring systems required by the two types of institutions (the NGO and the MFI). There are other reasons also that are explained later.

Several studies have articulated that the priority of the poor is often to have a safe place to save even more than a place that they can borrow from, and that many NGO-MFIs are unable to fulfil this requirement. Given this shortcoming, they question the ability of NGO-MFIs to provide the full range of financial services.

The counter question that Myrada has attempted to address is: Should the NGO-MFI necessarily be the only institution to fulfil this requirement? Can there be other institutions which people find more accessible, where their savings are more in their control than if they were with the MFI? Are such MFIs that can collect savings for safe-keeping necessarily the preferred option of the people if they were not under compulsion to save in the MFI as a precondition to get loans? Can it not be inferred, even if it is left unsaid, that NGO-MFIs retain savings to establish a degree of control over borrowers?

The brief answer based on Myrada's experience of over 20 years is that the MFI need not be the only savings institution. Myrada does recognise the fact that people need a place to save that is safe, convenient and easily accessible. The SAGs, which started by mobilising savings and lending them to members before any outside finance was provided, have proved that they are capable of performing this savings function in a way that the poor find more appropriate.

In the initial two or three years, it may be their only place to save; gradually, they diversify to make individual savings in the bank or post office. It is quite common to hear people grumble that the bank that willingly keeps their savings is not so forthcoming when it comes to advancing

loans; it is rare to hear them grumble that the MFI that gives them loans is not collecting savings.

The corpus of literature on microfinance is growing by the minute. The number of international MFIs setting up base in India, often with the assumption that little has been done before their arrival, is also growing. Alongside this growth there are also several articles that take a critical look at the MF sector, especially the home grown SAG approach, which they find does not fit in neatly with the models promoted in other countries.

This article attempts to query the issues they raise by asking the following questions: Is the criticism valid that NGO-led microfinance tends to adopt a minimalist approach that credit suffices for the borrower to take off on the growth path? Credit only or credit first? Are the NGO-MFIs the only operators who are vulnerable to the minimalist tag?

Is the criticism valid that NGO-led MFIs can at best achieve consumption smoothing and not true enterprise development? The contention is that they focus on the symptoms of poverty and not on the cause, which can be removed only if the NGO-MFI promotes enterprise (business) development.

This they do not or are unable to do, either because on the one hand as NGOs, they do not have the resources to build a supporting environment and the skills to promote genuine businesses, or because they think that enterprise or business development will take them away from focusing on the poor, while on the other hand as MFIs the pressure to grow rapidly and become finan-

Box 1: Of MFIs and Steam Locomotives

The present scenario in the MF Sector (driven to a large extent by sources which are from or have their roots abroad) can be described by the following analogy: The MFI is a steam driven train, pushed to go faster and faster (growth). New carriages are attached (credit, savings, insurance, etc.).

There are ticket inspectors (rating experts) who walk through the train, concerned only about whether the ticket is correct; they have no time or interest to look outside the window. The train driver is someone who has seen a lot of trains pass by and always felt that given a chance, she would make a much better driver – in most cases she was running a popular hotel on the platform (an NGO in close touch with people and their needs) – and so she knows how many people to expect on the train, how much of food and drink is required.

In some cases she is the stationmaster who has experienced the power of stopping trains and letting them go even if she has never driven one (government officers with authority but little experience in the financial sector who are put in charge of microfinance companies).

But once in the driver's seat they have no clue about what the signals (the ratios that indicate the health of an MFI) mean as they flash past. The Manual of Instructions, supporting the corporate objective demands an increase in the speed of the train. After all, it has to make many trips back and forth – to earn enough to be a viable (sustainable MFI) route.

Once again the train drivers cannot read the curves in the line and they do not know when and how much to slow down and when to accelerate. Some wagons – the lower class ones – get derailed. The MFI's too rapid growth results in increasing NPAs and opening of branches without adequate support. There is little maintenance and no upgrading of the track (capacity building of MFI staff and the constant upgradation of supporting systems are usually given last priority; yet faster speeds are encouraged.

Station to station (MFI growth YoY, QoQ,); there is little or no attention to or concern for the impact this has on the passengers – who are thrown around and often fall off, especially those in the general, unreserved and lower class compartments (the poor) where the supporting system of protective railings and 'handhold' straps are missing (in the credit alone minimalist approach).

cially sustainable pushes them to promote a portfolio of loans that are small and fast moving, which are largely loans for consumption or at best small trading which, according to the opinions of some, are not truly business enterprises.

Separation As Option

This in a way takes the discourse back to the first issue – whether the NGO's programme should be separated from that of the MFI. Doing so would enable the former

to retain its poverty focus while providing the latter with the space to grow in response to the demands of business enterprises which may require larger loans, several tranches and which generally tend to gravitate to those above the poverty line who are able to take the risk and establish the linkages required to sustain a business enterprise.

But it does carry this concern a step further – whether the two (the NGO and the MFI) –

working as separate legal entities – can be closely meshed so that a balance can be maintained between on the one hand promoting social concerns and a supporting environment while on the other promoting a loan portfolio which includes activities that increase income through productivity, scale and a genuine business initiative.

This article attempts to describe Sanghamithra's and Myrada's efforts to keep their identities so that their respective missions are not compromised, but at the same time, to share a common vision. It describes briefly the strategy adopted to embed credit in a broader supportive framework of service providers and investment that has the potential to lift the poor above the poverty line and keep them there.

Myrada attempted to create this balance when it promoted Sanghamithra and has continued to do so. Whether it has succeeded or not will require further and more in-depth studies; this article's intention is to state what Myrada and Sanghamithra are attempting to do because this is one of the reasons why Sanghamithra is different. The criticism that microcredit does not support micro-enterprises raises several issues which are discussed later.

Why did Myrada promote a separate institution – the MFI called Sanghamithra – to manage microfinance? How does this make Sanghamithra different?

Sanghamithra

Sanghamithra is not an NGO-MFI (see box 2). It is a separate MFI promoted by Myrada. Myrada pioneered the SAG movement and continues to promote the SHG-Bank Linkage Programme (SBLP). Though

Box 2: Sanghamithra

Sanghamithra has two programmes: rural and urban. The Rural Programme Head Office is in Mysore. It started lending in February 2000. Cumulative disbursements on September 30, 2005 stood at Rs 43.7 crore. Outstanding client SAG accounts is 4,116. One credit officer serves 187 SAGs; outstanding per credit officer is Rs 82.25 lakh. Net operational surplus (after depreciation and prudential provisioning) is Rs 38.36 lakh. Operation Sustainability Ratio is 239%, Financial Sustainability Ratio is 142%, Financial Sustainability (including imputed cost of net owned funds at 6%) is 120%. Interest on loans to SAGs is 12.5%. The Urban Programme started lending in October 2000. Cumulative disbursements on September 30, 2005 stood at Rs 15 crore. Outstanding SAG accounts number 2,946. One credit officer serves 120 SAGs. Outstanding per credit officer are Rs 68.60 lakh. Operational Sustainability Ratio is 106% and Financial Sustainability Ratio 92%. Interest on loans to SAGs is 24%.

Sanghamithra was deliberately set up by Myrada as a separate institution, it shares the vision of Myrada – promoting self-governed institutions of the poor though its mission is more restricted – to provide credit to SAGs.

The chairperson and several of the board members of Sanghamithra are from Myrada. The intention of promoting Sanghamithra was that it would provide credit to SAGs (where the banks left gaps) formed by Myrada in the first phase and then to SAGs promoted by other institutions, provided they met the performance criteria set by Myrada/Sanghamithra.

While, therefore, Sanghamithra functions independently with senior staff who have banking experience, Myrada continues to guide it so that it continues to share and promote a common Vision. Apart from lending to SAGs, Sanghamithra is also now lending to Watershed Management Associations (area groups comprising all stakeholders in a micro-watershed) formed by Myrada and other NGOs.

With the credibility of SHGs gaining ground in the mid 90s due to the good performance in disbursement and repayment through the NABARD-sponsored SBLP, Myrada was offered loans by several banks and by one government sponsored MFI to on-lend to self-help groups. The reasons for this offer from banks were related to their priority sector lending requirements, to image building and to the need to reduce transaction costs involved in lending to SHGs directly; an easy solution was to lend in bulk to NGOs.

This also provided the banks with a degree of security since they held (often implicitly) the NGO responsible for repayments. NABARD supported this approach of the banks to use NGOs as intermediaries since it helped to achieve the ambitious targets set by government for the SBLP.

Myrada at that time (and even today) was strongly promoting the SBLP that took at least four years to take off after it was launched by NABARD in 1992. While NABARD spared no efforts to persuade senior banking staff to promote the programme, Myrada was a major player in the field, relentlessly lobbying with branch managers and trying hard to remove hurdles that impeded the progress of the programme. It also undertook to train about

3,000 bankers (a large number of them with NABARD support) in the art of relating to and assessing SHGs.

But at times this effort was frustrating. Some branch managers were just too comfortable in their 'box'. Some 'cooperative' managers were transferred and succeeded by totally 'non-cooperative' persons. Some major banks were responsive and even proactive; others woke up to the SBLP as late as 2000. As a result, even in the so-called successful south India, there were and still are large gaps in SBLP.

Alternate Institution

Myrada decided that an alternative arrangement was required, mainly to fill these gaps, to provide some degree of continuity in an area but also to introduce an element of competition between the 'alternate institution' and the banks. Myrada's position was that even if this alternate institution were promoted, Myrada would continue to promote the SBLP. The assumption on Myrada's part was that competition was required; and it would serve to keep both the banks and the proposed institution (Sanghamithra) on their toes. Subsequent experiences between 2000 and 2003 proved this assumption to be correct (Impact Assessment Report by Ms Girija Srinivasan, September 2003)

To fill in the gaps left by the banks, Myrada had three management options:

- To borrow money and lend through its existing extension staff and organisational structure using the same financial systems (which were computerised and inter-connected at this time).
- To borrow money and to lend under the name of Myrada but to set up a parallel department within the organisation which

would function separately from the programme department. The need to collaborate would be present, but the pattern and dynamics would be worked out in the field. There were a few examples of this approach, the most notable one being BRAC of Bangladesh.

- To set up a separate financial institution, with staff having experience in banking and finance, while ensuring an organisational structure that would enable Myrada to ensure that the institution shared Myrada's vision and sought to promote this vision in its operations. Myrada decided in 1993 on the third option.

First Option

The first option was rejected because while the financial systems in Myrada were good and suited its needs of programme management, they did not suit the needs of an MFI. For example, Myrada's systems were not generated or programmed to throw up the critical ratios that a professional MFI management requires to monitor performance. Besides, the culture of Myrada staff differed from what an MFI would feel comfortable with.

For example, when Sanghamithra required two post dated cheques from the SAGs as an insurance against possible repayment delays, the Myrada field staff thought that this requirement questioned the integrity of the SAGs, even if this was not the intention. Thirdly, the general opinion was that Myrada's image as an NGO would be compromised if it entered the business of lending money on interest. The current practice of NGO-MFIs both in other countries and increasingly in India was to lend at real rates ranging from 20% to 35%, which was far above the 'acceptable' rates expected from an institution like an NGO.

While some of these NGOs-MFIs are complimented by donors for achieving financial and operational sustainability and observing internationally accepted standards and norms governing credit delivery, they tend to lose the credibility required to support social and economic change; in many cases, supporting these changes could be seen as undermining the interests to which an MFI gave priority.

Second Option

The second option did not find favour since, even though the departments would be different, cross-subsidisation in terms of services could not be avoided and this would not help to capture a correct financial picture of the micro-finance initiative. Further, several in Myrada suspected that the micro finance department would very soon take priority and overshadow the concerns and priorities of the social development programmes both in the field (where the agenda and time of groups would begin to be dominated by financial issues to the detriment of social ones) and within the organisation.

The microfinance department would require regular and precise reporting and feedback mainly related to financial matters, which would, in turn, condition the meetings and priorities of the organisation and of the SAGs. It was suspected that the SAG meetings which hitherto devoted considerable time to socio-political and gender issues (apart from credit matters) would tend towards devoting most of their time and energy to credit and financial matters related to disbursements and repayment since they would be under pressure to report monthly on the progress in these areas which are critical to the health of a credit programme.

Studies and visits also indicated that sev-

eral NGOs that went into microfinance continued to manage their microfinance initiative within their existing organisation, staff and systems. This created a scenario where cross-subsidisation went unnoticed, where staff who were not equipped with the necessary skills were given charge of managing microfinance and where the warning lights regarding the health of the credit programme were disregarded or their messages not recognised. The results of such overlap of functions are disturbing and have given rise to several developments, which the critics of microfinance have spotted and rightly criticised.

Third Option

This left the third option, that of starting a separate microfinance institution. This had to face several hurdles as official policy at that time (between 1993 and 1996) did not favour or support such initiatives. These matters took 3-4 years to resolve. The book Sanghamithra - a MFI with a Difference records in detail the long process that eventually resulted in Sanghamithra being able to start lending operations in 2000. But the process, though long and tedious, did serve to prove that even the official financial system - the RBI and the Income Tax Authorities - can and will support an initiative if they understand its value to support the poor and are convinced that the promoters have no other agenda.

In hindsight, it now appears that while the policy of lending to NGOs and asking them to on-lend did help the official financial institutions to reach the target of lending to SHGs, which was set by the central government, it surely did not help to professionalise the credit strategy. A similar criticism can be made of several programmes supported by agencies including DFID and

the World Bank, which include a component of credit, which a village association is expected to manage. The more recent initiatives to help these NGO-MFIs to morph into professionally managed MFIs and to even provide them with a transformation loan or grant (SIDBI is an example) to facilitate the process is an effort to correct this aberration.

Therefore, the decision was taken to vest the development programme and microfinance functions in legally separate institutions (Myrada and Sanghamithra). This was a considered step that has enabled each to remain focused on its priorities, and yet the close collaboration between the two has served until now to manage some of the dilemmas outlined above.

Even if the position of several critics and experts that the priority of the poor is to have a safe place to save rather than to borrow is universally valid, should the NGO-MFI necessarily be the only institution to fulfil this requirement? Can there be other institutions which people find more accessible, where their savings are more in their control than if they were with the MFI, which often prefers to retain their savings to establish a degree of control over borrowers - which is often left unsaid?

Critics of NGO-initiated microfinance programmes, while pointing out that microcredit alone is not enough, list a number of issues that also need to be addressed in order to make a dent on poverty, development and economic growth.

One of these issues relates to savings. They point out that many (majority) of the poor value a place to save just as much (or even more than) access to credit. For good rea-

sons, many NGO-MFIs cannot fulfil this need. The key sub-components include that the savings are safe, liquid, interest bearing and that the savings facility is convenient. They conclude that assisting the poor in protecting and growing their savings is a clear route to financial independence and thus, 'highly developmental'. Myrada could not agree more.

Stress on Savings

When Myrada started identifying and promoting self-help affinity groups and building their institutional capacities, the first activity promoted was regular savings. The habit of savings and thrift (regularly, mainly weekly) was projected as even more important than just periodical savings. Loans were promoted only after 6 months of savings and institutional capacity training. As of June 30, 2005, Myrada has 9,304 SAGs in its projects. They have a total capital Rs 103 crore of which Rs 45 crore is savings and Rs 23 crore interest earned from giving loans to members.

The evidence that Myrada's experience over 20 years provides does confirm that poor households (which have either the husband or wife who wants to get out of poverty and is willing to take decisions - sometimes hard ones - that reduce unnecessary consumption like liquor) want to save in cash provided the savings are in their control (so that they are readily accessible) and safe. They are not inclined to invest their savings initially in banks even if they earn interest. The transaction costs to the poor in dealing with banks just to deposit small amounts of regular savings - which is the only pattern of savings suitable to their lifestyle - are considered to be too high, and the 'pigmy collection' system of house-to-house collection of daily savings introduced by the Banks of Dakshina Karnataka

in the early 20th century is no longer such a ubiquitous service.

Myrada's position is that even if the assumption that the transaction costs of savings in an MFI are lower than the cost of savings in banks is valid, why should the poor person be expected - or compelled - to invest in the MFI only?

Is it to reduce transaction costs to the saver that MFIs wish to accept savings? Or is it because the MFI sees this as a significant means to augment 'loanable' funds? Is it to enhance the credibility of the MFI as a professional and full-range service provider? Is it because the MFI makes savings with it a condition for lending? Is it because the MFI feels that it helps to establish a degree of control over borrowers? Is it the MFI's strategy to build in risk coverage?

These may be valid reasons and Myrada has enough experience to know that most MFIs that support a policy that requires the poor to save with them are motivated by one or more of these reasons. True, cheap and ready capital may be an important factor, but this is questionable since many MFIs obtain grants from donors. On the other hand, the group members can often obtain better returns from investing in other financial institutions than in the MFI, so why should they invest in the MFI unless under some degree of compulsion to do so as mentioned above? Besides, given the current spate of finance companies defaulting on deposits, the perception of risk of the member investing in an MFI is significantly high.

Sanghamithra does not have the licence to accept public deposits. Even if it did have this licence, would people freely invest

their savings in it when they have banks, which surely generate more confidence than a new MFI? This is doubtful, unless of course Sanghamithra applies pressure and conditions related to loans.

On the other hand, over the last 20 years, the SAGs have proved that they are capable of performing this savings function in a way that the poor find more appropriate at least in the first two to three years of the SAG's existence. Later, Myrada's studies show that they diversify their financial savings, keeping a part in the common fund of the SAG and another part in the local bank.

Sanghamithra in turn builds on the strength of the members and the SAGs – namely the willingness and ability of the members to save and their confidence that the SAGs function in a manner that helps them to manage their savings according to their priorities that change from season to season (not just from year to year). For Sanghamithra, the SAGs' performance in management of savings is an important criterion to extend a loan.

For Myrada and Sanghamithra, the priority concern is for the poor to have an institution in which they have confidence so that they willingly deposit their savings over which they have control so that their access to and management of their savings is governed by their own decisions and not by an outside agency like an MFI (which will always have a greater influence on the management of savings than the people's group).

Building on Relationships

In Myrada's strategic approach, this institution is the SAG. Sanghamithra, on its part, lends only to SAGs, and since in its assessment of the SAGs, their performance

in the regularity and management of savings are important indicators, it is obvious that Sanghamithra promotes not only savings but also the management of savings by the SAG.

Myrada's strategy has been to build on the strengths of people. One of their major strengths is the relation of affinity that exists between a set of households. This affinity is based on relationships of trust and mutual support including the acceptance of sanctions for deviant behaviour once the rules governing behaviour and credit transactions have been agreed to.

These relations in turn help the group to balance the common good with individual benefit and at times – particularly in the initial stages – to place the common good above individual benefit. This common good is the common fund of the SAG into which each member contributes regular savings.

Each member realises that his or her contribution to support the common good has its returns to the individual – up to a certain point. Myrada's experience indicates therefore, that the MFI need not be the only institution that offers a savings instrument for the poor. The SAG could be and has emerged as another instrument and a more appropriate one.

A study of the SAGs in Myrada projects shows that the SAG members are able to decide on how much to save and invest in the common fund of the group from which they extend loans. They decide whether to reduce or increase the amount of weekly savings depending on seasonal cash flows. Each member is free to decide to save independently in the bank after the group's

obligations are met – and most start saving independently after 3-5 years of being a member. Many SAGs offer interest to their members on the savings in the common fund. Several SAGs after functioning for 10 years have decided to distribute all or part of their common fund and to start over again, sometimes with several new members.

Does this mean that the MFIs will have to depend on donor funds to meet their capital requirements? Yes and no. Sanghamithra for instance started with donor funds but thereafter has borrowed from NABARD, Canara Bank, Indian Bank and currently has no problem to meet its capital requirements through bank loans. Does donor funding reduce the professionalism demanded by the MF sector? The initial infusion of grants surely helped Sanghamithra to break even quicker than if it had to depend on loans from the start.

However, there is no evidence that the initial dependence on grants weakened or undermined Sanghamithra's commitment to manage credit and finance in a professional manner with qualified staff paid competitive remuneration and supported by the most appropriate systems. Professionalism in microfinance is not determined by the acceptance or non-acceptance of grants. There are other factors related to the management of this finance that serve as more valid indicators to measure professionalism.

To be continued

Present a New Idea for Peer Review

Pradan has always been in the forefront in innovating on new ideas that could be implemented at the grassroots. **Concept Papers** in NewsReach are a way to share and air new untested ideas to solicit peer feedback. If you have a new idea you would like to test before implementing, send us a 2,000 word **Concept Paper**. If you have experience or views on any **Concept Paper** that would help the author, email us at newsreach@pradan.net.

The Business of Guiding

Deliberately mentoring an apprentice needs to be approached with caution because of the responsibilities it entails

Sanjeev Phansalkar

Field guides are expected to guide and mentor the development apprentices joining Pradan. While the mentorship presumably extends to the whole spectrum of development profession as such, I suppose the main task is in regard to preparing the apprentices for community action: how to interact with people, form groups, motivate members in some action, resolve disputes and so on. Without any intention of commenting directly or indirectly on the guides in Pradan, I look at the subject if I were to mentor some one.

Personally, I would feel very shaky about mentoring any one explicitly and intentionally, mainly because that would entail a responsibility of shaping the way the apprentice would think and act. Why? Because I would need to feel very sure of myself before I offer a piece of advice to someone new. In the specific context of community action, my diffidence is warranted since I have not undertaken the task myself anywhere.

But even in matters where I have been working: teaching, case writing, research, consulting, etc., I wonder if I would feel very comfortable with the idea of mentoring a junior deliberately and as a matter of responsibility. This may have more to do with myself as a person and the fact that I have not been trained to mentor - a respect in which Pradan field guides differ from me - than with the fact that wittingly or unwittingly, the newcomer does pick up his

lessons from what he observes you doing.

Organic vs. Deliberate

Oh, I am quite aware that during my career, many of my younger colleagues have been interacting with me and speaking to me about diverse professional issues and at times also incorporating what I say or do in their courses of action. An organic process of younger colleagues learning from me is a sort of socialisation process that must go on in any living organisation. On the other hand, a structured, deliberate process that requires me to design inputs for the young colleagues would give me hibby-jibbies. Why is that? •

I guess there are many reasons. The first is that such a deliberate design presumes that the goals of my action are predictable, incontrovertible, stable and well defined and the relationship between what I do to achieve them and these goals is instrumentally perfect. Such a situation may obtain for instance when I teach my young child cycling: goals are clear, he must learn balancing, know how to start and get on the bike, know-how to steer it and avoid oncoming objects. The technology of achieving these, such as body movements, coordination, etc. is well known and the relationship between the actions and goals is stable.

Yet, these conditions seldom obtain in professional spheres. It does not obtain in the academic profession: it is difficult to even

specify how much material is good enough to last and be adequately absorbed in an hour by average pupils. So how would I tell people how much to read, what language to use, how much reliance to place on audio-visual aids and so on.

Thinking on the Feet

And these things are even less sharply defined in complex profession of development. This means I will need to be doubly sure of what I am telling people to do. Given the fact that most of the time, the contextual variables: people, kinship networks, bio-physical conditions, politics and so on will be variable, there is a huge need for thinking on the feet and using balance and judgment.

And when these two come in, it is perhaps better that one has a modicum of self-doubt. But the doubt is defeating the basic objective of mentoring tasks. I mean what kind of a mentor would I make if I kept wondering if what I am doing is right all the time?

And yet youngsters need to be taken along and guided. How then? Now I am stretching. I have no idea how you people do it and hence do not think I am attempting to comment. I would rather ramble on situations that have elements of commonality with the one facing the youngster and try to project and analyse what would have been had I taken one course of action and then another and so on.

I would make my own suggestions look as if they were from among larger set of possible action. I would stress the need to feel

essentially uncommitted to a predetermined course of action. I would rather talk more about developing a sense of smell about the situation and about the people. Yet I would hold firmly on to some things on which no compromises are possible: personal integrity, transparency, willingness to work hard and so on.

Possibly I would also communicate my eternal optimism about everyone: people are basically decent and would agree to the right things if their concerns were seen to be at least paid heed to.

But I would very possibly stay away from suggesting a peremptory course of action. And I would hesitate above all to sound as if I know all. For I do believe that the most effective mentors are also those who are seen as patient and wise and not aggressive or pushy.

Experiences in Rural India

A 5-week internship in Pradan's Kesla project area yielded rich and memorable experiences

Karan Kumar

Village based internship and Pradan Kesla were the only phrases I started with when I embarked on this journey to the interiors of Madhya Pradesh. I have come back with a treasure chest of experiences that I would relive for the rest of my life.

I reached Kesla in Hoshangabad district of Madhya Pradesh on June 8 for a 5-week National Foundation for India (NFI) Internship. Kesla is situated on National Highway 69 (Bhopal-Nagpur), 26 km from the Itarsi Railway Station or 2 km from the local bus stop at Suktawa.

The objective of this internship was to give an urban college student an opportunity to learn about the real India through the medium of the designated non-governmental organisation (NGO).

It was to get a first hand experience of the issues concerning the poor, something we had read about only in books and debated loosely in our conversations.

A Taste of Reality

Whether it was the heavy dependence of the farmers on erratic monsoons in Geography, exploitation of the poor for ages at the hands of the moneylender in History, issue of subsidies and free electricity pertaining to the poor in Economics

or the exploitation of the women in rural India in Sociology, we were to see and experience everything in reality.

In my case, I was lucky to be sent to Pradan, a thoroughly professional institution. We were to observe how the NGO was influencing the life of the people in its area of operation and helping them improve the standards of their life through their livelihood intervention programmes.

It took me some time to get used to the slow pace of life. At that time 5 weeks had seemed too long but I did not know that in the end it would seem too less and would get over so soon.

My first brush with the people I would be working for came in the form of the Sukhtawa Weekly Bazaar (on Thursdays), which I visited on the day I came here. Everything ranging from vegetables, fruits, spices, ornaments, clothes etc. were available.

All seemed to be odd at first sight. It gradually sunk in that I would be interacting and spending my time with these people for the next 35 days.

I also met the new Collector of the Hoshangabad district who visited the

Pradan campus to know more about the organisation and the pivotal role it was playing in the development of the district. I later realised the importance of his role in the local issues and the significance of working not against but in tandem with the government.

My first brush with the concept of self-help groups (SHGs) came in the form of the Narmada Mahila Sangh (NMS - federation of all the groups) meeting at Bhoura (branch location of Pradan's Kesla office and 15 km from the Pradan campus).

Mini Parliament

This was my first direct interaction with the tribal women of the various hamlets who were representing their respective places. It looked like a mini parliament in action. It was only later that I learned the exact structure and the way of functioning of the federation.

The issues discussed ranged from the repayment of a year old loan by a creditor of a group and the pressure built on her to repay it at the earliest, NABARD sanctioned well digging plan, mulberry (shah-toot) plantations scheme, broiler rearing, to election of the representatives for Swa-Shakti (funding agency). The meeting left many unanswered questions that became a subject for further in-depth study.

The intervention that occupied limelight throughout my stay was the ambitious project of castor (*arandi*) plantations for 500 farmers for the first time in Madhya Pradesh.

My tiny contribution to this project of

bigger proportions came in the form of drawing charts for the Eri farmers meeting at the campus and the passbook displaying the composition of the manure mixture used for filling the pit before sowing. I also processed the application forms and the photographs of the prospective farmers.

I attended the NMS Sukhtawa meeting coordinated by Amjad. It was here that my interest in SHGs grew stronger and I was curious to know how they were impacting group members. Gambling in the hamlets, issues relating to the sustenance of NMS and education in the form of social and dowry laws were discussed in the meeting. It was enlightening to see the increasing demand of the law book related to dowry after the end of the meeting.

I also got an opportunity to see the pitiful plight of the Department of Agriculture in Hoshangabad where I went with Amjad and three farmers to procure mango and gooseberry seedlings from the government nursery.

The best example of the disastrous state of affairs existing in the government offices was in the form of a couple of subordinates repeating a list of 150 names in turns to their superior who had gone to Bhopal to attend a very important meeting but had forgotten to carry the name list. Unfortunately, we could not get the seedlings.

I also went to the Swa-Shakti office and the Department of Sericulture and Agriculture, Hoshangabad district offices with Amjad to get the pending funds and

Box: The Story of Bela Bai

Bela Bai lives in Mandipura colony. She was relocated here 3 years ago under the government's Indira Awaas Yojna. Before joining the SHG she used to work as a day labourer, lifting riverbed sand or making bricks. This income was erratic, seasonal and depended upon the developmental work in the neighbourhood. Her husband Balchand and she were hardly able to meet expenses and often had to sleep with empty stomach to feed their kids.

It has been 7 years since she joined the Laxmi Mahila Samiti. She now has a 300-broiler rearing farm of her own. Her husband works as a supervisor in addition to his seasonal welding work. She has 5 daughters and a son. All attend the school. The eldest

daughter Monica, who is in 9th standard, is studying in Karnataka (she cleared an entrance test).

Bela has taken loans from the group a number of times, which she repaid with interest always on time. Once in an emergency she was able to take a loan of Rs 500 in the night when her son Akash had to be taken to the hospital suddenly.

Bela's income source is now stable. She is a proactive member of her group and represents the Chawkipura cluster in the Narmada Mahila Sangh. She recently named a relative of her when asked about the names of the people who gambled in her cluster without fearing any backlash in her colony.

the castor plantation money released but to no avail. I learned that nothing happens in a government department on the first visit.

I went to Kochamau with Anish, Amjad and Kavita to train farmers on the procedure of filling the mango and gooseberry (amla) pits before sowing the seedlings. We also got to eat mangoes. The amount of technical skills that goes in its healthy production was a first time experience for me.

ITC e-choupal

Another good learning experience came in the form of a visit to the ITC's e-choupal in Betul along with KVS Choudhury's IRMA friends. I had read a lot about the success of the ITC's e-choupals in theory but to see a functioning e-choupal was an experience

in itself. We went to the ITC Hub (central godown). After that we went to Milanpur and saw a functioning e-choupal.

An e-choupal is basically a villager's house where a computer along with other accessories is kept. The farmers in that village can access the computer to know the prices in domestic and national markets (and can supply the crop at the desired prices) or other important information relating to soyabean and wheat.

They also get to know about the products of the other companies who take advantage of the ITC's established credibility in the rural sector. Some of the companies whose products are sold through the ITC's e-choupals are Gillette, TVS, Hero Honda, and ICICI Prudential's insurance products. In the evening, educative films are

screened on the computer thus, adding to the knowledge and awareness of the rural masses.

Self-help Groups

My first contact with the innovative concept of SHGs had come in the form of the NMS meeting at Bhoura. Through the various issues that were discussed, I got an idea of the latent strength of the concept of SHGs, which had been completely alien to me before I came here because I (the books said so) still believed that the exploitation of poor farmers in the hands of moneylender was rampant. It was this meeting that ruptured this myth.

Akhilesh and Chand Kishore, who work in the NMS Sukhtawa office, later answered the unanswered questions of this meeting. The Sukhtawa meeting moderated by Amjad really made me curious to know more about this concept. It was primarily because of this meeting that SHGs became my focus area for the rest of my internship period.

I was completely engrossed in the potential of this concept of micro financing. I learned that every hamlet in the Pradan operated areas has at least one SHG (some have even up to 10). This is the most important and the smallest building block in the entire framework of the SHG structure.

I attended a number of group meetings of Laxmi Mahila Samiti, Girja Mahila Samiti, Narmada Mahila Samiti and Jamuna Mahila Samiti. I also attended the Borkheda and Chawkipura cluster meetings in addition to the NMS meetings at Sukhtawa and Bhaura.

The strength of these groups is reflected in the fact that the women (Bela, Samiya, Shanti Bai) were telling the names of their husbands, sons and relatives unhesitatingly when asked about who gambled in their respective hamlets.

Impact of SHGs

If I were to record the impact of SHGs on poor rural women, I would have to recall development in all the facets of their life.

The 2,000 strong Narmada Mahila Sangh has made the women a force to reckon with. As individuals they have gained respect in their families and do not hesitate in raising their voice against any form of exploitation that is inflicted upon any one of them.

Economically, various forms of livelihood interventions and schemes have increased their family incomes. The exploitation at the hand of the moneylender has come down drastically. The image of being the weaker sex has taken a beating.

SHGs have made the women discover their latent strengths. It has empowered them in a way no other thing could have. The discussion on the impact of any movement cannot be complete without mentioning the name of the people who spearhead that movement (local leaders).

In this regard, the study of the impact of the SHGs in Hoshangabad District cannot be complete without a mention of Savitri Bai and Jhallo Bai of Chowkipura. They have been the pillars of the NMS, who have left no stone unturned in their efforts to empower the members. Making

new groups, gathering support for a cause or solving complex social problems, they have done all with a smile.

Staying in Mandipura

It would be a lie to say that I was looking forward to a 'village stay'. I had heard about every possible negative aspect of a village stay (or perhaps only negative had clicked in me). Although it is not mandatory under the internship programme to stay in a village, I decided to go ahead for no reason other than to get rid of my fears and to get a firsthand experience of the hard life lived by majority of Indians.

I selected Mandipura because of its proximity to the campus, as I did not know how to ride a bike. Mandipura is situated on the road connecting Sukhtawa to Kala Akhar (2.5 km from the local bus stop at Sukhtawa). It is a resettlement colony under the Indira Awaas Yojna, which was established 3 years ago. It consists of approximately 40 houses. Mandipura has two SHGs: Laxmi Mahila Samiti (8-years old) and Girja Mahila Samiti (6-months old).

Majority of the families own no land. For most broiler rearing is the primary source of income, as either the husbands are unemployed or do not contribute significantly to the family earnings.

A secondary source of income comes in the form of sale of mahua brew (*mahua ki sharab*) in the village and mahua seed (*gulli*, a non-timber forest produce). Gambling is rampant in this colony and contributes a great deal to wasting away of hard earned money of a number of families.

On an average almost all the families have more than 4 kids (except those recently married). Almost all the kids who are 4 years old and above attend school and 90% (estimate) of those who have passed class 8 either go to Hoshangabad or Tawa Nagar in search of better schools.

I spent 4 nights and 5 days in Mandipura at Phoolwati Bai's house. Her husband is unemployed. She has six children (boys). Four of them stay with the family while the other two work in Bhopal and Betul, respectively. Phoolwati has a big house, which she recently constructed out of a loan taken from Laxmi Mahila Samiti. She is also a poultry farmer.

The first day was spent getting accustomed to the new environment: getting acquainted with the women and their kids, getting to know them and telling them about myself, food habits (twice a day), and personal hygiene (bathing and toilet).

Warm Hospitality

It was overwhelming to receive such warm hospitality from the people. Whether it was Bela Bai, Butro Bai or Kala Bai sharing with me the tough and rough moments of their family lives or showing me photographs of their marriage or their kids or Bela bai showing me mark sheets of her children or drinking tea in the morning with Narmadi Bai, Kala bai or Phoolwati bai, having every meal at two places (Bela bai, Phoolwati or Choti bai).

I could not have asked for more. It is this warmth that is missing in the fast life of city people. It will be hard to forget the moments spent with them. I became

friends with all the kids of the colony thanks to the sweets that I had taken for everybody, which helped me break ice with them.

The Sukhtawa River flowed just opposite the road inhabited by the villagers. Early mornings were spent sitting on the rocks at the riverbed with the children, admiring the natural beauty of the spot.

It was these moments that helped me get close to the kids. Phoolwati's son Golu and Parvati Bai's son Bablu were my regular companions and became very good friends.

During my stay Phoolwati's son Bablu working in Betul at a retail meat shop was arrested on the charges of bank forgery in State Bank of India. It is incidents like this when a fellow woman is in trouble that the true colours of the unity of the villagers are visible. This incident brought all of them together. It is this unity and a feeling of togetherness that sets them apart from the fragmented society of metropolitans.

Since Phoolvati and her husband left for Betul for the legal proceedings, I contributed in my little way by filling the feeder with the poultry feed in the morning and filling water from the tube well for the daily requirements of the house.

I also visited the Resham Kendra (Silk Centre) with Golu where 3 women from the Mandipura colony work. I saw the entire process of making silk yarn. It was wonderful to know that the group's women were given preferences in employment at

the centre –another of the SHG's positive impact.

The impact of the SHGs was easily visible. I saw that SHGs have impacted the women in a countless number of ways. It could be seen in the glow in their eyes when they proudly told me about their sons and daughters studying in good schools in Tawa Nagar and Hoshangabad.

Whether it is as loan for constructing a *pucca* (brick and mortar) house or paying school fees of their children or broiler rearing or getting employment, the positive impact of the formation of the SHGs was visible in every facet of their lives.

On the whole, my village stay was exactly opposite to the one I had visualised before going. It was a great learning and memorable experience in itself, which helped me understand key issues pertaining to the development of the disadvantaged section of the society. Most important, it taught me to value one's life and the opportunities that are given to me.

Conclusion

It is said that the hands of the clock move on and every living moment adds on to the richness of the past. This internship has been full of these living moments. In retrospect, it has been a roller coaster ride, which has not only sensitised me to the problems of the disadvantaged sections of society but has also made me confident enough to tackle problems of any kind.

Whether it was the village stay or going to Hoshangabad with Amjad to get a proposal sanctioned or attending a group's meet-

ing, everything has been a learning experience for me.

An organisation is known by the kind of people who work for it. Everybody in Pradan has been warm and friendly to me. I thank everyone for making this internship a memorable experience. I would also like to specially thank Madhu, Anish, Amjad, Milan, KVS and Vishal of Pradan's Kesla team for adding life to the experience.

NewsReach Livelihoods Compendium

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News and Events

- The Annual Policy Conference of Sa-Dhan entitled 'Expanding Frontiers of Microfinance' was held on January 23-24, 2006 at Convention Hall, Hotel Ashoka, Chanakyapuri, New Delhi. Deep Joshi and D Narendranath from Pradan attended the conference. Four women, Sushma Devi, Paro Devi, Uma Devi and Kiran Devi from Pradan promoted self-help groups (SHG) in Lohardaga and Koderma also attended the conference. Sushma Devi and Uma Devi separately made plenary presentations on the 'Impact of SHGs'.

- A meeting of the Local Market Development Network constituting of NGO representatives was held in Ranchi on December 17, 2005 as a follow-up to the workshop on Local Market Development that was held in November at Ranchi.

- The Watershed Organisation Trust (WOTR) organised a 5-day training on the 'Use of Information Technology in Natural Resource Management' at Ahmednagar, Maharashtra from November 15-19, 2005. The training included theory as well as practical sessions on system concepts, development tools and techniques, fundamentals of GIS and GPS, use of watershed planning and management software developed by WOTR, database design in MS Access and fundamentals of computer hard-

ware. Dibyendu Chaudhuri attended the training from Pradan.

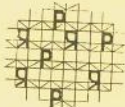
- A SHG Thematic Meeting was held in Bokaro in Jharkhand on December 14-16, 2005. Representatives from Pradan's teams at Dumka, Deoghar, Bokaro, Khunti, East Singhbhum, West Singhbhum, Purulia, Koderma, Barhi and Keonjhar attended the meeting. D Narendranath was the facilitator.

- The 14th Field Guide Forum Meeting was held during December 23-24, 2005 at Puri in Orissa. Avijit Mallik, Avijit Choudhury, Saikat Pal, Manas Satpathy, Soumen Biswas, Mousumi Sarkar, Dinabandhu Karmakar, Madhabananda Ray, Jibdas Sahu, Kirti Bhushan Pani and Dhrubaa Mukhopadhyay participated in the meeting. Nirmal Beura and Ajay Samal facilitated the meeting.

- Nine Development Apprentices attended the Programme on Village Study and Participatory Rural Appraisal workshop during December 12-17, 2005. Dhrubaa Mukhopadhyay and Avijit Mallik were facilitators.



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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