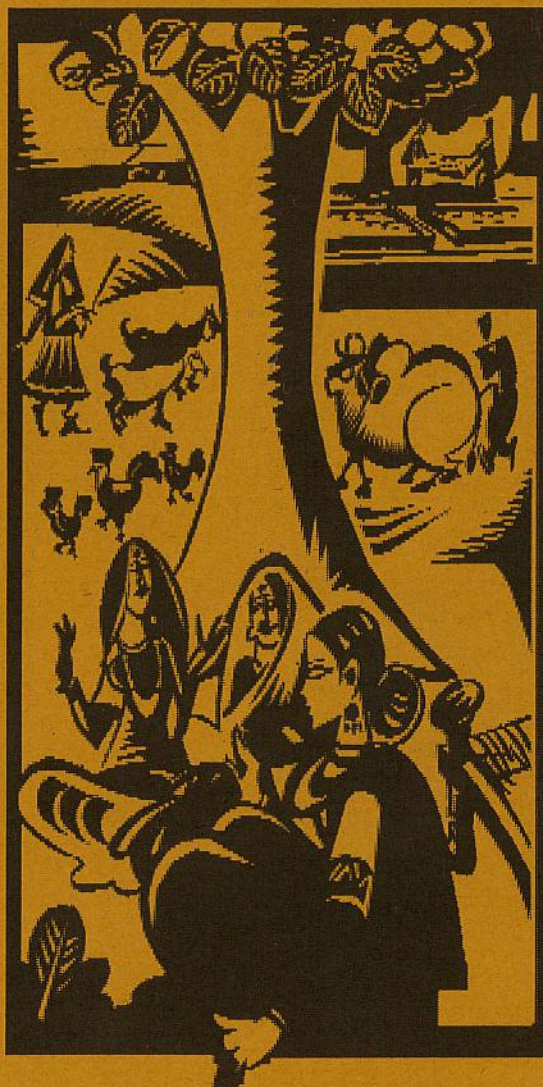


News Reach

JUNE 2005

Volume 5 Number 6



Lead Article: Call for Integrated Action on the Eastern Front

1

Deep Joshi assisted by the Purulia team proposes a strategy basket of integrated natural resource management that would ensure economic growth and household food security in the impoverished undulating and hilly regions of eastern India. Deep is based in New Delhi.

Forum: A Broader Role for SHGs

8

D Narendranath posits that the self-help group movement in India is poised to play a broader role in not just micro-finance but also in livelihood promotion and beyond. Narendranath is based in New Delhi.

Concept Paper: Intensifying Rice Cultivation

15

Avijit Choudhury puts forward a proposal to promote the System of Rice Intensification (SRI) in 6 districts of Jharkhand and West Bengal to make it easier for more than 12,000 families achieve round the year food security. Avijit is based in Purulia in West Bengal.

Report: An Eye Opener

21

Mala Roy reports that the second EYE exchange programme was an enriching experience for participating Pradanites. Mala is based in Jamshedpur in Jharkhand.

Call for Integrated Action on the Eastern Front

A strategy basket of integrated natural resource management would ensure economic growth and household food security in the impoverished undulating and hilly regions of eastern India

Deep Joshi assisted by the Purulia team

India's landmass is predominantly undulating, hilly and mountainous (UHM), barring the Great Northern Plains and coastal deltas. The Eastern and Western Ghats, the Shivaliks, the Aravalis and parts of the central hill ranges are the main hilly regions, and the Himalayas mountainous. The rest of the landscape outside the plains and deltas is undulating.

Among the UHM regions, the undulating portion has the largest area as well as dense population. Most states have some undulating regions and some, such as Jharkhand, are entirely undulating. Besides the terrain, the UHM regions are similar in the nature of livelihoods, extent of poverty and the broad developmental challenges they pose. For example:

- The UHM regions are more rural than the country as a whole.
- A larger proportion of the population in these regions is below the poverty line. A majority of the 100 poorest districts in the country fall in these regions.
- Only 5-10% of the net sown area is irrigated. There is virtually no scope for large and medium irrigation projects due to the nature of the terrain.
- The UHM regions are also devoid of well-developed aquifers and are often underlain with impervious substrate. The terrain, however, is crisscrossed by many seasonal and perennial streams and has many dispersed sites for harvesting rainwater on a small scale. These water resources remain largely untapped.
- Agriculture is almost entirely rain-fed and

mono-cropped in the absence of irrigation and other means of water control.

● Crop yields are between half and a third of the national average (itself significantly depressed by data from the large UHM regions). All indices of agricultural development such as fertiliser consumption, farm credit, spread of high yielding crop varieties, seed replacement, etc. are far below the national average.

● Seasonal migration is a significant source of income for a large proportion of the population. As farm productivity is low under the current management regime, farmers often neglect their own fields and migrate to the better-endowed regions during peak farming periods.

● Economic relationships are more egalitarian, with less sharp disparities, lower percentage of landless and higher per capita land ownership. However, natural resource management is often more complex with the intertwining of private, communal and public domains.

These similarities apart, there is great ecological diversity across the UHM regions, making policymaking and development action a complex and hazardous enterprise. The greatest cause of ecological diversity is rainfall - its quantum, distribution and reliability. For example, much of Rajasthan is arid, parts of Gujarat and the Deccan are semi-arid and the Himalayas, West Bengal, Jharkhand, Orissa, Chhattisgarh and parts of Madhya Pradesh and Maharashtra have average yearly rainfall in excess of 1,100 mm.

Agro-Ecological Zone VII

The Agro-Ecological Zone VII (AEZ VII) encompasses the plains and the undulating and hilly (UH) regions of eastern India. The UH regions in AEZ VII comprise the south-western districts of West Bengal, whole of Jharkhand, non-coastal Orissa, Chhattisgarh and a few districts each in eastern Madhya Pradesh and eastern Maharashtra.

Between 75% and 90% of the population in these parts is rural. Scheduled Tribes comprise 20% to 35% of the rural population in most districts. In many blocks they are the majority. Most people own land and landlessness is significant only among the Scheduled Castes. Agriculture is a key source of livelihoods, supplemented by gathering from forests and wage earnings from seasonal migration.

This region receives 1,100 mm to 1,600 mm rain on an average every year. About 80% of it falls during June to September. The combination of an undulating and hilly terrain and high rainfall produces high micro-ecological variability in the region due to runoff and accumulation of rainwater.

There are also diverse conditions with regard to soils, slope, water availability, soil depths, etc. within the boundaries of even the smallest village. Although there are variations across upper, middle and lower watersheds, the overall pattern repeats itself in micro-watershed after micro-watershed, village after village - dry uplands with shallow soils, dry upper midlands with deeper soils, seasonally wet lower midlands with deep soils and wet lowlands or valleys with deep soils.

In fact, the local terms for land classification incorporate these variations - *taand*, *baid*, *kanali* and *bohal* in Bengali and similar terms

in other regional languages. As a result, systems of natural resource management must be designed incorporating such variations to be most profitable, dependable and sustainable.

Livelihoods and Poverty

There is no reason for anyone to go hungry in the UH regions of AEZ VII, given the endowment and distribution of natural resources. Indeed, high rainfall and a complex ecology make these regions potential engines of future growth as a wide variety of trees and crops can be grown and complex farming systems are feasible.

Yet, these regions are almost uniformly poor and among the most food-insecure in the country. Two-thirds of the population in some of the districts is officially classified as being below the poverty line (BPL) and almost no district has less than 40% BPL population.

Human populations adapt and develop resource management systems either through a natural process of evolution over a long period of time or (as in modern times) through organised social efforts of communities and governments. These regions have not had the time for evolution. The Scheduled Tribes are third or fourth generation agriculturists, with many still practicing shifting cultivation. Many others have migrated to these regions from the plains over the past century.

State policy, the main organised influence in most parts of India, has been guided by the need to quickly increase aggregate food supplies by expanding food production in the 'high potential' plains and deltas. Therefore, natural resource management systems everywhere else, including in the UH regions of

AEZ VII, are implants of systems developed in the plains. Mountainous Himachal Pradesh with an early emphasis on horticulture rather than agriculture is the only partial exception.

Thus, agriculture continues to be almost the sole private land use in the UH regions of AEZ VII. In agriculture, paddy accounts for almost two-thirds (about three-fourths of Kharif) of crop coverage even though less than one-tenth of the net sown area is irrigated (some of it defunct and none used during Kharif) and no more than one-fifth to one-third of the net sown area is in the valleys where water control may be feasible during Kharif once the monsoon settles down.

Productivity of all the crops is in the range of one-third to one-fifth the national average. Crop and resource husbandry practices continue to be poor due to low returns and high risk. It is not unusual for farmers owning a few acres of land in these regions to migrate to the plains as agricultural labourers during the peak Kharif season even as their own fields languish. The downward spiral of low productivity leading to poor husbandry further reduces productivity, and results in widespread resource degradation and impoverishment of the people.

Strategy Basket

Pradan has extensive experience of working to enhance rural livelihoods in the UH regions of AEZ VII - from Purulia in West Bengal, through Jharkhand, non-coastal Orissa, Chhattisgarh to eastern Madhya Pradesh - for over 15 years. Following a watershed approach, Pradan has demonstrated ways to promote integrated development of natural resources that would lead to equitable and sustainable economic growth, ensure household food security and eliminate mass poverty in the region. Such an

approach requires participatory planning at the level of hamlets and villages to develop production and management systems suitable to the resource endowment to meet the people's needs and preferences.

The movement of rainwater across time and space is a key consideration in resource management in such a terrain. A basket of strategies to improve returns from land and water resources successfully promoted by Pradan on a small scale are described below.

Intensive cultivation of homesteads (*baari*) to create year-round income earning opportunities is one of the strategies. Every family in this region has 200 to 400 sq metre of homestead land. Homesteads are very fertile due to presence of organic material and are also easiest to protect. Yet, these lands are very poorly managed. By developing dug wells shared by several families, homesteads could be irrigated and used for intensive cultivation of vegetable, fruits and flowers. This would especially benefit women and offer them an alternative to leaving home in search of wage labour.

Developing fallow uplands (*taand/goda/dhipa*) is the second strand of the strategy. Situated at the uppermost reaches of the terrain in each micro-watershed, these have the highest slope, very thin topsoil, morrum and rocky substrate (often exposed) and very low water holding capacity. Uplands are generally not terraced or embanked. Wherever there is a bit of topsoil, farmers are prone to use the land to cultivate paddy through direct seeding even though water control, essential for paddy, is not possible without irrigation.

Land treatment to harvest rainwater to improve soil moisture locally is the first step to enhance the productivity or carrying

capacity of these lands. The '30x40 model' developed by Pradan is suitable for the uplands and it would be essential to treat a large, contiguous patch of land. Agroforestry, with a combination of trees and grasses, is more suited to such lands rather than paddy or other field crops. Tree varieties could be chosen for light timber, firewood, rearing tasar silkworms and horticulture.

The third element of the strategy is to improve the management of medium uplands (*baid*). These are generally embanked and terraced and have moderate slopes. With increasing population pressure, these have been brought under transplanted short duration paddy cultivation. Soils are sandy to sandy-loam and shallow, with low organic matter and low moisture holding capacity.

Due to low productivity, these lands are currently not well husbanded. The field embankments are shallow and poorly maintained, rat holes are not plugged and little or no manure is applied. Paddy crop in these lands is highly vulnerable to rain failure. Even short breaks in the monsoon and early withdrawal spells failure.

To enhance and stabilise productivity, these lands need to be treated for water harvesting and recycling of biomass to ensure good organic content in the soil. Promotion of on-farm water resource development (5% model developed by Pradan) and green manures (through field embankment plantation or cultivation of sun hemp) would be the required interventions in these types of lands. Besides these, alternatives to paddy such as maize, pigeon pea, and maize mixed with pigeon pea can be cultivated profitably.

Improving the management of medium low-

lands (*kanali*) and lowlands (*bohal*) is the fourth element of the strategy. These are the most productive lands, the core of the farming system. The soil is rich, hence most suitable for intensive cultivation throughout the year. Besides direct rainfall, these lands also get the benefit of surface runoff and seepage from upper catchments. Once monsoon sets in, these lands do not face any water shortage during the rest of the crop-growing season and surplus water has to be often drained out to ease farming operations in the lower valleys. These provide huge opportunities to harvest both surface runoff and sub surface seepage and recycling of water for localised irrigation to support intensive agriculture. Unfortunately most of these lands are used well below the potential, with a single paddy crop grown during the monsoons.

The most suitable infrastructure here is a chain of *haapas* or seepage tanks (over 6% to 8% land area with 2 to 3 m depth) constructed in the valleys along the drainage line. As seepage tanks retain water for a long time (up to 10 months), these provide excellent opportunity to promote composite fish farming besides providing irrigation. Once this is done, the lowlands would not only produce three crops a year but would also provide life saving irrigation to adjoining *baid* lands with low cost water lifting devices during late-monsoon failure, which is very common in this region.

With these interventions and certain simple changes in cultivation practices, such as selection of healthy seeds, better nurseries, timely transplanting and application of potash, production and use of vermicompost, crop yields can be dramatically increased. In regions with complete control over water, such as medium lowlands and valleys, the

alternative technique of rice farming, namely, System for Rice Intensification (SRI) can bring about truly remarkable increases in productivity in a sustainable manner.

Once agriculture is stabilised and intensified, intensive livestock rearing would become feasible as a subsidiary livelihood. The infrastructure on private land for rainwater harvesting would provide scope for rearing fish and farm residues would support cattle rearing. Pradan has successfully introduced composite fish rearing, including rearing of fresh water prawns and promoted intensive dairy.

Enhanced productivity of land and lower risk in farming would reduce the need for distress migration, bringing greater stability to the household. This would lead to better husbandry of resources and crops, higher private investments in land development and open up opportunities for subsidiary home based economic activities.

Why Does This Not Happen?

There are three key reasons. First, nationally, we lack a coherent, consistent and forward-looking policy for natural resources development as a means to spur decentralised growth, remove poverty and ensure household-level food security. Natural resource development and management policies have been mainly guided by the concern to increase aggregate food production through the green revolution strategy of '*Water (Irrigation) + Seeds + Fertilisers = Food Production*'.

Therefore, we have been extremely conservative in investing in, for example, watershed development, the closest thing we presently have to integrated natural resource management. Besides absurdly low rates and levels of public investments, we also do not have

appropriate policies and programmes to channel credit. Overall, capital formation in UHM regions has been very low and often, negative. Other indicators of policy such as research, extension, etc. tell a similar tale.

Secondly, there are no 'models' to follow. The kind of work Pradan and other agencies have done is too 'micro' to be visible. Broadly a 'watershed approach' is essential for these regions because management of rainwater over time and across space affects the production frontier or carrying capacity and its sustainability due to the terrain.

Unfortunately, 'watershed thinking' has been limited by two conceptual biases. First, as the Tenth Five Year Plan (Chapter 5, page 529) points out, watershed development has been preoccupied with "the conventional soil conservation approach of safe disposal of runoff" rather than enhancing productivity and production. Secondly, in its more recent avatar, watershed development has been equated to 'rainwater harvesting and conservation', ironically suggested by the same Plan as the alternative.

The conservation bias comes from the longstanding concern among irrigation engineers about silting of reservoirs and the more recent one about loss of topsoil and expansion of wastelands and desertification. The water bias, too, has twin roots: one, the old idea that one must 'apply' water to rear plants, therefore one must first harvest and store it, and two, the 'water crisis' that we have recently become conscious of that impels us to conserve it.

While conservation is important, it cannot be the objectives of development and management of natural resources. The objective must be to maximise present and future ben-

efits for the largest number of people, especially poor people, who depend on these resources.

Reverse Downward Spiral

More than two-thirds of the private land in these regions is used for agriculture, with low productivity and high uncertainty. As earlier pointed out, people are locked into a vicious cycle of low productivity and uncertainty leading to poor husbandry and low investment, which further lowers productivity. There can be no progress and even the limited objective of conservation or loss prevention cannot be met unless this downward spiral is reversed and a virtuous cycle created by infusing investments and alternative systems of production and management.

Thirdly, we do not have the agency or organisational capability necessary to promote micro-level, integrated natural resource development in government, which continues to be the main development agency. Government extension agencies neither have the orientation and skills to win the confidence of the people, nor the experience, knowledge and perspective needed to generate location-specific solutions.

'Extension' by definition works well only if there are models to stamp about and there is an existing demand. It does not work where creativity, innovation, motivation and decentralised decision making are required. Classical extension is essentially a top down construct, built around dissemination of knowledge and set ideas to an eager population.

As a result, there are no benchmarks, for example, for the level and sources of investments, human resources required, length and nature of engagement, expected outcomes,

etc. Investment norms have been drawn from conventional soil and water conservation projects and have been deliberately kept low to minimise 'misuse'. Paucity of resources does not stand scrutiny as much larger public investments (for example, over Rs 4,000 per capita in case of the rural roads programme) are being made in other rural development programmes and large scale irrigation now costs the exchequer over Rs 1 lakh per hectare.

The know-how, similarly, is extremely sketchy. Broad principles, such as flexibility, participation apart, we know little about the kind of skills, knowledge and perspectives needed, especially to promote highly decentralised planning that combines people's participation with high level of innovation.

What Can Be Done?

What is needed is a major shift in thinking, policy and action: from aggregate food production to household food security, from resource conservation to sustainable livelihood security and decentralised growth, from uniform strategies and investments to situation specific plans and investments.

Such a shift would affect our planning process, plans, choice of technologies, action priorities, level and sources of investments, nature and duration of engagement and criteria for measuring performance. Illustratively, instead of harvesting and storing rainwater, one may divert it through the fields to aid Kharif cultivation and create residual moisture for Rabi. Land use may itself be changed from one set of crops to another and from agriculture to horticulture.

Rainwater may be harvested in a highly decentralised way rather than in discrete and relatively larger storage structures. Bank

loans may complement government grants and labour contribution. External engagement may stretch beyond the stage of physical interventions into establishment of a new resource use regime. Indicators of performance would become sustainable enhancement of well being, especially of women and poor people, productivity and growth.

Changing perceptions, policies and practices on a large scale and building a new generation of agencies to carry these forward are long-term challenges. However, as a step forward we could immediately begin creating 'models' to show the efficacy of integrated natural resource management in the UH regions of AEZ VII using NGOs with demonstrated capability and taking to scale their micro-innovations. One could, for instance, take up 20 to 25 pilots in as many districts, each covering 5,000 to 10,000 families and 10,000 ha of geographical area in different parts in the region over a period of five to seven years. The pilots would lead to diffusion, serve as training and demonstration centres and help orchestrate public policy and action.

The pilots could be financed through a combination of public subventions, bank loans (through self-help groups) and people's contribution. Government support required would be of the order of Rs 3 crore a year per pilot for five years or up to Rs 300 to 400 crore over five years for 20 to 25 pilots.

Funding of this level is available in the districts through various schemes. Yet it is difficult to take up coherent, time bound and focused pilots using such schemes. First, the schemes are highly structured, often very narrowly focused and leave little room to innovate and accommodate the numerous local variations. Pulling those together can be a nightmare.

Secondly, the schemes get 'sprinkled' across a district by way of targets - two families in one village, three in another kilometres away; one scheme here but a potentially complimentary scheme somewhere else and so on. This is hardly conducive to systematic programming and cost and time effective implementation.

Thirdly, accessing the schemes at the district and block level is difficult for an NGO because there is a 'zero-sum' thinking and distrust of NGOs at that level. Access depends entirely on the proclivities of incumbents who get transferred frequently.

Finally, releases from scheme-based allocations are erratic and get bunched around March every year, and budgets for most schemes are approved only for a year. This makes planning very difficult.

There may be alternative ways to mobilise such resources, for example from central ministries by setting aside a small part of the many centrally sponsored schemes. Another alternative could be to seek funding from official donors that have ecology and food security as priorities.

NGOs with proven track records, presence in these regions, quality human resources and sound internal systems of governance and management may be invited to participate in the programme as a consortium. The funds could be administered through a special entity created as a Government-NGO collaborative. Resources may be set aside to monitor the pilots closely and to develop training material that would be needed for scaling up the pilot.

A Broader Role for SHGs

The self-help group movement in India is poised to play a broader role in not just micro-finance but also in livelihood promotion and beyond

D Narendranath

It is quite amusing that the topic of 'withering mature SHGs' has come up now (*this paper was presented in a NABARD workshop held during May 3-5, 2005*), after almost 15 years of linkage with banks. It is not that the question of the quality of SHGs, disenchantment of older SHGs, regional disparity in the programme, inadequate financing, the need for broader livelihood support, and so on had not come up earlier. SHGs and NGOs have been talking about these for a long time but it is now that the issue has come up in a focussed manner in a national level consultation.

I believe this is because the problem has assumed large proportions with the number of old, mature SHGs in the country demanding attention easily touching the half a million mark. This proves the argument that microfinance through SHGs is not just about streamlining supply but about creating a demand system.

These SHGs, puny as they may be, would have to be heard, whether one likes it or not. It is true it has taken more than a decade for the groundswell to reach a cognizable scale but it does also take a Mohammed to move the policy mountain! The groundswell cannot be wished away and we can ignore it only at the peril of allowing such a wonderful movement to wither away.

Issue of Maturity

It might be worthwhile at this point to look at the issue of SHG maturity. What do we mean by mature SHGs? Are they 3 year plus groups or are they 5 year plus groups? Are

they groups that have received a lot of finance from banks? Are they the vocal, articulate groups? Are they the groups that which show up at the local bank or government office every alternate day and demand this and that? We have to understand this fully and cannot be caught with only a partial understanding of what mature SHGs are. However, before that we need to look at something more basic about the maturity aspect.

Mature adult beings are those with whom one has a relationship of being equal. This is as against the patronising, protecting relationship one has with a child. Psychologically speaking, it is said that if one of the actors have a patronising approach, the other would have the tendency to slip into the child mode, either to rebel against what is being proposed or to meekly submit. Neither are the reactions one would expect in a mature transaction.

Thus to expect mature reactions from SHGs we also need to build a relationship of equality with them. In other words, we must stop patronising the poor and start treating them as equals. SHGs are not in need of any charity. They only demand to be treated as market entities and they would like to earn what they get. SHGs have to be assessed for their quality and their ability to deliver the goods and not on any extraneous factors.

Maturity in an SHG at the first cut surely is about age, size of financial transactions and financial track record, both internal as well as with the bank. If the age is more than 3

years and the size of financial transactions - savings and bank loan mobilised - are substantial in the context of the local economy, and the internal and external repayment track record is high, the group may then be considered as a strong mature group.

However, are these criteria enough? Or, do we need to see the group in a broader perspective? I think that when we are assessing a group for its maturity with a view to build a partnership and make larger commitments, we must then look at the group also from a broader point of view.

Sticking to Values and Norms

Starting at the basics, a mature SHG does not start relaxing its core values, basic norms of meeting, attendance, internal discipline, governance, financial rigour including loan sanctioning and ensuring repayment, accounting and reporting, etc even after it has become old. Many old SHGs tend to become very lax with their repayments.

While this might be okay to a limited extent, it can adversely effect external repayments in the long run, especially when the loan sizes get larger. Any slackness in the basic systems can show adverse results fairly quickly. The success of the group lending methodology lies a lot in peer pressure but quite a bit of it also lies in the regimentation in the group. That is the reason why a neighbourhood group automatically does not translate into a strong SHG. The quality of training that the group receives in the first 6-8 months is very crucial.

Vision and Initiative

In addition to these basic systems, what I would look for in a mature SHG would be the level of awareness the members display, primarily about the long-term vision of the

group. What does the group seek to achieve in the long run? It is important that the group should have articulated this. This might be the difference between a group that has been formed with the limited purpose of channelling some funds in the short run vis-à-vis a group that has been formed by members who have come together with plans to achieve their livelihood and well being goals.

Moreover, in a mature group, not just 2-3 prominent members but also each and every member that emerges as a distinct individual, with her individual goals and plans well articulated and integrated with the group vision. This group would talk in terms of the medium to long terms and would seek to build sustainable relationships with the banks and other stakeholders.

A mature group in this regard also would be the one who has already taken a few steps of its own before approaching the stakeholders. It may be about resolving to send all children to school or about getting the infants immunised but such initiatives show the broader perspective the members have developed.

Governance

Maturity of a group is also about the understanding of the members of their own roles in the SHG, about their collective ownership and their ability to re-look at the goals, norms and systems periodically to keep adjusting them to the changing requirements. Does the SHG deliberate on its governance systems periodically? Does the SHG periodically look at its own savings rate, loan products, loaning norms and so on in order to best meet the members' requirements? Does the SHG keep setting more and more challenging goals for itself, which leads to growth rather than stagnation?

Linkages

Finally, one also needs to look at the quality of linkages that the group has established. Has the SHG started branching out to establish linkages with other SHGs and other stakeholders such as the rest of the villagers, the bank, the panchayat, the block administration, etc.? A mature SHG is one that realises that it is not an entity that can operate in isolation but would need to collaborate with a number of other actors to achieve its goals.

Maturity is also in reaching out to others to seek help when required. This is typically visible in time of internal conflict in the group. The group tries to solve the problem by itself and if it does not work out, it takes the problem to the cluster (or federation) meeting and if that also does not work out it, comes to the NGO office. It would explore all options of how the problem can be solved.

The list could go on. I believe it is important to take a larger view of an SHG than just look at its age and size of bank loan. Irrespective of who was the group promoter, the group needs to display these attributes, which also means that a substantial amount of time would have been spent in the group in setting systems and strengthening the group. Additionally, the external stakeholder, the banker in case of financing, would need to pick up the wherewithal to assess these attributes.

Future Directions

What is the way forward for mature SHGs? There are about half a million mature SHGs in the country with a total membership of 7.5 million poor families. Even if we said that many of these groups do not match up with the 'maturity' criteria, we are still looking at 3-4 million poor families organised into

vibrant institutions waiting to take the next challenge and leap forward. Where do they go?

Ongoing support

One thing that has emerged from discussions with old SHGs is the issue of systems for ongoing support even after the promoter has reduced time commitments. Some areas where they need support are those of ensuring continuing adherence by all members to the values and norms, tiding over conflict situations, changing group leaders, establishing external linkages and so on. Some systems need to be put in place by the promoter to see that the ongoing support is provided to the SHGs.

It may not be all right to assume that if the SHGs have been functioning well for the initial months and have made good repayments in the initial bank loans, they will continue doing so. They are after all human organisations and do go through major ups and downs when they require close support.

In Pradan, the SHGs are organised into panchayat level federations called clusters, where SHG representatives meet regularly to provide peer support. Pradan staff also attends these meetings, reviews performance and looks for early signals of impending problems. There is also a strong management information system through which information of group performance comes in regularly to Pradan offices. These enable the staff to provide need-based support to the SHGs.

Sustainable Livelihoods

The basic mission of a SHG is sustainable livelihoods for each and every member. These SHG members are looking for ways to stabilise their lives and livelihoods in a way that it enhances their dignity and con-

tributes to the broader well being of the family members. There is extensive documentation establishing that access to micro-credit in itself is not a sufficient qualification to ensure livelihoods, particularly in case of the very poor.

Micro-credit does benefit all SHG members in the way that it gives them access to a savings facility, helps them manage their household finance, and gives access to small loans to tide over emergencies as well as to strengthen existing livelihood activities. Some members in the SHGs who are slightly more enterprising also make good use of bank loans to expand their livelihood portfolio.

Beyond that the livelihood impact of micro-credit is not substantial. Take for instance the pockets of extreme poverty in the Central and Eastern hilly and tribal regions, which are sometimes termed the poverty heartland of the country. This is interestingly an area richly endowed in natural resources but characterised by endemic poverty, resulting from a discernible under-utilisation of resources.

Poverty here is characterised by lack of public investments in infrastructure, dysfunctional public systems including those of education and healthcare, underdeveloped markets, and large tracts of isolated communities lacking basic capabilities in dealing with changing economic realities, technologies and markets.

What are the kinds of investments such a set of people would need to secure their livelihoods? There is need to really look for 'out-of-the-box' solutions here, going far beyond the single dimensional SHG-bank linkage system. The first step would be to mobilise

investments into revamping public infrastructure, services and markets. These are large-scale investments and some of it such as for roads, etc. will have to be made by the state itself, while also inviting private capital.

Building a Livelihood Vision

Parallel to this is the task of promoting larger number SHGs reaching out to all the poor people in a given area. Promotion of livelihoods, especially in infrastructure-poor regions will have to be done on a concentrated area or 'cluster' basis for reasons of economies of scale. This requires that the target population have to be organised into SHGs well in advance. In addition to setting up a financial system at the community level, the SHGs also provide the social infrastructure to build on.

The promotional agency would need to work intensely with these groups over a reasonable period of time (8 months to a year) in building capacity in the members to work together, handle group dynamics, deal with service providers, negotiate with external stakeholders, handle large finances, and plan for bettering their livelihoods. The promoter has to spend quality time at the group level to help each member to articulate her life and livelihoods vision, and in building motivation and entrepreneurial abilities.

Building Financial Skills

The SHGs are linked with banks once they are ready with their plans. As mentioned earlier, as long as the members take up initiatives such as strengthening existing livelihoods, primarily with the focus of self-consumption or at best for local small markets, the SHGs and the SHG-bank finance will stand them in good stead.

One thing that has to be mentioned here is that the SHG-bank linkage in its current form has very limited potential for anything other than provide funds for consumption smoothening. The loan sizes have to substantially go up if it has to finance a limited number of members. The bank finance even now is in most places limited by the 1:4 ratio of own funds to bank loan, which many a time ends up under financing whatever the group members have proposed.

Identifying Potential Livelihoods

Once the SHGs have got going, it is time to expand the livelihood portfolio by special interventions. First, livelihood ideas suited to the bottom 30% to 40% of the population in the local area have to be identified. A large number of options would have to be generated, some may be traditional and some may be non-traditional.

This is because we are dealing with families that belong to poor or very poor categories with low levels of resources, skill, intergenerational experience, understanding of markets, investment capability and risk taking ability. They would need a basket to choose from. We would need to look at ideas that have possibility of being scaled up to such as those around food and food processing, processing of forest produce, related to clothing and so on.

Linking to the Market

Large-scale production also would entail that the local markets soon run out of absorption capacity, and larger (and distant) markets would have to be tapped. Linking to distant, difficult-to-access markets for either forward or backward linkages would mean creation of linkage organisations - specific to each enterprise.

A point to remember is that SHGs are not these organisations. They are micro-finance and solidarity groups and must remain so. It is also good to remember that the economic reality of individual members is different. Therefore it is not at all necessary that all the members would be interested in taking up the same activity.

We have to have specifically created enterprise organisations that would have a different logic of organisation with different operational and governance systems. Different members of the same SHG might join different enterprise organisations; depending on what activity they choose. These organisations would deal with all aspects of the business such as planning, production supervision, quality control, inventory management, wholesale and retail markets, price negotiation, finance mobilisation, deal with statutory authorities and so on.

These are quite sophisticated functions and would need to be managed professionally. Staff from the NGO will have to play the leadership role in such linkage organisations till the time members themselves are capable of hiring and managing skilled people from the market. The need for such linkage organisations has to be recognised. Then ways of financing and capitalising them have to be worked out.

Need for Convergence

The financial implication setting up viable livelihoods for a large number of poor people in remote rural areas are that a variety of financial solutions are required and SHG-bank finance tend to be very one-dimensional. The members require routine SHG loans for their individual purposes. They also require working capital for the livelihood

activity that has started. These are possible to be channelled through SHGs. Then they would need financing to create assets, which may or may not be channelled through the SHGs. These asset loans would have to be substantially larger than the usual SHG loans and may not be taken by all members in a particular SHG.

Then there are financial requirements by the linkage organisations - the producer co-operatives, producers' companies, mutual benefit trusts and so on. These structures would need their start-up capital that will have to be found through members' contributions and upfront grants. Based on this, the organisation could mobilise finance from the banks, primarily for working capital.

Then there would be large investments for common infrastructure, such as a dairy chilling plant; poultry feed mix unit or an agri-service centre. The organisation will need finance for this, either as grant or as a long-term loan. One could also explore options of bringing the private sector in for providing such common services. The finance for such investments has to be found.

This means that the enabling organisations such as the government agencies involved, NABARD, the banks and the NGOs need to converge their energies and think of creative ways of working with these people's organisations - both SHGs and linkage organisations - so that a holistic livelihood programme can be put in place.

Beyond Livelihoods

Livelihood programmes lead to food security and increased incomes but the SHG women demand much more - access to basic services and a role in the wider social and political processes, enhancing their public status.

How can external stakeholders that work with the SHGs and their federations creatively engage them in the broader processes? For example, is there ways in which the SHGs can work with the local government machinery is increasing the effectiveness of the delivery of various schemes and services such as health care facilities, formal and schools, development programmes such as food for work, rural roads, etc.

These peoples' organisations can be made part of the planning processes of these schemes and services, which would mean tailoring the delivery to benefit the very poor people. But that means the development of a great amount of trust and mutuality between these agencies and a readiness to take risks on the part of the government agencies.

Experiences elsewhere have shown that when such responsibilities are handed over to SHG women, they have displayed tremendous leadership qualities and resolve, irrespective of their poverty or literacy status. The results have been not just been empowering for these women but also has resulted in a better delivery of the programme. Thus, it is imperative to push for such proactive involvement of the SHGs in public roles, which also would mean training inputs to these women to get into such roles and carry out their responsibilities.

Conclusion

The SHG movement has the potential to bring about a transformation in the lives of rural poor women given the way it is able to mobilise them around their own resources and initiatives. It is important not only to create new SHGs but also support and strengthen the mature SHGs in providing broad-based benefits to all members. For that the low volume, single dimensional

financing through the current linkage-banking model is not enough.

Increasing the loan sizes could be one immediate and important starting point. Additionally, comprehensive livelihood financing models have to be worked out, which could be a mix of variety of financial products, including upfront subsidies. Appropriate institutional mechanisms outside of SHGs also have to be created to provide sustainability to the livelihood programmes. This would actually require the concerted efforts of government agencies, NABARD, banks and the NGOs to converge at the level of the people's institutions.

Equally important is to enable these women to access basic services and address their well-being issues. The social infrastructure that has been built up in the form of the SHGs and their Federations could be extremely effective mechanisms to improve the quality of delivery of various schemes and services. For this it is important to involve the SHG women in planning and implementation and enhance their role in local governance.

This is an abridged version of a paper presented at a national workshop on 'Microfinance: Future Policy Options' conducted by NABARD on May 3-5, 2005 in New Delhi.

NewsReach Livelihoods Compendium

Are you a grassroots professional trying out new and innovative ideas in the field? Does your organisation work to promote livelihoods for the rural poor? Are you on the look out for tested and successful interventions for the poorest of the poor?

NewsReach Livelihoods Compendium could deepen and broaden your knowledge about successful programmes implemented amongst the poor in the poorest states of India.

NewsReach Livelihoods Compendium is a collection of cases, narratives and articles about Pradan's livelihood promotion programmes. Most of these have been documented by professionals in the field. For your own copy (Rs 80, postage extra) write to Smita Mohanty at 3, CSC, Niti Bagh, New Delhi - 110 049 or email her at smitamohanty@pradan.net.

Intensifying Rice Cultivation

Promoting the System of Rice Intensification (SRI) in 6 districts of Jharkhand and West Bengal would make it easier for more than 12,000 families achieve round the year food security

Avijit Choudhury

Agriculture is the primary source of livelihoods in the regions where Pradan works. Improving productivity of agriculture through modern and scientific methods, within the wider context of integrated natural resource management, is the surest - some would say the only - way to combat endemic poverty in these regions. Ignoring this goal would lead to further impoverishment of a vast population dependent on agriculture and natural resources and would lead to stagnation of local economies.

These regions are characterised by undulating topography. They are classified as extreme uplands (*tanr*); uplands (*baid*); medium lowland (*kapali*), and lowland (*bohal*). On an average a farmer possesses 2 to 2.5 acres of arable land distributed among these land categories. Production in the uplands is completely dependent on the vagaries of the monsoon. The average yield of paddy is a paltry 2-3 tonnes per hectare (ha), primarily due to tradition and unscientific agricultural practices.

The low farm productivity has severe negative consequences. Families on an average produce food grains that provide food security for only 4-8 months at best. The situation is further aggravated due to repeated fragmentation of land from generation to generation, resulting in diminishing farm sizes.

Challenges to Improvement

While the potential to improve farm pro-

ductivity is enormous, Pradan's experience shows that the task is not without difficulties. There is the usual reluctance among farmers to adopt dramatically different practices, especially with regard to main subsistence crops. Few come forward even after witnessing successes on the field and fewer still adopt changes on anything more than a nominal scale.

Secondly, the service infrastructure is non-existent in many places. Even district towns do not have seed and fertiliser stores. Stores that do exist are poorly stocked. Potassium fertilisers, for example, are hard to get. Moreover, the quality of most seeds is of very inferior quality due to which the poor farmers often incur losses, as they are sometimes unable to differentiate between genuine and fake seeds.

Moribund Machinery

Thirdly, as the government extension machinery is moribund, farmers have no access to knowledge and problem-solving services. Fourthly, with poorly developed water resources, agriculture is overwhelmingly dependent on the fickle monsoon. Fifthly, as livestock is of poor quality and there is little mechanisation, drought power is a major constraint to intensification and improvement of farming practices. Mechanisation would also contribute to a lot of labour saving, making intercultural tasks less cumbersome. Finally, farmers have little or no access to financial services, such as working capital for agriculture, term loans for

asset creation, and insurance.

It is in this context that Pradan started looking at ways to increase the paddy productivity amongst poor tribal farmers in the Chotanagpur Plateau and Santhal Parganas, which are classified under the Agro-Ecological Zone VII. Since rice is the staple food of the resident population, increasing its productivity would go a long way to address food security amongst the poor.

Paddy cultivation requires large amounts of water. In the wake of growing scarcity of water, there has been a gradual shift towards cultivating less water-demanding crops. The erratic monsoon compounds the problem, because of which most farmers in this region are unable to transplant saplings in time.

Moreover, the profits from paddy cultivation are low because of high input costs and low prices of rice. There is therefore an imperative need to make paddy cultivation more efficient in terms of returns on farmers' investments as well as in the use of scarce resources such as water.

System of Rice Intensification

Given these constraints we were looking for an appropriate technology that would increase rice yields. We found that a System of Rice Intensification (SRI) was pioneered in the 1980s by Father De Laulanie to increase rice production in Madagascar (see box 1). As a system of growing rice, SRI has evolved over 2 decades, involving 15 years of observation, experimentation and rapid spread in 21 countries in the next six years.

SRI has evolved independent of controlled

Box 1: Elements of SRI

- It is important to transplant 8-15 day old 2-leaf seedlings. The seedlings are transplanted much later in conventional methods.
- It is important to lift seedlings singly without damaging the root system.
- Seedlings are transplanted 25-30 cm apart in straight rows.
- The field is alternatively dried and wetted.
- Flooded irrigation is not desirable throughout the vegetative phase.
- Only 1 cm irrigation is needed during the reproductive stage.
- Frequent weeding (every week) is required for better root development.
- Seed requirement is low (only 5-6 kg per ha)
- SRI reduces cultivation time by as much as 20-30 days compared to conventional methods.

laboratory experiments, leading to a technology that could be replicated through on-station and on-farm trials. In SRI, the interaction between research and extension staff with farmers is a 2-way process with strong feedback loops, collectively contributing to the knowledge pool. This participatory approach has contributed a lot to SRI techniques evolving as farmers' innovations. It is a system rather than a technology because it involves a number of techniques

Pradan introduced SRI with a few farmers in 2003 in Purulia district of West Bengal to observe its potential. It has since been introduced in other project locations

in Jharkhand, Orissa and Madhya Pradesh. The results have been satisfactory with yields as high as 15 tonnes per ha being reported in Purulia. Average yields have been reported to be around 5 tonnes per ha.

Insights from Field Trials

These field trials provided new insights that can be summed up as follows:

- As we did not encourage farmers to apply chemical fertilisers and farmers did not have adequate organic manure to apply to SRI plots, performance of the crop suffered. During the tillering phase, most plots showed 45-60 tillers per hill on an average. But when the panicle appeared, we found the number of effective tillers per hill were only in the range of 20 to 30. This is mainly due to inadequate supply of nutrients at the reproductive phase of crop growth.

- We also observed that regular drainage is very important to ensure good root health. In most plots we found that at the reproductive stage farmers stopped hoeing as it involved a lot of labour. As a result, most roots decomposed and turned black. This must have affected maturity of the crop (reducing the number of tillers).

- Poor nutrient status of the plots badly affected crops in certain areas. Nutrients have to be supplemented from outside in the kinds of land we see in this region. The spacing also has to be lesser if the fertility status of plot is poor. In good soils, plant vigour was distinctly more than 'conventional improved practice' and occurrence of disease and pests were low.

Our primary aim is to ensure round the year food security, by plugging the current gap

of 4-8 months. This could be achieved through increased productivity through SRI practices.

Spreading SRI

This proposal aims to popularise SRI not only for its super yield potential but also to enable farmers to work out the local optimal yields through experimentation and innovation.

It is envisaged that we would be able to attain yields of 7 tonnes per ha in SRI fields. The focus would also be to include more numbers of farmers rather than area coverage, as it is assumed that once a farmer adopts this practice, he would gradually bring more of his cultivable area under SRI. The programme would promote SRI among more than 2,000 farmers with the average area under SRI per farmer being 33 decimals. The total coverage would be around 340 ha.

Pool of Resource Persons

The programme would also endeavour to develop a pool of local resource persons, who would initially practice SRI themselves. Subsequently these persons would be the main proponents of SRI in their areas (blocks, districts and states). This programme seeks to contribute significantly in terms of enhancing skills and changes in the packages and practices adopted for conventional paddy cultivation.

The practice of SRI would be made more labour efficient through the introduction of rotary weeders. It would also address the issue of more frequent weeding required (because of which most farmers are reluctant to adopt SRI) to maintain root health.

The programme would also strive to popularise the concept of sustainable farming through use of organic manures like vermicompost. It would ensure this by supporting every farmer by promoting neighbourhood low cost vermicompost units.

The programme would be carried out in Dumka (50 farmers), Hazaribagh (100 farmers), Lohardaga (400 farmers), Gumla (100 farmers), Khunti (300 farmers) and Bokaro (100 farmers) districts in Jharkhand state and Purulia (1,100 farmers) district in West Bengal. We will be working with 21,50 farmers in these 6 districts, who would bring 174 ha of cultivable paddy land under SRI during the Kharif season.

Programme Process

To implement the programme, various kinds of exposure visits and trainings have to be imparted to transfer skill and build capacities of the various actors involved in the programme. Capacity building would involve training and exposure visits.

The programme will conduct trainings for both local resource persons (LRP) and farmers. Since the programme aims to build a human resource base within the proposed areas to manage the programme, we would create a pool of persons who would be adept in SRI practices and would help newcomers to optimise their efforts. The programme plans to conduct separate trainings for potential LRPs. The LRPs will be responsible for providing support in trainings intended for farmers, besides providing on the field support throughout the entire crop cycle.

Since most of the farmers would be first timers, they would require a lot of hand-

holding and encouragement. Pradan professionals and the LRPs would provide the farmers on-field trainings on raising nurseries and transplantation, the 2 most important elements of SRI. Besides this, the concept would be shared in the women self-help group (SHG) meetings because women perform many agricultural tasks. The programme would also focus on upgrading the skills of the women involved in SRI cultivation.

Since farmers are usually reluctant to adopt dramatically different practices, a lot of exposure visits have to be arranged to fields where other farmers have successfully adopted SRI. These visits would serve to provide proper orientation to first-timers. In addition to this, we would conduct video shows on SRI in villages to orient and sensitise potential adopters.

Field Implements

Currently, paddy cultivation in this region involves very little mechanisation. This can be apparently explained in terms of surplus labour available in these parts. On careful examination it is seen that poor tribal farmers and their families have very little surplus labour to invest on cultivation.

As a result, their main concern is to finish transplanting as early as possible so that the family can work on the fields of better-off farmers to earn wages. This is another reason why the yields realised by these families are much lower than the progressive farmers of their areas.

To address this the programme seeks to introduce implements like the rotary weeder. The effective time required for repeated weeding and hoeing, essential for SRI practices, would be considerably reduced

through this implement.

We plan to provide these weeders to groups of women farmers so that they are efficiently utilised. These groups then can be utilised as a platform to launch other livelihood promotion initiatives.

The weeders will be hired out to farmers on a per day basis through a coupon system. The charge per day would be Rs 15, the coupon for which would be issued by the women's groups in the weekly planning meetings. The LRP would attend these weekly meetings, would collect the money and deposit it in the fund created to meet the expenses of the LRP. The modalities of the system need to be worked out in more detail.

As the weeder would be handy for all farmers adopting line transplanting, it could also be put to use for conventional paddy cultivation. We estimate that 90 weeder days would be generated per weeder during the season, the earning from which would be Rs 1350. This money would meet a part of the cost of the LRP. These instruments would be kept under the supervision of the women's group.

Subsidy on Critical Inputs

Due to the nutrient poor status of the soil in the programme areas, the SRI package would involve application of inorganic fertilisers like Di-ammonium Phosphate, urea and Muriate of Potash along with FYM. The best package would be to replace all inorganic fertilisers with FYM and vermicompost. Since such huge quantities are currently unavailable, the programme would use inorganic fertilisers.

The present day practice involves little or

no use of potassic fertilisers because of lack of awareness about the utility of this fertiliser and its unavailability in most parts. The programme therefore proposes that it would bear the cost of the potassic fertiliser. The cost of the rest would be borne by the farmer.

Similarly, good seeds are not available with most farmers. The seeds that are sold by the local seed shops are most often of inferior quality. To ensure that the farmer gets good seeds, we propose that seeds would be purchased in bulk from reputed agencies and provided to the farmers. Although the amount involved is nominal, we cannot compromise on this front and leave the purchase of seeds to the farmers.

The entire package cost, without FYM inputs, would be Rs 292 per farmer for 33 decimals of land. The programme would subsidise the seed and the potassic fertiliser, which would together cost Rs 87. The remaining amount of Rs 205 would be collected from the farmer upfront as registration fee. This is necessary to ensure that the farmer can provide the inputs in the required doses in a timely fashion.

Perspective Plan

In the first year of implementation, we would strive to build a resource base, both in terms of knowledge and manpower. These would be exploited in subsequent years to increase coverage, both in terms of area and farmers. We hope that adopters would also become proponents of SRI. This is supported by the fact that SRI practices have spread to 21 rice-growing countries in the span of just 6 years.

Drawing on our experience, we can safely assume that a first time farmer would dou-

Box 2: Growth Plan

Year	2005	2006	2007	2008	2009
New farmers	2,550	2,500	2,500	2,500	2,500
New area (ha)	340	330	330	330	330
Old farmers		2,550	5,050	7,550	10,050
Old Area (ha)		680	1,350	2,010	2680
Total farmers	2,550	5,050	7,550	10,050	12,550
Total area (ha)	340	1,010	1,680	2,340	3,010

It is assumed that a farmer possesses 66 decimals of land where adoption of SRI is possible

ble the area under SRI by the second season. To reach more farmers, we will continue systematic efforts through exposure of potential farmers to standing SRI crops, farmer's fairs and other mean of dissemination.

We are presently promoting improved cultivation practices for paddy among 12,000 families. The programme will also make try to promote SRI among these families in the next 5 years (see box 2). A long-term commitment towards this both in terms of organisational manpower and resources would help us to achieve this.

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.

An Eye Opener

The second EYE exchange programme was an enriching experience for participating Pradanites

Mala Roy

EYE (Exchange Young Executives) aims to foster exchange of knowledge and experience between young Dutch managers and entrepreneurs with entrepreneurs and managers of development organisations in the South; and by doing so, to promote partnerships between the 2 sectors. It is an initiative of the Dutch funding organisation, ICCO, and 2 organisations from the corporate sector in the Netherlands, Jong Management VNO-NCW and De Baak Management Center VNO-NCW.

Four Pradanites were given the opportunity to join in the exchange in 2004. For about 2 weeks in November, 6 Dutch (Pauline Jansen from Rabobank, Joost Moonen, working with a credit insurance company, Mayra Ortega Maldonado from Philips Lighting, Maaïke Tjallingii from Human Capital Group, Dorine Huijbregts, who runs her own management consultancy firm, and Linda Stillekens, freelancer) and 2 Philipppians (Vicky Penaflo, trainer at the Cottage Industry Technology Centre in the Philippines and Corinne Canlas, development consultant and coordinator of PEERS, the EYE liaison organisation in the Philippines) together with Samir Bhattacharya from Lohardaga in Jharkhand, Ashok Kumar from Sironj in Madhya Pradesh, Arnab Chakraborty from Purulia in West Bengal and I from East Singhbhum in Jharkhand formed a big intercultural team. Nelleke van der Vleuten, programme officer of EYE, accompanied the visitors.

Objective of the Visit

The objective of the visit was to create a platform to exchange knowledge and experience between young Dutch managers and entrepreneurs with Pradan professionals (especially who also deal with the market); look at ways the corporate world can be more socially accountable; explore the opportunity where young Dutch managers can contribute meaningfully; know and understand Indian culture; understanding poverty with special emphasis on rural poverty; provide an opportunity for mutual learning and exchange of ideas, and establish appropriate linkages with the outer world.

Mayra Ortega, Dorine Huijbregts and Linda Stillekens visited our project areas in East Singhbhum. I had planned their visit in such a manner that they were able to get a clear picture of the grassroots intervention that Pradan is promoting in the area, particularly in promoting poultry amongst the rural poor (see box 1 on page 22).

During the Visit

On the first day we took the visitors to Roladih, where Pradan has promoted the maximum number of producers. In the village the visitors were greeted and welcomed in the traditional tribal style. The villagers had organised a meeting. Poultry producers and self-help group (SHG) members from nearby villages also attended the meeting.

It was a novel experience for the Dutch visitors. They were taken aback at the extent of poverty in an Indian village. They listened very carefully to the villagers and tried to understand the poultry business. They asked several specific questions that included the problems people faced while starting the business; how they spent their profits; the kind of support they got from their families, etc.

Since in the Netherlands they have large individual farms of more than 10,000 birds, they were surprised to see sheds for only 300 birds. They also visited individual households to observe how poor villagers lived. The women producers also had many questions regarding how the Netherlands looked like, what did they eat, how they lived, etc.

Box 1: Suggestion by the Visitors for Pradan's Action Plan

- Sharing expansion plan with other stakeholders
- Measurable goals need to be chalked out in a specific time frame
- Define structure and basic task of co-operative and performance indicators
- Special emphasis on human resource development of the members
- Reduce dependency of clients through techno-managerial skill building
- Ensure quality control
- Study other successful co-operatives and learn from failures
- Collaborate with other co-operatives
- Develop more linkages with corporates like Tata Steel

Meeting Board Members

On the second day the visitors met the board members of the poultry co-operative. Discussion in the meeting concentrated on the members' vision as board members. We prepared small action plan to upgrade their literacy level.

The board members expressed their desire to expand the business with an additional 300 producers. The visitors suggested that Pradan should have plan regarding the capacity building of the board members and a specific time frame by which Pradan would be able to transfer all responsibilities to the co-operative (see box 1). The participants visited a local haat later in the day to get an overview of a village market.

On the third day the participants went to a market in Jamshedpur city. They asked several questions of the traders regarding the quality of the produce (chickens); ways to fetch premium prices; scope of expansion of poultry business in the area; whether the traders considered the co-operative an important party for doing business; how to diversify the product; about the scale of operations of the traders, etc.

On the fourth day the participant met the secretary of Tata Steel Rural Development Society to get an insight on the social responsibilities of corporate organisations like Tata Steel. The secretary made a presentation on how they implement their social programmes in this region. We also discussed a marketing tie-up between Tata Steel canteens and the co-operative. The Dutch also asked the secretary whether Tata Steel could provide financial support to expand the activity.

On the fifth day they met the local bank

Box 2: SWOT analysis by EYE Visitors after the Visit

Strength <ul style="list-style-type: none"> ● Motivation and trust among themselves ● Pradan's commitment, professionalism and networking ● SHGs - a firm base for co-op activities ● Networking of all the co-operatives in Jharkhand - strength in numbers, influence policy, scale of economy ● Capacity to become big player 	Weakness <ul style="list-style-type: none"> ● Cash flow management ● Dependency on PRADAN by co-ops ● Lack of management skills of members Opportunities <ul style="list-style-type: none"> ● Expand via alliances with large producers Threats <ul style="list-style-type: none"> ● Competition with other poultry players ● Leadership takeover by vested interests
--	--

manager of Bank of India. They wanted to know the manager's views on financing the co-operative. The branch manager shared his positive experience regarding repayment of SHG loans. He expressed reluctance regarding giving working capital loans to the co-operative because of previous bitter experience of financing other co-operatives.

Lessons from the Visit

This visit effectively bridged different cultures. We experienced the differences and similarities of the NGO and corporate sectors. This exposure was especially important to me because the Dutch were the first international visitors to our poultry programme. The visitors acted as an excellent sounding board. Together we shared issues related strategy, organisation and business development. We also discussed issues like exit scenario, stake of the board members, managing up scaling, etc (see box 2).

I was impressed with their desire to learn and their wholehearted involvement during the entire visit. Their manner of analysis and trying to put things into a structured timeline impressed me. They all seemed committed for a long-term association.

It was also a new experience to the women of the villages. They were very enthusiastic and eager to meet them. They greeted the visitors ceremoniously. They wanted to know about their country. They also were very eager to share their aspirations to grow. They felt proud to share experiences about poultry and the responsibilities they have taken on as board members.

The Dutch meeting the traders and bank managers definitely added value to the position of PGPS (Potka Grameen Poultry Sahakari Samiti Ltd) in Jamshedpur. This visit acted as a platform to know corporate views on development work. I look forward towards a positive impact after this visit.

As a follow up of the visit, Dorine has committed to help the co-operative to raise funds for expansion. Nelleke presented a concept note prepared by my colleague Jui Gupta in their meeting. It was agreed that Dorine would help in raising funds. EYE has agreed to match the amount raised by the participants.

News and Events

● The Department of Economic Affairs of the Ministry of Finance conducted a workshop on May 25, 2005 in New Delhi following the Common Minimum Programme's mandate to target all subsidies to the poor and truly needy such as small and marginal farmers, and farm labourers. A report on central government subsidies in India (December 2004) was presented to the Parliament. The Finance Minister, NGO representatives, academicians and eminent administrators discussed the report in the meeting. Deep Joshi attended on behalf of Pradan.

● Pradan's Deoghar team has helped self-help group (SHG) women of Raksha village to set up a crèche in the village. One of the 2 SHG members who had gone through the crèche worker's training at Mobile Crèches has initiated the unit. There is lot of enthusiasm, particularly among the young mothers. Presently, 12 children are enrolled including 9 girls. One room of the tasar yarn reeling centre is made into a crèche. The members are engaged in arranging other utensils and toys for children. A Mobile Crèches team will visit the new crèche and help them strengthen it. The Mobile Crèches team has also expressed their interest to conduct more awareness trainings on early childcare and its importance on children's growth and development. For details please write to mobilecreches1@vsnl.net.

● Anna Marie Mink, an engineer from Technical University, the Netherlands and currently an intern with Pradan's tasar programme, is redesigning the tasar yarn reeling machine to make it more efficient and user

friendly. The design will be sent to IIT Kharagpur for further validation. Anna Marie will be with Pradan in Deoghar till September 2005. For details write to annemariamink@gmail.com.

● Jui Gupta and D Narendranath attended a consultation on a study organised by Indian Social Studies Trust (ISST) and UNDP on Women in Leadership Positions, on June 10, 2005. The study profiled a number of grassroots women leaders from Himachal Pradesh, Uttaranchal, Meghalaya and Manipur.

● Samir Bhattacharya participated in the final round of the BiD (Business in Development) Challenge at the Netherlands between May 30 and June 4, 2005. Samir presented the Lohardaga Dairy cooperative business plan to a large number of people, which has opened up the possibilities of new collaborations.

● Pradan's Purulia team is invited by APEDA (Agriculture Produce Export Development Agency) to export mangoes to Singapore and Malaysia next year. APEDA officials were impressed with the team's presentation in a mango fair.



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.



Professional Assistance for Development Action (PRADAN)

3 CSC, Niti Bagh, New Delhi 110 049, India

Tel/fax: 011 2651 8619/2651 4682. Website: www.pradan.net

E-mail: newsreach@pradan.net