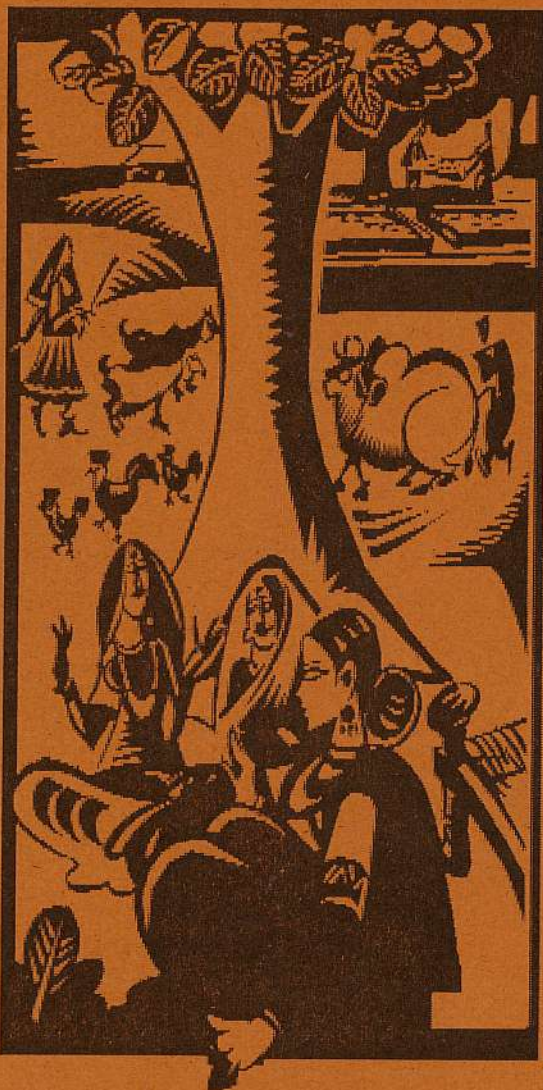


# News Reach

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# Insuring Health of the Rural Poor

Lessons learnt from community health insurance schemes in India

N Devadasan

Health insurance seems to be the flavour of the month. Everybody, from the government to the NGOs, wants to introduce health insurance into their programmes. Most of them consider health insurance a new concept, alien to the Indian context. They forget that our traditional solidarity mechanisms in times of illness are forms of health insurance.

There are more than 30 formal community health insurance (CHI) programmes operational in our country besides the ESIS, CGHS and Mediclaim policies. While some are of recent origin, others have been functioning for decades. There are valuable lessons that we can learn from them. This article is an attempt to learn from these innovative insurance programmes for the rural poor.

## Defining CHI

Before defining CHI, let me define health insurance. Insurance is "a financial instrument which, in return for payment of a contribution (or premium), provides members with a guarantee of financial compensation or service on the occurrence of specified events. The members renounce ownership of their contributions. These are primarily used to meet the costs of the benefits (ILO 2000)." Community health insurance is defined as "any not-for-profit insurance scheme aimed primarily at the informal sector and formed on the basis of a collective pooling of health risks, and in which the members participate in its management (Atim 1998)."

I must emphasise that health insurance is simply a mechanism to finance healthcare and therefore is part of a larger basket of health services, health policy, etc. In fact Kutzin specifies only 2 functions for health

insurance (Kutzin 1998). They are:

- Increasing access to healthcare, and
- Protecting families from high medical expenses.

In India, insurance could also play a role in improving the quality of healthcare received.

## Who Needs Health Insurance?

There are many who wonder whether health insurance is necessary in India or whether we are just following a fad. This may be true in many places but if in your region the poor are not able to go to a hospital because they do not have the money, then health insurance may be a more equitable and effective way to fund their medical care.

The same applies if they get hospitalised and in the process are impoverished because of high medical costs. This is very important and the objectives for starting a health insurance programme should be clear right at the beginning. Many organisations have started insurance programmes without being clear why they want to start it.

In India, all the community health insurance programmes have been initiated by either NGOs or CBOs (community based organisations). The latter could be unions (SEWA Union) or cooperatives (Yeshasvini). Most successful CHIs were already involved in development work and introduced health insurance in addition to their existing programmes. This highlights the need for trust and credibility that is necessary before starting a health insurance programme.

What should be a health insurance package cover for? Most Indian CHIs cover basic hospi-



talisation costs, up to a maximum limit. Most common diseases are covered and the upper limit ranges from Rs 1,250 to Rs 15,000, depending on the local situation. While some organisations exclude pre-existing diseases, deliveries, etc., others include them in the package of benefits.

Many also provide preventive and outpatient (OP) services, but not as a part of the insurance package. These are provided from other funds and are useful in making the insurance package more acceptable. Some (SEWA) also include life and asset insurance along with the health insurance package.

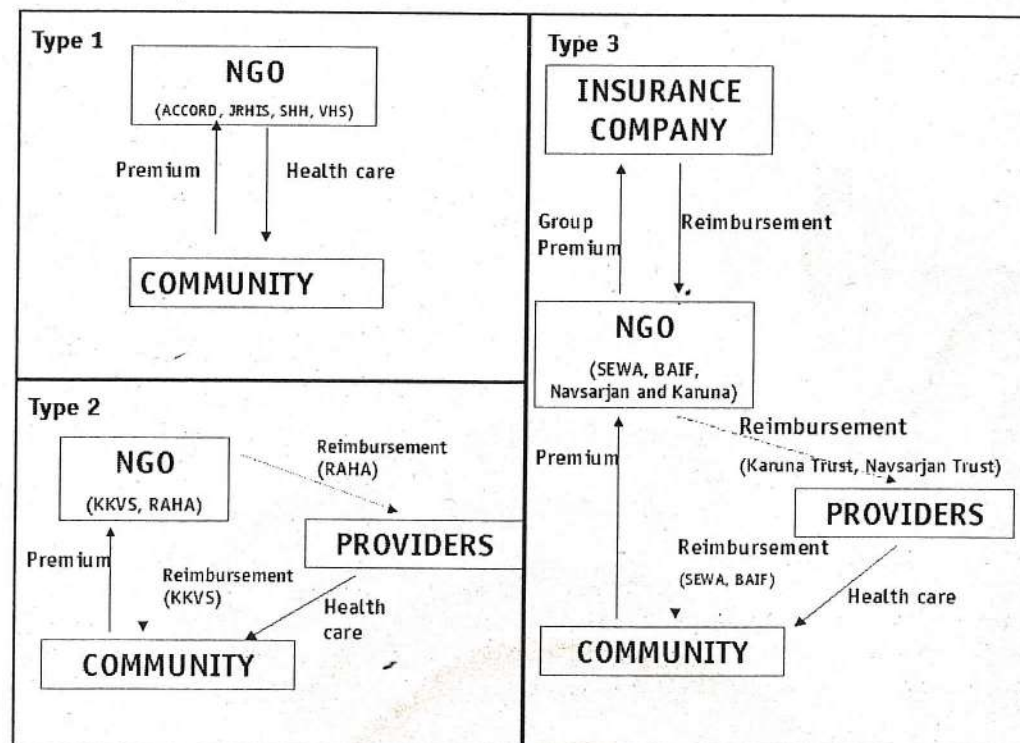
There are 3 points to remember when fixing the package of benefits. They are:

- Try to meet the needs of the community being insured
- The larger the package of benefits, the higher the premium
- It is more effective and efficient to cover low probability but high cost items (like inpatient care). High probability but low cost items (like OP care) should ideally be met through other mechanisms - not insurance.

### Premium

Most CHIs in India have forged a compromise between affordability and financial sustainability while fixing the premium. Therefore, although the actual premiums are high, they collect slightly lower premiums (subsidising it with external grants). The usual range of premiums collected from the people is between Rs 20 and Rs 60 per person per year.

Figure 1: The 3 types of community health insurance schemes in India



The premium is usually collected annually during a definite collection period. This collection period frequently coincides with the harvest period, when people have more disposable income. While some have tried to innovate by collecting in kind, this has not been too successful. Many CHIs have not used families as the enrolment unit to reduce the premium for the family.

### Providers

Most CHIs use private healthcare providers to deliver the package of benefits. These may either be NGO hospitals or for-profit hospitals. While the costs are lower in the former, it is clear that most CHIs have not negotiated with the providers for cost control measures or for better quality of care.

This is one of the weakest links in the CHI movement in India and needs to be looked into. This is also one of the reasons why CHI has not become very popular among the NGOs. Most lack the technical expertise to negotiate with the providers and fix a good deal for the community.

Indian CHIs use 3 designs to implement their health insurance programmes (see figure 1). In type 1, the NGO has its own hospital, collects the premium and provides 'free' health-care. In type 2, the NGO collects the premium and reimburses sick patients who get treated at any hospital. In type 3, the NGO collects the premium and passes it onto an insurance company who then reimburses the patient (Devadasan N, Ranson MK, Van Damme & Criel B 2004). The advantage and disadvantages of each type are given in table 1.

This is the core to sustainability of any health insurance product. If the risks are not managed correctly, the health insurance scheme is doomed to failure. Indian CHIs seem to have developed effective features in managing risk. These are given in table 2 (on page 4).

Most Indian CHIs are managed by an NGO or by a CBO. The management functions range from raising awareness about insurance, collecting premiums, processing claims and reimbursements, checking for fraud, etc. Some of the functions that they have not

Table 1: Advantages and disadvantages of the 3 types of Indian CHIs

	Provider model	Insurer model	Linked model
Freedom to suit the local needs	Very free		Depends on the insurance company's products
Premium	Set by the NGO / CBO and usually based on affordability		Set by the insurance company and based on actuarial calculations
Benefit package	Usually comprehensive and meets local needs		Traditional mediclaim policy with its exclusions and limitations
Financial risk	With the NGO / CBO		With the insurance company
Quality of care	Better because the NGO has a relationship with the provider	No difference in the quality of care between insured and non-insured patients	
Community involvement	Minimal as the hospital is in charge and usually too technocratic	Varies, depends on the NGO / CBO	



Table 2: Managing risks: The Indian CHI way

Risk	The method used to mitigate risk	The method that could have also been used
Adverse selection	Definite collection period	Family as the enrolment unit
	Definite waiting period	
	Exclusions of pre-existing diseases	
Patient induced moral hazard	Co-payments	Referral system
	Upper limits	
Provider induced moral hazard		Case based billing, rather than a fee for service billing
Fraud	Community checks	
	Identity cards for insured	
Cost containment measures	None	None

been able to carry out satisfactorily are:

- Fixing the premium;
- Negotiating with the insurance company and providers;
- Developing a MIS, and
- Monitoring the effectiveness of the scheme.

### Conclusion

While health insurance has its advantages, it should not be seen as a panacea for all the evils in the health system. It is reiterated that health insurance is a more equitable health financing mechanism. More should not be expected from it.

Indian CHIs have shown their capacity to provide accessible and affordable healthcare to their community through an insurance mechanism. Some of the necessary ingredients for a successful CHI are:

- An organised community (self-help groups, local cooperatives, trade unions). The Yeshasvini scheme in Karnataka has covered 20 lakh farmers and their families in just 2 years by piggybacking health insurance on

the existing cooperative network;

- A committed and credible NGO or CBO;
- Effective providers, and
- Some technical expertise to design the scheme, negotiate with the providers or insurance companies and set systems in place.

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## Mining Trees to Survive

The 'save trees corpus' is working well in the Sundarpahari hills of Jharkhand although it would take a lot more effort to reverse the trend of felling timber for easy earnings

Soumik Banerjee

It was *hatia* (market) day and Ramna Paharia was busy counting crisp notes of Rs 500. What had brought him this wind-fall? It was an easy guess for Leta of Ghagri village. Ramna spent the past week slicing up a huge mango tree that fetched him a profit of Rs 3,000.

Rs 3,000 in 7 days! It is an amazing and easy livelihood for many Paharias in Sundarpahari block of Godda district in Jharkhand. It also generates employment because at least 3-4 workmen for 4 days are required along with as many carriers as planks sliced out from a tree (about 10-15). Many of these timber carriers are women who are members of Pradan promoted self-help groups (SHGs).

On an average, every sliced tree fetches a profit of Rs 1,000 and generates employment of 15-20 person days. Even at a conservative estimate, at least 3 big trees are sliced everyday in various corners of Sundarpahari, which adds up to more than 1,000 huge trees of mango, mahua, jack-fruit, silk cotton and kusum. It all adds up to at least 35,000 to 40,000 person days of employment and a turnover of Rs 2 million every year.

Tree slicing is a pretty easy and risk-free activity, unlike other agricultural or forestry or livestock related livelihoods because there is already a scarcity of timber in the market and prices are going up every year. It is also not subject to

vagaries of production and price like other conventional means of livelihood.

### Insured by Trees

Since most of the forests in Paharia areas in Sundarpahari are private forests, cutting of trees does not invite the wrath of the forest department. Tree cutting goes on all round the year, touching its peak between January and May. It also goes up during times of crises like disease, crop failure, etc. Cutting trees have become one of the biggest forms of easy and risk-free livelihood for the Paharias. It also happens to be the biggest insurance policy for the poorest of the poor in times of crisis.

There are 3 types of players in this business. The first are the poor who are the owners of these trees passed down through generations and who sell the trees in times of crisis or who are lured by money over a drink to sell off their trees at throw-away prices.

The second player is the buyer of live trees, who may be a petty trader, a quack or a better-off Paharia who then employ labourers along with a master carpenter to slice the tree into planks and beams. These beams and planks are then carried as head loads, usually by women, for 5-15 km to the weekly *hatias* below the hills. In many cases Santhal men and women from the plains or *cyclewallas* are also employed. The buyers in these markets are



Table 1: Prices of Beams and Planks

Tree	Dimensions	Price (Rs)
Jackfruit planks	6.5 ft x 1.5 ft x 1 in	950/pair
Mango planks	6.5 ft x 1.5 ft x 1 in	350/pair
Mahua beams	3 in x 4 in x 7 ft	80-125 each
Silk Cotton planks	6.5 ft x 1.5 ft x 1 in	100/pair
Sal beams	3 in x 4 in x 7 ft	200 each
Kusum beam	3 in x 4 in x 7 ft	80-125 each

Source: Damru Hatia, October 2004

Table 2: Tree Slicing Labour Rates

Tree	Slicing Rates (Rs/sq in)
Jackfruit	5 + food (1.5 kg Rice, dal, oil & condiments)
Mango	4 + food
Mahua	50/beam + food
Silk Cotton	3 + food
Kusum	4/sq ft + 1 time food

Source: Tasgama village, Sundarpahari

Table 3: Timber Carriage Rates

Tree	Carriage Rates (Rs/unit)
Jackfruit	20
Mango	15
Mahua	10
Sal	10
Kusum	10
Semal	12

Source: Tasgama village, Sundarpahari

usually sawmill owners, furniture shop owners, carpenters and traders from nearby blocks and districts. The various rates of timber in various forms are given in the adjoining tables.

This process of cutting trees began with the disappearance of forests in and around Sundarpahari. Traders originally started the practice but it is now a major source of livelihood for many Paharias. The poor, who cannot invest on tree procurement, sell their large trees at cheap rates, while the better-off process it for value-added products, in turn giving employment to fellow villagers.

### Alarming Loss

As a result, Sundarpahari is losing trees at an alarming rate. Villagers themselves say that there are very few big trees left that can be cut. However, this was not the practice in olden days when huge trees growing in forests were worshipped rather than cut.

Now with time, the people's needs have gone up and there is recognition of the fact that trees generate easy money. This has made people greedy. Ramna is going to invest his Rs 3,000 in cutting more such trees and thus, make huge profits of Rs 20,000 or more at the end of the year. It is almost equal to what he is able to make from all other livelihood sources put together.

Deva Paharia of Koskuta village had sown

50 kg of cowpea seeds that yielded a harvest of only 15 kg this year. His economic condition is such that his family cannot survive more than 2 months. In such dire straits he decides to sell his mango tree to Ramna Paharia for Rs 1,500. Ramna then spends a further Rs 1,400 on slicing and carry the planks to the market. His investment totals Rs 2,900. He sells 22 pairs of planks for Rs 7,700 thus making a neat profit of Rs 4,800.

Ramna spends this money to buy 3 quintals of rice (Rs 3,000) and another mango tree (Rs 1,800). This tress again earns him a profit of Rs 5,300. He keeps on investing on trees till the monsoon arrives.

### Unsustainable Practice

Pradan has been trying to generate awareness on this unsustainable process of livelihood for quite sometime but largely in vain. People realise that this process is not sustainable but the lure of money and the need to avert various crises prompt them into a process of environmental mining.

Since these are private forests and there are numerous provisions giving rights of timber harvesting to the Paharias since the British era, there is usually no fear of penalisation. Although people have been involved in planting trees, it is mostly in isolated cases and not even remotely make up for the destruction unleashed.

When we raised the issue with the Conservator of Forests of Santhal Parganas, he blamed it on the political system that makes bureaucrats powerless and raised the issue of providing alternate and more sustainable livelihoods if we are to do away with timber felling. According to him, which other means of livelihood could earn

Rs 3,000 in a week for people whose annual income is around Rs 18,000?

His concerns are real in many ways. This year when the cowpea (*Vigna unguilata*) crop, the main cash crop of Paharias, failed in many areas, felling timber became a matter of survival for many. In almost all cases crisis management usually occurs through selling trees or mortgaging jewellery or selling animals or migrating for work. Out of these, felling trees is usually the most convenient source. Also, the kind of employment it generates, along with food and assured returns, make it a very viable option for almost anyone. Thus, despite realising and agreeing that it is unsustainable, people resort to it easily.

### Save Trees Corpus

In an attempt to tackle this ecological-economic crisis, we proposed the creation of a 'save trees corpus' that would be managed by the SHGs promoted by Pradan (A Trust for Trees, NewsReach February 2004). This corpus was exclusively used to extend loans on tree mortgages or to buy trees that are being sold for timber.

The SHGs acted as the 'mortgagee' where a person or SHG member ('mortgagor') was given a loan of 50-75% of the total value of the tree (at prevailing market rates of live trees) at an interest decided by the SHG (at 26% per annum) through the corpus. The SHG became entitled to all earnings from the non-timber forest produce (NTFP) that the tree yielded till the amount is recovered.

The NTFP was collected, processed and marketed by SHG members and the proceeds were ploughed back into the corpus. The mortgagor had the option to take back



Table 4: Tree Slicing Labour Rates

Tree	Number	Commodity	Mortgage Value (Rs)
Mango	12	Fruits	1,466
Jackfruit	08	Fruits	1,512
Mahua	10	Flowers & Seeds	210
Semal	02	Cotton	350
Sal	01	Leaves & Tasar	400
Kusum	13	Lac & Seeds	431
Total	46		38,500

his or her mortgage at any point of time by paying back the loan amount along with the interest.

In the one year since the inception of this corpus, SHGs have been able to save 46 trees (see table 4). The 'save tree corpus' was utilised in providing the mortgage amount to people who would generally have cut the trees or sold them to others for slicing. The SHG maintained the tree and utilised the NTFP to generate funds that was ploughed back to the corpus. In 2004 the SHGs were able to add Rs 3,200 to the corpus, despite it being a low yielding year for mahua and mango.

Once the mortgage amount plus the interest of 26% per year is recovered, the tree is given back to the original owner after an oath in front of SHG that she would not cut down the tree but could again mortgage it in times of crisis. This would go a long way in maintaining the ecology and habitat preservation that would support the Paharias for generations.

Pradan has also been trying to provide better returns to the community by promoting commodity trade of mahua flowers and seeds, mango, jackfruit, silk cotton and sal

leaves and by promoting lac rearing in kusum trees. We have been able to generate a certain amount of awareness (especially in case of lac rearing) that has led to reduced chopping of trees to some extent. To somewhat reduce the ecological imbalance, the SHGs have decided that each member would also plant at least 5 NTFP trees of her choice so that in times to come it could act as a buffer. The concept of saving tress for their non-timber produce is also spreading to villages where we have not promoted any SHGs.

### Strengthening Subsidiary Activities

Realising that timber felling becomes rampant in the years of crop failure, we are working on reducing risks in the Paharias' main crop (cowpea). This year, with help from Birsa Agricultural University (BAU), Ranchi, we were able to identify root knot nematodes (*Meloidogyne spp*) as the main agent responsible for large-scale mortality of the crop. We are taking steps to tackle this problem.

Apart from this, we are also trying to generate alternative livelihoods from vegetable farming in summer through low cost drip sets developed by IDE India. Since irrigated

agriculture through a lift irrigation system is unviable in hilly areas due to prohibitive operational costs, we plan to set up rooftop rainwater harvesting systems and utilise IDE's drip techniques to carry out small-scale vegetable farming. Lac rearing is another livelihood activity that we hope would be able to provide additional income to these impoverished families.

We have been also trying to keep health-care expenses of the poor (a major drain on their resources) at a low by providing primary health services at economic rates right at the village level. We are doing this by training paramedics for diagnosis and treatment, setting up government-aided drug distribution centres, arranging for medicines that are available at low cost, generating awareness about prevalent diseases like malaria, promoting use of insecticide treated mosquito nets, and providing rational and timely care for tuberculosis patients at economic rates.

However, despite all these measure, it is proving difficult to do away with timber felling as a source of income for many as the money generated from it is not compensated by the other livelihood options. The livelihood activities we are promoting at present are also not able to generate such huge risk-free returns as timber.

### Promoting Plantations

This year we propose to try another approach in the form of promoting plantations. Conservative estimates suggest that about 1,000 trees are being felled annually in Sundarpahari. We have proposed in the cluster meetings of SHGs that at least 10 times of that number (10,000 trees) need to be planted in a span of 2 years to correct the imbalance somewhat. This

means that each SHG member would have to plant 3-4 trees in a year. The choice of trees seems to be mango, jackfruit, lime, drumstick, papaya, gamhar, etc.

The problem of shifting people's attention from felling timber to other livelihood activities is a complex issue and cannot be solved with a wave of a magic wand. It requires generating a huge amount of awareness and designing viable, simple and high return sustainable livelihoods that would provide options to the people to earn a dignified living. It also involves reducing expenditures in terms of healthcare or through risk mitigation of the existing non-timber livelihoods so that people and trees are able to coexist peacefully.

### 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](mailto:newsreach@pradan.net).



## Winning over the Banker

A survey of the business priorities of regional rural banks and the self-image of rural bankers in Orissa throws up interesting results useful to a development professional

Lalitha Iyer

What is the way to the banker's heart and loan portfolio? There are no simple answers to this eternal question. A development professional engaged in facilitating bank linkages for self-help groups (SHGs) and micro-enterprises would surely like some clues. The findings of some recent surveys are used to examine this issue.

Who are the users of rural banking services? As part of an exercise to re-energise 2 regional rural banks (RRB) operating in one of the chronic poverty zones of the country, a customer survey was conducted by the bank staff. This was a big step for many of them. It was perhaps the first time they went to a customer!

### A Typical RRB Customer

They discovered many things about their typical customer. He is a farmer aged around 40 years living within 5 km from the branch. There are 4-5 others from his village conducting transactions in the branch. He and his friends have been banking with the branch for at least 5 years. He recalls introducing one new customer from his village in the past year. He knows others who come from twice as far because it is still the nearest branch of a bank.

He is a depositor with a savings account and a fixed deposit of Rs 15,000. Two others from his village have fixed deposits and the others plan to start saving this year. Four men in his village have taken crop loans of about Rs 25,000 while one person has taken a loan of Rs 25,000 for his business. The teacher in the

For every 10 customers of the RRBs
9 are depositors
8 have savings account
5 have fixed deposits
3 have taken agricultural loans
1-2 have taken business enterprise loans
1 has taken a personal or SHG loan and
1 has taken some other loan

village school has recently purchased a 2-wheeler with the bank's loan of Rs 20,000. His wife has recently joined a Mahila Sangha (SHG) and he has introduced them to the bank as well. He is satisfied with the bank in general.

Sometimes he wishes that the bank were a little closer to his house. He likes the atmosphere in the branch and its overall appearance. They could keep it cleaner though, he thinks. How could he expect the men working there to manage that? The bank's forms are not a problem for him but others sometimes need help.

He is sure that his money is safe with the bank. He is aware that interest rates are falling steadily. The working hours suit him except on the days he is working in the fields. He finds the service accurate and swift.

Poor people are treated well in the branch. The staff tries to help but have too many

people seeking their guidance at any time. The manager, when approached, provides a solution.

The procedure to take loans is not so simple. Loans are not easily available but the interest rate is reasonable. He is sure about the safety of his savings in this bank. The bankers are doing the best they can. They cannot solve all the problems faced by the people. This profile is derived from a survey of over 600 customers of the 2 banks studied.

### Development Context

The customer profiled here is not exactly the 'poorest of the poor'. He has some land or right to cultivation, some savings and some credit-worthiness. He is quite unlike the women being empowered by development action to form self-help groups, save and take loans in rotation.

The first lesson then is to recognise that the rural banker is quite unused to the client group the development sector represents. So if 'our' client is not really the rural banker's favourite customer, can the development sector discover some categories of customers close to the banker's heart?

Here are some specific segments the banker is keen to serve. Understanding these segments could provide indications for the development professional who wishes to improve access to financial services.

### The Rural Deposit Customer

The customer is mainly a 'he'. He comes to the RRB because it is still the closest. He likes the atmosphere and is willing to wait to take the help he requires from the bank staff. A rural depositor could hold fixed deposits ranging from Rs 5,000 to over a lakh. He perhaps has a savings account. He

would be using other related services as well.

He is not complaining about banking services but would be delighted if:

- There were drop boxes and collection boxes in his village;
- A weekly mobile counter at his village;
- Some non-financial 'value addition' each time he comes to the bank;
- Some counseling, guidance and advisory services, and
- Some insurance products (crop, weather, health, life).

Today, the RRBs are complacent about this segment because they enjoy a 'natural' monopoly with the service area defined. They are also satisfied with the deposits that come to them.

There is little awareness about the potential of women depositors. The development professional will have to first get the banker to see the 'invisible' rural women depositors and savers. Perhaps the products, the delivery channels and the location of the transactions will have to get out of the banking hall and into the kitchen, with some prompting and demonstration of effect.

The next step is to show banks how poor rural women can be valuable customers in their own right. The SHG movement is only one step in this direction.

### The Small Farmer

The survey found that small farmers form the bulk of RRB borrowers and the average loan amount is around Rs 25,000. These customers would appreciate the following:

- Working hours that suit their timings for agricultural work;
- Loans are given at the right time- with



easy scoring procedures.

- Crop/ weather insurance products and technical advisory services
- Information on commodity prices and market linkages
- Guidance in filling forms- documentation.

The development professional can certainly play a useful role in helping the farmers to revive their contacts with RRBs in those cases of an earlier default. Any support to banks in their crisis of recovering the relationship with 'lost' customers would be a major route to their hearts. Any extension work can be leveraged with financial services by tying up with the banks that have begun to realise the value of relationship building.

### The Business Enterprise

They are located both in towns and villages. Many of them are promoted under some government scheme. The average loan size is around Rs 25000. They would appreciate:

- Regular contact and follow up;
- An appraisal process that helps them to assess their prospects objectively;
- Quick decisions;
- An emergency gold loan product;
- An emergency high interest rate product (tatkaloans), and
- Life and general insurance.

Very often micro-enterprises find that banks are the only source of credit. Banks experience difficulties in choosing the right individuals and often find that once a person borrows, he is no longer the same.

NGOs with their close contact with the community are able to successfully lend and recover the loans. Banks are sorely in need of this expertise. Any one who can offer something to the banks in these aspects will

become a friend. A development professional who wants to develop enterprise has to build alliances with the bankers for sustainability.

### Self-help Groups

The number of SHGs linked to banks is still small. The women take turns to walk to the bank at least once a week. They are still net savers and not borrowers. The movement still depends on facilitators and animators to start it all off. Going by the experience in neighboring Andhra Pradesh, there will soon be an explosion of these groups. They would appreciate it if:

- Mobile banking is offered;
- Their mobility is enhanced (cycle loan or auto loan for groups);
- Capacity for bookkeeping and managing their resources is developed;
- Guidance and help is available at branches to complete their work, and
- Insurance is offered.

The sector is set for growth because many lenders are keen to enter this space. NGOs who support RRBs to service SHGs can build bridges for other users and potential users also. They can support RRBs in some of the critical concerns such as:

- How do RRBs avoid politics in selection?
- How do RRBs get out of the 'write-off after 3 years' syndrome?
- How do RRBs educate these borrowers to adopt financial discipline?
- Can RRBs promote some role models who will spread this message?

### What do Bankers Feel?

How does a staff member in a RRB feel about his working situation? The following summary from the survey of over 200 responses might prove interesting. It is a self-portrait generated by the framework of the question-

naire and reveals their views on their own workplace. This is based on a climate survey conducted in 2 RRBs operating in a backward region in southwest Orissa in 2003.

There were 94 responses from the first RRB and 135 responses from the second. The staff members of both RRBs reported that they generally involve themselves fully in the work. Personnel of the first RRB were sceptical about the sponsor bank's support. Staff of the second RRB recognised the value of the sponsor bank's support but are a bit doubtful about collaboration with the sponsor in the marketplace. Staff of both RRBs felt that head office decisions were slow and that they would like greater delegation of powers.

All the bankers reported that they enjoy good communication links with each other and informal contacts are strong. They get general information about the developments. Decisions are not communicated so promptly and the grape vine is usually quicker.

They enjoy a sense of autonomy and look forward to their work. Superiors generally understand the problems in the field. Some feel that quality is not very much a priority.

The resources provided are adequate and training is necessary and relevant.

They also realise that although merit is recognised, it is good to stay on the right side of bosses. Sometimes, there is victimisation.

Innovations are encouraged and rural markets are their mainstay. Computers will help the staff but there are some fears about it as well because they fear greater use of com-

puters would lead to loss of jobs. They admit that discipline, punctuality and cost-consciousness need some improvement. People come together and volunteer to complete the task. Staff of the first RRB felt that sometimes colleagues do not live up to the commitments they make but bankers from the second RRB were satisfied with the support they receive from their colleagues.

### Conclusion

This pen portrait of RRB staff members revealed their typical constraints and their anxieties about future prospects. The similarity between the two banks also suggests that this is likely to be the position across the rural banking sector. Some empathy for the rigidity of the RRB structure and the consequent insecurities will help the development professional to relate to the banker better.

*This article is based on the survey findings in the CARE-RRB OD project taken up by ThinkSoft Consultants, Hyderabad and Verve consultants, Bhubaneswar from August 2003 to May 2004.*



## Visit to Soybean Land

An EYE visit to Pradan's project area in Sironj in Madhya Pradesh provided insights on improving the cultivation of soybean

Pauline Jansen & Joost Moonen

### Thursday November 18

We arrived in Sironj in Madhya Pradesh where Pradan is intensely promoting soybean cultivation, besides other livelihood interventions. In 2004, 647 farmers cultivated soy in the summer season. All in all Pradan is working with 1,800 families and aims to work with 10,000 families in the near future.

### Friday November 19

We visited Kachapura village and found that relatively simple measures such as timely sowing, sowing in rows, separating seeds and fertilisers and making irrigation canals lead to much higher yields within just one year. Average yields were 70-80%, sometimes even 300%! We also found that there was still deep fear of pests, frosts and other negative events and therefore there is need for reserves and risk mitigation.

The farmers have benefited from the common interest group (CIG). They have put their surplus money (not savings) in a common bank account and each member has a separate savings account. All the 16 CIG members deal with everything together and are in a stronger bargaining position.

There has been a sea change in the farmers' lives since Pradan started its work 2 years ago. They were heavily indebted and had to mortgage jewellery to buy fertiliser. A farmer said that he has paid of 50% of the debt and intends to buy new land over

the next 3 years, which might be even in 2 years if the right investment and technology is available. The farmer now has a much longer horizon and dares to think ahead!

We then observed a CIG settling their accounts at Pradan's Sironj field office. Farmers sold soybean (A, B or C quality) to the seed bank. Costs of inputs (seed and fertiliser) were subtracted from the revenue from sales and the balance was deposited in the farmer's accounts. Although the farmers came as a group, accounts were settled individually. A Pradan professional acted as an intermediary. Eventually the CIGs should be able to settle their accounts themselves.

### Saturday November 20

We interviewed 2 grain traders, Aturgon and Keji Mangat, who together have a market share of 15-10% in the Sironj market. We found that there was no knowledge sharing between traders and everybody uses his own sources. According to the traders seed certification is a road to higher prices. Futures trading is a new phenomenon in Sironj, started less than 6 months ago. Futures trading is in hands of few big traders but is currently used mainly for speculation.

There is a lot of distrust between traders and farmers. Traders also finance farmers who need to buy inputs but many farmers do not repay (25% defaults). A trader mentioned that he charges 18% for loans (bank

loans are available at 16.5%) but farmers speak of higher rates. Traders are only willing to charge lower rates if there is collateral (land or house) available. We also found that Pradan and traders only talk about technical issues and not about trust.

Price depends on 3 issues: damage, moisture and mud. High quantities of these lead to lower prices (Rs 50-100 less per quintal). Quality is measured by eye and hand and there is no real measurement and therefore, there is room for abuse.

Pradan cannot just rent a warehouse to store seed or grain but needs a permit to do so. Does not yet have this but will get one shortly. It would be interesting to investigate if traders can do the storage of produce better than farmers or Pradan. Sharing of (price) information is no option. It is better to work with a bigger and more professional organisation such as ITC's e-choupal project.

We then interviewed the manager of an agricultural cooperative society, one among 19 such societies in Sironj. We found that the society was highly politicised and a change of government has a huge impact. The cooperative society aims to supply inputs (fertiliser, seeds, loans) at the village level and is linked to a cooperative bank, which lends to the society, which in turn passes the loan on to farmers. Loans are normally given without collateral at 15%. Farmers can take only a loan (maximum Rs 25,000) and buy inputs elsewhere.

We found that 75-80% of all farmers are members of a co-operative. Pradan serves farmers who are also members of a cooperative. Then why do they come to Pradan?

Most farmers default on their loans. Typically only 40-50% is paid back. So the farmers either have to go to the moneylender or to Pradan. Farmers default either if they are already too heavily indebted or if their crop fails. Can Pradan and the cooperatives work together? Pradan could provide technical cooperation while the society provides inputs and loans.

### Sunday November 21

We visited Mundrabagal village, where Pradan has promoted 2 women's self-help groups (SHGs) and 2 CIGs. We found that participating in SHG has a positive effect on the women. Previously they could only borrow from the moneylender. Now they can get a loan from SHG, which is not only much cheaper but they also benefit themselves as interest is paid to the group.

Both the CIGs promoted by Pradan have adopted better soybean cultivation practices. Crop yields have gone up significantly. We found from talking with CIG members that the groups provide a link to Pradan, which gives access to better inputs and training (for instance, deeper ploughing). Also, they now have access to a tractor and equipment, which they can hire from the service provider, whom they pay with a check. We also found from a 'marbles' exercise that 3 actors were considered most important: Pradan, the CIG and the service provider.

The CIG members said Pradan plays a key role because there was no development until Pradan came. The farmers were also concerned about fluctuating prices. The main risks were weather (rain failure) and pests (pesticide would help, but timing is also very important). Irrigation helps but not all farmers have pumps and equipment.



Weather forecasts are not very reliable and since irrigation is also very expensive (due to diesel), farmers wait and hope for rain and often irrigate too late. Better pumps and pipes are needed. Action point for Pradan: why not own pumps and pipes cooperatively?

Farmers used to buy fertiliser through the cooperative society but now buy through Pradan. They do not like to get a loan from the bank because if they default the cattle are confiscated. Also, loan size depends on farm size, so one can only get very small loans. Farmers also found that interest rate calculation is not transparent. We found that farmers have very small shock absorption capacity.

#### Tuesday November 22

We interviewed Vivek Naidu, an Area Manager with Bajaj Allianz, a private insurance provider. Although the company feels that there is low awareness on general insurance in India, they do not really invest in training. Presentations are given only 'on demand' from a broker or agent and this happens only 2-3 times a year.

Naidu said that most people start with health insurance. Regarding crop insurance, Naidu said that they only insure input cost and only if a bank finances it. Commercial risk (price) is not yet covered. Bajaj Allianz is working on price insurance but it is not yet marketable for small and marginal farmers. Bajaj Allianz has not yet started weather insurance but is the only private insurance company that covers cattle.

We then interviewed Ram Kumar, head, Madhya Pradesh Operations of ITC Limited. ITC operates 6 soy processing units in MP.

It purchases soy directly from farmers and indirectly through auctions. ITC's turnover is Rs 800 crore in MP alone and it purchases 4,000 tonnes of soy every day during the season.

ITC started E-chaupal in 2000 with a goal to strengthen procurement through e-procurement by sharing information and linking up with 10,000 villages in MP. It is currently working in 1,750 villages in 23 districts.

ITC is yet to start weather insurance because there is a problem with the high variability of the weather and the limited availability of reliable forecasts. Detailed forecasts are needed of areas as small as 25-30 square km. BASIX is also studying this.

ITC could be a very useful partner for Pradan, both for Pradan Sironj and for Pradan Head Office. Pradan could help ITC set up an e-chaupal in Sironj through the use of its local network and contacts. The new cooperative can play a role here as well.

#### Wednesday November 24

We interviewed Virad of ICICI Lombard. ICICI Lombard's weather insurance product is based on the stages of crop growth and the amount of water needed in each stage. Payment depends on the results in all stages, which is then translated to levels of yield or loss.

Right now ICICI Lombard is designing such a scheme for soy. Soy is only one of many products for weather insurance at the company. It also covers oranges in Rajasthan and groundnuts in Andhra Pradesh.

Regarding rainfall, availability of data is

the major problem. The only data used so far are from IMD (Indian Meteorological Department) but no detailed information presently available. ICICI Lombard is currently in talks with the government to let a private party collect the rainfall data at lower administrative levels. While no solution is expected in the short run, ICICI Lombard does expect this to happen within a year or two.

ICICI Lombard's focus is not on the poor. It says they do not need special products for small farmers because the basis of the insurance is the same for every customer. Probably more training is required for poor. The key issue is demonstration. Once farmers realise it is a useful tool, the business will grow.

ICICI Lombard and Pradan Sironj had almost agreed on a pilot for weather insurance for soy in Sironj for 650 farmers in 320 hectares at a total premium of Rs 1.5 lakh. In the end, it did not go through because of high premium and problem with rainfall data (*Whither Weather Insurance?*, NewsReach November 2004). Pradan said that the premium was too high and farmers were not willing to pay when there was no certainty on payment. ICICI Lombard says that the premium problem can be solved by a subsidy from DPIP but leadership change at DPIP has made that difficult. We suggested that Pradan and ICICI Lombard work this out at the corporate level.

For more details visit [www.ey-exchange.org](http://www.ey-exchange.org).

#### 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](mailto:smitamohanty@pradan.net).



## Land Alienation in Jharkhand

A Pradan commissioned study on alienation and restoration of tribal lands in Jharkhand finds serious systemic shortcomings that need to be addressed immediately. The study was supported by the Ministry of Rural Development and the UNDP under the CBPPI (Community based Pro Poor Initiatives) project

Ramesh Sharan

The Union Ministry of Rural Development and the UNDP had asked Pradan to organise a study on pro-poor laws and policies in Jharkhand. Pradan in turn contracted a team of researchers to undertake different aspects of this multidimensional study. The study was co-ordinated by Nandini Sundar from the Centre for the Study of Law and Governance at JNU and Manas Satpathy and Nivedita Narain of Pradan. The researchers included Carol Upadhyaya (land), Sudha Vasan (forests), Videh Upadhyaya (water), Ramesh Sharan (land alienation), Nitya Rao (Santal land rights), Ajitha Susan George (mining), and Nandini Sundar (PESA and overview), with Madhu Sarin as the overall advisor.

The researchers decided to focus on natural resource management and the functioning of PESA (Panchayat Extension to Scheduled Areas Act, 1996). The research involved:

- A study of all the different rules, laws, policies, regulations that govern particular sectors;
- An attempt to understand the manner in which they make it difficult for the poor to gain access to resources or control their own lives, and
- Suggestions on the ways in which people can assert their rights within the current framework or the point at which they need to mobilise against existing laws.

### Alienation and Restoration of Tribal Land

The basic purpose of the present exercise has been to examine the laws, policies and

procedures that prohibit land alienation; to estimate the extent of land alienation and the causes; identify the process and the mechanisms, the problem and issues in the restoration of illegally alienated land; to examine the functioning of administration and courts regarding alienation and restoration of land, and suggest measures for protection of *adivasi* (tribal) land and streamline the process of restoration.

It is primarily based on the existing literature, various reports, discussions with the key resource persons and lawyers and administration and draft legislations by social activists and other concerned people and field work and discussion with *adivasi* leaders at the grassroots.

Alienation of tribal land in Jharkhand has been one of the most complex and sensitive issues having multifaceted dimension. The tribes over the years have witnessed continued dispossession of both individual and community control over their resources. Each phase of history has brought new challenges before the communities.

Although the history of earlier phases is obscure, it seems that various tribal groups cleared forests, made their habitation and developed a system of inheritance, land rights system of village governance and inter village organisation. The emergence of kingship, especially after 16th century, led to new claimants and alienation of land in the area. Since then, there has been continuous

immigration of outsiders lead to fresh demand for land causing increased alienation of land.

The area not only witnessed alienation of land but also the beginning of rent extraction, extortion (in term of forced labour or *begar*, etc.). The emergence of colonial rule in the late 18th century led to a number of revolts during the 19th century. This led to various legislations, which tried to protect the traditional rights of tribals.

This also led to survey and settlement operations but also legitimised the rights of the landlords. Rent arrears, indebtedness and various other methods were used to evict the tribals from their lands in Jharkhand. Every protest till date has led to change in the legislation but new means have been adopted to alienate the tribal land. The number of amendments in the Chota Nagpur Tenancy Act (CNTA) and Santhal Parganas Tenancy Act (SPTA) bears the testimony to this fact.

The mode and process of land alienation has changed over the years. In the 20th century, till almost 1935, the bulk of alienation seems to have taken places in the form of mortgage. In the later years it has been primarily through managed surrender of *raiyyati* holdings and in the post independence period, it was collusive title suits and transfer in the name of *chapparbandi*.

In the post Scheduled Area Regulation (1969), there seem to be cases of collusive restoration cases for legalising the illegally alienated land. In the post independence period, land acquisition for public purpose has been one of the major sources of alienation. Besides, urbanisation has caused new demands and the emergence of tribal elite has increased the process of intra tribal land alienation. There

are also cases of reverse transfer from non-tribals to tribals in the area.

### Legal Framework

CNTA (1908), SPTA (1949), Land Acquisition Act (1894), Coal Bearing Area Act, and SC & ST Prevention of Atrocities Act (1989) are some of the legislation, which govern land rights, regulate acquisition for public purpose and protect the tribals from alienation of their resources giving them executive protection. These legislations to a limited extent guarantee the customary rights of the community, define various category of the *raiyyats* (deed holders), recognise special category of tenures (*khuntkatti* and *bhuinihari*), the rights of *raiyyats* against rent and enhancements of rents, protection against transfer of *raiyyati* land, regulate the condition of transfer and make a provision for the restoration of illegally alienated land.

SPTA in many respects is similar to the CNTA but goes a step forward in recognising the customary rights, community life, individual right of the tenants, the community rights of settlement of land, the protection of the rights of Paharias, the provision for the restoration of illegally alienated land, the provisions regarding acquisition of land and the provision regarding the judicial procedure.

The provisions LAA defines the purpose for which land could be acquired. SC & ST Prevention of Atrocities Act also has a provision for action against encroachment of land. SPTA is more rigorous than CNTA, as it prohibits alienation of all lands (including that of non-tribals) while CNTA permits transfer of non-tribal land and alienation of tribal land for specific purposes.

There is considerable controversy regarding



the extent of alienation of tribal land and there is hardly any reliable record of the extent of alienation of various kinds as it has continued over the years. The estimates vary.

### Modes of Alienation

The alienation can be defined both in narrow and broad senses. In the narrow sense, it could mean the alienation of individual landholdings and means of livelihood. In the broader sense, alienation could mean only the loss of common property and rural common but also the rights of the community over the common including property rights. Alienation ought to be viewed in both the contexts because tribes and activists have been basically struggling for the restoration of illegally alienated land as well as their community rights of over the land, water and forest intertwined together.

The mode of alienation varies between both individuals and institutions. In the case of land alienation to individuals, it can be divided into 2 categories, namely urban and rural areas as well as tribal to non-tribal and tribal-to-tribal.

The reasons of alienation have been different in urban and rural areas. In urban areas the primary reasons have been demand induced primarily for housing (by outside population) and non-agricultural purpose. This type of alienation has continued and accelerated in the post independence period. The alienation is primarily illegal. Collusive titles suits, *chapparbandi*, collusive restoration, suits, *sada hukumnama*, *sada patta*, marrying tribal woman, etc. have been some of the most popular methods adopted over the years. In Santhal Parganas, *dan patra*, *badlanama*, *kurfanama*, *sada patta*, etc. have been the various methods used to alienate land.

In rural areas, the alienation is basically to meet the day-to-day needs of cash strapped poor tribals. It may be mentioned here that the rural economy has been virtually stagnant with a very low growth of production and productivity. Almost 90% of the land is monocropped and the irrigated area is only 9%. Erratic rainfall makes people, especially the tribes, highly vulnerable to the rainfall fluctuations. The mortgages and at times outright sales have been the primary method in the absence of active land markets in rural areas.

The institutional alienation for public purpose for various projects has been very high and some workable estimates are available. The lands taken under there are both for big and medium projects (with some rehabilitation packages in which habitations are disturbed) and small land acquisition without habitation being disturbed (and with only cash compensations).

### Restoration of Tribal Land

The restoration of illegally alienated land has been one of the important mandates of the tenancy acts in the area. The SAR courts for the restoration of tribal land have been functioning in a most unsatisfactory manner, resulting in the continued alienation of land. The courts have become centres of corruption, legitimating earlier illegally alienated land through collusive restoration suits, with the compensation being brokered.

The provisions of *chapparbandi* (an escape route to defeat the CNTA) are hardly followed. In identification of 'substantial structure', one important cause for denying restoration to tribals, the courts accept 'oral testimony'. The process of orders and restoration takes a long time. The cases are rejected on very small and flimsy grounds

like the measurement of disputed land in the petition and in the records, lack of records, etc. there is system of at least the appeals, which delays the process of alienation.

Even if the orders are passed, it takes a long time for the land to be actually restored. The lack of amins, police force, personnel, etc. are given as excuses. In some cases, the land despite court orders does not get restored if the person is influential. The other issue has been that the records have been deliberately destroyed especially in the urban areas. It is also alleged that SAR courts have been manned by primarily non-tribals who are not well conversant with the customs of the tribes and customary rights creating a hiatus in perception regarding land rights.

### Public Purpose and Rehabilitation

Acquisition for public purpose and rehabilitation and resettlement has been an issue agitating the tribes in the area. Due to a number of disputes regarding rights (within the family and outside), there are reports of delays in compensation. Besides inadequate compensation for land and home structures, callous rehabilitation, virtually no compensation for the commons, non-consultative and non-participative acquisition, rehabilitation and resettlement are some of the well documented issues also affecting the tribes and other poor in the state.

There has been acquisition of more land than required. The misinterpretation of word 'public purpose' and use of land acquired for purpose other than intended (or notified) are also important issues. The communities and customary rights have been by and large ignored in the state. Wide scale degradation of land due to mining and quarrying has affected even those whose land are not acquired but get virtually affected by them.

### Current Issues

After the formation of the new state, a number of issues pertaining to tribal land have come to the discussion in the public domain. There have been competing demands on the land, especially in the urban areas, as well as renewed aspiration of the tribes for the restoration of traditional rights. Some of the demands are:

- In light of PESA 1996 and the Samata Judgment, necessary amendments should be made in the CNTA and SPTA so that the control over land including the rights of restoration is handed over to the gram sabhas (village councils) of the tribes as per the traditions and the customs in the area. CNTA and SPTA should also be made more stringent to prevent alienation of tribal land.

- Tribes should be allowed to sell land to the non-tribals in urban areas firstly because, as the tribal land can be sold only to the tribes residing in the same police station, landowners were getting only one third of the price of non-tribal land prices. Secondly, due to urbanisation in some areas, land has become unfit for agriculture and thus has become useless for the tribes. If these were permitted to be sold, they would fetch good prices to the tribes. The educated amongst the tribes are demanding these changes.

- The restriction of land sale and purchase within the same police station between the tribes should be removed and land sale or purchase be allowed within the state.

- The restriction of sale of *ryoti* land in Santhal pargana should be removed and sale should be permitted between tribes and tribes and between non-tribals and tribals.

- The necessary amendments should be



made such that the tribal land could be mortgaged to any public sector financial institution for the purposes other than mentioned in the 2 Acts.

- The conversion of agricultural land to non-agriculture use by the tribes should be permitted so that they can start non-agricultural activities

- There should be one Act for the whole of Jharkhand and the 2 Acts should be merged.

### Recommendations

In the light of PESA 1996, the continued alienation of the tribal land to non-tribal and for public purpose like industry, mining and housing, intra-tribal land transfers, particularly between richer and dominant tribal groups and poorer tribes, the rise of a new elite and an educated class in the tribes aspiring for self-employment and also demand for land for developmental activities in Santhal Parganas, the highly unsatisfactory functioning of the SAR courts and its large-scale failures in the restoration of illegally alienated land and the demands made on the tribal land in the industrial policy, the following recommendations are made:

- The necessary amendments should be made in various sections of the 2 Acts for giving powers to the gram sabhas as per the PESA 1996 for restoration of illegally alienated land, managing the distribution and use of land and resolving the disputes.

- Both the acts have evolved due to local specific situations and although there are commonalities, it is important their uniqueness needs to be preserved. It is important that they are not merged into one act and their separate identities should be continued.

- The necessary amendments should be made so that the tribes could use the land for non-agriculture use and mortgage it for taking loans for self-employment.

- To maintain the ethnic balance in the urban areas, tribe to tribe transfer of land should be allowed within the state with 2 restriction on the purchase of the land of PTG (primitive tribal groups) by other tribals and the transfer of land of BPL / Antodaya tribal families to non-BPL / Antodaya families as to prevent alienation of land from poorer sections of the society to the richer sections in rural areas.

- A number of incidences were reported when the land was alienated without the knowledge of the female members of the family. When the family becomes landless, women and children have to bear the brunt. The joint ownership of land of wife and husband should be made statutory to prevent such alienation.

- Widows have a right to use the land for maintenance during their lifetime but after their death in the case of childless widows it passes to the nearest male agnates. In some cases it has been reported that the heirs connive with the local *ojhas* (medicine men) and declare the widow a witch, sometimes leading to physical elimination. To prevent this, a clause should be added that in case of death of a childless widow, the property be vested with the community who will distribute it to the landless in the village. As the direct beneficiary of such deaths cannot be predetermined the benefits of physical elimination would be reduced.

- The functioning of the SAR courts have been far from satisfactory. They have primarily becomes centres for legalising the

illegally alienated land of tribals. The litigation is time consuming and even when restoration is ordered, in absence of any provision for time bound restoration, the tribes have to run from pillar to post. A new framework of restoration and the timely disposal of cases need to be created. The power of detection and restoration of illegally alienated land should be given to the gram sabhas for appeals against the decisions as special mobile courts or fast track courts should be constituted. The time bound restoration in case of favourable judgment should be incorporated in the statutes.

- The land records, particularly in the urban areas, in some cases have been mutilated or destroyed. As a result it becomes difficult for the tribes to prove their claims on land. It is important that the land records are updated and computerised. Some of these records are in Patna. The Government of Jharkhand should try to get these records from there.

- A new institutional arrangement should be made in form of a separate statutory authority for detection and restoration of all kinds of illegally alienated land.

- There is lack of support structures to enable tribals to take advantage of the protective legislations. Such structures need to be created at circle levels where the cases of alienation have been highest.

- There is a provision for punishment for the illegal encroachment of tribal land through force in the SC/ ST Prevention of Atrocities Act but prosecution under these provisions are very rare. It is important that more special police stations be opened and tribals encouraged reporting such encroachment.

- The acquisition of land for public purpose has been one of the issues being debated at the national level. The policy for Jharkhand is in the process of being formulated. The provisions should include consultation and the consent of the gram sabha, the right to information regarding the project, rights to compensation for the CPR, and total rehabilitation so that the losses could be minimised.

- In Jharkhand, in many areas the land acquired for public purpose has remained unutilised because either the industry became sick or more land than required was acquired. All such land should be identified and returned back to the original owners proportionately for which necessary amendments can be made in the Land Acquisition Act as well as in the Coal Bearing Area Act.

- There are cases in which the alienation of tribal land is due to distress in the family during sickness or drought. The incidence of money lending and usury is particularly high in Santhal Parganas. It is important that specific laws prohibiting usury be enacted. Besides SHGs and credit support during the distress needs to be provided.

- The productivity of land is one of the lowest in the country. In the long run, providing higher level of growth in agriculture and the rural sectors could prevent distress alienation.



## News and Events

- Pradan professional Sameer Bhattacharya's proposal to establish dairy with tribal people has been shortlisted by the Business in Development (BiD) Challenge. His proposal, among 30 others shortlisted from 700, was supported by Joost Moonen and Maaïke Tjallingii, Dutch participants of the EYE exchange programme. The final award ceremony will be held in June. We wish Sameer the best of luck. For more details visit [www.bid-challenge.org](http://www.bid-challenge.org).
- Deep Joshi attended the annual partners meet of the International Water Management Institute (IWMI) during February 24-26, 2005. Two hundred and twenty four representatives from different NGOs, institutes working on policy and development, and distinguished experts in the subject participated in the event.
- 140 self-help groups (SHGs) promoted by Pradan's Koderma team were linked to the State Bank Of India on March 10, 2005, in a credit camp organised by NABARD. Total credit disbursed was to the tune of Rs 52.84 lakh. The district collector, the sub-divisional magistrate and senior district officials were present during the event.
- Pradan's Kesla team organised a *mahadiveshan* (conclave) on February 26, 2005. More than 3,500 women attended.
- Pradan's Gumla team organised cluster *adhiveshans* in Balkot, Baghma, Toto and Ridih on March 17, 18, 19 and 29, 2005, respectively. More than 2,000 SHG members attended the *adhiveshans*. The highlight of the events was specially designed *ajeevika melas* (livelihoods fairs) where participants were exposed to different livelihoods. Senior district officials like district magistrate, collector and agriculture officer attended the events.
- Pradan's Lohardaga team organised a *mahadiveshan* on March 11, 2005 in Ghagra block. More than 1,500 women attended the event. The local Deputy Commissioner attended the programme and assured the district administration support to Pradan in promoting livelihood activities.
- Pradan's Koderma team organised an *adhiveshan* during March 18-21, 2005. More than 14,000 women attended the event.
- Meetings on PRADAN 2015 continued. 50 professionals with more than 6 years of field experience gathered in Kesla during March 16-19, 2005 to deliberate on the series of internal and external consultations. Deepankar Roy was the resource person.
- Pradan's Executive Committee met in Kesla during March 19-20, 2005.
- 12 Development Apprentices of the 32nd batch attended the Process Awareness and Sensitivity Module (PAS-I) during March 7-12, 2005. Deepankar Roy and Ramesh Galhoda were resource persons.
- A training exercise on accounts was held in Kesla during March 14-15, 2005. 35 Assistants (Finance) of Pradan field locations attended the event. Participants also included Thomas Mathew, Dhruv Mukhopadhyay, Yash Yadav, Zebul Nisha and Ajit Naik.
- Pradan's Deoghar team sent 2 SHG members from Raksha village to attend the first of 3 phases of crèche worker's training at Mobile Crèches in New Delhi during March 11-21, 2005. In next 2 phases, the 2 trained members would be assisted by Mobile Crèches to set up a village crèche.





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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