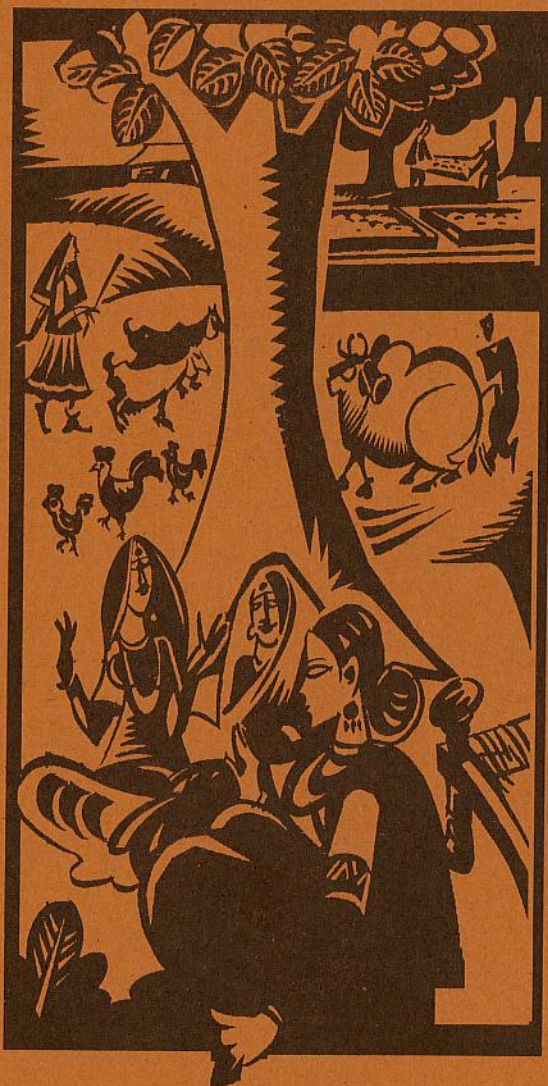


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Contentious Issues in Microfinance

Opinions are sharply divided on whether minimalist or credit plus approaches can sustain efforts of the microfinance sector to alleviate poverty

Radhika Desai and Sankar Datta

This article aims to engender productive discussions on alternate approaches used in the microfinance industry to alleviate poverty. The first section centres on the evolution of microfinance, and its definition and implications. The second section focuses on the strengths and weaknesses of the minimalist and the credit plus approaches as evidenced in practitioner debates. There is a notable paucity of discussion on minimalist and credit plus issues in the literature on microfinance. This article seeks to fill that gap somewhat.

The third section discusses the debates in the literature that centre on sustainability and poverty alleviation within the microfinance industry. The available literature in microfinance is to a large extent generated by the working groups in CGAP. There is also some literature available that engages with the issues raised by the literature in CGAP. The concluding section hints at developing an alternative perspective that takes into account the ground realities and overlaps in the practice of microfinance.

Although the spread of micro-credit is recent, it has roots in credit cooperatives of Europe in the 19th century. The accompanying box (on page 2) lists the interventions made in India (Karmarkar 1999).

Karmarkar (1999) notes that as a result of constant interventions, changing norms and establishment of new institutions for rural credit delivery without attention to the role of vested interests and the fundamental problems of rural credit, "the rural credit delivery system is on the verge of collapse with poor interest margins, very high overdues, untrained staff,

poor monitoring and control by regional offices and very poor working results".

Microfinance: Evolution, Definition and Debates

India's experience of the failure of state-led interventions in rural credit was mirrored in other countries as well. This led to experimentation and innovation in the ways to make credit available to the poor. SEWA in India, Grameen Bank in Bangladesh, and Bank Rakyat Indonesia (BRI) were the pioneers of the new microfinance institutions. The microfinance (MF) industry for rural poor in India developed in this context.

In India, a definition of microfinance as given by the Task Force on Supportive Policy and Regulatory Framework for Microfinance is as follows: Provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban or urban areas for enabling them to raise their income levels and improve living standards (NABARD 1999).

The definition includes 2 elements: the provision of financial services and the improvement in incomes due to prudent use of the resources. The dual elements in the definition reflect the dual approaches to achieve poverty alleviation among MF practitioners, both minimalist and credit plus (Sa-Dhan 2005).

The minimalist approach contends that the MF industry should be focused on delivery of credit and other financial products to poor clients who have not had access to formal banking institutions. Implicit in their position is the assumption that such a provision of credit in

Box 1: Interventions in Micro-Credit

Year	Intervention
1904	Introduction of a cooperative credit system based on the Raifessan Model to provide cheaper credit alternatives
1928	Introduction of land mortgage banks in the cooperative system to provide for long-term loans for redemption of debts to moneylenders
1935	Creation of Agricultural Credit Department in the Reserve Bank of India (RBI), a revolutionary step undertaken to supervise agriculture credit operations
1949	Rural Banker's Enquiry Committee
1954	All India Rural Credit Survey
1955	Formation of State Bank of India
1960	Committee on Cooperative Credit
1963	Agriculture Refinance Corporation set up. Changed to ARDC (1975) and then to NABARD (1982)
1968	National Credit Council Study Group on Organizational Framework for Implementation of Social Objectives
1969	Rural Credit Review Committee, nationalisation of 14 largest banks
1972	Banking Commission
1972-75	Setting up of REC, SFDA
1975	Working Group on Rural Banks
1989	Agricultural Credit Review Committee
1991	Report on the Financial System
1998	R V Gupta Committee on Rural Credit

and of itself through judicious use by borrowers will lead to the desired outcome of improved incomes.

The credit plus proponents contend that such an assumption is unwarranted and unsubstantiated. The poor have to be 'enabled' to make prudent use of credit made available in order for the credit to achieve a positive impact on their income levels.

Another division within the MF industry is a result of the differences regarding cost-effectiveness of MF services. Some contend that cost-effective functioning of the microfinance institutions (MFIs) should lead to the financial sustainability of MFIs.

Further, as MFIs are targeted to the poor, it follows that their financial sustainability will

lead to MFI-driven sustainable poverty alleviation. This position is identified within the MF industry as the sustainability paradigm. This position is strongly advocated by and identified with CGAP.

Opponents of this contend that although financial sustainability may be desirable, it is not a goal in itself. The goal is poverty alleviation. Murdoch (2000) refers to this as a 'schism between rhetoric and action and between financially minded donors and socially minded programs'. Woller et al (2000) refer to the proponents and opponents of sustainability as 'institutionist' and 'welfarist', respectively.

This section enunciates the strengths and weaknesses of the credit plus and minimalist approach. It should be noted that the issues

discussed below are drawn from practitioners' experiences.

Credit Plus

Poor lack access to resources and services: The core poor and the poorest are not in economically active sectors and their poverty is a composite vulnerability that includes scarcity of a variety of resources such as capacities, skills, assets, knowledge, information, networks, etc. In the absence of provision of these concomitant with financial products, the poor cannot come out of their poverty. The minimalist assumption that the borrowers would make 'judicious' use of resources disregards the absence of capacities and information that would enable 'judicious' use.

Greater participation of the poor due to perception of reduced risk: The credit plus approach allows for more outreach to the poorer segments among the poor because their package of services includes a 'handholding' component. The latter makes credit less risky and thus more attractive to the poor. The poorer population is likely to remain outside the minimalist target community because of higher perception of risk.

Increased productivity of investment: The poor would be in a far better position to use financial products in a productive manner with assistance in the utilisation as well. Thus, returns to per unit of investment would increase. With mere provision of financial products, there is greater likelihood of inefficiency, wastage and failure.

Information advantage reduces risk to lender: The provision of services of different kinds to a borrower would elicit more information about the borrower along various dimensions. This would enable a more realistic and accurate assessment of risk and thereby reduce the

risk to the MFI. The information made available by a client of financial services would be only as little as is necessary for a successful completion of that transaction and thus be limited. Consequently, risk assessment is less reliable and risk for minimalist MFIs increases.

Greater empowerment benefits: There is an empowerment benefit, especially vis-à-vis the market in both microfinance approaches. However, the provision of multiple services in credit plus means increased exposure to a wider range of market activities. The additive effect would result in higher levels of empowerment vis-à-vis the market. Further, because the individual is given information in many spheres and individual capacities are built in the process, individual self-esteem and self-confidence increases as well. This results in social empowerment (For a critique of 'empowerment' via microfinance see Kannabiran 2005). Thus, unlike in a minimalist intervention, the direct empowerment benefit is not primarily vis-à-vis the market.

The whole is greater than the sum of its parts: The provision of financial and non-financial services as a package has benefits of synergy and economy. The benefit of synergy is that the multiple services tie in with and build on each other. This results in a better quality of output. The per-unit cost of each intervention is also reduced when provided as a package. This results in reductions in costs.

Livelihood promotion: The credit plus strategy of combined provision of financial and non-financial resources has the capacity to make an intervention in livelihood promotion. Livelihood promotion has the potential to engender changes in quality of life that go beyond coping mechanisms and enable mobility into a higher socio-economic class.

Minimalist

Specialisation benefits: The focus on financial services (to the exception of non-financial services) lends itself to specialisation in the financial arena of microfinance. Such specialisation leads to increased efficiency of operations and promotes greater experimentation and diversity of products. A credit plus approach, on the other hand, would be of a more generalised character in which the structure, design, delivery, etc. of operations and products would be specific to each operation and production. Such an enterprise has the potential for inefficiency and drift.

Fewer resources spent on staff capacity building: A MFI that zeroes on only financial services has to capacitate staff on only one dimension. The staff in turn develops enhanced competencies through repeated practice. As opposed to this, a credit plus approach demands exposure, knowledge and expertise in a multiplicity of sectors. The demands on the staff become manifold and the likelihood of incompetency is high. Greater resources and time would have to be spent on human resources within to avoid such negative consequences.

Potential for greater outreach: A thoroughly focused efficient model of microfinance services has higher potential of being upscaled. Upscaling entails advantages of increased breadth of outreach as well as sustainability.

Feasible revenue model: The financial dimension of microfinance includes products and services that are amenable to pricing and for which borrowers are likely to pay unquestioningly. Thus, it would be possible to design a revenue model for the products. Profits from these would enable sustainability. In a credit plus approach, the plus services would be typically such that have been offered earlier with-

out charge as a public good and such that they would be difficult to price. This would lead to dependence on subsidies.

Access to capital markets: A sustainable MFI has access to financial resources in capital markets. This would allow for expansion. The increased scale in turn has benefits of outreach as well as sustainability.

Self-identification problems absent: A MFI dealing only with financial products would self-identify as a banking institution and would be identified as such by borrowers. This would contribute towards better internalisation by borrowers of norms and rules of financing and credit. In effect repayment, service charges, etc. would not be a problem. A MFI that provides non-financial services as well is more likely to be perceived by borrowers as a welfare institution and its banking operations would also be subsumed within this. In addition, there would be problems of self-identification by those within the MFI, which would have negative effect on running a tight budget for the microfinance division as well. Thus, sustainability would be sacrificed.

Debating the Sustainability Paradigm

This section discusses the literature on the rift within microfinance industry. Most of this literature is driven by the work and recommendations of the CGAP. There is a paucity of literature on the minimalist and credit plus debate. The possible reasons for this are that the debate at present is mostly rhetoric. There is insufficient availability of data and the measurement instruments for impact assessment are not available.

It needs to be noted that the minimalist and MF plus debates do not mirror or directly map onto the debates around sustainability and

poverty alleviation. However, as the MF plus proponents propose inclusion of non-financial services (which are assumed to be unprofitable), they are perceived to be outside the sustainability paradigm.

A review of the literature on microfinance justifies the claim that 'institutionist terms and concepts (for example, sustainability, outreach, subsidy, subsidy dependence and best practices) have become the lingua franca of the microfinance industry' (Woller, et. al., 2000).

As the sustainability paradigm has become hegemonic in microfinance, the debates below will per force be structured with reference to these. The primary claim of the paradigm is that a sustainable microfinance industry is necessary to achieve poverty alleviation through a strategy of microfinance. Within the sustainability paradigm and its opposing school, there is a cluster of associated arguments that adds to the rift within the microfinance industry. A discussion of these is given below. The propositions advocated by the sustainability paradigm are available in several documents of CGAP. These are available at <http://www.cgap.org/docs>. The statements stated here are drawn from this literature.

Self-sufficient MFIs are necessary to achieve poverty alleviation: Poverty alleviation requires that a massive number of people be targeted. Huge financial resources will be required to reach the large number of the poor. However, 'donor funding is a limited quantity that will never be capable of reaching more than a tiny fraction of those poor households who could benefit from quality financial services' (CGAP 1996). Sustainability of MFIs is at risk if self-sufficiency is not achieved, as there is a risk of donor funding running dry.

Some opponents of sustainability paradigm

question the very definition of sustainability as operational sustainability and financial sustainability. They maintain that sustainability may be defined 'as the ability of a program to produce outputs that are valued differently by beneficiaries and other stakeholders that the program receives enough resources and inputs to continue production' (Brinkerhoff, 1991).

Others counter that the premise that donor funding is limited because of costs does not hold water. Donors have funded such ventures earlier. Donors see their funds as investments that have a social return. Thus 'a donor-funded MFI that has achieved significant outreach and impact such that social benefits exceed those of alternative social investments is not considered subsidised' (Woller, et. al., 2000). Therefore, donor funding is not limited. Such ventures would also attract government funding if these are perceived as giving greater return in terms of social impact per unit investment in comparison to other strategies of poverty alleviation. Further, 'when funding is available, subsidising credit beats the zero-cost option as long as benefits outweigh costs' (Murdoch 2000, p. 623).

Alternative sources of capital have to be accessed to reach greater scale: Capital markets can only be accessible if capital is ensured of a financial return on par with the market. Therefore, it is imperative that MFIs should earn profits and become self-sufficient.

The opponents note that profits are not the only criteria for accessing capital markets. Another factor is the risk perception of the MFI portfolio. Thus, Conning (1999) argues that the if the proportion of poor within the MFI portfolio is greater than 'their portfolios are likely to appear much riskier to capital suppliers... chief constraint is not subsidisation per se but the ability to limit perceived riskiness'

(p 623). A corollary of this is that if access to capital markets becomes a paramount consideration then there would be a necessary shift to less poor borrowers.

The welfarist considers financial self-sufficiency as undesirable because they believe that the selfish demands of capital will lead to mission drift. The profit motive will displace the social mission. This apprehension of mission drift is substantiated in a recent study of 27 MFIs in South Asia, which shows that only 11 (irrespective of financial sustainability) had reached either greater than 40% of poor or more than 5,000 clients (Sinha and Brar, 2005).

There is also opposition to accessing capital markets from a 'spiritual' perspective. The welfarist fear that such commercialisation of microfinance will 'divert the industry from its spiritual foundation... the issue is not only whether we reach the numerical goal but how that will determine outcomes' (Thomas Dichter 1996, p 256).

Self-sufficiency increases scale of outreach: Self-sufficiency leads to increased efficiency. The efficiency of self-sufficient MFIs enables them to have massive scale of outreach.

Those in opposing camp note that measuring performance by profitability is not the only possible incentive route and 'appropriate incentives can be provided in the non-profit enterprises... [For e.g.] use of socially determined transfer prices... shadow prices adjusted downwards so that prices reflect social gains delivered by lending' Murdoch (2000, p 624).

The point is also made that maintaining hard budget constraints is the key, not maximising profits. The validity of this claim is borne out by the findings of a recent study of 60 MFIs in a global context. The study demonstrates that

among institutions that became sustainable 'tight cost management at all levels led to the breakthrough in sustainability' (Stephens 2005, p 28).

Subsidies are harmful to the health of the MF industry: The subsidy given to the old rural development institutions (RDI) and the negative impact of these on rural credit delivery and outreach to poor demonstrate that subsidies are harmful for the microfinance industry.

Opponents contend that the experiences of the old RDIs are not comparable to the existing MFIs that are subsidised. The MFIs of present (even those who do not see subsidy as a problem) are different in that they have made technical innovations, charge market or near-market interest rates, emphasise small-scale lending, include collateral substitutes, maintain high repayment, etc. and see positive client impact as necessary (Sanabria, 2000).

To achieve self-sufficiency 'best practices' are to be adopted: The opponents argue that the widespread adoption of 'best practices' will lead to a 'blueprint approach to microfinance that will stifle innovations and experimentation in the design of new products and delivery systems for the very poor' (Woller et al., 2000 p 6). The experiences of Grameen Bank, ACCION and FINCA demonstrate that subsidisation allows experimentation and donors are willing to invest in experimentation and innovation.

Last but not least, the designing of multiple products and services sensitive to the local situation and target groups is a strength of the MF industry, which would be lost with a standardised 'best practices' approach.

Self-sufficiency does not limit depth of outreach: The findings of some empirical studies

of MFIs demonstrate the validity of this statement. They show that MFIs that had achieved self-sufficiency did not fare any worse than MFIs that had not achieved sustainability on the measure of number of poor clients reached (Sinha and Brar, 2005; Stephens, 2005).

The welfarists point out that this argument is based on the understanding that 'households require access to credit, not cheap credit' (Murdoch 2000). They counter that while it is true that demand for credit is high, it is not true that raising the costs of financial services does not diminish demand. There are poor households who cannot pay high rates. Also, the nature of productive enterprise one is engaged in is a factor in ability to pay for higher credit. Micro-enterprises of trade and services that have a shorter gestation and higher profit turnover find it easier to remain in the market for credit even in a climate of high rate but the rural poor whose credit needs are for agriculture livestock, etc., which have longer gestation periods and lower return might drop out of such high rate credit markets (Murdoch 1999).

Yet another point to be considered is that the sensitivity to costs of financial resources differs across economies. For example, borrowers in Latin America are willing to pay higher interest than those in South Asia (Sanabria, 2000; Sinha and Brar 2005).

Financial deepening paramount objective: The primary objective is financial deepening and thus, the breadth of outreach (the total number of poor persons reached) is important and not depth of outreach (who among the poor versus those on margins). Once the breadth of outreach increases, many of the poor will automatically be part of those reached. This claim is supported by some recent impact studies (Sinha and Brar 2005; Stephens 2005).

While opponents accept that some poor would be included due to increased scale and breadth of outreach, this does not take care of the issue of who among the poor are covered. If social value of poverty reduction is the issue, it is necessary to pay attention to depth of outreach. Poverty measures that include a 'distributionally' sensitive index demonstrate that the social impact of reaching one individual varies depending on 'who' among the poor is reached. The ratio varies from 1: 1.8 to 1: 5 to 1:25 depending on the index chosen (Murdoch 2000).

Some also maintain that targeting of poor within the programme has costs to sustainability. Small Enterprise Foundation (SEF), South Africa offered a scheme called Tshomisano Credit Scheme (TCP) to a targeted poor. A study of their targeted and non-targeted programmes showed that clients in the former were substantially poorer than those in the non-targeted scheme.

However, to achieve this high level of targeting of the poor 'the trade-off has been financial sustainability as the TCP is being cross-subsidised by the SEF's non-targeted programme' (Ruit, 2001, p. 13). The study also demonstrated that since the state and the donors adopted the sustainability paradigm, many MFIs in South Africa and Mozambique have moved their operations to the urban areas. Some cross-subsidise their rural programmes once they have achieved stability in the urban areas (Ruit, 2001).

Microfinance as an instrument of poverty alleviation can be self-sustaining: The welfarists object to this on 3 distinct grounds. One is that they draw attention to the gamut of poverty alleviation programmes and point out that in none of these except MF does there exist the presumption that poverty alleviation would be self-financing.

Two, they note that even the proponents of the self-sufficiency arguments have had to grant that only a small percent of MFIs are self-sustainable (Barr 2005, Stephens 2005, Murdoch 1999). Even those who attained sustainability had a gestation period during which donors' funds had to be accessed. Also, to become self-sustaining the MFIs had to shed their non-sustaining functions onto another entity, be it a NGO or a subsidiary within the group (Sinha and Brar, 2005; Murdoch 1999).

Three, opponents point out that the proponents of self-sustainability focus on the 'institutional sustainability' of the MFI itself. The *raison d'être* of microfinance (improving the lives of the poor) is not the primary focus. Murdoch (2000) notes that who is being served are almost entirely absent from the 'best practices' conversation. Datta pointed out that the CGAP document that states the principles endorsed by the group of eight leaders at the G8 summit on June 10, 2004 does not include the word 'poor' (personal communication).

Microfinance is not an instrument for poverty alleviation of the poorest: This proposition is of late the response to the criticism that the beneficiaries of microfinance are the either those above poverty or the less poor among the poor. Some go a step further to claim that microfinance often harms the poorest (Mahajan 2004, Hulme and Mosley 1996).

While some studies point to the negative impact of micro-credit on the poor (Hulme and Mosley, 1996), others show a positive impact. For example, the study of poor in Bangladesh by Pitt and Khandekar (1998) strongly indicates that microfinance programmes help poor in smoothing consumption needs as well as building assets. A more recent study by Khandekar (2003) contends 'micro-finance

programmes matter a lot to the poor in raising per capita consumption, mainly on non-food, as well as household non-land asset. In particular, we find that micro-finance helps reduce extreme poverty more than moderate poverty at the village level' (p 21).

Conclusion

The above discussion identifies the divisions among microfinance industry along a variety of fault lines. It has been shown above that the entire gamut of claims of neither side is vindicated in practice. For example, the sustainability proponents' argument that self-sufficiency is feasible is not borne out by the fact that a majority of MFIs have not achieved self-sufficiency. Similarly, the welfarists claim that self-sufficiency negatively impacts depth of outreach is also refuted by some studies.

In practice, one finds MFIs adopting freely from each of the schools of thought. Therefore, some suggest that it is more appropriate to see the 2 schools of thought as a continuum with 'poverty lending' and 'micro-banking' at 2 ends of the continuum (Kirby et al 2000). They note that micro banking is characterised by a focus on income promotion by a microfinance institution and a drive for financial sustainability as a permanent financial intermediary while poverty lending is characterised by objectives, which give higher priority to social outreach than financial sustainability (Sa-Dhan 2005).

There are several voices within the MF industry who are even challenging the adequacy MFIs work in the poverty-lending spectrum in achieving poverty alleviation. Khandekar (2003) suggests, '[an MFI should] to exhibit a stronger impact on poverty reduction, perhaps go beyond the provision of financial services. It should find ways to improve the skills of its poor borrowers to improve productivity and

income. It should also assist its borrowers in marketing and improving the quality of its products' (p 21). Mahajan (2004) goes a step further when he states, 'what we need is to broaden the paradigm from micro-credit to livelihood finance' (From Microcredit to Livelihood finance, NewsReach September 2005). He defines livelihood finance as any mechanism for investment in the very basis of livelihoods-natural resources, human resources, infrastructure and institutions. Indeed, these debates, discussions and suggestions may be an indication that the MF industry is on its way to some significant changes.

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Steering the Boat of Life with ILS

The Internal Learning System (ILS) has provided an oar of learning for poor rural women to actualise their dreams of a better life

D Narendranath

Paro, a fragile looking migrant labourer in her twenties, sits in a corner a little away from other self-help group (SHG) members and peers intently at the picture on the page open in front of her. The book is the Internal Learning System (ILS) workbook, and the picture is that of a man beating his wife. She is determined today to mark the picture, disregarding the presence of even her mother-in-law, who is also a group member. Paro, otherwise quiet and not given to extreme emotions, has a stern expression on her face as she circles the picture. It is only when one observes that she has circled the picture not once but 5 times, does one realise how serious a victim she is of this abuse. Yet she never raised a voice till the ILS came along.

Fifty-four representatives from 18 SHGs have assembled in a SHG cluster meeting in Chhattisgarh. The meeting is facilitated by a Pradan professional using an ILS workbook. The cluster leaders assess their respective SHGs using the ILS pictorial indicators. An issue they identify is that SHG leadership is not rotating and other members in the SHGs are not getting an opportunity to take up leadership roles. The discussion is animated and the Pradan professional is not actively involved. She is in for a big surprise in the next monthly meeting when she sees that most of the SHGs have changed their cluster representatives!

These 2 examples show how little pictures in the ILS workbooks are bringing about fundamental changes in the way rural poor women learn about themselves and make real shifts in the way they think, reflect and act. Issues

that were swept aside or not registered earlier are getting urgent attention. A woman whose group had used an ILS workbook said, "Hamari zindagi ka sab kuchh is mein likha hai (This book has everything about our life)."

The Internal Learning System is aimed primarily at helping SHG members to reflect and learn about various aspects of their lives and livelihoods. It also helps Pradan to manage its SHG programmes by measuring social performance.

Pradan has been working to generate sustainable livelihoods for the rural poor in India for the past 22 years. Its approach is to build on people's own resources and capabilities with a view to enabling them, rather than delivering services. Pradan's livelihood projects therefore use participatory approaches extensively. Community ownership and sustainability have been major guiding principles in all of Pradan's interventions.

Working with Women

Working with groups is an important component in Pradan's interventions. Groups bring women together and reinforce the value of mutual help. They help women to access financial services, both small savings and credit, and also establish sustainable linkages with banks. Through building a livelihood vision and providing a motivating environment, the goal is empowerment of women.

There are equity and efficiency reasons for focusing on women. It has been Pradan's

experience that women are much better money managers, and more conscientious about repayments than men. Women have shown more responsibility than men in utilising loans properly, repaying them and also in influencing other group members to repay. Moreover, women's groups have displayed more discipline compared to men's groups in the same villages.

Pradan's approach is that women are as capable as men of being actors in the development process, but given their situation (they usually own no assets, are not part of any important decision-making processes either in the family or outside, and sometimes hold quite a poor view of their own capacity to achieve), special efforts need to be made to reach out to and include them. The SHGs are a platform to systematically reach out to the women of a community and give them an opportunity to organise themselves for self-help.

Capability Building Approach

The poor are not one homogeneous mass. There are variations among them. There are large numbers of the poor for whom provision of microfinance services can act as major stepping stone to enhance livelihoods and move on to a better life. But among roughly the bottom quartile of the poor (who form the majority of Pradan's clients), especially among communities that have been traditionally isolated (the tribal community) or excluded (the dalits), microfinance does not automatically lead to substantial improvements in livelihoods. So if such communities were to be helped, they need additional support.

A major issue that we face when we work with SHG women belonging to very poor communities is the women's obsession with the troubles and travails of the present, bor-

dering on a state of hopelessness and resignation. This state of resignation is caused and compounded by material deprivation and oppressive social customs, and means that women are unable to respond fully to development initiatives. To overcome this, the first step would have to be to help them overcome this sense of despair, to begin to see rays of hope and begin the process of change. Our approach to accomplish this goes through the following stages:

- Organising the women into groups where group discussion time is used to help SHG members reflect about their current situation;
- Helping SHG members analyse their situations with respect to their peer group;
- Encouraging them to generate a vision for a better future and a better life for themselves and their families;
- Helping them concretise the goal in terms of specific outputs, time frames and help needed, and
- Encouraging the group to assure support to individual members, monitor their progress and keep up their motivation.

Pradan professionals had already been experimenting with pictorial tools in the SHGs. The pictorial tools were used in a variety of training programmes, particularly in visioning exercises. The purpose of these exercises was to help SHG members take a realistic look at their situations and help them work out concrete action plans to better their conditions.

Thus in a sense the need for participatory learning systems was already being felt. It was at this juncture that the ImpAct Project came along that gave Pradan a useful opportunity to look around for participatory learning systems as being practised in different organisations and contexts, and adopt and

adapt them to develop something more suited to Pradan's needs.

Learning for Empowerment

Between 2001 and 2004, Pradan participated in the ImpAct project. ImpAct aimed to enable microfinance organisations all over the world to develop appropriate social performance monitoring systems. Social performance indicators relevant to Pradan's work concern access to financial services, quality of livelihoods, livelihood capabilities, well being, gender relations, mobility and the sustainability of the linkages established with external resource institutions. This relationship with ImpAct triggered a search for an appropriate participatory methodology to implement monitoring systems, which would provide the information needed, at the same time setting up systems for learning and impact assessment at the SHG level.

In September 2000 Pradan organised a conference in Delhi on "Participatory Learning Systems for Women's Empowerment". The seminar helped Pradan zero down on the Internal Learning System (ILS), a system built around the concept of 'internal learning', which is also at the core of Pradan's enabling approach. Enabling happens when the clients assess their own situations, analyse causes for change or lack of change, and plan future actions by themselves, seeking help where required. ILS operated around these basic tasks but needed adaptation to suit the specific needs of Pradan.

The value of ILS for Pradan was its aspect of being able to initiate and sustain a process of change deep within the mind of a SHG member, helping her to dream and take steps to attain them. Thus, even though ILS came to Pradan in the context of impact assessment, the value was more in learning. ILS

thus would be an intervention in itself and not a methodology for impact assessment. ILS in that sense proved to be quite an adaptable methodology, from learning, empowerment and group facilitation to livelihood planning and impact assessment.

Dreams of Empowerment

The essence of ILS is that it puts the learning process in the hands of the SHG member. The pictures in ILS provide the woman with an opportunity to withdraw into herself, as it were, and dream her dreams. Facilitated ILS sessions in the group are a powerful means of kindling the thought process of a SHG member that frees her from thoughts of current constraints and develop a vision of a better life.

The broader vision and goals for future are first articulated by using exercises that include dream scenarios. Once the woman has articulated a vision, further modules on well being, mobility, empowerment, livelihoods and so on help concretise the vision by building up the different components.

At the end of each of the sub-modules there are specific output targets, time frames and help sought. The group also plays the role of monitoring and support on an ongoing basis. Each of the modules has dream scenarios, good scene-bad scene combinations, stories, folk tales, modules to map the current situation and planning modules. Since all these modules are part of the same story, which is of her life, they interconnect for her.

Earlier in SHG meetings, facilitators would raise an issue and the women would respond to the topic. The discussion would most of the time be led by the depth of understanding of the facilitator. However, using the pictorial mode, the women would quickly get

into a reflective mode, which often lead the discussions. Use of pictures gives women the space and opportunity to legitimately speak about a whole range of issues they never spoke about in the normal course. There is no saying what the effect of any picture would be. The pictures spark thought processes that would otherwise not have occurred.

For example, in one SHG the discussion was about household finance. Each woman was marking her income-expenditure tree, and drawing lines of major incomes and major expenditures. It so turned out that 3 members in the groups had marked their major cash outflows as that on liquor consumption by husbands. This led to an impassioned discussion on the issues and the SHG decided to take up this matter with their neighbourhood SHGs to try finding a solution.

A woman's vision and goals for future, and her feeling of instrumentality in achieving this goal are important indicators of her empowerment. These phenomena are quite internal to her. The ILS diaries or workbooks have been designed to help the women initiate the process of clarifying their visions and goals and plan to achieve them.

ILS Workbooks

ILS essentially consists of 3 workbooks with a variety of indicators relevant to their respective levels: the member workbooks used by individual members, the group workbooks used by the group as a unit, and the staff workbooks for Pradan professionals.

The member workbooks contain modules designed around broad topics such as well being of the member, household finances, her livelihood portfolio, empowerment and her extent of participation in the SHG. These modules help the member reflect on different

aspects of her life, with the help of pictures created around indicators crucial to her. While the set of broad topics have remained the same, the approach of using these modules has undergone considerable adaptation since the time they were introduced.

During field testing many issues became evident. In the initial version of ILS there were many complex pictures, as well as tables and systems for marking counts that were aimed at capturing detailed information on the member's life. Both the professionals and the women found that the tables and counts took an enormous amount of time, and made the whole exercise a burden rather than a constructive and creative exercise. Our colleagues wanted simpler, easier-to-train, easier-to-learn-and-use modules that will help in the process of facilitating reflective learning in the groups. Data collection for impact assessment was not an important objective for them. Thus in the subsequent versions the modules were simplified to lessen the data entry load and facilitate more reflection.

Sorting Out the Basics

The realisation was that when we are dealing with clients who are less proactive about their own growth, and were not thinking creatively about their resources, the effort should be to get them to revisit their attitudes towards themselves and their resources rather than getting into details such as what seed will be used, how much area will be cultivated and so on. Once the women have been able to sort themselves out on the basics, the detailed planning around specific resources would be easier. It was more important to create in them the positive attitude towards life. The rest were actually matters of detailed planning to be taken up subsequently.

This realisation formed the basis of the

amendments that Pradan made to the individual member diaries. We got rid of the complex tables as well as the complicated modules and introduced more reflective modules. We introduced components such as good scene-bad scene pairs, open-ended stories, dream scenes, etc. that would help in generating discussions in groups. The idea was also to enhance the 'learning' value, reduce data collection, and wherever possible make it 'fun'. The feedback from the changed version of the modules was positive and encouraging.

The current set of individual workbooks has the following modules:

- In the well-being module, a woman reflects on her current standard of living, in terms of living conditions, assets, poverty status, health, etc.
- In the finances module, she examines how her living standards are affected by her household's pattern of income and expenditure, and its resulting savings and debt situations. In order to improve her finances and living standards, she is encouraged to analyse her livelihood situation.
- The livelihoods module guides an SHG member and her family in critically assessing their livelihood system in order to maximise the use of their total 'availabilities' in forest, land, livestock and labour resources, as well as making more strategic use of their credit opportunities.
- In the empowerment module, the woman also examines her treatment and status in the home and wider community, either as a liberating or an inhibiting influence on her reproductive and productive roles.
- In the programme participation module, the woman reflects on the respective roles that she, her SHG and the PRADAN promoter play in helping her achieve her goals.

It is important to note that there is no par-

ticular sequence in which these modules need to be covered because each of these modules stands by its own.

ILS for Livelihood Planning

The livelihood modules in the ILS member workbook takes the SHG member through a guided process in which she looks critically at her livelihood resources, assesses the utilisation level, analyses the strengths and weaknesses and plan for optimisation of resources. She then shares this plan in the SHG, which helps her sharpen her plan and helps her mobilise financial resources to support the plan.

As in the other modules, this module also aids a process of guided reflection. The facilitation of the livelihood modules is done in the group, but is focused at each individual member. The purpose of this is for the member to draw support from the other members wherever required – in understanding issues, thinking through solutions, in planning and in implementation. The process allows the individual member to carry out quite a lot of thinking on her own before turning to the group or the facilitator. So there is less chance of any imposition of ideas on her. The following incident is illustrative.

A Pradan professional was invited by a SHG to come and help them out in livelihood planning. He went prepared to plan a group dairy activity with the women because he had an impression while discussion with a few members that they were all interested in taking up dairying.

For a change he thought of using the ILS livelihood workbook rather than the blackboard. He initiated a discussion with the ILS 'livestock' module. After the livestock module was completed, it became clear that only a

couple of vocal members of the group wanted to take up dairying while the majority wanted to rear goats.

Goat rearing is chosen by the poorer members in a group because that is an activity that requires much less capital investment and recurring expenses. Dairying on the other hand is an activity chosen by the better-off families. Use of the ILS diaries actually helped the silent members articulate their priorities more clearly.

The Group Workbook

We wanted the group workbook to be a mechanism that would help the group as an entity, to build the collective spirit and reinforce group values, systems and norms. In Pradan's scheme of things, the group is a forum that provides support for the members to set achievement goals and realise them. The group is a morale and confidence booster for the individual in her pursuit for a better life. The fact that the group also provides her the very important financial resources to pursue her dreams amplifies its value.

Therefore in the group workbook we incorporated modules that looked at group's health at different stages of its growth and evolution. As the group diary has evolved it is a tool for the promoter to initiate the group, help set norms and systems and help the group monitor its progress over time.

The group workbook deals with the various parameters of interest to the group as a whole. The SHG members fill in this workbook together in their meetings. The members assess whether they are functioning well together as a group, whether they are following the various norms, systems and disciplines, and whether they are adhering to the values of the group. The group also assesses its capacity as

a financial intermediary and a vehicle to influence external agencies such as government departments. The modules in the group workbooks are the about groups module; norm setting module; group functioning performance module, and area conditions module.

An important indicator of empowerment is when women start showing interest in issues that affect them outside their homes. The ILS group workbooks have a set of indicators where SHG members assess the quality of public services that they receive, such as schooling for children, healthcare, supply of other amenities, outreach of development programmes and so on. They also make plans to address any issues that they may have with public service providers. The inclusion of these indicators in ILS is another way of catalysing the women to begin to think about wider issues, and gradually ensure their participation in arenas beyond the household.

Experiences from Field Testing

In the locations where ILS was field tested, it received very exciting responses from the community. Our field teams reported that they were able to ensure active participation of all the SHG members through the pictorial workbooks. The workbooks helped members to be more reflective and internalise the inputs provided much more effectively compared to the earlier mode of verbal interactions. The livelihood modules in the ILS workbooks gave the women a broader perspective on making livelihood choices. The other modules, such as those on health and gender empowerment, generated lively discussions in the SHGs.

Pradan professionals also found the ILS modules useful as a group facilitation tool. Group facilitation skills varied from person to person but the ILS helped standardise this

process considerably. Once the pictorials are introduced, the women are often inspired to talk, and rich discussions are generated. Often, women followed up the discussions with concrete action. This was unlike the earlier times where ownership of key issues was with the Pradan staff and it was necessary to conduct follow up to ensure some action was generated.

Another important benefit brought about by the ILS was that it was now possible to generate discussions around a wide variety of sensitive issues, notably gender, and more specifically maltreatment by husbands, women's reproductive health, family planning and so on, which the professionals previously found difficult to raise.

It was a common observation by all field colleagues that the level of discussions in the SHG has become more intense through the use of the ILS. The level of ownership of the women of any issue or any decision was also much greater than was the case previously.

An immediate effect of the experience of using the pictorial methodology is that the officers are devising their own pictorial modules to address specific needs. Two such examples already in practice are the modules prepared to streamline paddy cultivation in West Bengal and to improve dairy farming practices in Rajasthan. Drawing on these experiences, the plan is now to design ILS workbooks around individual livelihood activities. They would not only include improved practices but would also provide space for each woman to critically look at the activity in the context of her resources, monitor the activity across a season, make concurrent changes, and at the end of it, track the income generated from the activity and monitor the use of that income.

De-linking Learning from External Impact Assessment

We observed during the field trials that that an attempt at combining the data collection (in terms of numbers) with member's learning were not working out well. While attempting to generate accurate numbers both the SHG member as well as the facilitator struggled to get details that diverted attention from the learning agenda. The women particularly had to struggle quite hard to come up with numbers such as quantum of landholding, volume of production, market prices, etc. While these are important data that the women need to know, building in this training, at least at this stage of ILS implementation, was coming in the way of the reflection process.

Therefore, we decided to amend the process to de-link data-gathering for impact assessment from group reflection and learning. During the time when diaries are filled out in SHG meetings, the focus would be on the group's reflection and learning. Separately, the facilitator of the impact assessment can sit one-by-one with a panel of randomly sampled SHG members and fill out a semi-structured questionnaire, using the completed diaries and conversation with the group member to collect data. At the same time, it is also possible to get accurate numerical data wherever necessary because the facilitator is sitting with a particular member separately. When they are sitting separately, it is possible for the facilitator to verify the data by actual visits to the farm or by consulting the male member.

Teething Troubles

However, there are also concerns. Pradan is primarily a livelihood promotion organisation. In such a scenario, our field professionals are exceedingly focused on the issues related to implementing livelihood projects. Many a time there is a tendency to be nar-

rowly focused purely on the income enhancement of clients' families. The finer concerns of building capabilities, bringing about impacts on the broader well-being of the women involved, and setting up sustainable systems are sidelined at times.

Pradan's mission does mandate it to look at the broader well being of the families rather than just incomes. There was a choice to be made in the short run: Whether to pursue the empowerment approach and fall behind in targets or just push for targets. It was a difficult choice to make.

An observation about ILS was that it is a process-intensive tool. It does take a lot of facilitation time in SHG meetings. The system does not reduce time commitments in the field. Some colleagues, who had hoped that ILS would be a timesaving device, were disappointed with the tool, especially through the initial stages that were particularly time intensive. Experience from one project site does suggest that ILS could be time saving as well but after the SHG members have used the diaries for continued period of time, say about 3 to 4 months. Since the pictorial methodology reduces most of the facilitation work, even local village SHG leaders are able to use them and generate discussions in the SHG. To that extent the involvement of the Pradan professional reduces. But they find it difficult to make this initial time investment.

Many a time the members would come back to the next meeting not having looked at what they did last week, and many would not remember what they did. So in the next meeting quite a lot of time would be spent again the revising the earlier module. For some of the professionals, this was a frustrating experience. These experiences, com-

pounded by the fact that they were quite busy, led to a situation where many of the professionals were on the verge of rejecting the ILS.

On the other hand, many others who had been personally interested in the idea followed up the system in good earnest. Their observation was also that even if ILS does not reduce time commitments, it helps the professional use her time more effectively in providing structured inputs to members based on a comprehensive curriculum designed around the lives and livelihoods of those members. Those who have been using ILS regularly do state over a period of time that their facilitation skills develop and it takes less and less time.

Integration with Everyday Work

Keeping in mind the feedback received about ILS, we decided that it has to be integrated seamlessly with the day-to-day operations of the staff, so that neither staff nor clients feel any additional pressure from its use. The advantage of this integration would be that the time-pressure would not be felt. The professionals routinely spend time in the groups for training, planning and supervising implementation. Many of these tasks can be effectively done through ILS.

To facilitate this process, we have produced a group promotion manual that integrates the ILS pages at the various stages of group promotion. With no extra time and effort the ILS pages would get filled out. In the initial stages the ILS pages would be pictorial training modules and later they become more and more reflective as the issues move from simple to complex.

One difficulty with this approach was that only the new SHGs being formed would

get the benefit of going through all the ILS modules in a systematic manner. For the old groups, where professionals would not be visiting routinely, it would be difficult to find time to implement all the modules.

A word of caution here. We have realised that adequate time has to go into educating the staff on the processes that go along with the pictorial workbooks. Pictures are not the 'be all and end all'. Pictures have to be accompanied with sensitive facilitation, keen and patient listening, and effective de-briefing. Uncomfortable moments are not to be side-stepped or glossed over but confronted to enhance the learning value.

In short, it means that the professionals on spot should be able to, for the moment, set aside her agendas and focus attention on the agenda generated by the members, which may not be purely around income generation. It is not the matter of just additional time required but a matter of a readying oneself to be guided by the agenda generated by the group that also on issues that may be much broader than what one is pursuing. That is a commitment that the facilitator has to make even while introducing the tool.

Possibility of Scaling Up ILS

Scaling up the ILS to more SHGs in the same field location and to more locations is an issue that we are presently concerned with. Similar to the Participatory Rural Appraisal (PRA) tools that assume a certain amount of facilitation skills and process sensitivity on part of the practitioner, there are certain minimal preconditions that require to be satisfied for ILS to be implemented in the field.

ILS assumes that there is an organised group

activity going on in the field, which houses the ILS. Unlike PRA, ILS is not a one-off activity but an ongoing process. It is by design not an extractive process, so there has to be a group existing in the setting where it is being done, so that the learning that is generated can be captured and any necessary action can be initiated.

One of the steps that Pradan has taken to increase the outreach of ILS is to develop a standard operating procedure (SOP) for group promotion integrated with ILS. This integration has made it possible for staff members to introduce ILS in new groups. Presently, 300 SHGs in Chhattisgarh and West Bengal have been provided with the ILS workbooks. The teams are using the group workbooks, and gradually plan to shift to the member workbooks.

Another initiative used to facilitate cross learning is using the SHG members to teach each other. Using the pictorial methodology, it becomes easy for women who have already done ILS to train new members. We are in the process of identifying good SHG leaders who can be put through more systematic training in ILS so that they can be used as extension agents.

An important principle in scaling up is to ensure that the system should be able to run without any sophisticated inputs, such as the time of the Pradan professional in this case. The ILS has a lot of potential to draw on the native wisdom of the women but whether it can evolve to a level where the SHG members would be able to carry forward the ILS processes on their own is something we have to wait and see. ILS is an extremely powerful tool like the PRA, but requires long term of commitment from the organisation using it.

Unity Provides Strength in Baljori

Women of the Nurda self-help group cluster in West Singhbhum in Jharkhand have proved that they can succeed in an activity in the face of determined opposition by vested interests

Vikash Sinha

Baljori village is on the Chaibasa Champua Highway in Jhinkpani block of West Singhbhum district in Jharkhand. Baljori is 30 Km from the district headquarters at Chaibasa and nearly 16 Km from the Jhinkpani block office. The 12 hamlets in the village are home to 200 households with an overall male to female ratio of 3:2. There are 7 Pradan-promoted self-help groups (SHGs) in Baljori.

The government-sponsored programme of SGSY (Swanajayati Gram Swarajgar Yojana) was initiated in Baljori in 2003. The main feature of SGSY was developing barren lands as plantations to promote commercial forest-based activities like tasar silkworm rearing. The programme also promotes the rearing of tasar silkworms using modern techniques.

There are vast tracks of barren uplands in the villages. Therefore, as part of the SGSY Programme, the Pradan field team mooted the idea of converting these unutilised uplands to plant arjuna trees so that these plantations could become a hub of tasar silkworm rearing after 3 years. Tasar silkworm rearing is a traditional livelihood option in this area.

Besides, these plantations were also meant to check land degradation due to the ever-increasing level of soil erosion and provide a sort of environmental cushion to the rapidly declining forest cover. Eleven landowners of the uplands in the village came forward to

convert their lands into arjuna plantations.

Selecting a Service Provider

As part of the SGSY Programme, there was a provision to hoe the saplings twice to facilitate proper growth. We looked around for a person (called *sampark-karta*) to supervise the hoeing process. The person who was the earlier *sampark-karta* was unable to offer his services due to some pressing personal reasons.

However, since the plantations were initiated, Pradan has promoted a SHG in one of the hamlets of Baljori. The families of members of this vibrant SHG owned the bulk of the plantations. After much discussion, an able member of the SHG, Mamta Koda, who was also the group's account, was selected as a *sampark-karta*. Mamta's commitment and integrity to the task was unquestionable and she was undoubtedly the best bet available to carry out the activity.

A meeting of the concerned landowners in the village was then organised so that they understood the purpose and process of hoeing. The rates of labour payment were decided in the meeting, and so was the service charge of the *sampark-karta*. Mamta's residence was unanimously chosen as the stock centre. It was also decided in the meeting that mobilising the labour would be the responsibility of the landholders and that they would also monitor the work of the *sampark-karta*.

Trouble Starts

The hoeing activity began smoothly but something unexpected happened. Barely 2 weeks had passed when there was some discord among the landowners. Some unscrupulous landowners started viewing the hoeing activity as an opportunity to make unjustified profits by embezzling some fertiliser bags. The coinciding of paddy cultivation with hoeing was ample inducement for them to divert some fertiliser bags to their paddy fields. They therefore demanded that the required number of fertiliser bags be distributed to the respective landowners, who would then apply the fertiliser to the plantation plots.

The job of the service provider would then be reduced to just overseeing the work where she would have no control over the dose of fertiliser being applied to each plant. She therefore would be unable to track the actual consumption of fertiliser as against the estimated quantity. A couple of landowners even raised a huge hue and cry that they would serve as service providers themselves and that work under Mamta's supervision was unacceptable to them. The underlying idea was to grab the service charge at any cost. Since some influential landowners were making the vociferous protests, it was decided to accede to their demand.

However, this proved to be a mistake as it further stimulated misconceptions about hoeing. The desire to profiteer from the activity started raising its ugly face, thereby threatening to derail the entire activity. A few landowners, falling prey to temptations, started openly charging Mamta that adequate amounts of fertiliser was not applied in their plots and that in some plots, no fertiliser was applied at all.

The conflict soon became personal and a couple of landowners with vested interests even dared to abuse Mamta and her family in public. They even made attempts to beat her husband. Her frank opinion and fair justifications in self-defence, coupled with her bold confrontationist style, something very uncharacteristic of tribal women, further worsened the situation. The atmosphere was so vitiated that a landowner, merely to justify his vague point, quite astonishingly went to the extent of allowing his hoed plots to be grazed by cattle!

Mamta Stands Firm

The situation had really turned alarming but the supremely daring and confident Mamta did not succumb to the ill-found whims and fancies of a couple of corrupt landowners. The situation was totally uncalled for. A visit to such hoed plots and seeing the plant growth and its greening effect were sufficient reasons to contradict the charges being levelled against Mamta. Moreover, a couple of landowners, who had ostensibly taken the charge of conducting the hoeing themselves, could not offer justified reasons for a sizeable number of plants that were not hoed despite the availability of adequate fertiliser. As against these facts, Mamta had all the data and records at her disposal for her to justify the amount of fertiliser utilised as against the plants hoed under her supervision.

The wives of most of the landowners were SHG members along with Mamta. However, the intensity of the rift was such that even these members could not muster enough courage to defy their erring husbands in public. So the much needed open support from the SHG members was not forthcoming as well and thus, Mamta was left all alone to pick up the gauntlet and struggle

to save her integrity. The sanctity of the activity took a severe beating and the first hoeing was completed leaving behind many a tale of dubious deeds.

A year after the forgettable episode, hoeing was to begin afresh in the monsoon season. The landowners welcomed the news with frowning brows. Mamta however refused to cooperate this time. She was also not ready to allow her room to be used as stock centre of fertiliser. Her husband was adamant not to expose his wife to any humiliating controversies.

It took some effort on our part to finally invigorate her self-esteem and set aside her inhibitions about the activity. We had a comprehensive discussion with Mamta and evolved a new mechanism, which was acceptable to her. She finally agreed to cooperate and once again took up the challenge to render her support. After being convinced that her residence was the ideal stock centre in terms of safety (against rain and theft) and distance from the plots, she succeeded in convincing her so far unyielding husband in this regard.

According to the new system, since she had weathered the storm alone last year, it was decided to solicit the support of the SHG cluster to meet any eventuality. It was a well-understood fact that Mamta's continuance as service provider might once again pose serious problems as her extremely estranged relations with a couple of landowners could not be healed even after a year.

Unified Quartet

Thus 4 highly competent SHG members, besides Mamta, from 4 SHGs of Nurda cluster were selected to supervise the activity.

The idea was to send an unambiguous signal to the landowners that this time it would be a unified quartet who would deal with all controversies.

It was also decided that labourers would not even touch the fertiliser. The required amount to each plant would be applied solely by the supervisory quartet. The landowners were always welcome to conduct on-the-spot verification about the doses being applied to each plot. It was amply made clear that under no circumstances could the landowners keep the fertiliser bags in their own possession.

Before starting work in any plot, the furnishing of a letter of consent signed by the landowner was made mandatory. Thus, all loopholes for confusion and ambiguity were done away with. It was put across categorically to all that the landowners acceding to only this mechanism could expect to get their plots hoed. In case of any query, the landowner was supposed to raise the matter with supervisory quartet then and there in the field. The responsibility and authority of labour payment was entrusted to this unified supervisory quartet.

In the SHG cluster meeting comprising 18 SHGs spread over 3 villages, this mechanism was explained to the members and was acknowledged by all. In the meeting, the cluster decided that 10 volunteers would form a Hoeing Review Committee (HRC), who would hold weekly meetings in Baljori to review the progress of the work and to render support if needed by the supervisory quartet.

Unprecedented Endeavour

The message was sent to all that the entire cluster along with HRC was prepared to

lend credible backend support to the supervisory quartet to deal with any unwanted situations. In the worst eventuality, it was agreed that all the cluster members would take out a procession to showcase their united strength so that the few unscrupulous landowners would rethink their stand. The entire cluster was ready to unveil its unified hidden strength and was standing by the supervisory quartet in this unprecedented endeavour!

Mamta, though not directly involved in the activity, rendered invaluable support in terms of constituting the supervisory quartet and injecting in them her supreme self-confidence. Her primary responsibility rested in motivating the members of supervisory quartet to take this as the challenge not only personally but also accept it as an opportunity to vindicate the inherent strength of their SHGs and the cluster. The brimming self-confidence and daring nature of Mamta was a great motivational force to orient supervisory quartet on the right track.

Overcoming Labour Shortage

Since the hoeing activity coincides with peak paddy activity, ensuring regular availability of workforce in adequate numbers was crucial to stick to the hoeing timeline. However, erratic and irregular rainfall this year resulted in labour being absorbed in agricultural activity as and when it rained.

To overcome the shortage of labour, 12 members from 4 SHGs of the cluster came forward to get the hoeing activity started. This in fact was really a very encouraging and satisfying sign to see women members skipping their work of weeding in the paddy fields and work in hoeing to put the activity on track.

The issue of ensuring adequate labour supply from the respective SHGs dominated the initial 2 meetings of HRC. Mamta, too, played a crucial role in conducting HRC meetings. She conducted meetings with the labours available in and around Baljori to motivate them to come forward. Her efforts in labour mobilisation proved to be the key to maintain the pace of the hoeing activity. In fact, the labour turnout was so much that the excess labour was diverted to Pradan's other operational areas where the problem of labour shortage was being encountered!

Deft Dealings

The HRC, too, played its role to perfection. It authorised 4 representatives to hold discussions with all the landowners to convince them to produce unconditionally the 'letter of consent' to the supervisory quartet. The job entailed tactful and deft dealings with a few erring and unyielding landowners and repeat it even twice or thrice to get their nods. Finally, just a single landowner remained unmoved and another one could not iron out the differences with his brother over their respective ownerships of undivided plot. Barring these 2 landowners, the entire plantation area was hoed twice to perfection.

However, the start of the activity was not altogether a smooth affair and was strewn with a heated controversy. A landowner, who had his separate plot, claimed ownership over the plot of his sister, which was still undivided. So he, who was at the centre of controversy last year as well, tried to play spoilsport by asking labours to stop hoeing his sister's plot. He once again wanted to embezzle fertiliser bags by applying pressure and behaving outrageously. His argument of handing him over

the fertiliser bags to conduct hoeing on his own was however rejected.

Flying Colours

The supervisory quartet, ably backed by Mamta, came out with flying colours in these testing times. The landowner was asked to keep aloof as the work in his sister's plot was being carried out only after she, the real landowner, provided a letter of consent. After a heated debate, he finally yielded to the supervisory quartet and eventually got his own plot hoed as well. This initial success proved to be a great morale-boosting win for the cluster. This really sent a clear signal to all the landowners about the ability and power of cluster and signified that the battle was already half won!

Besides these notable features, the prescribed service charge to the supervisory quartet was also a trifling little. With the influx of a large amount of labour, the application of fertiliser to each plant by the supervisory quartet had actually become highly strenuous task, which left them with very little breathing space throughout the day. Thus their act becomes even more admirable when one learns that they did the highly absorbing activity without harbouring any hope of a substantial monetary gain.

The motivation to carry out the work was driven by their conviction and unflinching determination to prove something meaningful about the women's strength to the outside world. Moreover, they carried out the activity in the peak agricultural season. In order to ensure that the work in their paddy fields did not suffer, the supervisory quartet effected need-based temporary substitutions by other 3 SHG members in

the supervision team. Thus in all, 7 SHG members actually rendered their services for supervision. The supervisory quartet, in order to bear their responsibilities in cultivating paddy, had actually turned into septet supervision team!

It came as no surprise when the cluster, as a token of appreciation to this great success, decided to award the entire supervision team. It was decided to collect Rs 20 per SHG to reward them. It was an unprecedented feat achieved by the SHG cluster as it dared to take initiative when uncertainty and fear loomed large on everyone's minds.

It was sheer determination and staunch willpower that guided them to enliven the otherwise seemingly dark backdrop. The enormous self-belief kindled among the cluster members provides them just the right fillip to them to look beyond the horizon and let their inherent latent potential unfold to the world to reaffirm that they could so it is they so wish!

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.

News and Events

- A national convention of women poultry cooperatives was held at Suktawa village near Itarsi in Madhya Pradesh on November 16-18. 85 representatives from 10 women's poultry cooperatives from Jharkhand, Madhya Pradesh and Chhattisgarh participated in the convention. They included the chairperson of the cooperatives, governing board members, chief executive officers and production managers. Representatives from Pradan were also present. The convention discussed emerging trends in the poultry industry and ways of utilising opportunities to move forward. It resolved to form Bharatia Grameen Mahila Murgi Utpadak Sahakarita Sangh, the national collective of all the constituent cooperatives. It also decided to integrate through chick production, parent stock farm, premix manufacture, feed production, medicine dispensing unit, branding and retailing of live and live processed chicken.

- A workshop on Poor, Livelihoods and Local Market Development, jointly hosted by Badlao Foundation and Pradan and supported by ICCO, Netherlands was held from November 23-27, 2005 in Ranchi. The workshop was attended by representatives of 48 NGOs active in the field of livelihood promotion of the poor in Jharkhand, West Bengal, eastern Andhra Pradesh and Orissa. The purpose of the workshop was to bring about a shared and enhanced understanding amongst participants on issues of local market development in eastern India and initiate a process of joint action for contributing such development in the region. Deepankar Roy facilitated the workshop. D Narendranath from Pradan assisted him.

- ICCO Partners Conference was held in Netherlands during November 14-18, 2005.

The conference was conducted to finalise and conclude the process of dialogue of the key stakeholders regarding preparation of the strategic plan of 2007-2010. The conference resulted into a series of key recommendations to the board of ICCO regarding the strategic plan that will be finalised in the first quarter of 2006. Stakeholders present in this meeting included ICCO staff, representatives of partner organisations in developing countries and representative of partners in the Netherlands and of worldwide organisations. Deep Joshi from Pradan attended this conference.

- Pradan's Executive Committee met during November 29 to December 2, 2005.

- The working group on Pradan 2015 met during October 26-29, 2005. Deepankar Roy facilitated the meeting.

- Sanjoy Dasgupta passed away in the early hours of November 1, 2005 due to sudden cardiac arrest. He was 51. Dasgupta was an unusual IAS officer who had deep commitment towards the development sector. He was associated with DHAN Academy, a non-governmental organisation in rural Tamil Nadu. He also served TERI as a senior fellow operating from Bangalore. He joined Pradan's General Body in 1985 and Pradan's Governing Board in 1999. He served Pradan up to 2003. IT.com, South Asia's largest IT annual event (IT.in from 2005) was Dasgupta's brainchild. He coined the slogan "IT capital of India" for Bangalore. He is survived by his parents, wife Shangon, Founder and Executive Director, Communication for Development Learning, son Shuja, who is studying in the UK and daughter Aliya, a student.



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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