

# News Reach

SEPTEMBER 2008

Volume 8 Number 9



**Lead: Training for Empowerment** 1

*Madhu Khetan and Amjad Khan* writes that the women of tribal-dominated villages in Madhya Pradesh are realising their collective strength, equipping themselves with the skills and knowledge and are becoming a voice to reckon with in their village and other larger forums. Madhu is based in Delhi and Amjad is based in Kesla.

**Case Study: Experiences from Purulia** 10

*Arnab Chakraborty* mentions that beginning its initiatives in a tentative way, finding potential in the SHG programme, training, guiding and facilitating, the Pradan team in Purulia makes sure and steady progress towards helping poor villagers reach self-sufficiency. Arnab is based in Purulia.

**Profile: Transforming Lives** 18

*Shamshad Alam* mentions that working under the shade of asan and arjuna trees and engaging in the traditional occupation of rearing silk worms with the help of Pradan, a poor tribal community is well on the path to self-sufficiency. Samshad is based in Deoghar.

**Archive: Ten years to 2000 : Reminiscences** 20

*Vijay Mahajan* writes about his tenth anniversary of leaving Pradan. He is the co-founder of Pradan. Vijay is currently the Chairman of BASIX and based in Hyderabad.



# Training for Empowerment

Madhu Khetan and Amjad Khan

**Realising their collective strength, and equipping themselves with the skills and knowledge, the women of tribal-dominated villages in Madhya Pradesh are becoming a voice to reckon with in their village and other larger forums**

## Narmada Mahila Sangh

In the context of women's empowerment efforts, the formation of a federation is both a declaration of the collective identity of the women and a milestone in their organisational progress. For individual members, it creates a sense of belongingness to a larger collective that can leverage its presence to mobilise resources for the development of its constituent members. Hence, membership to a Self Help Group (SHG) represents not only subscription to a forum of mutual help and growth, but also the power to impact the development discourse of the region.

Over the past six years, the tribal and dalit women living in the tribal-dominated Blocks of Kesla and Sohagpur in Hoshangabad district, and Shahpur, Chicholi and Ghodadoongri in Betul district of Madhya Pradesh have been part of a movement. They have organised themselves into the Narmada Mahila Sangh (NMS). The NMS is a federate entity of 528 SHG, and has played a major role in helping these poor women fight poverty and also take up larger development and social issues.

## Enhancing sense of ownership, accountability and taking charge

The journey of the NMS has been eventful. The initial days were tentative. There were not many experiences in Pradan to follow and adopt. Therefore, most of the initiatives taken were in the nature of experimentation. For example, the structure of the federation was the subject of a lot of deliberation. Initially the federation was constituted by three

members from each cluster. Typically, a cluster comprises SHGs from three to four villages. Yet, having three members selected from a cluster did not imply that all the constituent villages were represented. However, with a little change in the representational structure, it was possible to have all the villages represented at the level of the federation. When averaged across the project, it did not lead to a substantial increase in the number of members at the federation level; on the other hand, the issues of all villages under the federation could be addressed.

There were discussions in the Pradan team and in the federation about the roles and activities of the federation. These discussions resulted in the question as to what the objectives and roles of the federation are. There were questions about how the SHGs, the clusters and the federation related to each other. Why do we need to have a three-tiered structure? How are these forums different from each other? Some other important questions needed answers, for example, the need for a federation, the role of the federation, who will manage it, what would be the role of the members (community), what structure is required, what kind of task they would perform, who will enhance their capacities, how it would be sustained (financially and institutionally) and so on. Through a process of discussion and exploration, with the facilitation of experts when needed, the team reached some clarity on the objectives of the various forums of SHGs, clusters and the federation as mentioned in Box 1.



**Box 1**

Forum	Objective(s)
<b>Self Help Group</b>	<b>Infuse energy and extend mutual help to:-</b> <ul style="list-style-type: none"> <li>- Provide access to financial services-</li> <li>- Stimulate thinking and action on livelihoods</li> <li>- Enhance access to rights, entitlements and services</li> <li>- Address individual, interpersonal and finance related problems/issues</li> <li>- Enhance sense of self-respect</li> </ul>
<b>Cluster</b>	<b>Support SHGs by:</b> <ul style="list-style-type: none"> <li>- Sharing information and experience</li> <li>- Addressing community-related problems/issues</li> <li>- Enhancing access to services</li> <li>- Reviewing and ensuring adherence to systems, standards and norms of SHG behaviour</li> <li>- Enhancing ability to influence relevant external agencies/bodies</li> </ul>
<b>Federation</b>	<b>To create an enabling environment by:</b> <ul style="list-style-type: none"> <li>- Aligning energies and goals of SHGs and clusters</li> <li>- Setting standards and norms for SHG governance and behaviour</li> <li>- Leveraging economies of scale and access to services (e.g., fertiliser, insurance, etc.)</li> <li>- Providing a forum for communicating on issues and concerns relevant to clusters, SHGs and individuals</li> <li>- Widening awareness to act on social issues</li> <li>- Identifying needs for growth and development of SHGs and its members, and creating opportunities for the same</li> <li>- Bolstering a sense of belonging and solidarity</li> </ul>

Once this delineation was done at the team level, it was important that it be shared through a structured process with the SHG members and their feedback incorporated. In order to do this and align the objectives with the members' needs, a module for a participatory exercise was designed for SHG members. The exercise was conducted with all the 5,000 SHG members in 29 separate events called cluster adhiveshans. A cluster adhiveshan is a meeting of all the SHG members in a cluster. The theme of the exercise was 'power'. This theme was chosen because women's empowerment was an important objective of the women's collectives; this was articulated by the women too. The objective of the exercise was to define facets of empowered women and prioritise the desired

power that they want in their life along with the roles of their SHGs, clusters and federation. Such an environment was necessary to realise, achieve and exercise those powers.

In the cluster adhiveshan, the women were divided into their individual SHGs and they were asked to deliberate on the following questions:

- Think of the most empowered woman among the female gods (*Devi*).
- Think of the most empowered woman across the world/ in the country/ in the state/ in their district/ in their panchayat.



- Identify what kind of powers these 'empowered' women possessed.
- State which of these powers they would like to possess.

The powers so articulated were then consolidated and classified into different categories. The women then deliberated on how they could get access to and exercise those powers, with the help of the various forums, namely, the SHGs, the clusters and the federation.

The 'powerful' women they identified belonged to various walks of life and diverse strata, ranging from Indira Gandhi to Mother Teresa. Next, they identified the qualities which they themselves possessed which 'empowered' them such as:

- Ability to help each other in times of need such as during illness, violence.
- Self confidence and courage to fight for one's rights and entitlements; apply for government schemes and get them sanctioned such as Indira Awas Yojana (IAY), Old Age Pension, Mid-day Meals, roads, drinking water, etc.
- Power to end discrimination of any kind and promote unity among all
- Provide opportunities for livelihoods
- Uphold the respect and dignity of women
- Help the poorest
- Speak and express fearlessly
- Attend panchayat meetings, check accounts of the block panchayat, run for panchayat elections

- Adopt family planning practices
- Stop social problems such as alcoholism, gambling (*satta*)
- Access medical care and be healthy
- Ensure the proper functioning of PDS shops
- Think, plan and act for the development of the villages
- Contribute to the smooth functioning of SHGs, clusters and federation

The women then identified the powers that could be inculcated in each of them, and the powers that had to be enhanced through collective effort. The SHGs, clusters and federation play a very important role in this. For instance, the ability to help each other in times of need, adopt family planning practices, to speak and express without fear, uphold the dignity and respect of women and also to fight for their rights and entitlement for government schemes such as IAY and Mid-day Meals can be exercised by the women in their individual SHGs. The power to end discrimination, promote unity among all, provide opportunities for livelihoods, stop social problems, attend panchayat meetings, run for elections and so on would require the collective effort of the women through their clusters and federation.

These facets of power were then summarised into the following four categories: (See Box 2)

The women then deliberated on how to create a facilitating environment so that, individually as well through their forums, they could exercise these powers. There were a number of 'information and awareness' needs that the women had, which, if mitigated, could equip



**Box 2**

<b>Power to</b>	Influence members of family and local governance; raise voice against discrimination and violence against women; express feelings, ideas and opinions; help others; and unite community
<b>Power within (Self)</b>	Confidence, knowledge, awareness and aspiration for change
<b>Power with</b>	SHG, VSMC (Village SHG Members' Committee), cluster, federation
<b>Power over</b>	Others—men, government departments, panchayats—and involving them in the process of change

them to exercise these powers better. The needs were divided into various components, namely, self awareness need (understanding of self and others), process awareness need (decision-making, conflict resolution and group processes) and enabling information (various legal provisions, schemes, projects, formal structures and their role in the development). These were categorised into three areas of intervention, namely, gender, governance and entitlement. The women expressed the need for external resource persons to conduct trainings and workshops on these issues for them so that the process of intervention could be initiated.

### **Addressing Information and Awareness Needs**

For training on gender issues, Pradan approached Jagori, a Delhi-based organisation working on such issues. The resource persons from Jagori made initial visits to Kesla to know more about the lives of the women there and their understanding of gender-related issues. They found that the orientation and the understanding of gender issues were at varied levels in all the groups and, hence, planning for intervention had to be done accordingly. Women were more used to accepting the existing social system without questioning or understanding the rationale behind. There was need to make the women aware of the various aspects that existed in the social system and structures and how they were affected by this. There were some groups who seemed aware of these concerns but there was very little

evidence of them taking any action. And there were a few others, who had taken reasonable action—some of their efforts had succeeded and some had failed. There was a need to make these groups analyse their past experiences and strengthen themselves. Above all, there was need to promote a 'we' feeling among all the women and bring in solidarity. Various options were generated as part of the initial discussions.

There is need to:

- Work towards raising the self-esteem of women as individuals.
- Work with other stakeholders, who are part of the cause of these problems.
- Recognise the lesser known and visible attitudes and perceptions that cause gender discrimination.
- Identify women, who are already sensitive to these issues, strengthen them and bring them in contact with other like-minded women.
- Identify women, who have leadership qualities, and prepare them to be architects of change.
- Organise exchange programmes and exposure visits with other groups/NGOs working on gender issues.
- Raise awareness, using various media such as street plays, puppet shows, songs, etc.



- Work with the youth of the village and use their energy and enthusiasm to address these issues.

The women explored the option of organising a joint forum, of men and women, in which these issues could be discussed. However, they were also of the opinion that there was need to work with the women first and strengthen them before convening joint forums with men. They wanted to create forums, other than SHG gatherings, for the discussion of these issues and for training.

Following this, Pradan initiated a pilot project on Gender and Well-Being so that there can be greater appreciation—among women themselves as well as men—regarding the need to accord equal status to women. The project aimed at inculcating a sense of confidence and agency among the women to enable them to deal with issues that affect them adversely. This project was initiated with the federation members from NMS and from the Damodar Mahila Mandal (DMM) in Koderma, Jharkhand. Three training programmes were undertaken on Gender Issues, Health Literacy and Legal Literacy.

### **Training on Gender Issues**

A five-day training on gender issues was organised with the leaders from the two federations, facilitated by resource persons from Jagori. NMS representatives, who demonstrated leadership qualities and were concerned about gender discrimination and women-related issues, were selected for the training. Also selected were other leaders, who had earlier voiced their concerns about incidents related to violence against other women or themselves. Finally, 70 leaders from Kesla and about 60 from Koderma participated in the five-day training.

The concepts covered during this training included understanding patriarchy, women

and religion, violence against women, health issues related to women and other gender-related issues such as dowry deaths, system of marriage, and rituals, including *kanyadan*, *karvachauth* and the application of *sindoor*. The training helped the women to see various facets of their lives from a different perspective. The women related to many issues, particularly on women's equality and the injustices of patriarchy, discussed during the training. They said that they needed more time to reflect upon and internalise these new ideas. Some of them also mentioned that such drastic changes in attitude and practice would only be possible gradually. However, all the members agreed that change was necessary and if these changes did not happen during their time, it would not happen in the next generation as well. They thought it was necessary for them to initiate the changes so that their children can take the effort forward. There was a perceptible change in the attitude and body language of the members as the discussions continued as to what action they would have to take. They realised that often they themselves treated their sons and daughters differently and the time had come to initiate change from within.

Sessions on health-related issues provided clarity to the women about various concerns and also gave them the space to share issues related to reproductive health problems. Earlier, these issues were rarely discussed so openly and freely by women, even though these were a concern. After the training, the women returned to their villages and started voicing their protest about injustices to women. A few of these incidents were reported during their various cluster meetings. There were discussions related to issues such as cooking during one's menstrual cycle, discrimination against widows, discrimination between a boy and a girl child, application of *sindoor* and so on, in various forums as well. At least five members went to their cluster



meetings without applying *sindoor*; they initiated discussions on such issues. Some of the actions were applauded; some aroused interest and led to discussion and action in other members' lives as well. After the central-level, five-day training, a number of village-level, one-day training programmes were organised in 15 villages, with a resource person from Jagori. This helped disseminate the information gathered in the central-level training to more members across all SHGs.

### Health Literacy

A ten-day training on health issues and the ways of local treatment for women was organised at Arogya Dham in Chitrakoot by facilitators from Olakh, a Baroda-based organisation working on women issues. SHG members interested in health issues participated in the training. Other members, including *dais*, *swasthya mitanins* and *asha bahans*, with experience in health work were also part of the training. There were ten participants from Kesla and ten participants from Koderma.

The objectives of this training were:

- To analyse the health system on socio-economic and political contexts and demand for health services and other social determinants as women's rights.
- To understand poverty and violence as a manifestation of the unequal and unjust distribution of resources and opportunities and the power relationship between men and women used by patriarchy and its institutions to silence, control and subordinate women in private and public spaces.
- To comprehend, how women's fertility and sexuality are constantly manipulated and constructed.
- To reclaim the control over their bodily integrity, self-determination and well being.
- To develop capacities and identity of participants as healers by equipping them with the knowledge and skills to identify and heal common and particular women's disorders.
- To acknowledge and validate women's experiences, perceptions and knowledge of healing practices and therapies, and to determine the judicious use of the same.

The women said that the training gave them the opportunity to discuss their physical and health concerns openly. On her return home from the training, a participant's husband saw one of the resource materials given to her as part of the training. The book had illustrations of the women's body and the husband was outraged. SHG members in the village had to then explain to the husband that it was a training book to understand the various facets of a woman's body and health. After the training, discussions were initiated in meetings on women's health related issues such as abortion, periods and illnesses related to women. Such discussions and sharings were new development in their lives.

### Legal Literacy

A ten-day training on legal advocacy was organised to provide legal awareness among members in Saharanpur by Disha, an NGO working on women's issues. The objectives of the training were to recognise the incidents of violence against women and build solidarity and knowledge about law regarding women's rights, dignity and safety. The training also focussed on developing skills and evolving strategies to address the issues of violence and discrimination and to familiarise the participants with justice dispensing



mechanisms. Along with this, it also sought to build women's identity as barefoot lawyers (building the strength of women). Legal provisions and processes were discussed at length along with explanations of various procedures of legislation. Some important issues discussed during this training were the procedure to lodge a case in various places such as the police station and court, the processes of lodging a FIR, the difference between an FIR and a complaint, the precaution to be taken while filing a case, the various laws and Acts such as the Protection of Women from Domestic Violence, Prohibition of Dowry, Prohibition of Child Marriage and Transfer of Property.

The participants were taken on a visit to the police station and court and they interacted with police officials and lawyers. This helped in minimising their apprehensions about approaching these places and officials. The women realised that there were laws that would enable them to get justice. The training seemed to have a wide impact on the confidence and the determination of the participants to deal with their issues.

The women shared their learnings with the rest of their SHG members at various meetings in their clusters and federation where they decided to work on issues including domestic violence. They made an action plan pointing out specific areas in which they would work together such as the safety of single women, dowry and rape cases. The women also decided to initiate work on issues related to land rights and the proper implementation of various schemes. There were discussions regarding the Right to Information Act and on building strong networks with the legal aid centres, block offices, police stations and so on. Cases of domestic violence started getting reported with increasing frequency in the federation; many of them were resolved

by the federation members at the village level itself without the need for it to be reported to the police. Many women, who were victims of domestic violence, were ready to raise their voices against their own husbands and families to get justice; some even resorted to police intervention whenever they felt necessary. A *Nari Adalat* (Women's Court) outside the Block office was also initiated by the participants of the training; the women sought to discuss and solve issues related specifically to women, their rights and entitlements there. They also approached a lawyer based in Betul to look into their cases. They are in search of a full-time legal consultant who can engage with the NMS and its legal concerns.

### **Other Training Programmes and Exposure Visits**

Pradan invited a resource person from the government to provide awareness among SHGs on the Panchayati Raj Institutions (PRI) and the rights of village members, including NREGA. A series of modules were thus designed that included information about important legal aspects related to PRI, the objectives of the same, the conceptual clarity on the Right to Information Act and how it could be used for village development by women.

Two interested and willing SHG members (preferably cluster/NMS representatives) from each village along with one literate member were selected to undergo this training. In the absence of literate women, one of the group accountants of the village was selected to participate in the training. She/He would act as a village resource person and later facilitate members to write appropriate letters and applications. The women members were selected for the training on the criteria that they have previously participated in gram sabhas and are concerned with the activities taking place in their panchayats or gram sabhas. It also required that the women have



leadership qualities and have earlier raised issues related to the rights and entitlements of their villages in the gram sabha and who also seemed to have constantly motivated others to attend gram sabha meetings. Four such training programmes were organised in different locations.

Following this training, many leaders raised their voice against discrimination in the panchayat. In one instance, women in Polapathar village asked the Sarpanch to provide them information about the village annual budget under RTI. They demanded receipts of applications filed in the panchayats for work under NREGA, which they eventually received. The SHG members from Polapathar and Bhoura clusters filed an application under RTI and got the copy of the panchayat's five-year perspective plan under NREGA. The increased participation of SHG members in their respective gram sabhas were observed in villages such as Kuppa, Khaparia, Parasda, Muda, Dhodramohar, Gurgunda, Mansinghpura, Kochamau, Gowadi and Dhasai.

On 26 January 2007, the SHG members of Gowadi panchayat tried to attend the gram sabha. On being insulted by one of the *panchs* for doing so, they went on dharna for three days to protest against the discrimination of women in the panchayat. This resulted in the CEO *Janpad* and the Collector issuing statements condemning the act. In Muda village, all the SHG members attended the gram sabha; to start with, they demanded and subsequently received the details of the expenditure incurred by the panchayat on the construction of a new school building. This was appreciated by the men of the village present there. Later, the participation of the SHG members in the gram sabha kept on increasing.

The women were taken on visits to give them the opportunity for cross-learning with other NGOs. About 110 women visited Vanangana, an NGO in Chitrakoot, and had first-hand experience of women fighting against violence and discrimination against women. Members from NMS have tried to create a long-term association with Vanangna. NMS members visit Vanangana every year and members from Vanangana come to participate in every annual meeting of the NMS, where both parties discuss and raise issues that concern them and also extend mutual support.

A visit was organised to Rajasthan in order to get an orientation about grassroots organisation working with a right-based approach on governance issues. The purpose was to motivate the women to organise themselves and the villagers to take up various governance issues at the panchayat level. About 25 SHG women leaders and animators visited two organisations, namely, Mazdoor Kisan Shakti Sangathan (MKSS) and Astha. They listened to activists speaking on RTI, NREGA and Panchayati Raj and saw cultural programmes with social messages on ills of superstition, gender discrimination, etc. Seeing women in similar situations, raising their voices and fighting for their rights the leadership challenges of working on larger social issues with the main focus on governance, encouraged the members to take up such initiatives as well the leadership challenges of working on larger social issues with the main focus on governance.

At Astha they visited two Community Based Organisations (CBOs) working on issues such as the proper implementation of NREGA. They visited the sites of work and interacted with villagers on NREGA work. This helped them to compare the situation back home and to resolve to take some action to ensure 100



days work, minimum wage, timely payment, etc.

Once back from the visit, the SHG members shared their experiences at their SHG and cluster meetings and mobilised other SHG members, who had not gone for the visit, to take action. SHG members around the Bhoura panchayat gave applications to the panchayat and then to the Janpad office and ensured availability of free job application forms, which were earlier being sold for Re 1. SHG members of Polapathar and Pawarjhanda panchayats and also Chindikhapa of Ballor panchayat mobilised villagers to go to the Janpad, demanding work under NREGA. In Khapariya panchayat, SHG members inspected the PDS shop and ensured fair distribution of kerosene oil; they filed an application with the sarpanch for timely payments for work under NREGA as well.

These initiatives, however, could not be sustained and replicated at larger level due to lack of proper plan and strategy and dedicated human resource at the Pradan level. However, the initiatives taken by the women have generated a lot of discussions and have compelled them to reflect.

### **Growing from Strength to Strength**

Empowerment had been an indefinable quantity for us even as we, at Pradan, organised women's collectives and implemented livelihood projects. Many deliberations in the project as well as with external resource persons led us to the understanding that there is no one way of empowering the poor; it is a result of a whole

way of engagement. We had to identify the sources of power as perceived by the women and systematically address the gaps. This is an ongoing exercise with which each and every woman has been engaged on a regular basis. In Kesla, the women have now enhanced their agency for resolving conflicts related to women oppression and issues related to wife beating, and act as a pressure group for better delivery of services. They participate in forums such as the gram sabha for local self-governance, and have become more aware of their rights and entitlements. This has been possible through the creation of forums such as clusters and the federations, the sensitising of women to their reality through a gender sensitive lens and by helping them realise that their collective strength has been instrumental factors. Women are also keen to build a larger movement by forming new groups, either in their own area or in new areas.

There is no doubt that the NMS has covered much ground in the short span of years. The strength and support it provides to its members, in terms of providing them a safe space in times of need and a platform from which they can lend voice to their dreams, grows with each passing day. A range of services and processes have been initiated and many have been very successful in terms of the community adopting them and showing a positive response to the interventions.

The road ahead promises greater successes built on large amounts of effort. Pradan and the NMS will continue this effort and the current weaknesses and challenges will be addressed.



# Experiences from Purulia

**Arnab Chakraborty**

**Beginning its initiatives in a tentative way, finding potential in the SHG programme, training, guiding and facilitating, the Pradan team in Purulia makes sure and steady progress towards helping poor villagers reach self-sufficiency**

## Introduction

Pradan currently has an outreach of around 6,000 families in five blocks of Purulia district. These families are organised into 400 Self Help Groups (SHGs), which, in turn, have been organised into 39 clusters at the panchayat level. Access to financial services has provided a strong base on which the groups have evolved. This has helped reduce the economic vulnerability of these poor families to a large extent. Over time, the group members have been able to deal with other issues of concern. Pradan's experience, over the past 12 years, has shown that the collectivisation of economically disadvantaged people has helped them to have a strong identity, take risks and bargain for better services from mainstream institutions. Pradan's core capacity is in helping people manage their land and water resources and improve livelihoods.

Pradan's own learning, particularly in Purulia, from its SHG programme has been captured below. This includes the evolution of the SHG programme in Purulia, its key achievements and the shift in beliefs, the establishing of bank linkages, the maintenance of books of accounts and livelihood planning.

## Evolution of SHGs in Purulia

### 1995 to 1997

When the Pradan Purulia team initiated the forming of women's groups, the concept of an SHG was just emerging. Although the SHG programme was taken up as an activity in the

team, land and water resource development and agriculture-based livelihoods activities were the team's primary strategies for poverty alleviation. At that time, there were around 35 SHGs. There were no standard operating procedures (SOPs) or any organisational roadmap for the activity. The SHGs were merely seen as instruments of savings and credit. The process of group promotion (of SHGs) was not scientific or systematic and the frequent dropout of members from groups was inevitable. The team was grappling with issues related to group formation, clusters and the roles of these; inadequate conceptual understanding, lack of strong thematic guidance/local leadership and the lack of professionalism. This was reflected in the unscientific effort to adopt practices that were being followed elsewhere and which did not help much. Only two SHGs were linked, with efforts made by the bank; this was the first bank linkage with SHGs in the district.

The team realised the importance of SHGs. These were a way to organise the community, as a primary stakeholders' group, as a means to meet the credit needs of poor families and as mutual support groups. The team saw that the infrastructure developed had remained under-utilised and felt the strong need to integrate SHG promotion as a core activity in its approach to poverty alleviation.

### 1998 to 2001

The team decided to take the SHG programme as the anchor programme across locations,



namely, Barabazar, Jhalda-1 and Kashipur. Systematic efforts were made to align the SHGs with the SOP. The engagement of professionals with the SHGs could now be clearly defined along the road map for the activity. Much of the time and energy that the professionals invested then went into book-keeping and accounts-related issues of the groups. A good linkage was established with the Purulia Central Cooperative Bank (PCCB); around 39 SHGs were linked with the bank in one year. Collaborations with the panchayat samity in Barabazar, Jhalda-1 and Kashipur block too were established; with this, the SHG programme took off.

Since the SHG programme became a key activity, organising the community on this platform became a need. These years were marked by the promotion of SHGs, in collaboration with the Panchayati Raj Institutions (PRIs). The team conducted SHG promotion training programmes in all three blocks. Five women from each gram panchayat (GP), selected by the GP leaders on set criteria, were trained as resource persons to promote SHGs. Pradan was the trainer; later, Pradan's responsibility lay in extending field-level support to the trained people. There were good as well as bad experiences from these trainings. Some individuals, who were trained then, are still in active leadership roles. The best thing that happened because of the collaboration with the PRIs is that the SHG programme became broad based in these blocks.

While there was direct interfacing with the primary SHGs, the professionals invested hours in training accountants to manage the account books. In group meetings, time was mainly spent on settling accounts-related issues—calculating interest, maintaining trial balance, auditing and the correction of errors,

etc. Many SHGs folded up because of bad management of accounts.

### **2002 to 2004**

Pradan introduced the Computer Munshi System—a computerised accounting system—to improve and integrate the financial transactions in the SHGs, thereby freeing the professionals from a drudgery that added little value to the process. Given the poor literacy among the communities and Pradan's work in this part of the country, the Computer Munshi System came as a boon. The computerisation of the SHG accounts was an immense respite to the professionals, who had for several years, virtually ended up playing the role of accountants for the groups. The system led to regular data inflow and outflow. The accounts were reviewed weekly by the Computer Munshi as the data was being entered into the computer. The system provided reports to Pradan and allowed the professionals to analyse the health of the groups and prioritise about which of the SHGs needed to be attended to first. Free from accounts maintenance, livelihoods activities came into focus.

Purulia was the first team in Pradan to introduce the Mc Financier and Computer Munshi System. Immense effort went into sensitising the SHGs about the importance of the system. The cost of the system was borne by the SHG members; this generated a sense of ownership among them. The accounts of the groups were streamlined and the professionals began to pursue livelihoods and capacity building activities of the members—transferring more knowledge and skills required to enhance livelihoods to the community. Pradan 'used' the SHGs to reach the target families to promote livelihoods. Significant professional time was invested in improving agriculture and livelihoods planning



for families. The activity was the focus and the SHGs acted as a conduit for providing some credit required for the livelihood activities. Direct interactions between the SHGs and the professionals went down—this affected the financial and the non-financial health of the SHGs.

### 2005 to 2008

The Pradan team understood that it would not have adequate time to attend primary group meetings. Neither was it required to do so because the women themselves had the potential to manage their own affairs. During the transition process, the team decided to promote a pool of leaders in each SHG, who would provide 'guidance' to their respective SHGs and would also strengthen the cluster-level institutions. Pradan realised that its professionals were occupying the critical leadership space that should actually be available to the people from the community/SHGs. Allowing people from the community to take on leadership roles was crucial for the growth of the community/SHGs and for the sustainability of the processes.

Thus the team started working towards increasing the stake of more members in the SHGs by building capacity through membership trainings and awareness generation programmes. These additional investments showed many results. These include:

- The health of the SHGs started showing significant improvement, with more rigorous financial transactions.
- The clusters were strengthened and the members started addressing other social issues such as raising their voices against liquor consumption, ensuring

improvement in the mid-day meals in schools and ICDS centres, pressurising the GPs to repair the tube wells, etc.

- The SHG leaders took the initiative in the large-scale extension and adoption of new paddy cultivation technology (System of Rice Intensification—SRI).
- The SHG leaders took charge of planning and implementing 'family resource-based' livelihoods activities in their villages. This involvement in new roles and responsibilities and the success of the activities they managed increased the confidence of the SHG leaders.
- The SHG leaders facilitated and helped the member-beneficiaries to utilise the resources created by providing support in improving their agriculture.

However, entire activities seemed to be dependent on a handful of leaders, who needed to be repeatedly available to attend to all tasks. This affected the quality of the programme as well as created tension in the lives of those leaders. This also sent a wrong message to the community that this body of leadership was an exclusive group. At this time, the SHG-based federative structures emerged and membership was completed to 85 per cent of all members from the SHGs. But the feeling of ownership in the federation was yet to trickle down to each member of the SHGs. The information channel from federation to the SHGs was not smooth and seemed blocked at different integrating nodes. The SHGs were primarily designed on the 'self help and mutual help' principles and did not address the needs of the other poorer communities that did not/could not participate in SHGs.



This was also the time when many things happened in the team and the organisation. The team planned a series of leadership trainings to build efficient leaders across the SHGs. A series of membership trainings were conducted to give more SHG members awareness of the institution and its relevance in their life. The members and leaders understood the holistic role that an SHG can play. For example, after these trainings, the members started to look into several aspects of well-being such as health, education, etc., and the quality of services they received for these.

Involving the leaders in the implementation of livelihoods activities started with the expansion of the SRI technology. The success of the programme encouraged the team to help the SHGs and the leaders to take charge of the implementation of Integrated Natural Resource Management (INRM) based livelihoods activities. The success was immense and the experiences built the confidence among the SHGs as well. The SHGs took charge of the agriculture activity during kharif and gave their member families training and a supply of inputs. The team started federating the SHGs around a block. The experience with this brought some critical issues to the fore:

- There was need to help more SHG members to play leadership roles at all levels.
- There was also need to ensure a scientific institution-building process to see that the federation matures and sustains.

The following table shows an account of the investment made by the team from April to September 2008, in terms of training and awareness-building in facilitating this change.

### The Service Provider System

During 2006-07 and 2007-08, the SHG Service Providers (SPs) were working with the Pradan team. This flowed from giving assistance to the newly trained SHG leaders in upgrading the SHGs (they were mostly illiterate) and also the regular monitoring of SHGs and providing reports, especially of the non-financial criteria, to Pradan. Initially, this worked well; but gradually, it became difficult to monitor these SHG SPs. There were some SPs, who did their work 'sincerely' and some who did not. Some of them were even removed and new individuals were inducted. Their specific role was to attend two meetings of an SHG in a month, record the performance on a given format and audit the SHG accounts monthly. The auditing proved to be a useful task, helping weak accountants to improve.

Category of Events	Events	No.	Number of Participants			Trainee Days
			Female	Male	Total	
SHG strengthening events	Accounts training	11	27	144	171	1881
	Group promotional training	2	57		57	228
	SHG exposure	3	45	22	67	201
	SHG membership training	22	507		507	16,731
Institution building events	Cluster leader training	47	873	35	908	21,338
	Federation leader training.	4	130	13	143	1,144
TOTAL		89	1,639	214	1,853	41,523



In some cases, the SHGs improved their non-financial performance and some internal conflicts were resolved. However, the SHGs' non-financial issues were simultaneously dealt with at the cluster level too. Hence, it was not clear, how effective the SPs were in improving the SHGs. The team reviewed the process and sought the SHG leaders' feedback. It emerged that the SPs were taking the space of the SHG members and leaders and many SHGs perceived the role of the SPs as one of keeping tabs on them. This was not appreciated. The team then revoked the SP system and went on to build the capacities of the SHG members around SHG management and review. The focus shifted to help the leaders in field-based learning in the clusters and facilitate their ownership on these issues. The SPs played an important role in the cluster meetings. They prepared charts on the financial performance and helped the members review each other's activities. The team thought that because the availability of good accountants across SHGs would always be a problem, the SPs could be given with that responsibility. However, the SHG leaders should be given the space to improve the overall health of the SHGs. The team believed that until the SHGs internalise their problems and work on them, no initiatives would be successful and sustainable.

### **Bank Linkages**

The team faced problems with bank linkages intermittently. Bank linkage was started initially with the PCCB and its rural branches, the People's Agriculture Cooperatives (PACs). The bank linkage process was smooth and the SHGs faced little problems initially. A good collaborative relationship was established with the institution. However, PCCB had a strong political lobby; with the change in its leadership, it started creating problem with the SHG linkages.

The State Bank of India (SBI) and the United Bank of India (UBI) then came forward to link with the SHGs. The problems started to intensify when the Swarnajayanti Gram Swarajgar Yojana (SGSY) programme of the government started. Bank managers were unaware and confused and they started treating the SHGs as SGSY groups in which the requirement was the representation of 80 per cent BPL families in a group. The concept of a normal SHG-Bank linkage, based on the merit of the SHG as a customer, took a backseat. The team made efforts to bring the bank managers on board. However, the managers get transferred regularly; the new managers carried their baggage of bad experiences in linkage under the SGSY project from elsewhere with much scepticism about the same. So it never was a smooth process. Recently, however, the SHG leaders have begun dealing with the bank managers on their own. The team plans to conduct a training programme for bank managers in Pradan Purulia area of operations, involving the Regional Managers of the respective banks. The involvement of NABARD officials will ensure percolation of information. The team also has faith in the available system of banking; it is only that the banks need to be made aware as stakeholders.

### **Evolution of the SHG Books of Accounts**

The proper and quality maintenance of the books of accounts across groups has always been a big challenge in the team, the literacy level being one of the key factors. The following is a table showing the literacy data as per 2001 census data.

While the table captures the block-level average, the percentage of literacy of women in the target communities is actually still lower. (It is very difficult to find a member in



		Percentage of SC population	Percentage of ST population	Literacy Rate	Male literacy rate	Female literacy rate
West Bengal	Total	23	6	69	66	51
West Bengal	Rural	27	7	63	62	45
Purulia dist	Total	18	18	56	62	31
Purulia dist	Rural	18	20	53	60	28
Jhalda - I	Rural	11	10	54	61	27
Jhalda - II	Rural	10	13	44	55	15
Bagmundi	Rural	10	24	47	56	21
Barabazar	Rural	6	19	51	60	25
Kashipur	Rural	27	27	62	67	38

every group who can record group level transactions that take place in their weekly meetings.)

From 1995 to 1998, there were passbooks for each member, one printed cash book of A3 size pages and two registers—one for maintaining a ledger of the savings and loans of each member, and the second for recording the minutes and attendance for each group. The maintenance of these were, however, never satisfactory. More printed formats for accounts keeping were brought in between 1998 and 2001. The format for the pass book was changed to make it more user-friendly and convenient for the SHG members. Another book named IMOTRAR (Introduction Minutes On-time Repayment Attendance Register) was introduced, in which there were printed minutes writing pages with some key statements used frequently, monthly ledger maintenance of the members, on-time repayment (OTR) tracking pages and attendance register. Trial balance pages were printed separately. The team realised that the OTR tracking pages were very complicated. Moreover, with the limited reading and writing skills in the SHGs, detailed minuting of the meetings was not consistent among groups. On the other hand, there seemed to be better

and regular maintenance of pass books and cash books.

With the computerisation of SHG accounts, from 2001 onwards, the manual maintenance of the books of accounts got reduced. At the group level, only pass books, cash books and the minute's register were maintained. Cash book and pass book maintenance was regularised and became mandatory. In the minutes book, one could only see the signatures of the members against their attendance, but the discussions and decisions of the meeting were not recorded. This varied from group to group. Actually, the group accountants, who were more fluent in reading and writing managed to record the proceedings of the meeting. In many groups, the accountants had very limited comprehension and writing skills and, hence, the recordings were not regular and up to the mark. The team has thus thought of imparting training on how to write the SHG discussions and decisions in the minute's book concisely to the accountants.

### **Livelihoods Planning Experience**

The Purulia team is focusing on family-based livelihoods planning, in which the SHG leaders play an important role. The process of



planning involved some initial work. The socio-economic data that captured the income source, assets and landholding along with human resource was collected, with the active participation of SHG members who ensured genuine data collection. This data was processed in the computer and analysed to work out food requirements and other expenses, and used in the planning meetings. The planning involved, first, identifying the gaps and then making action plans to meet them. For the landed, there were many options; the problems were for the landless families. The team struggled to resolve this. Apart from providing wage labour in the village, a goat rearing programme in forest fringe areas came up as an option. But in the areas away from forest fringed villages, it was still a grey picture. There were some instances of SHGs playing an instrumental role in helping the landless families to lease land for cultivation from those families that were not able to cultivate all their lands, even if they had the resources. However, the team realises that this area needs more exploration.

### **Major Challenges**

The major challenges that lie ahead for the team are as follows.

- Strengthening democratic values and processes in the SHGs and their organisations to broad-based leadership.
- Ensuring participation of all primary groups and their members in clusters and federation building processes, thereby strengthening ownership over the entire system.
- Developing the culture of grooming and mentoring new leaders to play adequately in the emerging roles to meet the demand of growth.
- Ensuring good governance so that the management and execution of a developmental programme is improved. This might need separating governance and management structures.
- Helping the members (at the SHG, cluster and federation levels) to have a collective vision to a holistic approach to improve the lives and livelihoods of its members.
- Building capacities of the federation so that the members can identify and help the non-producers and non-SHG members, residing in their sphere of influence, to become a part of the system, and link them up to respective producers' collective.
- Building on the potential of the clusters and federation to draw from mainstream institutions and playing an instrumental role in ensuring people's participation in local governance, namely, the panchayats.
- Building appropriate producers' collectives suiting to the need.

### **Current Engagements and Initiatives**

The team is currently engaged in several initiatives. These include

- Carrying forward systematic designed investment on the SHG and its members, to build their capacity to address the developmental challenges, related to their lives and livelihoods that they face.
- Conducting leadership training to build a pool of leaders in each SHG, who will provide guidance to their respective SHGs and also strengthen the different levels such as the cluster and the federation.
- Conducting membership trainings for each and every SHG member, and thus



developing second-line and third-line leadership in SHGs.

- Conducting training programmes for the federation members to perform their role efficiently.
- Supporting SHG leaders and helping them in making more detailed family-level planning involving resource creation to utilisation of the available resources.
- Conducting accountant's trainings on writing minutes.

- Helping the establishing of federative bodies in Jhalda-1 and Balarampur locations and playing a lead role in monitoring the livelihoods activities.

- Developing the federation body PANSI in Kashipur and involving the members in improving the health of SHGs through cluster and primary group visits. Also engaging in livelihoods planning, arrangement of agriculture inputs especially fertilisers and establishing bank linkages, insurances, etc.



# Transforming Lives

Shamshad Alam

**Working under the shade of asan and arjuna trees and engaging in the traditional occupation of rearing silk worms with the help of Pradan, a poor tribal community is well on the path to self-sufficiency**

## Tasar – A Sylvan Harvest

Pradan has been working towards promoting livelihoods for rural poor people in Dumka, a district in Jharkhand, since 1995. Dumka has plenty of uplands that remain fallow year after year and that mostly belong to poor tribal families. There are some lowlands too. The inhabitants of this area are the Santhal tribes, who have been, traditionally, tasar silkworm rearers. The Pradan team found that planting tasar host trees in these fallow plots and rearing tasar silk worms could be a viable income generating option for the poor families in Dumka.

In Mahulbana village today, for example, many poor families have plantations of asan and arjuna trees, which are tasar host trees, and reap the benefits of modern tasar silkworm rearing. Young forests in Dumka cast their shade over grounds that were denuded wastelands only a few years ago. These wastelands, owned by impoverished families, have already started yielding their bounty in barely three years of planting the saplings.

Plantation rearers in Mahulbana, for instance, harvested more than 85 cocoons per disease-free layings (DFL) in 2006—an unprecedented productivity (the benchmark is 60 cocoons per DFL). Mangal Kol is one such rearer, who harvested a plentiful crop in 2006. He earned Rs 20,000 in 70 days by rearing tasar silkworms in an arjuna plantation, set up on 60 acres of land, three years ago.

These plantations will continue to provide a good income for Mangal and other families for 40 to 50 years. Like many others, Mangal

Kol is planning to invest some of his earnings to improve productivity in agriculture, which will further increase and stabilise his household income.

## Mangal Kol – A Transformed Life

Mangal Kol, a Santhal, lives with his wife Budhin, their son, daughter-in-law and a nine-year-old daughter in a two-room mud hut, thatched with rice paddy straw. Until a year ago, Mangal barely made both ends meet with his yearly earnings being well below the poverty line. Mangal and his family would work as farm hands in other people's land during the monsoons; he would repair thatched roofs in nearby villages to supplement his income during the lean season.

Mangal owns 9.14 acres of land but, alas, about three-fourths of it—6.86 acres—is wasteland. It might once have been a forest though no one in Mahulbana recalls this. It served as the village grazing grounds, including for Mangal's three goats and an emaciated cow. Mangal also owned 1.71 acres of 'valley land', the kind used to grow rice during the wet season. With the age-old farming practices that Mangal learned from his father, it produced enough to feed the family for six months.

Mangal had mortgaged this land, bit by larger bit, to the local moneylender because he borrowed year after year to balance his meagre family budget. "They always take away the best land," Mangal would say about the moneylenders with a vacant look. The half acre of *bari*—land around the homestead—was a sort of kitchen garden that sported an



odd bush of custard apple, a guava tree, a few chilli plants and sweet potato. If he had a well, the *bari* could have been used to produce vegetables for the market.

Pradan had been promoting plantations of tasar host trees on wasteland of the kind Mangal and his neighbours had aplenty. As Pradan expanded its outreach in 2003, Mahulbana was included in Pradan's plans. Pradan explained the concept of rearing tasar silk worms that could be a viable income generating option to Mangal and others in the village. Initially reluctant, they all agreed after an exposure visit to plantations in nearby villages. Mangal and his wife Budhin were among the group chosen by the villagers to raise saplings. The couple raised a nursery of 20,000 saplings and earned Rs 6,000 as profit. "We have never earned so much money at one go," exclaimed Budhin. Tasar seedlings were planted over 65 acres of wasteland in Mahulbana, including Mangal's 6.86 acres. Farmers agreed to pool together funds meant for plantation maintenance and paid Mangal Rs 300 a month to protect the plantation from grazing cattle from neighbouring villages. The plantation was ready for rearing in 2006. Mangal and his family reared 200 DFLs of silkworms and leased out 5,000 surplus trees to another rearer for Rs 5,000.

Mangal's family harvested 18,300 cocoons with an amazing yield of over 90 cocoons per DFL. They sold the cocoons for Rs 21,900 and after paying for the DFLs and setting aside some funds for the maintenance of the plantation, the family was left with Rs 23,300. Mangal paid Rs 6,000 to the moneylender to free his 1.71 acres of valley land, bought a pair of oxen for Rs 5,500 to plough his land and paid off a bank loan he had taken (in the guise of a crop loan!) when Budhin fell ill a few years back. Mangal also bought a National Savings Certificate for Rs 2,000 "to save up for my daughter's marriage." After a long period, in 2007, Mangal Kol ploughed his land with his own oxen. After a long time he ate "the grain from his own land". However, due to his ill health, Mangal produced only 9,000 cocoons from 200 DFLs in 2008. But he has not lost hope because he believes that the activity has contributed in bringing about greater changes in his life. He is looking forward to his next harvest. Mangal has begun planning how he will use his income from tasar this year. He intends to tile the roof over his house and dig a well in his *bari* so that he can grow vegetables round the year. And he wants to send his daughter to the 'Mission School'—run by Christian missionaries—once she passes out from the village school this year.



## Ten years to 2000 : Reminiscences

Vijay Mahajan

**Ten years after leaving Pradan, one of the founders of Pradan looks at his experiences in the development sector**

It is perhaps not a coincidence that I am writing this article for Pradan's NewsReach exactly ten years after 1 January 1991 when I left Pradan. While I have been in touch with many Pradan colleagues during the last ten years (Deep is on the BASIX Board), I am not sure whether many of you know much of what I have done since I left Pradan. So I thought it might interest you if I narrate some of my experiences. I do this in some detail, to give you a flavour of what I have been through and let you draw your own lessons. Forgive me if you find it boring or pedantic.

Some of you may remember that I left 'to join politics'. The years 1989 and 1990 were of deep turmoil in the Indian polity. Even in Pradan, we felt the impact of bad politics. For example, the pilot project, which had managed to significantly improve the performance of the IRDP programme in Kishangarh Bas block, suffered a major setback after Devi Lal's announcement of the loan waiver.

I strongly believed that grassroots action by itself, thought to be the nursery bed of social innovation, is like *jungle mein mor nacha*, if it is not translated into policy recommendations and reform of larger systems. Thus, even when Pradan was a relatively unknown and small organisation in the 1980s, I systematically spent time and energy on writing and dissemination work and dialogue with policy makers. For example, while working with ASSEFA, Anand Niketan and Gram Vikas on pilot projects, between 1984 and 1988, Deep, Sankar, Akhil and I worked on policy issues for wasteland development and degraded forest lands. (Akhil eventually

published a book, *The Contested Domain*, on this topic). The idea of giving access to rural communities to wastelands, including degraded forest lands, was first mooted in the early 1980s. A forest officer in Arabari, West Bengal, experimented for the first time with forest protection, based on usufruct sharing with local communities. A fillip came with the establishment of the National Wasteland Development Board in 1985, under the chairpersonship of Dr Kamla Chowdhury. (Initially I, and later Deep, served on the Board's Project Approvals Committee). It is unbelievable that under the Joint Forest Management Policy, today over 10 million hectares of forest land have been handed over to community forest protection committees.

Another example was the work done by Pradan to improve the design of poverty alleviation programmes such as the credit-based, self-employment programme, IRDP, and the lean-season, wage-employment in the public works programme, NREP (later JRY). In the former, Pradan introduced the twin ideas of channelling credit through savings and credit groups (established by various NGOs, including MYRADA and Pradan) and of focusing on specific activities of 'sub-sectors' in clusters. It is gratifying to note that the SHG idea eventually became well-accepted, and now there are perhaps half a million SHGs in the country. In the case of the JRY, learning from NGOs such as MYRADA and AKRSP, Pradan again pitched for the use of the JRY funds for soil and water treatment on watershed lines and on the restoration of traditional water conservation structures such as *dols*, *paals* and *johads*. This approach was demonstrated in Kishangarh Bas by 1989. Today there are



national programmes for watershed development and traditional tank rehabilitation.

In 1989, under the VP Singh government, the Planning Commission was reconstituted; Mr. LC Jain and Elaben were both appointed as members. Both knew our work in Pradan. Mr. Jain asked Savita (my wife) and me to work on employment and rural development issues. We had just returned from a year in a mid-career programme in economic development policy at the Princeton University, USA. Savita joined the planning commission as a consultant. One of the things she worked on was to assist a working group to draft a new legislation on cooperatives. While doing that, Savita met Ram Reddy and Shashi Rajagopalan of the Cooperative Development Foundation, CDF, Hyderabad. Although it took another five years, CDF was the main force behind the path-breaking Andhra Pradesh Mutually Aided Cooperative Societies Act 1995, which has rejuvenated the cooperative movement in the country.

Around the same time, Elaben asked me to flesh out a proposal for the World Bank for setting up a Women's Credit Fund, which I had worked on in the US in 1989, with Lynn Bennett a former Ford Foundation Programme Officer now with the World Bank. Lynn had coordinated the report 'Gender and Poverty in India'. I asked a friend in the financial sector, Bharti Ramola of the Price Waterhouse, to help me with the idea of the credit fund and together we wrote the outline for Elaben to establish, what later became, the Rashtriya Mahila Kosh. Mr. LC Jain then asked me to join the planning commission as a consultant, but even as I was being 'interviewed', the VP Singh government fell.

The twin issues of Mandal and masjid were tearing the nation apart. (For the record, I

was, and continue to be, pro-Mandal, that is, pro-greater equality of opportunity; and pro-masjid, that is, against breaking the Babri Masjid on the ground that it was perhaps once Ram Janamabhoomi, because even if it was, two wrongs do not make a right). An inner restlessness gripped me. I thought if we have to aim for large system change, the route to it is through politics, exactly ten years ago!

I wanted to join the Janata Dal because I was ideologically averse to the BJP and the Communists and the Congress seemed too rotten. Moreover, VP Singh appeared to be an idealist with some principles. I spent six months in various forums trying to enter politics. But the summary of it was that I found to my consternation that no politician wanted me in any serious role. Of course, I was given various odd jobs such as writing 'talking points' for election speeches and I was even made a member of the Manifesto Committee. However, the Manifesto was drafted by the *netas* and we were only to do the editing. I did not have the patience that was required (nor the bank balance). I quit trying to enter politics in six months. By that time, Rajiv Gandhi had been assassinated, Narasimha Rao had become Prime Minister and the State Bank of India had started shipping out gold to meet India's debt obligations. Manmohan Singh had not yet fully enunciated the economic reform policies.

Perhaps, I should have come back to Pradan at that time. But I was driven by an inner restlessness to seek some new platform for my urges. Moreover, I was genuinely interested in learning organisation development (OD) and carrying out research in rural livelihoods. It did not take long to generate opportunity for both. Prof. Somnath Chatopadhyay, one of the gurus of OD, agreed to take me on as an intern-consultant. Along with Dr. Deepankar Roy, the three of us took on an OD assignment



for Samtel, then a Rs 500-crore company established by a technocrat. I worked on the Samtel assignment for over a year—from late 1991 to the end of 1992. I learnt an enormous amount from Somnath and Deepankar. I think my process orientation was first kindled while working with Somnath and Deepankar.

At about the same time in late 1991, the Swiss Agency for Development and Cooperation (SDC) asked me if I would carry out a study of the rural non-farm sector. Since both the assignments were of long-term but part-time in nature, I was delighted that I could interweave the two. I invited a young man by the name of Thomas Fisher, whom I had met during my year in Princeton, to come and work with me in India. Together, we established a small consulting firm called VikaSoko, and bagged our first assignment to help the Tibetan Community in exile formulate their first five-year integrated development plan. This assignment enabled us to interweave process with content.

We also set up a group to study the rural non-farm sector. The interim report, presented in late 1992 over a memorable two days at the Neemrana Fort Palace, generated an enormous amount of excitement not just within the SDC but also in NABARD, whose Chairman, Mr. Kottaiah, agreed to co-sponsor the study and expand the scope to cover eight states all over the country. One of the reasons for the wide acceptance and policy influence of the study was the 'process-sensitive' manner in which it was carried out. Having learnt process from Dr Rolf Lynton and Somnath, we were careful to involve a range of stakeholders in various stages of the study all the way from formulating the research questions to disseminating the interim findings. Even a skeptic like Prof. Malcolm Harper was impressed by the process. He asked us to write an article on the process of the study and

published it in the *Small Enterprise Development Journal*. Eventually, the study was published in the form of a book, *The Forgotten Sector*.

The study of the rural non-farm sector (and in a microcosmic way, the plan for the Tibetan community) showed me the central importance of livelihoods promotion. With every passing month, I became convinced that promoting millions of sustainable rural livelihoods was the single most significant challenge facing the Indian economy. The Eighth Five Year Plan computations that I had helped Mr. LC Jain with, showed that based on existing unemployment and annual increments to the workforce nearly 10 million livelihoods were required every year during the 1990s decade to ensure near full employment.

During the course of the non-farm sector study, we had met over 1,200 rural producers and found that virtually every one of them was suffering from a lack of credit. In the meantime, I was receiving heartrending stories from my friend and former Pradan colleague, Pramod Kulkarni, describing how difficult it was to raise bank loans for establishing small scale lift irrigation schemes on the Krishna River in Raichur. I don't recall the exact date but do recall the moment vividly when reading one of the case studies from Pramod, I swore to myself that we will set up our own bank.

Well, easier said than done! To begin with, I did not know anything about banking from behind the counter—all my experiences since 1981 with ASSEFA and Pradan were to go to numerous rural bank branches to raise a loan for something or the other and usually come back with nothing. By 1986, we had learnt in Kesla, for example, that it was easier to raise money from the Head Offices of IDBI and ICICI in Mumbai than from our own friendly neighbourhood regional rural bank branches.



By 1987, when we started the Kishangarh Bas project, we decided that instead of persuading banks to finance the poor households we support, we would support those poor households whom the banks lend to under the IRDP. We would ensure that the borrowers make an income from the loan and repay it. Those of you who were in Pradan at that time will recall how different our experiences were in Kesla and Kishangarh Bas. In the former, the bankers wouldn't let us into the branch officers, while in the latter, we were the convenors of the block level bankers' committee.

From this, we not only learned what was wrong with rural banking in India but dared to come up with an alternative what are now known as self help groups (SHGs). While Pradan was not the first NGO to form SHGs, we were perhaps the first to do so in the BIMARU states, way back in 1987. And NABARD (which had scoffed at this idea) has established a target for itself of setting up and linking over one million SHGs with banks by 2008. But even a million SHGs are not equal to a community bank. So, where to turn for experimentation except to our original mother lab – ASSEFA the organisation that virtually gave birth to Pradan by allowing us to work in their projects since 1982. By 1988, the 'recovery funds' established in different ASSEFA projects were becoming large enough to require a separate management structure. Knowing nothing about these things then, I turned to my friends in the banking and financial sectors for advice. Anoop Seth, then with Bank of America, first suggested setting up an NBFC. Thus was born India's first non-banking finance company of and for the people—Sarva Jana Seva Kosh Limited. Later, Bharti Ramola led a Price Waterhouse team to carry out a study of its legal and financial structure and systems.

Back to 1993: Jane Rosser, Program officer at the Ford Foundation, whom I had got to know due to our mutual interest in community economic development issues, asked me if I would carry out an assessment of the SEWA Bank. I agreed, on the condition that I would have Nagarajan, Pradan's auditor, as my fellow consultant. I thought I would focus on the institutional issues while he did the financial analysis. Before I went to Ahmedabad, I asked Bharti about what would be a good way to do the assessment. Between Bharti and Nagarajan, I got really intensive training in financial analysis of a bank. (Remember it was already over 12 years since I had graduated from IIM-A and my finance *fundas* were fairly rusted). The study was deeply appreciated, most of all by the SEWA Bank. Elaben and Jayashreeben, (SEWA Bank's Managing Directors), asked me if I would consider being their long-term consultant. I accepted mainly for the learning it would offer me. By that time, I had gone public with my vow to set up our own bank (whatever that meant). Jane took that seriously enough to arrange for an exposure trip for Sashi Rajagopalan of CDF, Vijayalakshmi Das of the SEWA affiliate FWWB, and myself to visit Shore bank, a well-established community development bank in the USA. By the time I came back, I was vaguely clear that I will set up a rural livelihood promotion institution with a credit and a support services arm rolled into one.

In 1993, the World Bank launched a rural financial sector reform project. Lynn Bennett of the World Bank asked me if I would carry out a study on financial services for the rural poor women in India. I was very interested but also deeply aware of my inadequacy to carry out a large study like this, up to the World Bank standards. I arranged for a meeting between Lynn and Bharti as the lead consultant and I as an advisor.



The World Bank rural finance reform project required frequent interactions with the Reserve Bank of India and the banking division of the ministry of finance. This was the period when the experience of successful rural financial institutions in other countries, particularly Bangladesh and Indonesia, was beginning to be written up. We assembled a team of eight persons—four with a banking and finance background, including Bharti, Anoop, Nagarajan and Balakrishnan (from NABARD) and four from the development sector: Joe

in Raichur.

We carried out this study over two years. Virtually all other studies on rural credit till then always took a supply side perspective and quickly got bogged down by the existing institutional dysfunctions. Thanks to Bharti, we look an entirely new, demand-side perspective on financial services for the rural poor and women in India. Realising that the depth required in household surveys was beyond the normal practices of market research agencies or socio-economic research investigators, we established our own team for this purpose. Dileep Gupta from ORG joined us and led the team of field investigators for the household surveys. The financial analysis of regional rural banks was carried out by an international team of bankers and I learnt an enormous amount from them in the process. We also carried out a separate survey of the best practices and innovations in India and abroad to serve the rural carried out detailed case studies of SEWA, CDF, Pradan (Madurai), the Kosh, and the Tungabhadra Gramen Bank

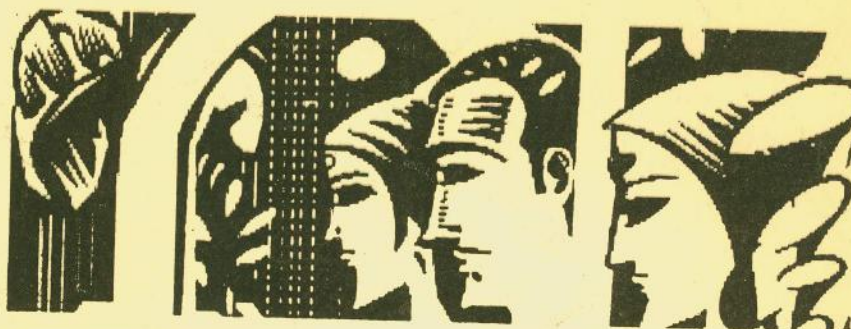
However, there is many a slip between policy pronouncements and implementation. Thus, while RRBs and LABs do not have any interest rate restrictions on small loans, even today small borrowers are regulated to 12 per cent, thereby perpetuating the famine of credit to small borrowers. The first LABs got into operation only in 1999 and the BASIX LAB was licensed only in December 2000 and we are going to launch it next month.

notified in August 1996. Soon after their return, they mooted the idea of deregulating interest rates on small loans and opening up the rural credit sector for private participation through Local Area Banks. Eventually both of these policies were accepted by the Government of India and

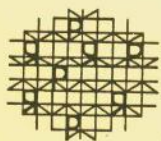
Madiath, Vasimalai, Thomas Fisher and I. The Ford Foundation was generous enough to sponsor our trip and Jane Rosser also joined us for the two-week study tour. We learnt an enormous amount and, on our return, documented the lessons in two write-ups which were widely circulated among policy makers.

*This article was first published in January 2001.*





**PRADAN** (Professional Assistance for Development Action) is a voluntary organisation registered under the Societies' Registration Act in Delhi. We work in selected villages in 7 states through small teams based in the field. The focus of our work is to promote and strengthen livelihoods for the rural poor. It involves organising them, enhancing their capabilities, introducing ways to improve their incomes and linking them to banks, markets and other economic services. PRADAN comprises professionally trained people motivated to use their knowledge and skills to remove poverty by working directly with the poor. Engrossed in action, we often feel the need to reach out to each other in PRADAN as well as those in the wider development fraternity. NewsReach is one of the ways we seek to address this need. It is our forum for sharing thoughts and a platform to build solidarity and unity of purpose.



**Professional Assistance for Development Action (PRADAN)**

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

Tel/fax : 011 2651 8619/2651 4651 4682, Website: [www.pradan.net](http://www.pradan.net)

E-mail: [newsreach@pradan.net](mailto:newsreach@pradan.net)