

**Mahila Abhivrudhi Society, Andhra Pradesh (APMAS)**

**Review and Assessment of the APMAS Supported IKP Clusters**

**By Deep Joshi, Tamali Kundu and Srihari Chity**

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## **Executive Summary**

Established in 2001 to support women's self-help movement,<sup>1</sup> APMAS began working with the SERP<sup>2</sup> in 2003 to assist in staff recruitment and induction. It signed a four year agreement in 2005 to, *inter alia*, support SERP staff and people's institutions (PI) promoted by it in 19 Clusters in 11 districts, later modified to cover 14 Clusters in eight districts, and to develop two 'model' mandals with six model village organizations (VO) in each Cluster. Four of the Clusters were identified as Intensive Clusters where APMAS, with the Aga Khan Foundation's support, took to introduce livelihoods agenda into the programme. This review was commissioned by APMAS to get an independent view of the status of its work in the Intensive Clusters and seek inputs for future course of action.

The review focused on PI institutional development, the key APMAS activity. It was carried out through interactions with SHGs, VOs and Mandal Samkhyas (MS) and local cadres working with PIs in four districts; discussions with APMAS, IKP and DRDA personnel and review of APMAS reports. Difficulties in isolating contributions of the two partners in the field, limited time for field visits, inability to collect quantitative data and observe live PI meetings limit the scope of this review; it is a broad brush overview rather than a comprehensive assessment of outcomes and impact.

### **IKP: Impressions & Critique**

IKP has mobilised very large number of women across the State into a four-tier PI structure, comprising of self-help groups (SHG), VO of SHGs in a revenue village, MS' of all VOs in a mandal and Zilla Samakhyas (ZS) of all MS' in a district. The programme has proactively covered a very high proportion of the poorest. PI's have received significant bank loans (Rs 50,000 to 5 lakh per SHG) and revolving community investment fund, and have mobilised considerable member savings. Routing government schemes through the PIs has led to transparency and better targeting.

Several of the women we met had acquired productive assets, e.g. livestock, land, bore wells, petty shops, many claimed to have 'come out of poverty' and most said they could send their children to school. A few spoke of issues like preventing child marriage and child labour, and participating in statutory Panchayats.

A large number of women have been enabled to transcend traditional identities to become community leaders and deal with banks and government departments. More women now know about government schemes and many have acquired useful technical and social skills. IKP is a milestone—by itself and in comparison to other targeted programmes.

Our critique draws on the notion that poverty among the marginalised is more about their sense of powerlessness ingrained by structured exclusion and isolation—a result of lived experience—than an absence of material riches. Affinity groups can change the self-belief, identity and sense of power among the marginalised by providing an alternate experience. Focused on delivery and undifferentiated outreach, IKP risks losing an opportunity to trigger such transformation.

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<sup>1</sup> Though the focus initially was AP, it now works nationally.

<sup>2</sup> The Society for Elimination of Rural Poverty was set up by the AP Government to implement the World Bank aided rural poverty elimination projects called Indira Kranti Patham (IKP), now the flagship rural poverty elimination programme, administered by the District Rural Development Agencies (DRDA).

Participation and leadership is clearly skewed towards the better off, educated and articulate women, especially in SHGs; it was better in VOs (they are SHG leaders) and distinctly better in MS'. Leaders are distinctly better informed than members in all PIs. Material benefits and training inputs are similarly skewed.

Much PI time and energy goes into implementing various schemes, detracting them from developing own agenda, priorities and a sense of affinity or 'we-feeling' as social capital and a long-term glue. Systems, processes and norms have an outward 'orientation'—records, compliance and reporting rather than group dynamics, member participation and nurturing affinity, solidarity and cohesion. 'Access to schemes' was uniformly mentioned as the first motivation to join a group, as also their 'sales pitch' to motivate non-members to join. This makes them beneficiary organisations rather than countervailing structures. SHGs continue to need help from IKP in operations, e.g. bookkeeping, etc.

Issues affecting women get least attention, perhaps due to the nature of facilitation, and pressure of schemes. Also, the 'upwardly mobile' presently in leadership tend to be risk averse and avoid messy issues; as all get some benefits, this orientation carries the day.

The experience of working in truly participatory groups could be used to transform the statutory *Gram Sabhas* (GS), the only forum for practising participatory democracy in our system of governance dominated by the representative variety with its myriad flaws. Vibrant GS' are particularly relevant now as development programmes and entitlements are increasingly being routed through Panchayats. IKP seems to shy away from this opportunity for fear that it would bring in power politics and corruption—those influences would any way creep in if IKP remains focused on dispensing state funded/sponsored benefits, the main source of patronage; bad politics can be kept out if groups are autonomous and self-reliant. Such groups can also make demands on the PRI *via* the GS.

There is little focus on livelihood promotion. Though members do use loans to buy assets, build enterprises and finance economic operations, IKP in most cases does not add value to their efforts except in the modest scheme to develop assigned lands. Convergence with MNREGS is a major opportunity to expand nature based livelihoods.

### **APMAS' Programme**

Institutional development of the PIs, building local service cadres, improving financial management and training IKP field staff are the main arenas of APMAS' work. It works closely with the IKP staff in the Intensive Clusters, introducing new concepts and increasing intensity of engagement with PIs, especially SHGs. APMAS focuses on group quality, inclusion and sustainability issues while IKP focuses on various schemes, including bank linkages. The key themes introduced by APMAS are PI self-reliance (*swayam niyantrana*) and democratic and transparent systems and processes.

APMAS has trained and embedded in PIs a large number of local cadres—mainly experienced SHG members—to provide group facilitation, bookkeeping, backstopping and audit support. It has also trained a large number of PI leaders on relevant PI concepts and operational issues, including statutory matters, governance, systems, *swayam niyantrana*, etc. Training programmes have also been conducted for IKP staff.

APMAS has been assisting MS' and VOs, registered as MACS', to comply with statutory provisions, including registration, audit, elections, annual meetings and filing of returns.

It has introduced weekly meetings in SHGs, yearly financial audit in SHGs, grading of all PIs and monthly review of member PIs at higher levels.

APMAS is piloting livelihood activities in Intensive Clusters, beginning with mapping of various livelihood streams, identifying gaps and establishing linkages.

APMAS has developed manuals, concept papers and training modules dealing with accounting and audit, planning, PI self-reliance, elections, training of trainers, training workbooks, etc. These would be relevant to users in other parts of the country as well.

### **Constraints faced by APMAS**

With the PI structure already in place with set norms, practices and motivations, the space for process interventions was limited. The structure often came about the ‘wrong way’—MS’ formed before VOs, neither formed as constituents’ felt need, etc. The pulls and pressures of schemes and targets also detract from the change processes being ushered in.

It is difficult to find isolated entry points in a nested PI structure as, for example, changes in one SHG would affect the entire system.

Access to schemes being the key motivation, there would be little enthusiasm to adopt new ideas as members are any way getting benefits.

The large and geographically dispersed canvas chosen by APMAS would pose its own problems of logistics and human resources.

### **Assessment**

Institutional Development: There is more focus on SHGs with weekly meetings and more among them were vibrant with broader participation; VOs, too, were more vibrant. APMAS has helped VOs and MS’ conduct elections, get books audited and hold annual general meetings. The office bearers are better informed and more vocal. There has been rotation of leaders through elections. PI outreach has increased in all the 14 clusters with new groups formed, and coverage of the poorest has increased.

APMAS has trained a large number of local cadres, as group accountants, facilitators, resource book keepers and auditors. The bookkeepers-to-SHG ratio has improved dramatically. Resource Book Keepers (RBK) introduced for backstopping local cadres, training new ones and giving refresher training have been very helpful and widely appreciated. The local cadres we met were full of energy and adequately skilled and PIs were paying for the services of book keepers.

APMAS has introduced uniform systems for accounting, PI grading and audit. The quality of bookkeeping and records in APMAS mandals was better; the use of monthly reports, loan applications, grading system and MCP was more routinised and of better quality. There were a larger number of MS sub-committees with members distinctly better informed of their role. Annual planning is done and would be useful at MS and VO level as they have larger budgets and more diverse plans. The Micro Credit Plan (MCP) made at the SHG level is being followed far more seriously.

The key PI motivation and focus of deliberations, however, remains government schemes and bank loans. Savings for instance remain undervalued. Leaders do talk of exposure, etc. but can that excite an average member? Can efficient management and transparency alone—essential for group hygiene—bring autonomy and sustainability? Is presence of

local cadre an adequate definition of ‘social capital’? Could groups be facilitated to become resources for members to better negotiate their world, including government, banks, PRIs and an unequal social structure? How must such groups function *internally*?

Similarly, while elections and leadership rotation help, democracy in groups comes about through *effective* participation of members and when they feel both empowered and responsible to speak, and take charge as custodians of the group, its agenda and direction. The SHG—where everyone represents oneself—is where participation has true meaning; participation was most skewed there and needs much more work. Well developed groups can be an empowering influence as they create a new ‘life experience’ for members.

In spite of better representation of weaker sections, overall PI leadership beyond SHGs is dominated by the better off. Leadership composition affects the nature of issues given priority by PIs. Also, leadership rotation has limited effect unless done at the SHG level. Relationship across PI levels is more of administration than mentoring, interest in constituents being driven by the effect on larger formations than member wellbeing.

The quality of records needs further improvement. The utility of some of the reports in their present form is questionable, such as the *maasa nivedika* with largely financial data read out in the meetings at great cost of group’s time. Similarly, the micro credit plan gets filled in a pro-forma manner, primarily to satisfy the banks rather than as a tool for household financial planning. Given the advances in ICT that almost take away literacy/numeracy barriers and the large outreach that would reduce cost, its absence is curious.

Livelihood Promotion: Work on this began around the mid-2008 and coverage so far is quite modest. Linkages have been established for services with government departments (mainly, animal husbandry) and resource institutions like BAIF. Activities such as NPM in vegetables, fodder development and backyard poultry have been piloted and survey formats made to map out current livelihoods to help choose sectors to intervene.

It is now widely acknowledged that poor are not one homogenous category and conventional sector development and/or creation of ‘level playing field’ do not benefit all. The key lacuna in APMAS’ work is an absence of a conceptual framework of poverty and livelihoods that would enable differentiation across households—e.g. between those who primarily need public goods/safety nets, at one extreme, and at the other, those for whom access to fair and efficient services are adequate; and aid in designing targeted strategies.

Implementation: The programme team is fully immersed and quite up to the task. Limited strategic space in a large on-going programme and geographic and programmatic spread are the key constraints. There is also some ambiguity about role (in field settings)—quality improvement as a service to IKP, innovation or ‘additional hands’ for IKP. Diffusion, loss of coherence and dilution of standards are risks to be guarded against.

### **Recommendations**

The choices available are to work in tandem with IKP field staff as in a BPO model or capacity building of IKP field staff without any implementation role. The two arenas in PI Institution Development (ID) are process issues (identity, governance, relationships and roles across PI levels, group dynamics and development, facilitation, etc.) and systems issues (bookkeeping, audit and decision support systems), the latter being most amenable to the BPO model as doing process work with IKP pushing schemes and targets is clearly problematic. If APMAS wants to focus on process work, as we believe it should, it ought

to take up a few mandals to demonstrate an alternative way of achieving the SERP mission and then graft those on to IKP.

Institution development: Helping PIs revisit and settle on their identity and purpose is the first ID task that APMAS could take up. The PIs need to be facilitated to understand the difference between beneficiary groups and demand groups and decide which they want to be—being efficient and ‘well-behaved’ is not the same as *swayam niyantrana*.

Group development is the second arena, especially if they choose to be demand groups. This includes participation, contribution, democracy, mutual help and solidarity, relationships across levels and inclusion at all levels. The goal is for members to become trustees of the group and group a resource for its constituents, at all levels.

If the groups choose to be demand groups, they need to be facilitated to gain experience of becoming so—to begin with, by engaging with the statutory Panchayat.

Improving systems is the fourth arena of focus we would recommend.

Livelihood development: Sketching out the poverty and livelihood scenario representative of programme villages is the first task needed by taking a few VOs in chosen mandals. This should be used to cluster PI members into different categories in terms of their socio-psychological and economic profile and develop an action focus and agenda.

Livelihood planning dialogues should then be carried out with sets of household samples representing each category chosen to work with to develop livelihood strategies/intervention baskets. Regardless of the categories chosen and the strategies that emerge, convergence with government schemes at the household level would be necessary.

Implementation: The most opportune thing to do would be to develop approaches, methodologies and tool kits rather than extending the knowledge and know-how APMAS already has. This can be best done in a smaller area of two to three mandals to work more intensively. Isolation of these mandals would need to be negotiated with SERP. We also recommend exposure for APMAS professionals to the work of others engaged in livelihood promotion. A longer time frame is required to make a dent in the livelihoods arena.

## 1. INTRODUCTION

APMAS has been working with the Society for Elimination of Rural Poverty (SERP), extending capacity building support to its staff and various community based organisations promoted by it under two World Bank aided poverty elimination projects. This is being done through a Memorandum of Understanding between APMAS, SERP and the participating district Rural Development Agencies (DRDA), spelling out specific deliverables.

SERP was set up by the Government of Andhra Pradesh as a Society under the Telangana Societies Registration Act 1860 to implement the poverty elimination projects implemented in two phases, the first phase beginning in the year 2000 to cover six districts and the second phase beginning in 2003 to cover the remaining districts in the State. Fashioned initially as VELUGU and subsequently as Indira Kranti Patham (IKP), the programme now covers almost all rural mandals in the State and is the flagship rural poverty elimination programme of the State Government.

The APMAS-SERP-DRDA collaboration has evolved over the years. It was first initiated in 2003 when SERP invited APMAS to assist it in recruitment and induction of staff. APMAS subsequently helped SERP by developing technical documents, manuals, etc. In July 2005 APMAS signed a four year agreement with SERP to provide on-the-job support to its staff and SHG representatives in 19 Clusters (each Cluster comprises 4 to 7 contiguous mandals) consisting of 95 mandals in 11 districts, develop 11 Technology Training and Development Centres (TTDC) and provide support for capacity building of area coordinators (ACs) at the State level. Two years later five Clusters were dropped in consultation with SERP for various reasons, focusing in the remaining 14 Clusters in the Telengana and Rayalseema regions of the State. Presently APMAS is providing support for institutional development of community based organisations, microfinance and to introduce livelihood activities in these 14 Clusters, covering 68 mandals in eight districts. Following a review in 2008, SERP and APMAS agreed that the latter would develop two mandals in each Cluster supported by it as model mandals (those following best practices), and in each of those mandals at least six village organizations (VO) as model VOs. Of the 14 Clusters covered under APMAS-SERP-DRDA collaboration, four have been identified as Intensive Clusters.

In these Intensive Clusters the Aga Khan Foundation (AKF) has been supporting APMAS since 2006 under its SCALE Project<sup>3</sup> to develop and introduce rural livelihood development activities into the on-going micro-finance agenda with the families being assisted under IKP. The objective was to develop models for setting up institutional

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<sup>3</sup> SCALE is a ten year project (2002-2012) supported by the Aga Khan Foundation and co-financed by the European Commission.

mechanisms, systems and procedures that could be replicated to effectively utilize the available financial resources under IKP to create sustainable livelihoods. This APMAS was to do in addition to its on-going capacity building and institutional development activities. In the remaining 10 Clusters APMAS provides support as and when called upon by the IKP staff.

This review was commissioned by APMAS to get an independent assessment of the status of its interventions in the Intensive Clusters about mid-way through the AKF supported initiative. The Terms of Reference (see Annexure 2) spell out the following as the broad objectives of the review:

- ▶ Relevance and quality of interventions
- ▶ Efficiency of implementation
- ▶ Effectiveness of processes
- ▶ Outputs and impact on livelihood enhancement
- ▶ Sustainability of key activities
- ▶ Recommendations for the future

The bedrock of APMAS' work has been and remains institutional development of community based organisations—SHGs, VOs, mandal Samakhyas (MS) and Zilla Samakhyas (ZS)—and strengthening the capacity of IKP personnel. This comprises of providing training to IKP staff as trainers and on specific technical issues, such as the Mutually Aided Cooperative Societies (MACS) Act; developing training material; identifying and training community based resource persons, such as resource bookkeepers, community based auditors, community activists/volunteers, office bearers; arranging exposure visits; providing handholding support in bookkeeping; conducting workshops for vision building and setting group norms; instituting mechanisms for monthly review of groups; assisting in statutory compliance by VOs and MS as MACS'; establishing linkages with resource agencies, including line departments of the State Government, NGOs, banks and markets; ensuring coverage of the poorest of the poor (PoP) in the programme; development of micro credit plans (MCP); ensuring adherence to the rules in the use of Community Investment Fund (CIF); total financial inclusion; plugging gaps in existing systems and in their implementation; and promoting livelihood streams and associated systems and institutions. Livelihood enhancement activities are of relatively recent origin (effectively began in the later part of 2007 according to APMAS) and to that extent coverage as well as depth remains limited. APMAS believes that livelihood enhancement activities can best be built on a base of strong community level institutions and has largely focused on that. In view of this it would be premature to assess impact or even coverage of livelihoods interventions; a more appropriate objective would be to focus on the major activities carried out by APMAS with respect to institutional development, critique the approach being followed in livelihood promotion and suggest changes/modifications. This is the perspective that has guided this review and

so indeed were the field visits planned and conducted, with the main focus on interactions with various community based organisations.

## **2. METHODOLOGY & COVERAGE**

The review commenced with a detailed briefing at the APMAS office in Hyderabad attended by the members of the APMAS Core Team. This was followed by a meeting with the Chair and Vice Chair of APMAS. Various documents pertaining to the project were reviewed by the team. Field visits were carried out in six Clusters (Kamareddy, Yellareddy, Parigi, Chittoor, Chandragiri and Aluru) in four districts (Nizamabad, Ranga Reddy, Chittoor and Kurnool). The team interacted with eight Self Help Groups (SHG), seven VOs and five MS (but not with any ZS). Of these, only one MS was non-APMAS in Nizamabad district; three of the SHGs and two VOs visited were also from non-APMAS mandals. In the course of field visits the review team also visited two livelihood initiatives and a Bulk Milk Chilling Unit set up by the DRDA, interacted with the Collector and other district officials in Nizamabad, the DRDA PDs in Chittoor and Kurnool, IKP and MS staff in all the districts visited, APMAS professionals in the field and some of the Community Resource Persons (CRP) playing different roles.

The review team carried out open-ended discussions with the SHGs, VOs and MS' it met, the meetings lasting from one to two hours. Focus group discussions were carried out with VO and MS leaders, IKP staff, Community Auditors, CRPs and mixed groups of women members (ordinary members as well as office bearers). Interviews were also conducted with a few IKP and APMAS staff, often while travelling to project sites. Team members also reviewed various documents available in the field, including passbooks of SHG members, books of minutes and accounts, audited financial statements where available, monthly reports from SHGs (*maasa nivedikas*) and micro-credit plans.

At the end of the field work a presentation was made to the Board and some core staff of APMAS in Hyderabad, some of whom sent written comments which have been incorporated in this report. A draft report was then shared with APMAS and the comments received on the same have been incorporated in this final report. A summary of selected field notes of the review team is presented in Annexure 1 and the itinerary followed during the field work is presented as Annexure 3.

## **3. LIMITATIONS OF THE STUDY**

The objective of APMAS' partnership with SERP is to improve the quality of the latter's poverty elimination programme (IKP). Even though the roles of the two are different, with APMAS focusing on institutional development and piloting livelihood promotion and IKP now concerned with various schemes, an overlap between what the two agencies do in field situations is inevitable, especially in the Intensive Clusters where APMAS

staff attend the VO and MS meetings and some of the SHG meetings. A large number of community organisations already existed when APMAS began its work and IKP must have put in certain group development efforts, conducted training of women leaders and CRPs and instituted systems, including with APMAS' assistance in the initial stages. Therefore, while inputs from each in the post-APMAS phase (since 2005) can be enumerated (though even that is not always straightforward), attribution of outcomes and effects is difficult.

Measuring and attributing outcomes and effects also requires verifiable data about the situation prior to interventions. While APMAS has provided data regarding coverage of households, number of CBOs at various levels, etc. before and after its intervention, some of which we have summarised in a later section, and certain summary reports of qualitative assessment, it was not possible to collect data independently. Indeed, the study design and the time available precluded systematic data collection even on a sample basis. We have attempted to get around this to some extent by visiting a few of the sites where there was no APMAS intervention and those visits, though limited, were helpful.

The review team could visit only eight primary groups (SHGs) in five villages due to paucity of time. In one case two groups were met together. Since primary groups are the building blocks of the entire community based institutional structure, and the overall number of groups is very large even in the 14 APMAS Clusters, the number of groups visited by the team is too small to make definitive judgements, leave alone reaching statistically valid conclusions. The team also was not able to visit the Clusters where APMAS operations had been wound up. Only two of the livelihood sites were visited. The SHGs and other community based organisations visited had been selected to enable exposure to all the intensive sites and on logistical considerations and do not constitute a random sample.

The review team could not observe and interact with groups in their normal or live meetings. Except in case of one MS and one VO where the team attended a part of scheduled meetings, all meetings had been arranged especially for the team's visit. It was therefore difficult to observe group dynamics in real life situations where actual business of the groups is transacted, contradictory issues are reconciled and group dynamics/processes get subjected to stresses and strains.

The overall time available for field visits (seven days, including travel time) was very short and the language barrier (two out of three team members do not understand or speak Telugu) inhibited free and spontaneous conversations.

The report therefore essentially provides a broad brush overview of the work being done by APMAS and does not constitute a comprehensive assessment of approaches, outcomes and effects, or the underlying causalities.

#### 4. OVERALL IMPRESSIONS ABOUT IKP

Since APMAS' work is embedded in the IKP programme it is in order to record our broad impressions about the same, followed by a critique in the next section. Much of what we say in these two sections would, we believe, be useful to APMAS also in whatever changes it might bring about in its strategy and operations post this review.

IKP has been able to mobilise very large number of women into SHGs across the State<sup>4</sup>. The groups have been further organised into Village Organisations (VO) at the village level, the VOs organised into mandal Samakhya (MS) at the mandals and the MS organised into Zilla Samakhya (ZS) at the district level. A very high proportion of the poor and poorest of the poor (nearly 100 percent in most of the villages we visited<sup>5</sup>) have been included in the groups. Basic systems of record keeping have been introduced in groups and groups have bank accounts. The groups have been assisted to obtain loans from banks through the bank linkage programme and over Rs 7,200 crore of bank credit had been mobilised as of March 2009. Groups with a membership of 10 to 13 have received bank loans ranging from Rs 50,000 to Rs 5 lakh besides more modest loans from the MS/VO out of CIF (over Rs 4,000 crore across all groups as of 31 March 2009) and member savings (over Rs 1,960 crore as of 31 March 2009). The significant member savings could potentially create buffers/corpus for the women who otherwise have little or no control over family assets. In the groups we visited, group members were generally saving Rs 50 a month or Rs 10 weekly (in one group the members were saving Rs 100 a month); this is perhaps the trend across the State.

A variety of government development and welfare schemes are now being routed to members through this four-tier, community based structure. These include housing for the poor, contributory old age pension scheme (*Abhayastam*), group insurance scheme for landless labourers, schemes for the differently-abled, special credit line for procuring rice at subsidised prices (Rice Credit Line), interest subsidy (*Pavlavaddi*) on bank loans, support for MNREGS, introduction of non-pesticide management (NPM) systems in agriculture, comprehensive development of assigned lands, nutrition and health monitoring (presently on a pilot basis), certain targeted interventions in education, etc.

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<sup>4</sup> As per the latest statistics (27 March 2010), there were 980,307 IKP-promoted SHGs in the State, with a membership of 10,152,954 women across 1,222 mandals. The SHGs have been further organized into 64,458 Village Organizations. The vision of IKP is: *The disadvantaged communities shall be empowered to overcome all social, economic, cultural and psychological barriers through self-managed organizations. They will attain higher productivity with improved skills and asset base and utilize resources to full potential and gainful access to services.* Its mission is: *Our mission is to enable the disadvantaged communities perceive possibilities for change and bring about desired change by exercising informed choices through collective action.* See [www.serp.ap.gov](http://www.serp.ap.gov)

<sup>5</sup> Many women we met said that they, too, had been PoP before IKP came and were no longer so; it is difficult to verify such claims in the absence of data though from appearances the claims often seemed exaggerated.

The community based structure is also used extensively for dissemination of information about various government schemes being implemented by different agencies. In some cases the members are assisted in matters pertaining to land titles.

Several of the women we met reported that they had ‘come out of poverty’ as a result of participating in the programme. Indeed, many had acquired assets, especially livestock, improved their dwellings, some had purchased land, many had installed bore wells to irrigate land, a few had bought costlier assets like tractors, several women had set up petty trading enterprises and most reported that they were able to send their children to school as a result of being group members.

Upon being prodded and in response to leading questions, women sporadically spoke of dealing with various social issues, such as preventing child marriage, preventing child labour, protesting against liquor vending, wife beating, supporting ‘love marriage’ (as opposed to marriage arranged by parents), collecting alms for the destitute. In a few cases, women spoke of participation in the statutory Panchayats.

Inclusion of the poor, and deliberate efforts to do so, does stand out in the programme as does the breadth of outreach. Even the poorest have got loans as well as benefits under various welfare schemes. There is clearly a conscious effort to include the differently-abled by forming separate groups where possible and by including them in existing groups where they are too few to form separate groups.

A distinct outcome of the programme is that a large number of women have come out of the confines of their traditional roles and socially circumscribed identities and are playing community leadership roles and engaging with external agencies like banks and government departments. Information about various government schemes is available to many a woman in villages. A large number of women have been trained as community resource persons and to play group leadership roles besides acquiring technical skills like rudimentary accounting.

As a government programme with State-wide coverage in a large State, IKP is indeed unique in being able to reach out to the poor across-the-board and deliver benefits to them. On its own as well as compared to earlier government efforts like IRDP, DWCRA, SGSY, the SHG-bank linkage programme, IKP undoubtedly is a milestone in creating outreach. The community based platforms so created could be tapped by a sensitive Administration for inputs and advice in designing welfare and development policies and programmes; and with facilitation, these could also be enabled to make the statutory Panchayats work as democratic institutions.

## 5. CRITIQUE OF THE IKP PROGRAMME

The success in outreach is not without flaws, some of which could mar the sustainability of the initiative, and more importantly, stymie the potential such social mobilisation has to bring about social transformation—in women’s lives, in poor people’s lives, in the lives of the structurally isolated and/or excluded and in the rural society. Eliminating poverty itself—leave alone social transformation—is a long haul and requires sustained engagement and investments over a long period of time; there is little debate about that now and even the most ardent votaries of ‘micro-credit can lick mass poverty’ seem to be turning around. Our critique arises from that perspective—how far into the future can the present be projected without fatal infirmities creeping in? Correctives in our view would emerge from a re-examination of two conceptual issues, namely,

- Is poverty, especially in the case of those structurally marginalised, primarily or even largely a material or economic issue or one of distribution of power; and
- Can a single or unified mechanism (a combination of strategy, structure, systems, etc.) effectively reach all the poor together/simultaneously?

The distribution of power in society in our view is a key determinant of poverty, especially for the traditionally marginalised, such as *dalits*, *adivasis* and women. Power is not merely about what the world can do to you and where it places you but is more about what you believe you can do and where you believe you can be. As Albert Camus put it, “What we can or cannot do, what we consider possible or impossible, is rarely a function of our true capability. It is more likely a function of our beliefs about who we are.” Or as Gandhi said, “If I have the belief that I can do some thing, I shall surely acquire the capacity to do it even if I may not have it at the beginning.” And beliefs about one-self, as we all know, are to a large extent by-product of one’s lived experience and social conditioning.

Mutual aid and support groups or affinity groups can provide an alternate lived experience to the marginalised and become building blocks of large scale social mobilisation, leading to a change in the self-belief, identity and perception of power of an entire community of people<sup>6</sup>. We believe this is the opportunity that beckons IKP and is the key theme in our critique of the programme. Can it go beyond delivery and be the harbinger of transformation?

We found participation and leadership clearly skewed in favour of the better off, educated and more articulate women. In virtually all SHGs visited only a few women (the first and

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<sup>6</sup> Members of SHGs, even when they do not have access to bank loans often express pride in the fact that ‘they do not have to plead before the money lender’ for small loans in dire emergencies. We believe this is a statement about a new perception of power and enhanced sense of dignity rather than a mere material benefit. The material benefit is often trivial.

second leader and one or two others) spoke, and they tended to be the better-off in the group, such as the more ‘senior’ and/or educated in relatively homogenous groups; a ‘mother-in-law-type’ in a group with many younger women; an educated and/or from socio-economically superior strata in mixed groups. Participation was wider in the VOs as the members there are SHG leaders but even there the asymmetry in participation was obvious and in most cases about half the members kept quiet and remained aloof. Participation was distinctly better (with one exception) in MS, where a majority spoke up or expressed involvement in other ways. There is asymmetry in information among members—leaders in SHGs are distinctly better informed than other members, even about the status of the group; VO leaders are better informed than other VO members and MS leaders are better informed than other MS members; the asymmetry is starkest at the level of the SHG. This is worrying as 80 to 85 percent members (none besides the two leaders as SHG leadership is fixed), particularly the poorest, never go beyond the SHG.

Financial benefits and capacity building inputs are also skewed towards the better off; the former because they have the absorption capacity and the latter because they are in leadership roles and get more information, interact with facilitators, other group leaders, important outsiders and get more training inputs. The more forthcoming also seem to corner multiple benefits—bigger loans as well as more welfare benefits, such as housing<sup>7</sup>.

Implementation of various development and welfare schemes seems to overwhelm the agenda of the PI<sup>8</sup> structure. Though fashioned as a “community driven programme”, on the ground it comes out more as a community administered (with IKP stimulation and support) government programme. The community structure is more in the nature of a channel and a mechanism for information collection and dissemination and climate building/ persuasion/ extension. Much of the agenda, including social agenda, comes from above (such as prevention of child labour) or at best from the better off (such as milk marketing, marketing of paddy, both arising from the VO even though a majority did not have the surplus to sell). This detracts the PIs from delving into issues that affect them as women, as poor people, and developing solidarity and a long term perspective, the long term glue. It makes them a ‘dependent structure’ rather than a ‘demand structure’.

As a corollary of the above, the focus of governance and management is outward rather than inward—record keeping, compliance of contracts and reporting rather than group dynamics, member participation and building and nurturing affinity, solidarity and

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<sup>7</sup> Unless a group is truly democratic and can function without a designated leader, members tend not to challenge proposals benefiting specific individuals, especially the leaders, if there is no loss to them. Project personnel also tend to reward the leaders as they help get things done and impress important visitors.

<sup>8</sup> We have used the term PI—People’s Institutions—as CBO is also used for Capacity Building Officer. As pointed out earlier, the PI structure is a platform that has the potential to inform policies and programmes (given a sensitive Administration); some of the programmes/schemes may indeed have been designed on the basis of such inputs from the field.

internal cohesion. It is revealing that groups give highest importance to repayment of bank loans, followed by VO loans and least importance to loans from SHG savings. These are, of course, highly rational decisions—banks get high priority (except when there is an expectation of loan waivers) because of *pavlavaddi* and expectation of a bigger loan in the next round; VO loans get next higher priority because of fear of fines and also because defaults cause loss of face in the VO for group leaders; and SHGs funds are, in any case, members' own funds. Members' savings, which would create a long-term economic asset for the women is underplayed and in some of the groups the members had distributed the savings among themselves (the transaction was recorded as loan but no one was repaying and from conversations it came out as distribution of savings).

Another consequence is that formal recording (which requires reading and writing skills and at least rudimentary knowledge of accounting) and reporting (e.g. reading out monthly reports) overwhelms group processes. Much time in group meetings goes into this; it also creates critical black boxes that only a few understand (the community auditors trained by APMAS confirmed this from their experience, that only the leaders know the financial situation of the group) and gives undue importance to people external to the group. Some of this can easily be resolved by introducing technology; considering the enormous scale of operations, cutting edge technologies using handheld devices (that obviate the need for literacy and numeracy skills) could be pressed into service.

The groups see themselves as beneficiary organisations rather than as demand groups or countervailing forces. 'Access to schemes' was the first and most important motivation mentioned by members for joining the groups; it is also, according to the women, their 'sales pitch' while motivating non-members to join/form groups. In the course of our interaction, one MS member spontaneously burst into a song eulogising the virtues of IKP for giving them *pavlavaddi* loans (others joined the chorus). Since the MS' and VOs have to worry about implementing schemes, they often dis-incentivise poor women against not joining the groups—the schemes are often given only to those who are group members; and it is a perfectly rational response from those who are already in the groups since they have to implement the schemes.

The primary groups still depend a great deal on the IKP structure. Groups continue to need IKP support for book keeping, preparing loan documents, facilitation with banks and in some cases even the prompt to hold a meeting and in repayment of loans.

There seems least focus on issues affecting women even though the members are all women. This may as much be an outcome of facilitation and the overburden of schemes as the natural consequence of the social composition of the supporting structure of VOs

and MS', especially the latter,<sup>9</sup> whose support is necessary to take up such transformational issues as the SHG is too small. Leadership in the higher level bodies is in the hands of the relatively 'upwardly mobile' and they tend to avoid messy issues that bring underlying conflicts to the surface. The 'middle class' is inherently risk averse and always supports overall status-quo so that it can continue its pursuit of accumulation. As the poor too benefit from 'schemes', they go along; some gain is better than no gain.

The potential for synergy between the groups and the statutory Panchayat Raj Institutions (PRI) is not being developed. As more and more government schemes are being routed through the PRIs—and that is the future if for no reason than the declining quality of public administration—their quality can make or mar the performance of welfare and development schemes.<sup>10</sup> The building block of the PRI is the Gram Sabha or village assembly. *It is the only forum in our system of governance where participatory democracy can be practiced*; the rest is all representative democracy, a blunt instrument that at its best takes a long time to bring about transformative social change and lends itself to easy manipulation by the powerful as our own experience and the experience of democracies all over the world demonstrates. One of the key infirmities presently afflicting PRIs is the absence of effective Gram Sabha. Meetings are often not held even in situations where mandatory, such as in planning for MNREGS and the mandatory resolutions are obtained by collecting the minimum necessary signatures. With almost half the voters (all SHG members have ration cards as a precondition to join a group and so are eligible to vote in the Gram Sabha) mobilised, IKP is uniquely placed to transform the Gram Sabha and thereby the PRIs in the State. The jurisdiction of the Gram Sabha (a Revenue Village and a natural village in Scheduled areas) in most cases is the same as that of the VO. Since members have supposedly had the experience of practicing democracy in their groups, which are linked to each other through the VO, with effective facilitation they should be able to use this experience and the solidarity so developed to have a say in the Gram Sabha.<sup>11</sup> Once that happens, the group based structure could revert to its more sublime role in empowering women and being a demand group/ countervailing structure. There is concern—not particularly muted—among IKP personnel that getting involved with PRI would bring in all that is bad with our politics—corruption, patronage and extra-jurisdictional influences. These concerns may be valid. However, a key source/cause of such influences—the power to dispense government programmes, funds and patronage—is already an integral part of the group based IKP programme and it will not be too long for these influences to play out (we heard in muted voices about cases where this is already happening and the country-wide experience of

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<sup>9</sup> Only a little over 16 percent of the State's population is Scheduled Caste and a little under 6 percent Scheduled Tribe. Therefore, the higher one goes in geographical aggregation, lower will be the representation of these social groups.

<sup>10</sup> No one would today argue that mass poverty in our country, including in A.P. can be eliminated without the involvement of the government and provision of basic services and welfare schemes.

<sup>11</sup> This is an opportunity and a challenge for all promoters of SHGs in the country, including NGOs.

co-operatives validates this assertion); indeed, becoming a countervailing force might be a shield against such a dénouement. Of course, given the practice in our country of State Ministers supervising administration in districts, the PRI structure may not have much room to manoeuvre. But those are the bridges serious development efforts have to test.

Finally, there is little systematic focus presently on enhancing and expanding livelihoods. While group members do indeed use loan funds to buy assets, set up enterprises and finance their livelihood operations, especially agriculture, the programme in most cases does not add value to their efforts. The NPM initiative, though laudable, is not about enhancing productivity and carrying capacity; it principally reduces the cost of inputs and carbon intensity. A significant exception is the work being done towards comprehensive development of assigned lands but its outreach is limited. No doubt, expanding/enhancing livelihoods is a long haul and requires personnel with a wide range of expertise, but it is critical for eliminating rural poverty. A major opportunity in this context is convergence with MNREGS to systematically develop land and water resources with a focus on maximising the use of green water,<sup>12</sup> improve soil fertility and enhance the carrying capacity of natural resources. For this, working with PRIs is an imperative.

## **6. POTENTIAL ROLE OF A SUPPORT AGENCY**

What could a resource/support agency like APMAS do to enhance the efficacy of a large government programme like IKP? We speculate on this topic briefly, to set the stage for presenting our assessment as well as in response to the question from the APMAS CEO. This is obviously based on hurried and very limited exposure.

As earlier pointed out, SHGs as the primary groups are the building block of the entire community based structure. Strong and cohesive groups are the social capital poor people can leverage to expand social, political and economic space for themselves, claim entitlements and influence local development priorities. This is the premise of IKP, spelt out in its vision and mission. Developing and piloting group development methodologies to strengthen SHGs is therefore the most critical input a support agency could provide. This is also the mission of APMAS—to strengthen the SHG movement in the country.

Since a village is the base for mobilisation by IKP (NGOs by contrast tend to focus only on the poor or even the poorest), the groups, especially the VO, MS and ZS, inevitably have mixed social and economic composition. The poorest and poor, the principal constituency of IKP could easily get left behind in such a setting. Therefore, another role

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<sup>12</sup> Rainwater directly used by plants/ other organisms is green water and water externally applied by way of irrigation is blue water. *Minimizing* run-off through *in-situ* measures and farming systems changes, as opposed to harnessing and storing it in discrete locations, increases the use of green water. Watershed development initiatives in India tend to focus on harnessing run-off rather than minimizing it.

a support agency could play is developing and piloting processes to facilitate the groups at various levels to expand the leadership space for the poorest.

An identity common across the groups is that the members are all women, and in many cases poor women from socially marginalised communities. There are issues that uniquely adversely affect women and marginalised social groups. Overlooked by poverty eradication initiatives that typically focus on the economic, addressing such issues, besides being a key developmental outcome, could also be the longer lasting glue for the groups. Developing and piloting methodologies to foster group processes that stimulate group members to reflect on these and develop and carry forward strategies to change the situation could be another agenda for a resource/support agency. More broadly, the challenge/ opportunity is to help groups develop their own agenda and set priorities around issues that affect them as individuals, representatives of their families and representatives of their communities. This builds solidarity and affinity.

IKP has been able to leverage large finances to group members. Developing and piloting methodologies to help women make livelihood plans for the effective use of available finances and to guard against harmful financial choices is another potential role for a resource organisation.

The limits of access to finance in stimulating livelihoods are clearly brought about by the experience of targeted poverty reduction programmes and microfinance during the past decades. Finance works well when a poor household has the absorption capacity—ideas, skills and know-how, linkages—besides the disposition (agency or self-belief). A support agency could pilot suitable avenues to expand the absorption capacity by creating more robust and abundant livelihood avenues.

The groups carry out significant financial transactions; therefore, maintaining correct and transparent records is a necessary hygiene requirement for group health. Given the low educational levels in villages this often becomes a bottleneck. Advances in information and communication technology now offer ways to get around these bottlenecks. A support agency could help pilot such technology solutions.

As earlier stated, PRIs are now increasingly playing an important role in development and welfare administration and local governance. With the experience women have of practicing democracy in their respective groups, they could play an effective role in making PRIs work. The process of their engagement with PRI could be hastened with some focused facilitation. The support agency could pilot initiatives towards this.

Finally, to upscale various ideas piloted by it, the support agency would need to build IKP capacity. It is inevitable that in a large system such as IKP there would be attenuation in quality when pilots are taken to scale. Yet, ideas developed through pilots have relevance only if those can be taken to scale.

## 7. APMAS' INTERVENTIONS

The main focus of APMAS' activities in the field has been institutional development of the PIs at various levels (SHG, VO and MS), developing human capacities for their sustainability, improving the management of micro-finance function in the groups and training of IKP staff in the field. We briefly touch upon these.

Building Local Cadre: APMAS has trained a large number of local cadres, variously known as Community Resource Persons (CRP), Book Keepers and Resource Book Keepers and Community Auditors. These are SHG members selected on the basis of criteria developed by APMAS, such as:

- Long (5+ years') experience as SHG member
- From a poor family
- Taken and repaid multiple loans
- 'Role model' for their SHG and VO
- Good communication skills
- Can draw on own experience to illustrate concepts while training
- Literate

In addition, those dealing with accounts and audit must be school graduates, pass a written test and appear in a personal interview. The number of local cadre trained is as follows:<sup>13</sup>

Local Cadre	Number
Resource Bookkeepers	195
SHG Bookkeepers	1,112
Audit Trainers	78
Trained Sub-committee Members	77
Federation Bookkeepers	74

After being trained, they are embedded in the community rather than being taken as IKP staff. The CRPs are broadly responsible for improving group quality and coverage, such as reviving defunct groups, conducting training of group members on group norms (*panchasutra*), ensuring inclusion of PoP, preparing micro-credit plans, etc. The book keepers maintain group accounts; resource book keepers provide trouble-shooting support to book keepers and the auditors conduct SHG audits. The local cadre often work in teams and get paid for the work they do. APMAS also provides mentoring and handholding support to the local cadres. Separate training schedules have been developed for different sets of cadres.

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<sup>13</sup> The data in this section and the next is from APMAS reports and presentations.

Training of Group Leaders: APMAS has also conducted training programmes for the leaders of MS, VO and SHGs. The focus is on the SHG/VO/MS concept, issues of democratic governance, systems, awareness of legal issues (with respect to the MACS Act) and their compliance, norm setting, follow up of norms, responsibilities of various office bearers, book keeping, credit planning, roles of sub-committees, leadership rotation, credit/financial planning and issues pertaining to self-management or *swayam niyantrana*, such as financial self-sufficiency and availability of competent CRPs.

Training of IKP Personnel: APMAS has conducted several training programmes for IKP personnel including executive development programmes, audit of groups and the MACS Act.

Overall, training is a major activity, involving a large number of participants as the table below shows:

Details	Number of Participants					Content
	2006	2007	2008	2009	Total	
SHG	100	11,802	7,437	5,400	24,739	SHG concept, bookkeeping, MCP
VO	309	15,232	3,415	711	19,667	VO concept, bookkeeping, MCP, legal compliances
MS	336	680	4,247	1,135	6,398	Federation concept, bookkeeping, MCP, subcommittees, legal compliances
ZS		809	780	257	1,846	ZS concept, review mechanisms, bookkeeping, CRPs, MACS Act, EDP
State-Level		390	1,570	223	2,183	SHG, VO, MS, PTM concepts, MACS Act, audit, accounts,

Legal Compliance: The MS' and VOs are registered as MACS' and have to comply with corresponding statutory provisions. Besides conducting training in the provisions of the MACS Act as highlighted in the table above, APMAS has been facilitating the annual statutory audit, Annual General Body meetings and filing of returns with the DCO for the MS' and VOs in the intensive mandals. The outcomes are as follows:

Activity	Number
SHGs Audited	609
VO Statutory Audit & AGM	165
MS Statutory Audit & AGM	6

Elections have been completed in all the MS' and VOs.

SHG Audit: APMAS has introduced a system of yearly audit of SHG books which did not earlier exist. So far audit is either in progress or completed in two of the Intensive mandals. Audit is done by teams of two auditors trained by APMAS.

Grading PIs: APMAS has introduced grading of PIs in all the Intensive Clusters. A detailed instrument has been developed for this purpose (See Annexure 1, Irala mandal

Samakhya) that includes various dimensions, including coverage of PoP, conduct of and participation in meetings and credit/financial management.

Planning and Review: The system of monthly review has been introduced whereby a report from the SHG is presented at the VO, from the VO to the MS and from the MS to the ZS. The reports are read out in the meeting.

Introduction of Weekly SHG Meeting: APMAS has introduced weekly meetings in the SHGs in the Intensive Clusters to improve group cohesion.

Livelihood Development: In selected locations in the Intensive mandals APMAS is working on livelihood enhancement activities. This entails conducting mapping of various livelihood activities/streams/sectors, identifying gaps and establishing linkages. In addition, certain sectoral activities have also been taken.

Manuals & Training Modules: APMAS has developed a wide range of manuals, concept papers and training modules in the course of its engagement with SERP. Some of these are:

- Election Process in SHGs & Federations
- Annual Planning in Federations
- Federation Bookkeeping
- *Swayam Niyantrana Udyamam* or Sector Own Control
- Reconstruction of Accounts in SHGs
- SHG External Audit
- Significance of Loans
- Significance of Savings
- Annual Planning in SHG
- Federation Internal Audit
- SHG Bookkeeping
- ToT Module on SHG Bookkeeping
- Training Workbook for Book Keepers
- Training Modules for CAs, CVs, CRPs and Sub-committee Members.

In the Intensive Clusters, APMAS works closely with the IKP staff, thereby not only introducing new concepts but also increasing the intensity of engagement with the PIs. Through this partnership, it helps in aspects such as inclusion of PoPs, bank linkages, adherence to systems and procedures. There is a kind of tacit division of work whereby APMAS focuses on group quality, inclusion and sustainability issues where as IKP focuses on implementation of various schemes, including meeting bank linkage targets. A key theme of APMAS' work is to help the multi-level PI structure to become more self-reliant (*swayam niyantrana*), more democratic and more transparent/accountable to its

members. The changes reported by APMAS pertaining to the coverage of population, number of PIs and their performance parameters are presented in the table below.

Year	No of Villages	Number of PIs			Total PoP Households	PoP HH Covered		Bank Linkage		% SHG Meet Weekly
		SHGs	VOs	MS'		Number	%	SHGs	Rs, Lakh	
2006	2,146	17,117	883	31	183,289	152,154	83	5,199	3,337	25
2007	2,157	21,746	915	31	192,700	182,192	95	7,706	6,740	44
2008	2,157	23,443	946	31	188,602	184,420	98	10,077	13,009	54
2009	2,157	23,709	988	31	186,955	182,220	97	11,213	16,395	52

APMAS has a Head Office team comprising of senior professionals specialising in capacity building, quality assessment, research and advocacy and livelihood promotion that assists its field teams. A Regional Manager supervises operations in 2 to 3 districts. In each Cluster it has a team consisting of one capacity building officer and an affiliate who work closely with the IKP teams and the staff of various PIs.

## 8. CONSTRAINTS BEFORE APMAS

As earlier stated, APMAS' work is embedded in the IKP programme. While this gives APMAS a large canvas to promote its ideas, it also puts certain constraints. We briefly touch upon these to put APMAS' work and achievements in perspective.

Firstly, the space for focusing on human processes is limited for several reasons. The evolution of the multi-tier structure has in most cases not been organic;<sup>14</sup> groups have often not undergone a significant phase of mutual help (two of the eight SHGs we visited had received significant external funds in less than four months of initiation); in some cases the MS came before the VO; in some cases SHGs have joined VOs because that was the only way to get access to government schemes; and systems (accounts, reports, proposals, lists, etc., with an external locus) leave little space for deliberative/interactional human processes. Groups at various levels already have certain operating norms (helpful or otherwise), such as infrequent (monthly or at best bi-weekly) meetings, fixed leadership, leader-centric functioning, high level of information asymmetry, interest rate regimes, decision making processes and criteria, etc. Changing established norms is far more difficult than starting from a clean slate. These have clearly hampered the progress in introducing new ideas that would enhance PI quality and viability.

Secondly, APMAS has to intervene in the midst of on-going operations—a bit like boarding a running train. The IKP operations have their own momentum that pulls the PIs, IKP field staff and PI staff. The programme-related targets dominate the groups'

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<sup>14</sup> In an organic or evolutionary process the secondary and tertiary level bodies emerge as a product of the *felt need* of the constituent bodies—SHGs to VO, and so on—and at their own initiative.

agenda and to that extent group strengthening work gets lesser priority. It is always difficult to introduce basic/structural changes in such situations as members are, naturally, keen to 'get on with the business' of accessing whatever is on offer.

Thirdly, the PIs are intertwined and it is difficult to isolate points for intervention. Every village has 20 to 40 or more SHGs and they are all connected in one VO; every mandal has 20 to 40 or more VOs, all connected in one MS. Therefore it becomes difficult to introduce changes in isolated SHGs and VOs, except if the changes are unconnected with existing operations, systems or linkages.

Fourthly, the primary motivation for forming groups has been the expectation of external benefits, and benefits they have received and continue to receive. Therefore, changes in basic orientation would take time and persistent efforts. Experience in other places also points to difficulties in working with groups formed with expectations, for example of getting a bank loan.

Finally, APMAS has been working with limited human resources in dispersed multiple locations. Though APMAS has deployed 40 persons, including the HO professionals, for the programme, the outreach of nearly 24,000 SHGs, 988 VOs and 31 MS' across eight districts very large. Some of the selected mandals are on inter-State boundaries where normal government outreach generally tends to be weakest.

## **9. ASSESSMENT**

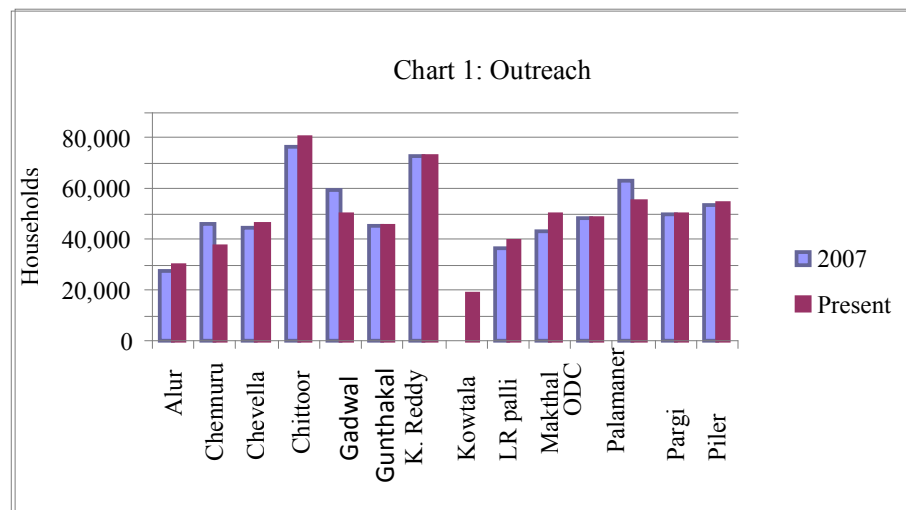
In this section we present our assessment of APMAS interventions, both the achievements and gaps. These are broad judgements about the direction/orientation, depth and quality of interventions rather than quantitative assessment of outcomes and effect. Some of the critique of IKP presented earlier is as well relevant here because the basic orientation of the programme around which interventions have been made, namely the delivery of financial services and other welfare schemes, remains the same; that is a constraint APMAS has not been able to surmount/negotiate. We have presented a summary of our field notes in Annexure 1 which includes our on-site reflections. While drawing on those in the following, we have not repeated those here.

### **9.1. Institutional Development—Building Social Capital**

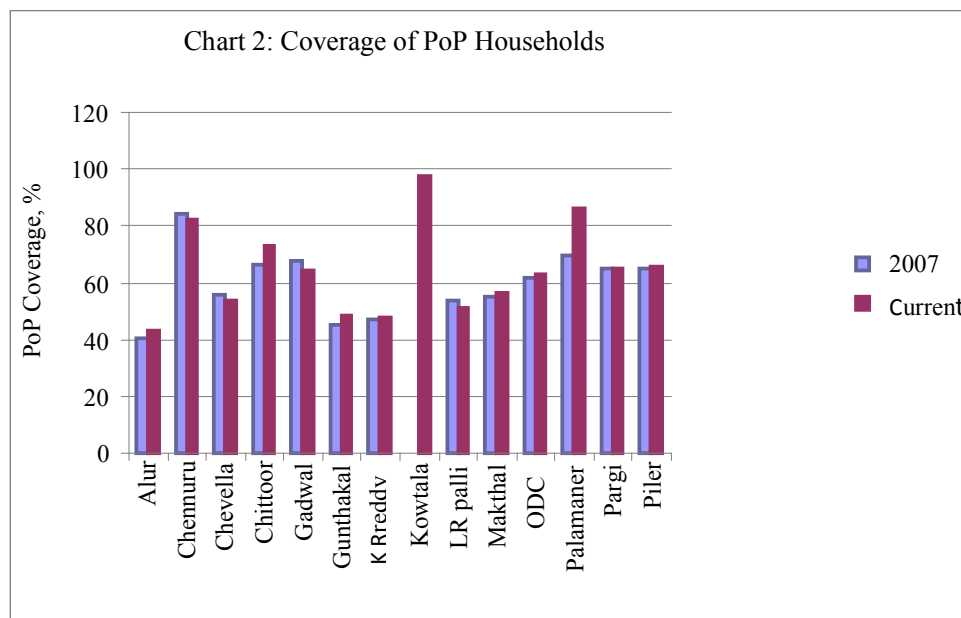
Strengthening PIs: Under the broad theme of self-reliance/control (*swayam niyantrana udyamam* or Sector-Own-Control), APMAS has taken up a variety of activities to strengthen the multi-level community organisations, such as training of members and particularly the office bearers, more frequent (weekly) meetings of SHGs, rotational leadership, conduct of elections, availability of community based book/ record keepers and auditors, standardisation of accounting procedures/formats, increased savings,

grading and review of groups at all levels, microcredit planning (MCP), the practice of paying community resource persons for services.

The outreach in terms of population and number of groups has grown in all the 14 clusters as reported by APMAS. In other words, new groups have been formed with APMAS' involvement and support. The chart below based on APMAS data clearly brings this out.

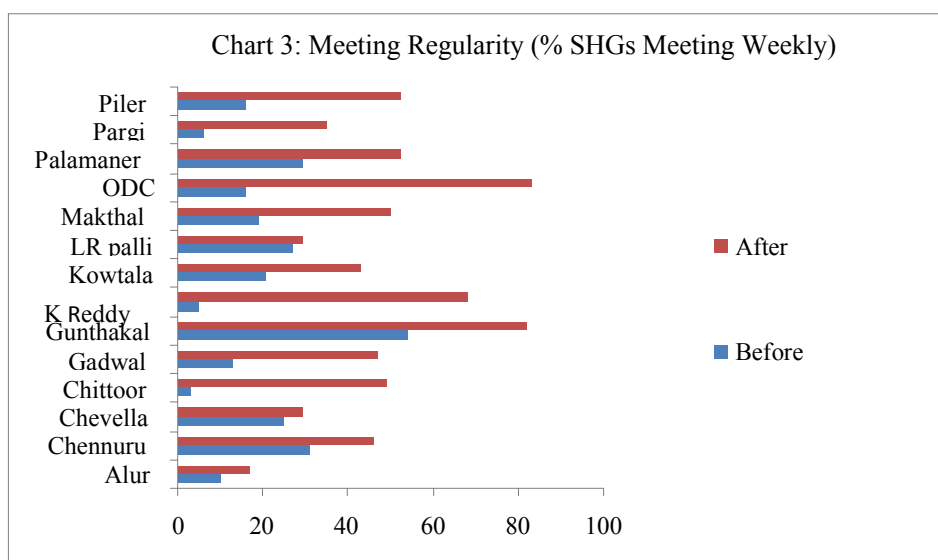


Reaching out to the poorest is the core purpose of IKP and APMAS has been assisting IKP realise this objective. The coverage of the poorest of poor (PoP) households has similarly been reported to have increased across all districts as the following chart shows.



Primary groups being the building blocks of the entire PI structure, APMAS has attempted to bring this into focus through direct engagement with SHGs as well as

introducing systemic changes at that level. Clearly, there is more focus on SHGs in APMAS mandals as confirmed by IKP personnel in the field; this was one difference highlighted between APMAS and non-APMAS mandals. The SHGs have weekly meetings (though in one non-APMAS mandal also we met a group that meets weekly) and some of the groups have different agenda assigned for each week (one group has assigned specific weeks for repayment of loans from the bank, VO and SHG, respectively). More among the SHGs in APMAS mandals were vibrant with broader participation. While there has not been leadership rotation at the level of SHGs (two women in a non-APMAS MS said they have been rotating leaders on their own), in some cases the meetings are conducted by a different person every week and the person who conducts the meeting goes to the bank to deposit the savings and repayments, thereby getting exposure without being a formal leader.



At the VO level also, the quality was uniform in APMAS mandals and not so in the non-APMAS mandals (though we visited only two non-APMAS VOs). As the VO and MS are registered under the MACS Act, APMAS has helped in conduct of elections, holding annual general meetings and annual audit. APMAS has also helped VOs get registered under the Act. The office bearers have had significant training inputs, are better informed about their roles and are more vocal. There has been rotation of leaders through elections.

On the down side, the basic orientation of the PIs remains the same in spite of APMAS intervention—to get access to bank loans and government schemes; and most of their deliberations are around material transactions and implementation of various schemes. While other issues are mentioned—and even those are primarily oriented towards economic gains—the foremost purpose/benefit cited in all cases is getting access to bank loans, *pavlavaddi* and government schemes (occasionally one heard a resentful voice about the compulsion to join in order to access government benefits). Women in

leadership positions talk about exposure, information and the ability to get out of the home but those opportunities are available only to a small proportion of women and can hardly be a source of excitement for an average group member. Savings of group members remain undervalued because they get much larger funds from outside at a much lower rate of interest (this also adversely affects groups' income as they have no margin on external funds and own funds are both small and underutilised). The question then is, are factors like transparency and efficient management, undoubtedly essential and valuable by themselves, adequate for autonomy and sustainability? Or can there be alternative glue? Can a situation be created where members see the group as a resource created by them together to stand by them in dealing with the rest of the world, be it the bank, the government, PRIs, the School System, or the families/ community/ society they are a part of? Can a situation be created whereby the groups, starting with the SHG, diagnose the varied situations of their members, aggregate and categorise the information at the higher levels and then direct what the government programmes should be? True social capital would be created when members invest in a group that drives the agenda of the entire PI-structure rather than the other way around; good systems and services play a critical but essentially supporting role—absence of systems will undoubtedly break groups but systems by themselves do not lead to transformative changes.

On democracy itself, while elections and leadership rotation are positive steps as these aid democratic functioning of the PIs, effective participation is its basic building block. It comes about when members feel both empowered and responsible to speak out and take charge of the group, its agenda and direction. A primary group—where everyone is one's own representative—is where participation has true meaning (that is why *gram sabhas* are so critical for the world's largest democracy to become a true democracy!). In this regard much more work is needed at the level of SHGs. Participation was most skewed in the primary groups and so were benefits (in favour of the leaders) in most cases. This could be changed through training of members in group processes in live or simulated group meetings; exhortation and instruction does not work, internalised beliefs developed through action-reflection do. A group becomes democratic when its members become custodians of group democracy, for example by taking responsibility (as a matter of habit or internalised belief) to pull forward the silent ones and moderate those who tend to dominate.

Developmentally, a group could be a tremendous resource and not merely as social capital in the sense used in institutional economics. As a human space, a group can trigger great changes in the most complex developmental arena—the social-psychological—so critical for the advancement of the marginalised in our country. It can enhance the self-belief and self-confidence of members and imbue them with a sense of being empowered. So 'developed', the members can take the group to a higher level of performance and achievement, including influencing key political platforms like the Panchayat (we see what groups can do for individuals and vice-versa in good sports teams all the time). This

potential of groups to be resources for their members has sadly been lost sight of by the so called SHG movement as it got afflicted with the micro-finance bug. We did not see evidence that this is being attended to in APMAS-supported groups either.

APMAS has proactively sought to ensure that weaker sections get represented in leadership positions in the higher level PIs by tweaking election norms. As a result of this, women from SC and ST communities have been elected as Office Bearers in VOs as the data from Nizamabad presented in the table below shows. Overall, however, we did not find a marked difference in the socio-economic composition of the leadership group (which is larger than the three office bearers) between APMAS and non-APMAS mandals. Leadership rotation, which helps democratization, unfortunately militates against the norm. Overall, leadership at VO level and above continues in the hands of the educated, more articulate and better off; the systems-related changes introduced by APMAS would reinforce the need for literacy and numeracy. One obvious effect of who the leaders are would be on the nature of issues that would receive priority and those that would be sidetracked and avoided. Our field observations validate this assertion.

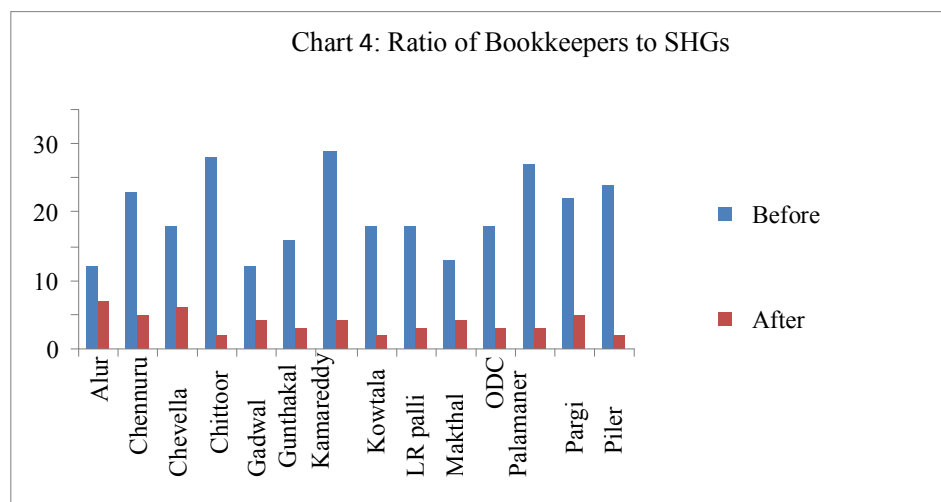
Mandals	No of VOs	Social Group	Presidents		Secretaries		Treasurers		All Office Bearers	
			No.	%	No.	%	No.	%	No.	%
Bikanur	32	ST	1	3	0	0	0	0	1	1
		SC	9	28	13	41	8	25	30	31
		BC	16	50	15	47	17	53	48	50
		MN	1	3	1	3	1	3	3	3
		OC	5	16	3	9	6	19	14	15
Tadwai	25	ST	1	4	1	4	0	0	2	3
		SC	5	20	9	36	6	24	20	27
		BC	14	56	8	32	8	32	30	40
		MN	1	4	2	8	1	4	4	5
		OC	4	16	5	20	10	40	19	25
Kamareddy	22	ST	1	5	1	5	1	5	3	5
		SC	4	18	4	18	8	36	16	24
		BC	16	73	16	73	10	45	42	64
		MN	0	0	1	5	0	0	1	2
		OC	1	5	0	0	3	14	4	6
Lingampet	29	ST	1	3	3	10	2	7	6	7
		SC	14	48	8	28	6	21	28	32
		BC	13	45	18	62	19	66	50	57
		MN	0	0	0	0	0	0	0	0
		OC	1	3	0	0	2	7	3	3
Domakonda	23	ST	0	0	0	0	0	0	0	0
		SC	6	26	8	35	3	13	17	25
		BC	10	43	12	52	14	61	36	52
		MN	0	0	0	0	5	22	5	7
		OC	7	30	3	13	1	4	11	16
All Mandals	131	ST	4	3	5	4	3	2	12	3
		SC	38	29	42	32	31	24	111	28
		BC	69	53	69	53	68	52	206	52
		MN	2	2	4	3	7	5	13	3
		OC	18	14	11	8	22	17	51	13

On the issue of leadership rotation, there can be no effective rotation unless the practice is also introduced at the SHG level; otherwise, the same women would return after a few

years. Also, the contribution of rotation to democratization and development of members and the group itself would be highest at the level of the SHG where ordinary members would get a chance to take responsibilities, get training inputs, get exposure by participating in the VO and may be the MS, and most importantly, ingrain the notion that leadership is about processes that are triggered and nurtured and not about individuals who occupy specific positions, a notion anathema to our deeply hierarchical society and the command-and-control models that the management discipline has popularised. Groups become strong when members feel strong as its constituents; therefore, processes that make most people strong must be prioritised. Since there are two leaders in each group of 10 to 12, every one can get a chance to become first or second leader within five to six years.

The relationship across levels of PIs seems to be more of command and control and less of facilitation, support and influence (through ideas, analysis, joint reflection and reasoning). There was little difference between APMAS and non-APMAS mandals about members' perception of the role and identities of different levels of PIs. While some did say the SHG is the building block (equally, some said the VO will continue even if some groups drop out), the dominant flavour was one of supervising and administering the 'lower levels'. Interest in lower levels seems driven by how it affects the higher levels rather than the effect on the wellbeing of members and strengthening lower level entities.

Sustainability of PIs: Having access to competent local cadres—preferably from among SHG members, ability and willingness to pay for services and having an internal rather than externally driven agenda are mentioned among facilitators of sustainability in APMAS documents. A large number of local cadres have indeed been trained as group accountants, facilitators, resource book keepers and auditors. Most of them have been chosen from the members of SHGs. As a result, the ratio of bookkeepers to SHGs has improved dramatically as Chart 4 below brings out. The concept of Resource Book Keeper (RBK)—someone with better understanding of accounts and trained as a trainer—has been introduced in all APMAS mandals. This seems to have been very helpful and was widely appreciated. The RBKs train new accountants, conduct refresher training for existing accounts and provide problem solving support on request. The various local cadres we met were full of energy and skilled for the task assigned to them. The PIs visited were paying for the services of their book keepers from their earnings.



The goal of ensuring that groups develop their own agenda, however, remains largely elusive. The only examples we came across were economic (linking with dairy cooperative and paddy marketing) largely addressed the interests of the better off minority. Even the social agenda most often talked about by members upon being goaded—child labour and child marriage—seemed externally inspired. Curiously, acting against a man who violates the fundamental right of association by preventing his wife (someone like them) from attending a group was not a priority and women in APMAS supported groups were equally disinclined to delve into it. In fact, the young community resource persons we met in an APMAS mandal mentioned opposition by husbands a key reason for women not joining groups. Similarly, no one spoke about the causes behind child labour (one would expect groups formed for mutual aid to delve deeper into ills afflicting their own community and not to merely canvass against those). The level of savings was no different across APMAS and non-APMAS groups; nor was a perceptible difference in the importance assigned to SHG savings.

Systems: Besides training local cadres, APMAS has tried to introduce uniform accounting systems, system of grading PIs and audit at all levels. Overall, the quality of book keeping and records in PIs in the APMAS mandals was better and it was excellent in Chittoor, though PI accounts in one of two non-APMAS mandals were also comparable. The use of monthly reports (*maasa nivedika*), loan applications, grading system and MCP was more routinised in the APMAS clusters and the quality of the same was better (again, distinctly better in Chittoor). The importance of SHG audit, introduced by APMAS and being followed only in those mandals was clearly highlighted by the feedback we received from the new (very capable and enthusiastic) auditors we met in Chittoor (see Annexure 1). There were a larger number of MS sub-committees in APMAS mandals and the members were distinctly better informed of their role.

The overall quality of records, however, needs improvement even in APMAS mandals, Irala in Chittoor being the only exception where not only were records satisfactory but had also been neatly filed. Irala was the only place where copies of documents sent forward existed. In most cases, there was overwriting, cutting and in some cases (non-APMAS) entries were with pencil. There were totalling errors and in some cases the books did not balance. The SHG auditors we met reported similar problems in the groups they had audited recently. There were also conceptual errors in financial records, for example, in the treatment of member fees.

One also questions the utility of some of the reports and reporting systems/methods. Particularly, the *maasa nivedika* largely has financial or other quantitative data and reading it out in the monthly meetings takes a lot of time. Groups try to stagger reading between meetings; even so, what sense can any one make when data is being read out one after the other for, say, 15 groups? It seems to reflect the ways of functioning of modern offices and also the relative perception of roles across hierarchies of groups. Even if the reports have to be collected for programme monitoring and troubleshooting by facilitators, their reading seems pointless. It would make far more sense for the purpose of backstopping to report and discuss exceptions, both positive and negative. We do not know what the alternative might be but whatever it is must both facilitate each level to play a supporting/nurturing role towards its constituents and add to the quality of the meeting/ deliberations.

It is curious that use of technology for record keeping, analysis and informing has not been introduced by APMAS. Given the developments in the ICT sector literacy and numeracy are no longer barriers for recording, analysing and communicating the kind of data these groups generate/use. Of course, applications have to be developed and there are costs, but given the scale, pay-offs would be enormous.

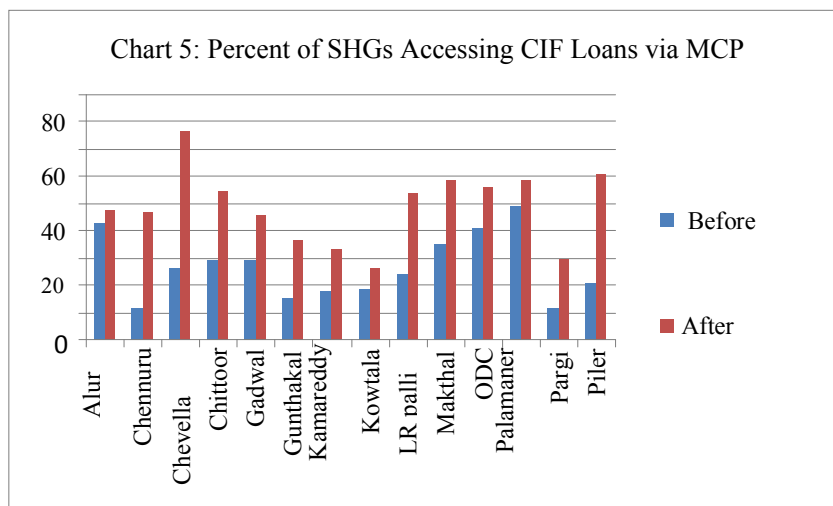
Financial Management and Planning: The system of annual planning is being followed though the plans get compromised when there are new schemes to be taken up. At the MS and VO level, such planning would indeed be useful as they have to manage larger funds, a wide variety of plans and have higher operating expenses. The most important tool, however, is the Micro Credit Plan made at the SHG level. While the MCP is being followed far more seriously in the APMAS mandals and there is reported to be wider use of the tool across all mandals since APMAS intervention as brought out by Chart 5 below, there remain serious problems in how the MCP is made, its quality and use in all groups.

The MCP is the SHG level consolidation of household investment plans prepared by individual households that are represented in the group. It is expected to include plans for investment on asset creation for income generation and household needs. MCP is

envisaged as a comprehensive tool to improve the levels of income and quality of life of SHGs members and overall functioning of SHGs and their federations.

Conceptually, MCP has huge potential to help families and groups identify and analyse their financial needs and existing resources and explore possibilities of complementing those with loans. In practice, however, the instrument is primarily being used to fulfil bankers' requirement to sanction loans rather than as a tool to help families of members make their investment plans.

The format has three main sections, focusing on the existing fund situation of the SHG, the individual plans of its members for investment on assets and prioritisation and fixing the loan amount based on available resources. In practice, the sections hardly have any links with each other for analysis. Also, the knowledge and skills required to facilitate the members and group in this kind of planning were not with the local cadres charged with the responsibility.



The formats used in all the four districts visited were similar, having the three sections mentioned above. Except Chittoor, in all other places the section on group transactions and fund availability only comprised of receipts and payment statement. The groups clearly did not seem to be equipped to help individual members make the plans and to appraise the plans in the local context and the resources available with the household to carry out the plan effectively. The amount filled up for the members in the format in most cases were absolute amounts recommended, without any relationship with the funds she has with her and the amount of money she needs as credit.

In almost all the MCPs reviewed (35 in Parigi cluster in two VOs , 15 in the non-APMAS cluster Yellareddy, 24 in Chittoor) with a few exceptions (7 in Chittoor and 2 in Parigi) all had identical requirement for all members in a group. Even in the column for the member's own funds, the amounts filled were identical for all the members. Likewise, the

amount members require for investment and asset creation were same in a majority of cases, as were the gaps. In most cases, the amounts tended to be in round figures of thousands. Similarly, the expected income from an investment, amount the household would need and the amount available were often identical and generally in round figures.

When asked about the MCP, the groups generally said, “If the MCP is not filled, the bank does not give loan; also, the VO does not approve the loan under CIF”. In most of the cases members had heard about the MCP but except the Sanghamitra/CRP and a few leaders no member knew what the content of the format was or the purpose of the MCP; all they knew was that they have to state the amount of money they require from VO and bank. In many cases, the overall investment proposed was three to four times the amount of loan sought/approved. The impression one gets is that in most cases the likely amount of loan and the repayment schedule is known and the rest of the numbers are worked around it. In almost all the cases the format is filled by the CV/Sanghamitra/CRP without having a discussion in the group. The purposes for which groups had borrowed were the classical ones rural households borrow—livestock (especially cattle), agriculture and petty trading (*kirana* shops). One did not get a sense that the purposes of loans and actual utilisation would be very different without the MCP. Why then invest time and effort in an exercise that contributes little to those for whom it is meant?

In 80 percent of the completed forms there were cuts in the ‘loan outstanding’ amount in the receipts and payments statement, the individual’s requirement of funds and the amount of her own funds. Except for a few groups in Chittoor, no SHG had the copy of the MCP or any record in the minutes with them; thus no deliberation can take place in the group, nor can the format be reviewed by the members in course of time.

The loans, especially the bank loans presently are discrete sums given periodically. It is unlikely (except in case of loans for crop inputs and festival/school expenses) that all the group members would need loans at the same time and make/plan for investments at the same time. In this context it may be more helpful for groups to have lines of credit or cash credit limits so that they can borrow when they are ready for investment and need funds. It would improve the quality of their planning.

## **9.2. Livelihood Promotion**

The livelihood promotion agenda is relatively recent and quite modest in coverage as well as depth. The main contribution on the ground is in establishing linkages with line departments of the government (mainly, animal husbandry department) and other resource institutions, such as BAIF and certain interventions, such as NPM in vegetables (which is also a large government programme), fodder development and backyard poultry (see Annexure 1). APMAS has also developed survey formats to map out different livelihoods in a cluster which enumerate various activities in the cluster, such as different

crops grown and the area covered and their constraints ('issues' is the term used). These are expected to be used to choose specific sectors for intervention as well as strategies.

In our assessment the livelihood work lacks a serious strategic appraisal of the existing scenario and potential opportunities for enhancing/creating livelihoods. There does not seem a clear statement of the concepts or theory guiding it. The strategy seems to be one of sectoral development, beginning with identification of gaps or constraints and addressing those by developing linkages with resource agencies, including government extension departments and NGOs. We did not get a sense that there is a clear analysis of poverty and its drivers, or that any differentiation is being done across households, or that specific classes of households are being targeted for intervention or any evidence of deeper engagement with the households where livelihoods are earned or created. While sectoral development does have a role, it is not the best or even appropriate first strategy for every kind of household. Beginning with an analysis of poverty, one could, for the sake of simplicity, categorise rural poor households into three groups<sup>15</sup>—those who are extremely vulnerable, chronically deficit and on a downward spiral, with a depleted self-view (one might use the term declining poor); those who are in currently stable subsistence, but do not have resilience to bounce back from shocks or obvious opportunities for growth and can easily slide down into deficits (say, stagnant poor); and the more confident and entrepreneurial poor who can take risks, can come out of adversity, can deal with fair markets and move on in a level playing field (say, the dynamic poor). Different strategies are needed for each of these groups. The first group primarily needs public goods by way of entitlements and safety nets (subsidized rice, MNREGS, free housing, pension, SHGs as affinity groups to build their self-confidence, etc. among existing schemes/approaches) besides support to develop self-efficacy; the middle group needs a combination of public goods, handholding and market oriented strategies (*pavlavaddi*, MNREGS, CLDP, skill and sector development, collective marketing, etc. among existing schemes); and the third group can do quite well with access to fair services, business development, sector development and collectivisation. We suspect many of the poor who claim to have escaped poverty due to IKP are in the third category. The starting point therefore needs to be clear differentiation/classification of the people whose livelihoods one is trying to strengthen. Differentiated strategies can then be worked out, which would necessarily call for phased interventions over time till a household is able to walk out of poverty. Clearly, the time, skill sets (plus orientation) and resources required would vary across segments and APMAS may even choose to work only with one or the other category.

One theme that would be useful across the board is that of developing the carrying capacity of natural resources, principally management of land, rainwater and farming

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<sup>15</sup> See, for instance, Hopley, M and Joshi D with Ogakaki, A and Froistad, J (2009), Hybrid Organisations, Hybrid Strategies: Pathways out of Poverty, RLLG, Ford Foundation New York.

systems as an integrated whole. This would be particularly useful in the rain-fed sub-regions of the State. Breakthroughs in this would come about by designing and piloting strategies that go beyond the conventional watershed development approaches of ‘harvesting and safe disposal’ of rainwater runoff. The alternative is to minimise and stop runoff by adopting suitable land development techniques and farming systems so that more of rainwater is directly (*in situ*) used by plants and soil-based organisms, the land-bound part of the water cycle is prolonged and water travels below the surface rather than over it; harvesting runoff must be a residual strategy. This can now be done on a very large scale by converging MNREGS and various farm productivity enhancement and diversification programmes, such as the National Horticulture Mission, the Food Security Mission, etc.

### **9.3. Implementation**

APMAS staff seemed immersed in their work, fully abreast of the situation, clear about their role as well as constraints, and clear about the ‘what’ and ‘why’ of their work (except in case of livelihoods development where a convincing storyline seemed missing). They also seem hamstrung by the constraints of working in a situation where the space for strategising is limited.

In our assessment, APMAS is quite stretched in its IKP engagement, because of geographical spread (and distances), huge canvass (large number of PIs and range of inputs), and most critically, the breadth of its activities, ranging from direct engagement on the ground (attending PI meetings) to conducting training for local cadres, training for IKP personnel, troubleshooting, to strategic support. There is a risk of diffusion, loss of coherence and dilution of standards. As some staff mentioned, there is a danger of becoming additional hands to IKP which would be a let down for staff as well as other stakeholders, including IKP itself. Organisationally, it is important for APMAS to clarify, internally as well as vis-à-vis SERP, what its identity is with respect to IKP. Is it in the business of providing services outsourced to it by SERP (for quality improvement) or is it engaged in what might (for want of a precise term) be called Institutional Development (or R&D?), which here would include experimentation, piloting new ideas and implanting successful ideas into IKP by using various capacity building tools. There seems no clarity presently.

There does not seem clear base line data about the ‘starting’ point, especially with respect to the existing PIs where interventions for quality improvement are made. It is difficult to assess the efficacy of interventions and for course correction. The data we received was of the ‘broad sweep’ variety, such as, poor leadership, lack of unity, weak governance, etc. or of an inventory of interventions—training programmes conducted, number of people trained, etc.

## 10. RECOMMENDATIONS

We had been asked by APMAS to give our recommendations for how they might move forward. The engagement we have had is too limited to give recommendations. Even so, we present some indicative choices for the future, drawn from our assessment.

A support agency seeking to influence the quality of a large programme like IKP would necessarily have to work across the system, sooner or later. As pointed out in the previous section, there are two broad approaches one might choose from. One might work in tandem with the mainline programme staff with a clear division of labour, as in a BPO model; alternatively, one might play a capacity building role to develop capabilities of the mainline programme staff, leaving field implementation entirely to the latter. Some engagement on the ground would of course be necessary even in the latter case, but only to develop and pilot new ideas, design capacity building material, test the efficacy of capacity building and conduct action-based training where necessary.

Institutional development (ID) of PIs and livelihood enhancement are the two broad areas where inputs are needed to enhance the effectiveness of the programme. There are broadly two streams in ID—process based issues with respect to the PIs (identity, governance, relationships and roles across levels, group dynamics and development, facilitation, etc.) and systems related issues with respect to PIs (mainly bookkeeping, audit and decision support systems). Of these, systems related matters that primarily are concerned with transferring standardised skills are most amenable to the BPO model<sup>16</sup> as these are largely one-time inputs with discrete, pre-planned refresher inputs. Doing the others in tandem in a BPO fashion would have two obvious problems: one, it would require creating a large organisation, and two, as is already being experienced, operations would suffer unless the strategies of the client system are aligned with that of the BPO partner. The choice for APMAS would seem to be not to work as a BPO and not to do things that are most amenable to standard BPO approach; in other words, develop and pilot processes and ideas and graft those into IKP through capacity building of IKP staff.

In the following we briefly sketch out the possible arenas of work in ID and livelihood promotion.

Institution development: Foremost in this is to help the PIs revisit, reflect on and settle on a clear core purpose for themselves. As of now it is ‘to access bank loans and government schemes’—there is no ambiguity about that and new groups are expressly being formed and drawn around that purpose. There is nothing inherently wrong with such a purpose; the issue is how they expect it is to be achieved—by being able to make demands or as (well behaved) beneficiaries. There can be no *swayam niyantrana* if the groups perceive

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<sup>16</sup> There seems little reason why an NGO should take up the task of training accountants and auditors working in villages. These are new ‘rural service sector’ skills that private firms could transfer.

themselves as beneficiary groups. Being well-behaved is not the same as *swayam niyantrana*. Are there significant issues affecting their lives that the women could change even without accessing loans and schemes? Could processes be set into motion to bring those out and acted upon?

The second set of issues pertains to group development—participation, contribution, democracy, mutual help and solidarity, relationships across levels and inclusion at all levels. Members need to become trustees of the group and a group needs to become a resource for its members, at all levels.

To become effective demand groups, they need to learn, through experience, to influence external resource institutions and stakeholders. Of course, this also requires being sensitive to the needs of the stakeholders (the good behaviour). This would include families and communities, PRI, banks and government agencies.

Finally, the groups need to adopt and nurture internal systems that promote transparency and accountability. These go beyond book keeping and audit to governance, communication, etc.

Some of these are already being done by APMAS. However, as we have earlier pointed out, the focus is more on management rather than on issues of identity, purpose, locus of control and actions to realise those.

Livelihood development: Major rethinking is needed in this arena for APMAS to make a significant contribution, which we believe is needed. To be fair, this is a more complex agenda, a long haul, and there are few landmark examples to draw upon. We recommend that APMAS take up this work as a pilot experiment in a few sets of villages in a few mandals (not covering entire mandals but a small set of villages in each chosen mandal) and focus on developing strategies and methodologies. Detailing out a step-by-step process is beyond the scope of the present exercise. We briefly present below an indicative sketch of the approach APMAS may follow.

To begin with, APMAS needs to sketch out the poverty and livelihood scenario that is representative of the villages it is working in—a few VOs in chosen mandals would make most sense. As earlier pointed out, it may be possible to cluster/classify the members of the IKP promoted PIs into different segments, in terms of their socio-psychological profile as well as the economic profile. It would be a happy—but very unlikely—situation if all fit into the third category described earlier—people who can take off if they had access to financial services, knowledge (technical and business) and mechanisms for attaining scale to get access to fair markets and sustain business services, or even the second category—people who, in addition, need a bit of handholding, some public investment and lowering of risk (subsidised capital, price support, insurance, etc.). Having done such as analysis, APMAS needs to decide its focus—working across the

spectrum is exciting but most challenging. Whatever framework is used for analysis, the first task is to get a handle on the poverty scenario and livelihood challenges, followed by choices of constituencies to work with. A general mapping of livelihood sectors for an area as is being done presently is of little use.

The next step is to carry out livelihood planning dialogues with at least a large samples of households that represent each of the chosen constituents. This would illuminate the possible strategies. Depending on the constituents, the needed strategies may be straightforward sector development—identification of gaps/bottlenecks and action programmes to remove those. Alternatively, one may need to put together a patchwork of interventions that includes (besides confidence building and identity enhancing measures) public entitlements, debt/bondage redemption, nutrition and health, assured wage employment, credit for consumption, followed by handholding through productivity enhancing measures; sectoral strategies may come much later.

Regardless of the population segment APMAS focuses on and the strategies that emerge, bringing convergence of various government schemes at the level of villages and households would be necessary.

As regards programme implementation, the most exciting opportunity for APMAS in our judgement is to develop approaches, methodologies and tool kits rather than extending the knowledge and know-how it already has. Such a developmental (as opposed to extension) purpose would be better served if APMAS chose a smaller area—perhaps two to three mandals—so that it is able to increase the intensity of professional engagement.

Helping PIs to delve into issues of identity and purpose would require flexibility with respect to programme implementation so that they are able to think freely and not boxed into the programme framework. APMAS would need to negotiate this with SERP so that there are no programme targets in the chosen mandals.

It would be helpful also for APMAS professionals working on livelihoods to get more exposure to others in the field in the country—no one to our knowledge has all the answers or ready-to-use recipes, but more is happening outside than inside APMAS' action domain, though much of it even outside tends to be sectoral work. There are things to be learned, especially in the arena of natural resource based livelihoods, farm based enterprises and collectivisation.

Finally, APMAS needs to set a longer time frame for piloting work on livelihoods.

## Annexure 1: Summary of Field Notes

In the following we present a consolidated summary of most of the field notes taken by the three members of the Review Team in the course of the field visits. These have been clustered according to the category of groups and individuals we interacted with, beginning with the Self Help Groups. Each summary of interactions is followed by our brief reflections.

### 1. SHG Interaction

#### *Village—Kancherla, mandal—Biknur, Cluster—Kamareddy, district—Nizamabad*

The Review Team interacted with two SHGs in this village, named Venkateswara and Anandswamy, respectively. The meetings were held separately.

#### *Venkateswara SHG*

Before inception of this SHG all members of this group were engaged in *bidi* rolling together and afterwards formed an SHG through the facilitation of an *anganwadi* worker. The group was dysfunctional for a while and regrouped through the intervention of IKP. Out of 13 members, three are landless and all others have land holdings of two to five acres. All the 10 land-owning families tried to install bore wells in their land but five of them failed. Therefore, while five of the families get crops throughout the year other five depend on rain fed agriculture.

The first leader, Laxmi, seemed to be the most affluent member of the group, owning about 4 acres of irrigated land and a tractor. She said she cultivates maize, sugar cane, paddy and vegetables and earns about Rs 50,000 a year from her land. Sulochana, Mallava and Yosoda were the landless members of the group. The livelihoods of these landless members include *bidi* rolling, labour work under NREGS, tea and tiffin stall and selling county liquor.

The group doesn't keep any of its savings at the village level; whatever the group saves in weekly meetings is either loaned to needy members or deposited in bank.

The CRP introduced certain norms, such as sitting in a circle, beginning the meeting with a prayer. They used to save Rs 30 a month earlier and now save Rs 10 a week and have weekly meetings. The group has not rotated its leaders ever. Members think that the current leaders are doing a good job, so they have not felt the need to change leaders. The perception seems that leaders should be changed only in exigencies rather than as a matter of group norm.

The economically better off members with irrigated land have taken the largest chunk of loans from the VO and the bank while the landless have not taken any VO loans. Although bank motivates SHG members to distribute bank loans equally, some members, such as the first leader Laxmi, have taken the share of others who chose not to take the loan, may be because of their inability to absorb it. In this manner she is enjoying the benefits of *pavalavddi* on account of another member besides her own share.

Moreover, members of the same family have enrolled into different groups to harness the benefits of different government schemes. Laxmi is a widow and stays with her son, daughter-in-law and their children. She is a member of Venketeswara SHG, while her daughter-in-law is a member of Godavari SHG in the same village. While Laxmi has taken altogether loans of Rs 46,300 (group funds—6,300, bank loan—30,000, VO loan—10,000) from Venketeswara SHG, her daughter-in-law has taken a loan of Rs 26,300 (group funds—6,300, bank loan—10,000, VO loan—10,000) from Godavari SHG. She has also borrowed from the money lender, “because he takes repayment in one lump-sum”.

Laxmi said, *“I have benefited a lot from the group. Earlier we didn’t have anything, but now my son owns a tractor. My wish is to see another tractor in my house before I close my eyes”*.

**Reflections:** The group was not very vibrant. Four of the members spoke most of the time. Laxmi, the most affluent member and the first leader was the most vocal, while the landless members such as Yosoda and Sulochana were largely silent. Although all members have received financial assistance, the benefits are skewed towards better off members and the nature of available loan products seems to affect the choice of source. Getting financial services and harnessing profits from different schemes seemed to be the motto of the group. The group did not seem much concerned about leadership rotation and responsibility sharing.

#### ***Anandaswamy SHG***

This is a nine year old group. The first leader of the group is an ex-sarpanch and exceptionally vocal. This group has also not rotated its leaders. Members of the group said that the current leaders are doing a good job, so there is no need of rotation. Moreover, members said that the current leaders are comparatively free, therefore can spare time for different responsibilities that come with leadership. However, with some facilitation two of the relatively quiet members agreed to be the leaders. The present first leader kept saying, “I want to step down but no one wants to come forward”.

Members said, after getting into the group, their life has become happy, because it helped them to send their children to school. Moreover, they could provide financial support to their husband’s businesses. When children and husband feels happy, they also feel the same.

**Reflections:** The group was comparatively vocal compared to Venketeswara SHG. With some facilitation, a few members came forward to take leadership responsibilities; the ones coming forward looked relatively poorer and from appearances and demeanour, unlikely to volunteer. It was evident that the required effort from the facilitator has not gone to the group to address such issues. It was also apparent that the first leader, an ex-Sarpanch, was not particularly keen to step down, contrary to her politically correct assertions that “no one wants to take this responsibility and that she has been pleading with others to step forward”; her body language said it all and the falsehood of her statement came out with our facilitation.

Issues related to women in the family and in the society do not seem to get discussed in the group. None spoke of changes in her own life, the focus being on schemes and loans.

***Village—Chinna Putangal, mandal—Gandhari, Cluster—Yellareddy, district—Nizamabad***

***Saraswati and Balaji SHGs (Non APMAS)***

The Review Team met with the two groups together. Both Groups are of two years old, each with 10 members and most of the members are quite young. Groups are economically heterogeneous, with two to three members having 20 acres of irrigated land, while some members are landless and mostly depend on wage labour.

*“We will not have any problem if we stay in a group. We get to know about things. We can meet the need for cash. We get pavlavaddi.”*

The groups meet every week. Savings are Rs 50 a month (Rs 10 a week but recorded monthly). VO loans are for consumption and bank loan for income generating activities. The bank loan is taken home to the elders and the money may be used for multiple purposes, such as school fees, agriculture, etc.; only in case of loans taken from group’s savings is the money taken for a specific purpose. The loans taken from SHG savings are generally not paid on time; highest priority for repayment is for bank loans, followed by VO loans (because there is a fine for late payment and there is loss of face in the VO).

These groups have received VO loans of Rs 10,000 within a month of forming and bank loans of Rs 60,000 within four months of their formation. Most of the members of both groups said that they gave the money to the elders (fathers-in-law) of their family and it was used for agricultural purpose.

**Reflections:** Groups were very dull; they were all about getting benefits from bank loans and other government schemes. It seems the first loan from the bank is fixed at Rs 50,000 and for second and subsequent loans banks depend on IKP staff input for the amount to be sanctioned. The women, especially the younger ones in joint families, clearly seemed to be borrowing on the advice/direction of family elders. MCPs are only formalities and bank managers treat it as another required document for sanctioning loans.

The basic need of self-help (having access to small loans to tide over contingencies) seems as relevant here as in poorer parts of the country. A key difference is that people can absorb somewhat larger loans, if available from banks/VO. However, in the absence of well developed livelihood development inputs to expand absorption capacity, larger loans primarily benefit the economically better off, people with irrigated lands, the more entrepreneurial. In many cases, the bank loans are being used to meet working capital requirements (such as buying fertilizer, which might earlier have been given on credit by the seller—at a higher implicit rate of interest); only the better off are able to create significant assets (a bore well, two or three crossbred cows, a tractor, etc.).

These groups had been financed very prematurely—presumably to meet the credit targets—without having gone through the experience of self-help, without a threshold level of bonding.

***Village—Sultanpur, mandal—Pargi, Cluster—Pargi, Distirct—Ranga Reddy***

***Sai Baba SHG***

This is a nine year old group and was in a way self-initiated with inspiration from other old groups in the village. All members of this group used to go for wage labour together.

Sugunamma, one of the current members, suggested that they too should form a SHG to harness benefits from government schemes like other women were doing. The group was duly formed, would meet once a month to collect savings and the accounts would be maintained without any fee by the literate husband of a member. They would know the details only once in six months when the honorary accountant had time to spare. This group was dissolved in between and members distributed their internal savings. They restarted the group after IKP staff came to the village but joined the VO only two years ago.

Earlier they were meeting monthly but switched to weekly meetings after they got training from CRPs two years ago. Now each member deposits Rs 20 a week. They think weekly meetings have ensured transparency and enhanced the quality of book keeping. Now they have appointed a book keeper, are paying him Rs 100 per month and are getting better service.

Earlier the group was repaying in half yearly instalments but now they do it monthly. The group has availed three bank loans till now. The first bank loan was for Rs 30,000, and Ananthamma availed the highest loan because of her need and the group repaid it in 25 months. The second loan was for Rs 60,000, equally distributed among members and was repaid in 26 months. The last loan was for Rs 2,50,000 and was also equally distributed. Most of the loans were used for either agricultural purposes or for buying livestock, such as buffalos and cows.

Members perceive VO as a service delivery agency which provides them loan out of CIF in times of need, provides them information about different government schemes and also helps in getting seeds, feed, etc. at subsidized prices which are available only if they are VO members.

All members have taken loans from bank, VO and group funds. However, profits from different government schemes are clearly skewed towards better off families. Three members of the SHG, those who own irrigated land, have benefited from schemes such as Pashu Kranti, Indira Awas, while those who are landless or have dry-lands have not benefited from these schemes. Interestingly, *APMAS's livelihood intervention in this group is also with those three members.*

*Regarding APMAS's contribution, the group thinks that due to their intervention, quality of book keeping has improved, members are motivated for timely repayment and weekly meetings and awareness of group members about different schemes has increased.*

**Reflections:** The group members were vocal. Though only seven out of ten members were present, almost all of them spoke, albeit with a little facilitation. The group was very particular about accounts, weekly meetings and timely repayments, so it was evident that *panchasutra* (the five principles, namely, weekly meeting, weekly savings, regular recovery, regular lending and regular record keeping) was properly fed into the group by CRPs. They spoke about having one president for each meeting who presides over the meeting and counts the money, which was not seen in other four groups so far visited.

### ***Bramharamba SHG***

The SHG was started with 15 members but discontinued, largely due to less transparency, financial misappropriation by leaders and total dependency on leaders. With the intervention of VO, a CRP team visited the group and convinced them about the

consequences (loss of government schemes and loans) they will face by dismantling the group. This facilitation helped in revival of the group with 13 members.

The group has received three bank loans so far. In the last instance, the group asked for a loan of Rs 2,00,000 but the bank sanctioned only Rs 1,65,000 and the money was distributed equally. Most of the money has been used for livestock rearing. This group has a systematic repayment system. Members repay the bank loan in the first week of a month, they repay the loan of the VO in the second week and in the third week of each month they repay the loan taken from internal savings. The group said when short of funds, it would first repay the bank loan instalment, then the VO loan and at last repay the loan from the internal savings.

*About the MCP, they only have casual discussion on who wants how much and for what purpose and fill up a sheet according to that. The sheet is filled by the group book keeper or the community activist of the village. Bank doesn't care about the MCP and sanctions loan as per its wish and instructs the group to distribute the loan equally among members.*

The group has not rotated its leaders yet and members do not feel the need to do so. Only three to four members have gone to the bank to date, situated 4 km away in the nearby Pargi town.

**Reflections:** This seemed to be a group of comparatively poor women, with members having less land holdings and largely dependent on livestock rearing for their livelihood. Only three to four members generally go to bank, VO meetings, etc. so while they spoke most of the time, other members remained silent for most part of our interaction. Group is working as a good 'credit management group' and most of the members have taken loans from all the sources available i.e. group funds, VO, and bank and are repaying each type of loan systematically.

The presence of multiple loan sources, each having a different set of terms, complicates the situation as the loans have to be tracked separately. As would be expected, the women make very rational choices in repayment—the bank loan is given first priority because interest subsidy is linked to repayment and there is expectation of a subsequent (larger) loan; the VO loan comes next because otherwise the VO would collapse, it is a smaller and more restrictive source of funds, there is a fine and there would be loss of face for the leadership; the SHG loan is paid last because “it is our own money”. In borrowing also, the priority is bank, VO and SHG, in that order, because of the terms. *As a result, there is little value attached to group savings, which is unfortunate because savings in a group are the woman's true corpus and it enables the group to earn most income. Also, attaching a higher value to group's fund would help build solidarity. In absence of such solidarity the groups become a hybrid of a Joint Liability Group and a Service Cooperative. The focus is on efficient task performance, ensuring access to resource institutions like the VO, MS, bank and government and risk sharing, rather than mutual relationships and a shared identity.*

**Village—Mettakoduru, mandal—Pargi, Cluster—Pargi, district—Ranga Reddy**

**Sri Sai SHG**

The group started with 15 members. However, one member migrated out of the village and another member left because her husband used to beat her up if she attended group

meetings. Apparently, he is a daily wage worker and wanted his wife to stay at home to manage their petty shop. The group members tried to convince him, but in vain. However, when the member again tried to rejoin the group recently (since her children are a bit older now and can mind the shop), the group refused to admit her to stay away from “hassles”. So at present the group is functioning with 13 members.

The group’s accounts were largely in good shape (there were errors in passbooks as well as cutting and overwriting) as the accountant is also a trained Resource Book Keeper. The group has not rotated its leaders; however, they have begun thinking about it because the current leader wants to hand over responsibilities as she has got some job. Otherwise, the group was pretty much happy with its leader and given a choice, would have continued with her.

The group began meeting weekly about 18 months ago. The advantage they see in weekly meetings is that they can get money more frequently (in case money is needed during the week, they withdraw from the group’s bank account if the bank is open; otherwise from money lenders). In the weekly meetings women take small sums they may need and pay no interest if the payment is made within the month. Typically, they would seek a group loan only if the amount is around Rs 1,000 (though one member had also borrowed Rs 600).

Members answered in the negative when asked whether they sought the VO’s help in dealing with the husband of the member who used to beat her; they rather thought of her as a “problematic person” and kept her out even when she sought readmission.

**Reflections:** The group leader-cum-book keeper was an aware woman and seemed to have had much training on SHG. She and the other leader were quite vocal. The group was not much concerned with personal problems of its members; its major aim being to get benefits from government schemes and banks it is more focused on maintaining the books of accounts properly and ensuring timely repayment.

*Interestingly, the group became livelier once the formal meeting ended. It seems the “schemes and systems” preoccupation in meetings would leave little time and energy to build on this innate potential of the groups. Also, realizing such potential would need facilitators of a much higher caliber than the present CRPs/CAs/CVs/Sanghamitras.*

***Village—Peta Agraharam, mandal—Puthalattu, Cluster—Chittoor, district - Chittoor  
Indira SHG***

The SHG has ten members and has been in operation since 2004. All members are from better off families. The accountant is a graduate. The members said they had witnessed financial improvement in other SHG members’ lives and decided to form a group to get the same kind of benefits. Group members’ major aim is to meet the current credit needs and save money for future.

Members of this group have bought properties in their name. For example, Renuka has bought one acre of land, Geeta has bought one-third of an acre of land, and Mohona has put up a shop and looks after its operations. Other members also think that they have got either cows or buffalos in their name, which they think as their individual property.

Children of this group’s members are doing well in studies. For example, Komola has two sons, one has a Masters degree in Computer Applications and the other is a B Tech and

both have jobs. Almost all the members are trying to provide higher education to their children.

*Asked why she continues in the group and why it is needed, A. Komola said, "Though my sons are highly educated and in good jobs now, who knows whether they will take care of me and my husband in future. I will stay strong with the group, so that in case such a situation arises, we will not be alone".*

Members said the group will continue even if external benefits stop coming. They say they will rotate their internal savings but will never disband the group.

**Reflections:** The group was vocal and all members were participating in the discussion. The group seemed to be very aware about the benefits of education and also the group believes that their position at home has changed by becoming members of the SHG. Earlier male members of their families did not consult them in taking any decision, but now their views also count.

## **2. VO Interaction**

### ***Kancherla VO, Biknoor, Kamareddy, Nizamabad***

The VO has 24 SHGs, with 48 representatives in which 12 are EC members. Other representatives are included in different committees. There are six committees in the VO which deal with insurance, food security (*Ahaara Baddhata*), pensions, education, dairy and monitoring of NREGS payments, respectively. There are 346 households in the village of which 252 are SHG members; the excluded are from families that often migrate, are better off or too old. All PoP are included.

As the participants in the VO are leaders of SHGs, the VO is comparatively vocal than the Venketeswar and Anandswamy SHG we visited earlier in the day. The VO has taken a lot of activities, and believes that, it is their duty to ensure proper delivery of benefits of different schemes to SHG members.

The monthly expenditure of the VO is Rs 1,200 to 1,500. It has a monthly turnover of Rs 40,000. It has net owned funds of Rs 1 lakh and the balance is borrowed from the mandal Samakhya.

Recently the VO has taken up dairy activity and has asked the SHG members to sell milk to the milk center run by VO rather than to milk traders. In the mean time, milk traders have also increased the milk price, so not many members have poured milk at the VO milk collection center. So the VO is planning to threaten milk traders to stay away from the village.

Office bearers of the VO attend Gram Panchayat meetings and try to raise issues of VO. However, it has not been able to influence the Panchayat in a significant way yet.

Elections for Office Bearers' posts are held every two years and the office bearers are changed accordingly.

**Reflections:** Rather than acting as a pressure group, the VO is acting as an implementing agency of different government schemes. OBs are quite vocal and it appears they have been through many training events related to functioning of VO. Other VO members were comparatively silent and merely nodded in support of OBs' comments.

The VO could be focusing on development of SHGs (primary groups), creating a platform for solidarity among women as individuals and functioning as a demand group rather than focusing on various programmes/ schemes and managing services like the collection and marketing of milk. In fact, activities like milk marketing could be left to be managed by a cooperative of all those who have milk to sell (a smaller sub-set of the 252 women members who form the base of the VO). Also, many an issue the VO worries about, such as finance, could better be managed by the SHGs, while others, such as education, Abhaya Hastam, etc. could be taken up by the Panchayat. There are strong and articulate members in the VO but their energies are not being tapped for group/ community development. In a way, the VO has become like an extension arm for carrying forward welfare schemes. To that extent, the stimulus and *raison d'être* comes from 'above' and it blocks the VO from becoming a 'group of groups', drawing its energy from its members; presently it 'sits over' the members.

The groups (SHGs and their secondary and tertiary formations) could be a mechanism to break the silence of the women/poor. For that to happen, the source of energy has to be SHG, the primary group.

#### ***Sultanpur VO, Pargi mandal, Pargi Cluster, Ranga Reddy District***

The first five groups already existed as DWCRA groups when IKP came. The VO was initiated by SHGs saving Rs 10 a month (now Rs 50) and using the funds so collected to give loans for weddings, emergencies, etc. The VO also collects rice from members and gives it free to destitute families (including non-members).

There are about 60 PoP families in the village (generally the landless and those without any assets) and all but 2 to 3 are in SHGs. There were PoP in the meeting but they were silent except when prompted to identify themselves.

VO Members of this VO think that its job is to administer the SHGs and if groups remain strong, VO also remains strong. On the contrary, some of the members think that if some of its groups become defunct, that will not have a major impact on the VO. Most of the groups have taken membership in the VO to avail benefits from it, which include loan from VO's CIF fund, subsidized seeds and benefits from other welfare schemes.

The VO is also engaged in conflict resolution in SHGs. When there was a problem in Bramharamba SHG, the VO took active role in resolving the issue. They asked the CRP to visit the SHG and help them in regrouping. On time intervention from the VO helped the wade through difficulties rather than breaking up.

*Also, with APMAS's help, VO established links with line departments. Due to such links, now the Veterinary Department conducts a health camp in the village on the 5<sup>th</sup> of every month. Moreover, through links with Horticulture Department the VO managed to arrange subsidized grass seeds for its members.*

Only two members of the VO went to different offices for all these linkages, including Yadama, who was recently elected as the president of the Zilla Samakhya.

The mandal Samakhya is the main source of 'ideas' or programmes, though in some cases the VO also generates ideas, such as the planned initiative to set up a dairy cooperative.

Accounts were poor with frequent cutting and overwriting (10 out of 11 MCPs had cuts in the loan outstanding amount in the receipts and payments statement). The VO General

Ledger had 12 heads. One Bharat Mata group had a difference of Rs 1,00,000 in their account. In the audit statement the share capital (capital account/ Balance Sheet Item) was treated as income (revenue account/ Receipts & Payments Item) which was same for non-APMAS mandal, Gandhari.

The highest bank loan taken by any group was Rs 4.60 lakh (plus Rs 23,000 from VO) and a few SHGs had taken bank loans of Rs 2.60 lakh.

The changes introduced by APMAS according to the members were:

- The practice of saving being collected by group leaders has changed
- There is now more awareness about group meetings
- Meeting regularity has increased
- Linkages with government departments have been established
- The practice of distributing bank loans equally has changed

**Reflections:** Most members think that VO is there to help SHGs in times of need. SHG members would not get any benefits from different schemes without getting membership in VO. There are strong differences in perspective among members about the place of SHGs in the overall scheme of things. This indicates a lack of clarity about the positioning of the VO vis-à-vis SHG (SHG first or VO first!).

Only a few members of the VO were vocal and they were the ones who also spoke the most at the SHG level. Overall, however, a larger proportion of VO members were articulate compared to the situation in SHGs.

The huge financial and programme management load keeps the VO from dealing with issues of importance to the members as women/poor and becoming social capital for the members; it has defaulted (was it so conceived?) into the bottom tier of a delivery structure. The non-financial issues women talked about were peripheral (politically desirable, likely to have been suggested from above), such as support to couples that choose their own partners, child labour, collecting rice for the destitute. No one talked about the situation of women, the functioning of public services, functioning of Panchayats, for example. There is hardly any talk of what the VO does to nurture groups (except that it alerts/sends the CRP to attend to a group that is about to break up). It is a moot question whether the VO would have a leg to stand on without the flow of schemes and loan funds from above. And if the life blood is the flow of schemes and funds, will the VO ever become a demand group/ a countervailing force?

#### ***Mettakoduru VO, Pargi, Pargi, Rangareddy***

This VO started with 14 SHGs. There were four defunct groups also, later revived by the CRP by staying in the village. Now the VO has 37 SHGs with 340 members (including 2 smaller groups of differently-abled) out of 431 households in the village.

VO members are not clear about the roles and responsibilities of different Office Bearers. For electing the president, members have considered these factors: she should represent the largest backward caste in the village; second, she should have enough spare time to take care of different responsibilities that come up with the position; and she should be able to express her views in front of outsiders. Besides, “the leader is a good person; she tells us good things”.

Members think that VO is needed to deliver various services to the SHGs, starting from giving loans to them to providing them information about and benefits from different government schemes. They are also there to administer SHGs and to ensure repayment of bank loans. Therefore, opined many VO members, there would be no reason for the existence of the VO if all facilities were directly given to the SHG. According to them, most of the groups have taken membership in the VO to avail benefits from it. *Some members said if groups remain strong, VO also remains strong while others felt that if some of its groups become defunct, it will not have a major impact on the VO.* Members felt IPK and APMAS are needed primarily to get training and assistance with respect to accounts and “exposure to new ideas”.

*Some members said that their group was forced to join the VO. They were told that if they did not join the VO they would not get benefits from any government schemes.*

While the VO provides loans to the group, it asks for the MCP from the group, checks all its past records and lends to the group only if it thinks that loaning to the group is safe. In case of shortage of funds priority is given to emergencies and if needs are similar, PoP groups get preference.

The Executive Committee of the VO was elected only six months ago. So far elections have been held only once. Election enables new SHGs to get represented in the EC. The VO has several committees, such as Bank Linkage Committee, Marketing Committee and Social Committee. Some of the EC members are also represented in the EC.

The Marketing Committee took up marketing of paddy (has done so for two consecutive years). It buys paddy from own village and four neighbouring villages and sells it to the State Marketing Federation. Payment is made in a month after money is received from the State Federation (traders pay within a week). They borrowed Rs 2 lakh from the mandal Samakhya for this purpose (to meet handling costs) and made a profit of Rs 18,000. Of the 340 VO members only 24 sold paddy this year (the bulk coming from 10 members) and only 37 sold in the previous year.

The Bank Linkage Committee follows up on loan outstanding against groups and liaises with the bank. The Social Committee deals with issues like child labour and child marriage.

We raised the issue of the husband of a woman beating her and preventing her from attending the group meeting that we had learnt about earlier in the day. The group response, articulated strongly by a younger and better dressed woman was, *“Every one has problems at home and those should be sorted out at home”*. The lone dissenter, Mamoolamma said, *“We are silently suffering. We have many problems but we never bring those to the SHG or the VO. The motto is—it does not concern us what your problem is; bring the principal and bring the interest!”*

The *maasa nivedika* essentially has transactional data—meeting-wise attendance, monthly transaction summary, member-wise transaction data. The quality of data for the five best groups was quite poor. One of the best groups had members not paying the principal (only interest was being paid).

**Reflections:** Most of the non OB members of the VO do not clearly understand the function of VO and roles and responsibilities of OB members. Most of the meeting time at VO seems to be consumed by different types of reports and accounts, leaving little or

no time for any other type of discussion. People are forced to come to VO meetings and given an option, many would not like to attend the meeting.

Both the perception and reality here is that the VO is basically one tier of a service delivery organisation, focusing on delivery of financial services and certain welfare benefits. The SHG is a part of its outreach and that is how it deals with it. It engages with the SHG mainly to ensure that contractual obligations are met. An alternative paradigm could be that the VO is a voluntary association of the SHGs, created by the latter to draw on each other and to create 'scale and strength' to leverage a better deal for the members in the community as well as the outside world, including the government, banks and markets. In such a scenario, the issues Ms. Mamoolamma was alluding to would not be sidestepped even if not given the highest priority. Also, the VO would then engage with the SHGs because it cannot exist without them; the present VO can continue to function as long as it is able to perform its task of delivering services to SHG members and ensure compliance from the latter.

Leadership in the VO (as also in the SHG) is in the hands of the educated, middle castes and upwardly mobile (there is *dalit* Yadamma but she has a bit of an advantage, being a Christian), and they are inherently risk averse as our conversations here and in most cases earlier also have brought out; they assiduously avoid issues—such a women's rights—that are messy, might cause unpleasantness and divert focus and energies by disturbing the status quo. The benefits they get—the better off are undoubtedly getting significant benefits by way of loans—are too significant to be risked. Given Ms Mamoolamma's assertion, also supported by live examples we came across, one would have expected the Social Committee to deal with such issues; instead, it takes up issues like child labour and child marriage that, while important, are being taken on cue (there is no government programme that actively works against domestic violence or improving women's status at home unlike in case of child labour and child marriage) and though important, not specifically associated with women's or poor people's groups.

Themes like marketing show a similar bias. Marketing of paddy as the data shows benefits but a small percentage of members. Yet the VO was quite proud of this activity, not in the least conscious of the fact that the entire VO took a financial risk (loan of Rs 3 lakh from MS) for an activity that inherently would only benefit the better off.

#### ***Kollapali VO, Irala, Chittoor, Chittoor***

Initiated in 2003 by a CC, this VO has changed leaders four times. Each leader has a two year term. A PoP survey was done in 2003 and another four months ago jointly by the Sanghamitra and EC members. The quality of the survey was quite good.

The VO meeting was in progress when we reached the venue, a two-story, *pucca* house of the President. The members were sitting in two rows, facing each other. The proceedings mainly consisted of members standing up and reading their group's reports. No one asked any questions and there was no discussion.

This VO has several supervising committees. For example, one committee monitors SHGs for regularity of meetings, attendance and performance of BK and reports it to VO; another identifies the right beneficiaries for the Abhaya Hastam (old age pension), and facilitates all eligible people to get enrolled into the program. The education committee is also active. For example, the village school building didn't have enough room to

accommodate all students, so members of VO volunteered to raise money from all villagers for construction of a new class room and also asked the head master to approach higher authorities for funds for school. They succeeded in both and could construct an extra class room for students.

The VO members are not clear about the role of mandal Samakhaya. They think the MS helps them by giving them CIF funds and also by giving them information regarding different schemes. VO also thinks MS contributes in better functioning of VOs and SHGs.

Regarding the main motto of forming groups, VO members were not clear; however one member clearly articulated that it is to get financial benefits. In a challenging and stirring voice, she said, “*If there are no financial benefits from outside, no groups will survive. That is the main reason for forming a group.*” (Bijayalaxmi, Kalyani SHG, Cheganpalli village).

Although several VO members contested her view, none could give a different reason for the existence of a group. There was, however, a lively back and forth on the topic, not seen by us in other VOs so far visited.

The overall awareness level of the VO on record keeping and reporting was quite high as compared to other VOs so far visited. The literacy level of the bookkeepers and the office bearers was also highest among the VOs visited. The VO here had recently participated in spreading information about the Job *Mela* through its member SHGs, which resulted in three youth attending the *Mela*.

The records for all the years including the record for the PoP families were very neatly maintained with very few cuts and little overwriting. This was the only VO visited which had all reports in perforated books. A copy of all the reports/applications sent to the MS is kept at the VO level. The VOs also had duplicate copies of the *maasa nivedikas* with them for all the SHGs. Also, this VO had records of regular grading and had all the SHGs audited this financial year. However, in this VO also the treatment of share capital, membership fee and the service fee are mixed, all capital receipts being shown as revenue. The amount of loan taken by the group varied from Rs 50,000 (Jyoti SHG) to Rs 4,20,000 (Budhya). The MCP is very neatly filled though the data seems to have been entered pro-forma to arrive at a predetermined repayment rate.

**Reflections:** This VO was among the most vibrant we have visited so far. Members were confronting each other on many issues. Even the non-OB members were articulate and participated in discussions. There was a sense of ownership of VO in the air. The VO had also taken initiatives on its own, such as in education, besides carrying out programmes initiated by IKP.

While the overall quality of the VO is distinctly better here, the activities and roles remain the same—delivery of programmes and services. Also, the bias in formal leadership towards the educated, somewhat better off and articulate women remains.

#### ***Peta Agraharam VO, Puthalapattu, Chittoor, Chittoor—(Non APMAS)***

This VO has 24 SHGs in its fold, including 3 ST and 1 SC group and the rest from backwards castes, and holds its meetings twice a month; one meeting is dedicated for financial discussions and in other they have agenda related to different government schemes and other social issues (apparently, the SHGs also meet twice; once to share the

VO deliberations and the other their regular business meeting). The meeting was quite chaotic. Members were huddled, especially at the far end.

The VO members think that VO's role is to solve problems of SHGs and to provide them loans. If one member of a SHG fails to repay, the SHG penalizes the members, but if the member still doesn't pay, they involve VO to solve the issue.

Members said VO sanctions loans to SHGs according to the MCP it receives from them. After getting a loan application, a committee of the VO checks all accounts of the SHG and decides whether VO should loan the group or not. VO has a loan ceiling of Rs 10,000 per member (Rs 50,000 per SHG, though often violated). However, all members who applied for loans have got Rs 10,000. The MCP, made in the SHG with the help of the Sanghamitra, had identical data for all members—identical proposed investments, identical 'own funds', identical expected revenue, identical expected expenditure and identical repayment instalment. The SHGs do not enter into any negotiations about the amount of loan to be given; they just divide up the available sum equally. In case of better off groups, the repayment occurs in 20 instalments; however, for poor groups it runs up to 40 to 50 instalments.

The VO has not rotated the leaders since its inception. The current president Subarna Kumari has been president from the beginning. In between Charumati from Dhanalaxmi group came forward for becoming president, but backed off due to household responsibilities. There is no change in the SHG leaders also and members said, "As long as the SHG is working well, we do not change the leaders." The VO was clearly dominated by the better off backward caste members with only a marginal presence of the ST and SC.

Very few members have any idea about the MS. Regarding SHG contribution to VO members think it gets interest and savings from the SHG. There is only one sub-committee here that looks after SHG affairs. The VO could not say any thing about PoP.

Besides their regular work, the VO has also addressed isolated cases of child marriage and child labour.

The loan ledger entries were correct but did not match the agreed schedule of payments—for instance, the schedule is for 50 equal instalments but the members pay larger and unequal instalments. There was no audit report and audited balance sheet.

**Reflections:** VO doesn't have a clear cut understanding for its existence. It seems no democratic procedures are followed in the VO. Though it was not clear, but virtual power structure was evident in the village with some families in a more dominant position. Although one member tried to take responsibilities of president for a while, she couldn't continue for long. Regarding loaning to SHG, it seemed no discussion takes place at VO level. Whoever applies for loan the VO invariably sanctions Rs 10,000 to them. Very few inputs regarding the functioning of VO have been provided to them, so VO members do not know what to do and what not to do.

#### ***Arikeri Tanda VO, Aluru, Kurnool***

The VO consists of only 10 SHGs. As they were facing problem in going to the main hamlet for meeting, they formed their own VO at hamlet level. All members of this VO are ST. Regarding SHG, VO, and MS, members think they are there to get financial benefits that are not available at smaller group level.

According to them, earlier they were treated as lower caste and untouchable, but now the situation has changed. They think APMAS and IKP have helped them to come out of oblivion. Earlier access to funds or schemes was through the Sarpanch who used to ignore their claims as he is not from their community, but now after forming the group it has become much easier for them to get benefits. They were always treated as outcast and they used to have bath once in a month but now the situation has changed. They used to face a lot of difficulty from the Forest Department in collecting firewood as they were mostly dependent on that for their livelihood. The drought relief fund and the VO rice credit line have helped the poorest members a lot to deal with the challenges and the big loans from the bank had helped them a lot to repay the old debt. Earlier they used to save Rs 1 a day to be able to save Rs. 30 a month but now they are being able to save Rs 100 a month. Earlier their husbands did not allow them to come to the meeting but now as they are getting access to big loans they are allowing to come for the meeting or even go outside the village. In their words “they are allowing us because we are getting *pavlavaddi* loan at much cheaper rate than they used to get and they need not approach moneylender for that”. Though some people still migrate to get money, VO has been able to channelize enough money for the agriculture activity and some other diversified purpose to minimize the risk.

The 10 groups have 127 members (124 ST and 3 BC). All groups have taken bank loans ranging from Rs 70,000 to Rs 5,00,000 (2 groups 3 lakh, 3 groups 2.5 lakh, 1 group 4.5 lakh and 2 groups 5 lakh, other than the new group which took Rs 70,000) to be repaid in 3 years. The larger loans were for debt redemption, business and buying an autoriksaw.

The VO members got training on “panchasutra” and Aaharbaddhata (food security programme).

VBK is maintaining the accounts. Though the number and type of books are similar as in other VOs but the quality of bookkeeping was very poor, with many cuts, calculation mistakes and amounts entered in pencil, both in the cash book and the ledger.

Also MCP and *maasa nivedika* were not available with the VO and when asked members could not say much about either report.

**Reflections:** OBs have some knowledge of the goings on, while all other members are not aware of what’s going on in VO and MS. The VO was very dormant. Members seemed very poor and backward.

### **3. MS Interaction**

#### ***Biknoor MS, Nizamabad district***

The mandal was formed through the efforts of the mandal Activist Team created by IKP. Initially it covered 20 villages (the VOs were actually formed later) and now there are 35 VOs. It holds two meetings in a month, the first one for general sharing involving all 35 VO representatives and second one is the EC meeting. Five EC members are office bearers and keep rotating.

Sitting arrangement of this MS was quite systematic. All OBs had their signboards. The response level was high.

According to MS, their responsibility is to bring all PoPs in their mandal to SHG fold, and eventually to MS fold. This they do by telling them that SHG membership will get

*pavlavaddi* loans by becoming SHG members. Also, they think they are responsible to channelize different government schemes and provide information regarding the same to VO's and to provide credit to the VOs from the CIF funds.

Members of MS think that book keeping and reporting is the most crucial action for good functioning of all CBOs, so special focus on them will sustain all the CBOs.

From their perspective, the main contribution of APMAS has been support for book keeping, audit, profit-loss calculation, savings and credit management and *swayam niyantrana* (self-management). IKP, according to them is primarily for channelizing government schemes.

**Reflections:** As the level goes up from SHG to VO to MS, the participation and articulation also goes up. The MS representatives more or less responded on the same lines about the need of SHG, VO and MS and almost all the members were very clear about the requirement of support from IKP staff. Most of the answers were related to financial gains, book keeping, etc. It looks as if, that is what they were uniformly told in different trainings.

***Gandhari MS (Non-APMAS), Nizamabad district***

This six year old mandal was recommended by the PD, DRDA. The MS had 49 VOs with it and though it was not a scheduled meeting, almost half the VOs had their representatives present (17 first leaders and 9 second leaders) in spite of the short notice for our visit. Besides the regular staff, also present were special staff for dairy activity. The members were generally older women, and appeared to be a mixture of poor and well off but not the very poor.

The energy level of this MS was quite high. Though four members took the maximum time during our interaction, others also tried to contribute according to their understanding.

It looked as if all members were quite proud to be the part of the MS. According to them, the MS has given them an identity and helped them to come out of their mundane life. Members shared how their life changed after becoming member of an SHG and eventually member of the MS.

Most of the benefits talked about by the members were financial and they think that SHGs have helped them to come out of poverty. A large amount of CIF fund (Rs 75 lakh) has been channelized through the MS. Government has also provided them funds to establish a BMC for the mandal.

MS has sporadically addressed social issues such as widow remarriage, inter-caste marriage, and child labour. No one spoke about taking up issues related to either the delivery of public services or their own lives as women in their families and villages.

**On leadership rotation,** one EC member said, "All the members need to learn. If the positions are not changed then others will not get a chance to learn". The MS in the last six years has rotated the leadership thrice according to the ex-president of the MS.

**On the need for election of representatives,** "If people need MLA and ministers to take care of their issues why don't we need representatives to stand for ours?"

To energize the members, one of the members sang a song, and others joined. This song was an advertisement of *pavlavaddi* and was in praise of the YSR government.

**Reflections:** The energy level of the group was quite high. They were very much interested to showcase their achievements as a MS. Members were quite articulate and also willing to giving space to others to respond. The overall vibe of the MS was very positive. When they spoke about their engagement they were very enthusiastic. Notwithstanding the high energy, several women spoke with folded hands, in a tone of being ‘supplicants’. In terms of articulation, participation, enthusiasm and overall energy, this MS was as good as the Biknoor MS we visited yesterday.

There is a sense among the women that they are getting exposure (though only a few get exposure) but this dimension of a change in women’s self-perception does not seem to get much attention and value from the staff in the field. Also, the members seem to understand (more clearly than the field staff) that their strength lies in the primary groups.

#### ***Pargi MS, Ranga Reddy district***

According to the MS, it supports VOs for their functioning. Sometimes, it also helps in tackling social issues. For example, in case of a child marriage, VO at village level tried to stop it, but couldn’t succeed. The matter was brought to the MS. They sent a committee to the concerned village, counselled the father of the girl and told him that it is illegal. The man eventually agreed not to marry the girl off.

Saleema Begum, *“If I do not go to SHG, I feel restless. After CRP’s visited our SHG, we started weekly meeting and now it has become part of our life. Weekly meetings are good because it is easier to produce Rs 10 a week than Rs 50 at one go in a month. Also, by meeting weekly we get to know each other better.”*

*“We need not bring issues like domestic violence in the MS as we can very well deal with it in the group meetings only. MS is for money (CIF) and various schemes like Abhay Hastam.”*

Arunnamma the ex-president said, “MS is the mother to the Village Sangam, so it needs to support the VO and the SHGs (*chinna sangam*) as and when required. If a problem is not solved in the VO, it is brought here, to the MS.”

Two representatives said they had introduced the practice of changing group leaders (one at a time) because they felt that this would give every one exposure and opportunities to learn. Interestingly, both these women were relatively young.

Members think that while IKP is needed, they would continue to run even if it withdraws because the MS is providing them strength.

About the contribution made by APMAS, they spoke of training in accounts and weekly meeting.

During loan appraisal of VO’s they look for financial regularity and proper record keeping. If repayment is good and the records are in good shape, they approve loans. If rationing has to be done between equally deserving candidates, they resort to equal distribution. Like the VOs, they do not discuss regarding the need of loan or its viability.

**Reflections:** MS was quite dull, and participation level was low. Most of the agenda of the MS is related to government schemes and they use most of their time in providing

information about new schemes. Though not clearly, they also points towards the strength they are drawing from collective effort to get ahead in life.

The “systems and procedures”—the written word/records—are obviously important in a “transaction/scheme heavy” operation like this. Therefore, the leadership and representational roles are given to the educated and articulate rather than “wiser” women capable of stimulating members.

### ***MS Irala, Chittoor district***

This was a live MS meeting, already half way through. The agenda of the meeting comprises:

- Inclusion of PoPs thorough new SHGs
- Discussion about different MCPs coming from VOs
- Discussion on repayment of old loans

The MS has norms regarding attendance—Rs 10 fine for late comers and Rs 50 fine for absentees. Also, for late repayment they collect Rs 100 fine from VOs.

Almost all the 35 members present think that they were PoP before joining the SHG but now have come out of poverty. This included the President, a Naidu by caste with a *pucca* house. The few who said they are still PoP looked so.

MS grades all its VOs. Only ‘A’ grade VOs get loans. Main criteria to grade VO are:

- SHG Performance
  - 95% BPL covered—5 marks; 90-95%—3 marks; <90% –1 mark
  - Weekly meetings >75%—5 marks; 50-75%—3 marks; <50%—1 mark
  - Book keeper ratio 1:3—5 marks; 1:4 or 5—3 marks; 1:5 or more;—1 mark
  - Bank Repayment 100%—5 marks; 90-99%—3 marks; <90%—0 marks
- VO Performance
  - >95%—5 marks; 75-95%—3 marks; 50-75%—2 marks; <50%—1 mark
  - Meeting attendance >90% –5 marks; 70-90%—3 marks; <70% 2 marks
  - SHG Savings 90% of expected—5 marks; 70-90%—3 marks; <70% 2 marks
- Book Keeping
  - Fully—10 marks; Partially—5 marks; No Books—0 marks.

Members said, “Regular grading of VO would create a healthy competition among them and it would also be helpful for the MS to know where to give support.”

The grading format was maintained properly and at present consolidated and shared by the APMAS staff. When members were asked why they have given ‘B’ grade to a particular VO, they explained because

- it had more idle fund
- VO representatives do not remain present in all MS meetings
- *Maasa nivedikas* are not properly maintained.

Similarly, the main things that are considered for grading SHG are idle funds, attendance, *maasa nivedika*, number of groups per book keeper, quality of book keeping, weekly meetings, repayment and adherence to *panchsutra*. Generally *sangamitra* grades all SHGs at village level.

This MS had 16 employees: one accountant, 10 BMC staff, four Bank Mitras and one attendant.

**Reflections:** The sitting arrangement in the MS was very good as they had a large hall available to them above the BMC facility. They had a designated place for guests. The reading of *maasa nivedikas* at the MS seemed just a waste of time. As the accountant read out all the expenses of last month and also read out the anticipated budget for the next month, none raised a question. Probably, only a few of them were able to understand what the accountant was explaining. Except OBs, others seldom responded to our queries and in that respect the MS was not vocal. One of the OB members was constantly shouting to silence the whispers from time to time. It seemed a strongly controlled environment rather than a democratic environment. Three or four OB members were clearly in-charge and “conducting” the meeting.

The idea of PoP inclusion seems more of an administrative procedure rather than inculcation of a value whereby the group begins to look for ways to help the PoPs get over their situation.

#### ***MS Aluru, Kurnool district***

On the need for MS, they felt the MS is needed “to keep the VO and SHG in good shape. Whatever cannot be done at SHG we take to VO and then to MS, if necessary. For example, one woman was getting beaten up by her husband and the SHG members tried to intervene but to no avail. Eventually the matter came to the MS, which took the help of the police to deal with the matter. At the SHG level we all fear the police and no one would have dared to go to them. However, the MS had no fear in going to the police. Also, since the SHG members were from the same village, the man did not listen to them.”

On what the MS is proud of, they mentioned conducting Annual General Meeting, Audit, celebration of women’s day and presence of women book keepers.

On advantages of weekly meeting, they said financial records have improved, financial transactions are smaller, can provide finances at a shorter notice and mutual trust has increased. When asked how they measure increased trust, there was no answer except that “financial transparency has increased”.

Asked if they can now return all the IKP money, they said the money was needed to reach out to more SHGs.

**Reflections:** Only five or six women spoke. All the responses tended to be politically correct. Even though there has clearly been experience of dealing with issues that affect them as women, financial issues were the ones they articulated most clearly, frequently and spontaneously.

#### **4. Interaction with APMAS staff**

##### ***Sandhya, CBO, Kama Reddy cluster, Nizamabad***

While waiting for us to go to Gandhari mandal, Sandhya managed some time to visit a SHG which had not been functioning well for a while. The SHG had not been repaying its loan for the past three months due to constant absence of its first leader. Though Sandhya’s visit was an unplanned one, all members gathered in 10 minutes as all of them were engaged in *bidi* rolling together. After a casual discussion, second leader took the

account books into her custody and also agreed to carry out responsibilities of first leader. However, the group didn't change the first leader.

Sandhya also did not appear convinced with the idea of changing the group leader, because she thinks bankers would not like it, though there are no written rules to that effect in the bank. However, she agreed that a change has to be made in case of death of a leader and bankers allow other members to become leaders in such cases. So, while in principle leaders can be rotated, in practice this is not done to stay away from hassles with banks, at least while a bank loan is active.

***Dr. Prahalad , Capacity Building Officer, Palamner, Chittoor***

Dr. Prahalad has a doctorate in Rural Development. He worked earlier with DPIP and then with an NGO acting as the World Bank's third party monitor, before joining APMAS.

Q. What is your role as CBO in APMAS?

A. There is no own work of APMAS. We were given with deliverables, so we work for that. We improve quality of existing IKP program.

Q. Could you describe how you do that?

A. One of our major tasks is to ensure quality book keeping. For that we identify book keepers. We train the Resource Book Keepers, who in turn train the village book keepers and SHG book keepers. In model mandals, we are intensely involved, where we directly train VBKs and BKs. Sometimes, we also provide on the job training to MS accountant and VO accountant. From time to time we also engage in refresher training.

Q. Do you attend any meetings of various kinds of groups?

A. We attend MS meeting and VO meetings.

Q. You have so many VOs, how do you decide which VO to attend?

A. Our main focus is on model mandals where we attend all MS meetings on a compulsory basis. There are two model mandals in each model Cluster, chosen by IKP staff on the basis of various parameters, such as presence of PoP, need for training, regularity of meetings, IKP's withdrawal plans, interest from CIF and potential for spread (1 model Cluster, 2 model mandals in it, about 6 model VOs and then model SHGs). In those meetings, we try to figure out which VO needs our support and try to plan for meetings with those VOs. We attend about 10 VO meetings out of the 157. Depending on the demand, we also attend some SHG meetings. In other mandals we attend MS and staff review meetings to share activities and experience from model mandals and also to provide training to book keepers.

***Pratima, Affiliate, Chittoor cluster, Chittoor***

Q. What is your scope of work/ major engagements as an affiliate?

A. I provide training to BKs, VBKs and RBKs on book keeping and SHG auditing. I also provide training to VO's EC members and MS's EC members on VO and MS concept, their roles, grading of VO's and SHG's, etc. Moreover, I also encourage MS and VOs to form subcommittees and give them training regarding different schemes.

Q. How much work area is your responsibility?

A. I am accountable for Chittoor cluster with another CB Officer. Out of 7 mandals in Chittoor cluster, 2 are model mandals. In these 2 model mandals, there are 12 model VOs. I make sure to attend their monthly meetings and in other MS and VO, I visit on need basis.

Q. What differentiates your work from that of IKP staff?

A. Frankly speaking, whatever mandal we have taken up, IKP staff has transferred all responsibilities to us. So at times starting from the village level to MS level, we work as an extended hand of IKP staff. In model mandals, we have to ensure the deliverables and sometimes we work directly at the grassroots to achieve those deliverables.

Q. What do you teach in different IB trainings?

A. We train CRPs, who in turn train SHGs regarding *Panchsutra*, leadership rotation, responsibility sharing and importance of following norms in a group. Regarding leaders' roles and responsibilities, we teach that it is the leader's responsibility to conduct disciplined meeting; she needs to be punctual, should have patient and should be unbiased. Regarding the norms for BK, we teach that BK shouldn't count money, should not interfere in group's internal affairs; whatever members discuss, the BK should note down in minute book as it is.

Q. You have a multi-tier community structure here. In your view, why is VO required since it is located in the same place as the SHG?

A. VO is required to leverage finance from the MS, to resolve problems of SHGs and for mutual support.

Q. How do you feel being part of APMAS?

A. I am happy. I have learned a lot thorough my work with APMAS.

##### **5. Interaction with IKP staff**

The IKP personnel we met included Area Coordinator, Assistant Project Manager (APM), Livelihood Associate (LA), Community Coordinator (CC), Master Book Keeper (MBK), mandal Training Coordinator (MTC), Dairy Coordinator (DC), Community Development Worker (CDW-Disability), Legal Coordinator(LC), Para legal (PL), Community Surveyor (CS), Master Trainer

Whereas the APM, Master Trainer, MBK and CC were there in all mandals, the other staff were specific to some mandals. Except Chittoor, no other mandals visited had CS, LC, DC or PL. In IKP, the number of female staff was also less as compared to male, mostly for the posts of Area Coordinator and APM. Out of 5 mandals visited no AC or APM were female. However, in Chittoor district in non-APMAS clusters out of four APMs two were female.

***IKP staff, Biknoor, Kamareddy, Nizamabad***

Q. What has been the impact of the IKP programme?

A. SHG formation has increased women's participation in Panchayats and they are now able to get loans at fair rate of interest. There are income generation schemes. Communication has increased and women now know about the schemes.

Q. What is the role of the Community Coordinator (CC)?

A. The CC gives inputs to the VO, provides guidance in bank linkage, helps in micro-credit plan, trains the activist and book keeper. The CC is a kind of facilitator between the SHG and banks.

Q. What is the difference between the role of APMAS and IKP?

A. APMAS provides training support while schemes are our domain. APMAS also has conducted personality development training for IKP staff.

Q. Is there any difference in your mandal compared to a non-APMAS mandal?

A. Well, here the intensity of work is more. SHGs are getting more handholding support. A larger number of SHGs has turned to weekly meetings. The quality of book keeping has improved. Here the book keepers get more training and follow-up support compared to a non-APMAS cluster."

Q. What changes have occurred over time in their engagement?

A. In earlier days starting from the survey of the PoP to helping the groups to converge in mandal Samakhya was done by the IKP staff. But now after strengthening of VOs the VOs handle these kinds of issues and now the staff are mostly involved in the bank linkage. For any inputs/information we now generally go to the VOs to share, who in turn decide the dissemination process.

Q. If IKP would cease, then what would happen to this SHG movement?

A. First 25% groups will be defunct, which would gradually increase to 50% and then 75%. However, 25% groups, groups of the better off, would continue to run normally.

***IKP Staff, Chittoor, Chittoor, Chittoor***

Q. You have been engaged in promoting a large number of SHGs. Could you tell us how you promote groups? What do you tell the women?

A. We tell the women that if they get together they will get loans, finance will improve their lives and they will get government schemes and would be able to address issues like atrocities against women.

Q. Do you have any criteria about who should join a group?

A. They must have a ration card and no bank default against the member. Also, we try to ensure economic homogeneity.

Q. What is the role of the CC?

A. CC is responsible for PoP identification, SHG formation, follow up of VO and MS meetings and ensuring SHG-bank linkage by motivating the banks.

Q. How is that any different from the work of the Sanghamitra/CA/CV?

A. The CA/CV has to do the same tasks but when there is a sticky issue the CC/APM come into the picture.

Q. What are the changes introduced by APMAS?

A. More groups have weekly meetings. Resource Book Keeper has been introduced. SHG audit has been introduced. Audit CRPs have been identified and trained. The review of *maasa nivedika* has been introduced. The community based recovery mechanism (CBRM) originally developed by SERP has been strengthened by developing a training manual now being used by IKP staff. There is one CBRM for each VO as there had been defaults in the wake of the Assembly Elections.

Q. What are some of your problems and frustrations regarding IKP?

A. Salary is very low. Work load is gradually increasing, as government is trying to channel all schemes through us while the staff strength is reduced drastically. Though, the government wants us to implement schemes, but it has not instructed concerned departments to co-ordinate with us. The line departments continue to be influenced by political considerations. For example, in the Revenue department has not acted upon applications sent by us while it has entertained applications sponsored by influential people. We are looked down upon by government departments and they do not cooperate. The MBKs are poorly paid workers (bottom tier) and when transferred out of their districts, they find it difficult to make two ends meet. The quantum of training is low. We need training in livelihoods promotion and on legal aspects of MACS Act. The credit and bank linkage is target based. The declaration of loan waiver during the elections created a lot of disturbance among the SHGs and the staff had to work hard to bring the normal repayment schedule back. The target of bank linkage given to the mandals is really huge and not related to the preparedness of the groups. So staff face difficulty in compromising the eligibility which they think as maturity level, inter-lending, proper weekly meeting, 90 percent attendance and based on real need.

Q. Have you had any exposure to SHGs outside of IKP area?

A. Visited DHAN groups in Anantpur four years ago. Their groups are voluntary (membership is voluntary), which is a positive thing but interest rate is high and they levy a service charge for bank linkage (Rs 1,000 per linkage), which is negative.

Q. In what type of SHG would you lend your own money?

A. We look for proper savings, book keeping, internal lending, repayment, percentage of attendance, and also sometimes need of the group.

Q. If IKP stops, what would happen?

A. Political involvement with groups would increase, which would affect the repayment of group. Though SHGs would run, MS and VO would collapse because the SHG is a group of the people themselves while the other two are groups of representatives. The group quality would gradually go down. Financial indiscipline would rise, resulting in great fall in bank, VO and SHG loan repayment. If MS and VO sustain they will be dominated by the powerful. Nothing will collapse immediately but gradually things will deteriorate and finally collapse. The SC and ST groups will fold up—50% groups will collapse.

Q. Could you continue to work with the groups without the IKP?

A. The MS, VO and SHG listen to us because we are government staff. If IKP winds up and we join them, they will not listen and will say, “Who are you?”

***IKP staff, Aluru Cluster, Kurnool***

Q. What is the motto of IKP?

A. To include PoPs and poor into SHG and poverty alleviation is the motto. Food security is also the motto. Women’s empowerment—economic, political, and social is a motto. Women’s empowerment leads to family empowerment and eradication of casteism.

Q. What does IKP do specifically for eradication of casteism and inequality?

A. It promotes SCs and STs as leaders. Now they are able to sit together and participate in decision making—101 of 621 SHGs are mixed caste, 129 only SC and 13 only ST. There are also various economic programmes of the government that we implement. (The PD intervened to say they should not mix up government programmes with women’s empowerment.)

Q. How do you think, IKPs work is helping in women empowerment?

A. Earlier women were treated like door mats, economically inactive, but now they are outgoing, active in decision making. That shows how our work is helping women to get empowered. We are also providing skill building training, so they are starting their own economic activities. Around 25% businesses promoted by us are women exclusive, rest are family businesses.

Q. What are the non monetary benefits women have achieved?

A. They are now participating in decision making, also get courage and confidence through groups. In the meeting they discuss about issues like wife beating, banning liquor shops and other issues *if and when facilitated.*”

Q. If IKP is withdrawn, what would happen?

A. About 40% groups are more literate, they send different members to the bank each time, the leaders know the bank staff and their repayment is good. They will continue. Rest will gradually stop functioning.

Q. What do you think is APMAS' contribution in your mandal?

A. Capacity building in financial matters, such as book keeping, utilization of finances, etc. They have promoted women book keepers and about 80% book keepers here are women, which is unique in our mandal. They are also providing us training on how to train the MS and VO regarding their functioning. They also give training on rights of members and have introduced leadership rotation. Due to APMAS here focus is more on SHG as compared to other mandals nearby. APMAS intervention has improved SHG quality in intensive villages and loans have increased. APMAS should expand.

**Reflection:** The phrases “train” and “motivate” seem to be used interchangeably. Training essentially seems to mean either skill transfer, such as in book keeping, or advice (“motivation”), “If you repay regularly, you will get bigger loans”, etc. Experience-based learning, coaching (a sequence of demonstration by the coach, followed by action by the trainee and critique by the coach, followed by reflection and then again action ...) and learning through reflection stimulated by challenge (showing the mirror) do not seem to be part of the pedagogy. Also, the focus of training is on systems and records and not so much on deepening democracy, building a shared vision and purpose for the group; something that comes out of joint reflection rather than driven by the supply of loans and schemes. While changing leaders is one step in that direction, it will remain marginal as long as it is done as a norm/rule rather than as a group value of participation. There does not seem any focus on increasing participation and promoting a culture whereby the group builds its own agenda around what affects the members.

Most training is focused on leaders/OB/CRP/BK. They are much more articulate, better informed and thus able to ‘drive’ the group. It is not obvious that the effect of training is percolating down to the ordinary members of the groups. Since many members are also functionaries (CRP, etc.) there is a danger that they would sell ideas to the groups. A danger in such leader-led groups is that the sponsors (IKP) may not know what the underlying reality is because the leaders (and community rooted functionaries) would deliver short-term compliance.

IKP staff across-the-board were skeptical about the viability of the programme without their presence. IKP is seen as being indispensable (someone in Gandhari, Nizamabad said, “IKP is the driver of the bus”). One could interpret it as a self-serving judgement but that would be a cynical view. To a very large extent, the self-view of staff seemed that of government functionaries, engaged in programme administration and service delivery rather than in bringing social change. The Administration is their anchor rather than the groups; therefore, they would like to show favourable results rather than highlight what is not working or is conceptually flawed (even when they have the insights, as our conversations brought out). The burden of administering more and more programmes and ever expanding credit targets are already inducing them to take short-cuts. For example, they induce (with bankers’ prompting) groups to prepay the loans in 18 months rather than on schedule in 24 months for giving repeat dose of credit to fulfil their target and the group has to take money from outside to repay the loan.

In terms of what IKP has done, again, the most widely shared perception is that it has enhanced knowledge about schemes and created access to credit. The notion that the self-view of women (an ordinary SHG member or poor person) has changed does not seem to be widely shared; it surely does not get articulated.

The contribution of APMAS is universally acknowledged. The main contribution is thought to be in the arena of financial systems, adherence to norms, more intensive engagement at the level of primary groups (SHGs), leadership rotation and more frequent meetings of groups. In a nutshell, APMAS is seen to be intensifying external facilitation of the three-tiers; by implication, IKP is preoccupied with delivery of schemes and APMAS' induction provides the facilitation support that IKP staff are unable to. Curiously, no one, either among IKP staff or the SHG members highlighted APMAS' role in livelihood promotion.

## **6. Interaction with PD DRDA, Chittoor**

### ***On the difference APMAS has made:***

The involvement is more intensive in the APMAS cluster in the context of capacity building and handholding. As APMAS is a third party, it has a neutral view whereas the Government has more focus on regular scheme implementation. Even if IKP deputed more staff, the focus would be more on scheme implementation as Panchayat has limited involvement in implementation and Gram Sabha is practically non-existent except official presence of Sarpanch.

### ***On involving the women's groups as pressure groups to ensure proper implementation through Panchayats:***

Since involving the women groups in those issues would lead to some social dynamics, political influence might come. So we are deliberately shielding the groups against political influence. At the same time, the groups are yet to reach the stage when they would be able to deal with these kinds of issues. Though the responsibility has been shifted to the community but the total shift would require a long period of time.

### ***On the sustainability of the programme:***

During the time of elections there was hype that loans would be waived which eventually did not happen, but groups were still functioning and repaying. If the institutions were not strong enough those could have collapsed. In the programme IKP has started promoting different committees to run the functions by their own. If adequate input can go to the communities they would be the strength of the programme and support can be withdrawn. But there needs to be sufficient time for transition.

### ***On expectations from the APMAS:***

To help bring focus on social issues, mainly the rights based issues. From the government side interventions on gender issues started but could not be continued due to focus on other areas. Thus APMAS can play a crucial role there.

### ***On what could be done differently in IKP:***

The activities in which the IKP is engaged can be implemented more efficiently with an acceptance that not every solution is with IKP. The staff can be engaged more with the primary groups, focusing on the internal issues, with less emphasis on implementation of schemes. Though the number of schemes is increasing but the number of staffs is limited.

For every activity someone from the community needs to be trained to handle effectively. At present, in most of the cases the activities are for namesake. The IKP needs to give

special emphasis on capacity building whereas the book keeping and other regular activities can be transferred to the community.

## **7. Interaction with the MS staff**

### ***Pargi, RR district***

Five CRPs and 2 CDWs , RBK attended the meeting.

In their monthly meeting, they make the action plan for the next month mainly in the area of:

- New VO formation
- New SHG formation
- Bank linkage
- Bookkeepers' training
- Sub committees' training

The action plan is reviewed by the IKP and APMAS staff. Generally they try to link it with the MS meeting.

The number of existing groups is almost evenly shared among the CRPs, other than the disabled groups where the CDWs are responsible. Among the five CRPs the number of SHGs varied from 110 to 190, but number of VOs was almost same (7) for each CRP. Of the seven, five were female including Manayamma, a CDW. The highest number of groups was also with two women CRPs, Sugnaini 190 and Anasuya 180.

The CDWs face difficulty when the number of disabled persons in a locality is too small to qualify to be an SHG. Then they have to convince the other existing SHGs to include them whereas the special benefits to the person have to be ensured by the CDWs.

The RBK system was introduced by APMAS and the RBK, Vira Reddy is engaged in training book keepers, 5 days for fresh batch and 3 days for refresher batch. The identification of the accountants is done by the VOs and then communicated to the RBK.

The RBK get paid on a day basis during the training period while all other MS staff are paid on a monthly basis.

### ***Irala mandal, Chittoor***

We met with four CRPs, two each responsible for Institution Building (IB) and Total Financial Inclusion (TFI). They form SHGs of women not covered so far and to do so they tell the women that they can get loans from SHG and banks (especially women not able to access moneylenders) and would be able to afford to send their children to school. The IB CRPs were trained by IKP staff where as the TFI CRPs were trained by APMAS. They work in villages other than their own because in their own villages people do not listen to them. They get paid Rs 60 per day for expenses and Rs 200 per day honorarium when they work outside their district and Rs 150 per day in their own district. On average they work for 15 days a month. Usually, the DRDA (district Project Manager) phones them to tell them where to go.

In their experience, the women know the benefits of joining the SHG but their husbands hold them back.

### ***Meeting with Community Auditors, Irala, Chittoor***

These were all young girls, recently recruited and trained by APMAS. They get paid Rs 100 for the audit by the SHG and working in teams of two they can audit two groups (for one year) in one day. Their plan right now is to complete audit from inception till December 2009. They were selected at the mandal level from among SHG members by conducting a written test and an oral interview. Only 11 were selected out of 50 who applied. The problems they have found with SHG accounts are:

- Books not updated
- Overwriting and frequent cutting
- Totalling mistakes
- Wrong entries
- No P&L calculation
- No dividend distribution
- Minutes do not reflect actual deliberations

In their view the BKs are not properly trained which leads to most of the mistakes.

They also concluded that the members do not know the actual financial situation of the group, only the leaders know.

### **8. Livelihood Interventions**

#### ***Sulthanpur Village, Pargi Cluster, RR district***

This was one of two livelihood pilots we visited. The intervention we saw here is in dairying. There is an existing marketing link already in the village with Mother Dairy (?). Some people have crossbred cows. Access to veterinary services, breed improvement, fodder and feeding practices have been identified as areas needing improvement. Linkages with the Veterinary Department for vaccination have been established and they now visit the village once a month. Fodder cultivation by farmers with access to irrigation had been promoted by Mother Dairy and that has been expanded by introducing leguminous species (lucerne). The project has also introduced the use of chaff cutters and concentrates.

#### ***Village Arekeri Tanda, Aluru Cluster, Kurnool district***

The livelihood activity we saw here is backyard poultry with free-ranging Rajashri poultry birds. Farmers also talked about use of NPM, especially in case of tomatoes where they experienced good results.

The women take five Rajashri birds, four hens and one cock. We met with Mrs. Laxmibai who had taken Rajashri birds and had apparently performed the best among all participants (we had asked to meet the best producer). About 18 months ago she got three hens and two cocks due to sexing error. The Rajashri eggs are brooded by local *desi* hen. Laxmibai's hens have had 110 chicks; she sold 20, the family ate 10, 50 died and the remaining 30, of all ages, are alive. Death of young chicks, according to Laxmibai occurs within a month due to heat. She said she had not had any training, and except the parent stock that came pre-vaccinated, there is no vaccination. She said the government veterinarian had earlier vaccinated the chicks and all the chicks died within a week. Since then they do not trust the Vet.

She paid Rs 250 for the birds. The grown up birds were sold for Rs 150, according to her and her husband people took the birds for meat. She feeds about a kilogram of *jowar* every day as a supplement to free ranging. According to the Research Station that supplies the birds, fully grown hens lay up to 150 eggs in a year (15 in a 36 day period) before being culled for meat. Laxmibai obviously had not had comparable performance.

**Reflections:** The overall intensity of work in both instances was quite low. In case of dairy, the net value addition by the project was marginal and a significant part comes from BAIF and Mother Dairy. In case of the Rajashri birds the involvement of the project was quite limited. While on the face of it the activity seems profitable, no one seemed to be fully abreast of the activity, including details of its profitability, pitfalls and limits. Introduction of new activities calls for much closer monitoring and follow up, which was missing here.

In both the locations there are obvious alternative livelihood opportunities and challenges. Management of land, rainwater and farming (including agriculture and horticulture) is one very large area. In both places ground water is being extracted in an unregulated manner and there is little visible effort towards harnessing the potential of rainwater; interventions in both the themes—rainwater husbandry and more prudent use of available groundwater—are possible and needed. Introducing ecologically rational farming systems is the third connected leg (which goes way beyond NPM). Groundnut cultivation is widespread in Arekeri Tanda and the crop was heavily diseased (one farmer actually beckoned us to look at his crop and give him advice; unfortunately the disease infestation was well beyond any intervention at this stage). The agricultural fields need bunding and levelling and the surrounding landscape needs to be treated to ensure that rainwater does not run-off and also to reduce the extreme aridness.

Finally, livelihood contexts vary across households, depending on their socio-psychological (one's socially conditioned perception as well as the extant social norms and realities of what one is able to be and do) as well as economic (assets, skill endowments, access to service and support networks, etc.). Livelihood strategies need to be tailored to suit the contexts—sub-sectoral strategies of technology extension (even adaptation), service linkages and scaling mechanisms (e.g. cooperatives) can work with some very well but fall flat with others for whom safety nets and livelihood activities designed and implemented as confidence-building measures might be the starting point.

**Terms of Reference (ToR)  
for  
An External Review of the APMAS supported IKP clusters**

**Background**

**APMAS Partnership with SERP - (Cluster Approach)**

Society for Elimination of Rural Poverty (SERP) was promoted by the Department of Rural Development, Government of Andhra Pradesh to strengthen the SHG movement and to eliminate rural poverty in the state of AP through building institutions of the poor, facilitating microfinance services and promotion of livelihoods. In the year 2000, SERP received funding from the World Bank for the Andhra Pradesh district Poverty Initiative Project (APDPIP) to cover six districts and in 2003 for the Andhra Pradesh Rural Poverty Reduction Project (APRPRP) to cover the remaining 16 districts. APMAS was invited by SERP to provide support services in strengthening community based organizations, institutional development, capacity building and micro finance for the two projects. When VELUGU/ IKP were extended to the whole state, APMAS, helped IKP in recruiting and inducting the staff. In 2003, APMAS entered into new districts and brought out technical documents, manuals etc,. In July 2005, APMAS entered into a four year agreement with SERP to provide on job support to staff and SHG representatives in select clusters. As per the agreement, APMAS were to develop 19 clusters consisting of 95 mandals (about 50,000 SHGs) as resource clusters in 11 districts. The agreement also covers development of 11 TTDCs and state level support for capacity building of area coordinators (ACs). To improve the quality of SHGs and their federations, the staff of Self Help Promoting Agencies (SHPAs) are trained, exposed to successful promotional processes and provided handholding support. In each of the IKP clusters, APMAS would place two professionals to provide capacity building and other support services for the SHGs and SHG federations to emerge as strong and sustainable organizations of the poor.

Among the 14 clusters, five clusters (Aluruu cluster in Kurnool, Chennur in Adilabad, Dacheppally in Guntur, LR pally in Kadapa and Parigi in RR district) were identified as intensive clusters considering the criteria viz., 1. One such cluster is chosen from each of the region where APMAS is providing its professional, technical and managerial support services in terms of IB, CB. 2. Would like to gain experiential learning by integrating the livelihood promotion agenda through the micro-finance interventions. 3. Two clusters having association with the D/CLRCs being anchored and professionally supported by APMAS. 4. Build convergence among the financial and other non-financial institutions (service providers) to support and improve the livelihood system while achieving the objective of poverty reduction, support from district administration, certain criteria for backward and remote areas and 5. Broad base the learning, for better replication. This is done for the introduction of livelihood promotion agenda in to the micro-finance agenda and further strengthening the institutions and CBOs to take forward the agenda as appropriate.

Under an ongoing partnership through the SCALE Project<sup>17</sup> between APMAS and the Aga Khan Foundation (AKF) to enhance and sustain rural livelihoods in the state of Andhra Pradesh, it was agreed upon in 2006 to provide technical and financial support to the selected IKP clusters, of the Government of Andhra Pradesh, through an “Intensive Support” approach.

APMAS and SERP have an agreement to develop the selected clusters as resource clusters over a period of four years. While the support for the 19 clusters covering 95 mandals continued till June 2007, based on several considerations, APMAS in consultation with SERP, agreed to withdraw support from 5 of the clusters as APMAS strategically decided not to work due to non-cooperation, lack of support and cooperation from district administration, and thus would like to focus intensively in the most needy districts of Telangana and Rayalaseema regions of AP. Currently APMAS provides capacity building and other professional support services to 14 clusters covering 68 mandals in 8 districts. The major focus of APMAS in developing these CBOs has been on building required social capital (bookkeepers, executive committee members of the SHG federations and also the sub-committees, community resource persons for different themes) through training and handholding support. With the change that took place, the AKF support to the intensive clusters became four, withdrawing from Dachepally cluster of Guntur district. In 2008, during a review meeting with SERP, it was agreed that in each of the APMAS supported clusters, 2 mandals will be developed as models and in each of those model mandals at least six village organizations would be developed as models with the best practices. Based on the best practices in these model mandals and VOs, APMAS would facilitate replication of good practices in other clusters of the district. AKF is keen to develop models on establishment of systems and procedures that could be replicated for effective utilization of CIF, RF and other financial resources in attaining sustainable livelihoods in the supported clusters. In line of thinking, activities have been taken forward in close relationship with the support staff got associated with IKP and good rapport with the Project Directors of IKP/DRDA to provide district level trainings and other support services.

During the phase of its interventions, APMAS also conducted various capacity building initiatives for the SERP project staff and other stakeholders at state, district [Zilla Samakhya (ZS)], sub district [mandal Samakhya (MS)], Village Organisation (VO) and SHG levels. Some of the areas that includes vision building, strategies and business plans preparation; MACS act, legal compliance training, Community Based Recovery Mechanism (CBRM) functions, EDP trainings, Annual Work Financial Plans (AWFP) preparations, implementation of the CRP strategy, bookkeeping, loan management, roles of EC and OB members, Total Financial Inclusion (TFI), Food security, and training of animators on SHG and VO concepts etc.,

The main focus, however, was on extensive provision of MACS training and development of MACS training modules at the mandal Samakhya (MS) and Village Organisation (VO) levels. APMAS also provided intensive support in developing the internal CRPs, in facilitating SHG—Bank linkage and also train them for effective bank

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<sup>17</sup> SCALE is a ten year project (2002-2012) supported by the Aga Khan Foundation and co-financed by the European Commission.

linkage under the total financial inclusion program. Ensuring one bookkeeper for every three SHGs, all the EC members of the federations at different levels and also sub-committees are trained. Identify good SHG members who have come out of poverty as Community Resource Persons (CRPs), train them, use their services in the model mandals and where required, make CRPs available for other clusters. Like this, a good social capital was built around these institutions to get involved in developmental activities in the area and work towards improved livelihoods of the poor.

With the support from the Aga Khan Foundation, certain livelihood promotion initiatives like strengthening the BMCUs, NTFP, collective marketing of farm produce, micro-enterprises, livestock rearing, effective implementation of EGS and other employment generation programs along with the key role in few developmental initiatives played in food security, pension schemes etc., were supported by playing niche role at SHG, VO and MS levels. In APMAS supported clusters, majority of the SHGs were supported to prepare effective micro credit plan (MCP) for obtaining bank linkage. Support was provided in the optimal use of the significant bank loans that the SHGs were able to access by facilitating investments in appropriate livelihood activities. APMAS played a key role in facilitating the process to VOs and MS' to become strong and vibrant organizations managing their own affairs while carrying out IB and livelihood promotional activities. Training the Executive Committee members of the VOs and MS' was an important focus to run these institutions effectively and improving the bookkeeping at all levels. Training a large number of book keepers by providing them necessary handholding support while linking them to line departments.

**The process that APMAS adopted in cluster approach is as follows:**

1. Recruited one CBO and one affiliate in each cluster, organized induction programs and placed in the clusters.
2. Built rapport with IKP staff, community and with various government officials.
3. Conducted participatory situation analysis in 19 clusters to know the status and identified gaps at three levels i.e., SHG, VO and MS to promote sustainable SHGs.
4. Shared the analysis report with IKP- PD, staff, community and other stakeholders.
5. Developed strategies for improving the situation according to the MoU deliverables.
6. Organized POP into groups revive and strengthen SHGs, VOs and MS. Facilitate IKP/ federations with the generation of new ideas and innovative experiments.
7. Efforts in putting institutional development processes & systems in place i.e., regular meetings with attendance, visioning process, bookkeeping, MIS, review mechanism, Demand Collection Balance Sheet (DCB), Audit, MACS, legal compliance etc.,
8. Organized capacity building programs supporting to the development of social capital at three levels i.e., SHG bookkeepers, Village organization Bookkeepers, Community Activists, mandal samakhya accountants, RGB members, MS OB members, VO EC and VO OB members, and sub- committees.
9. Provided on the job support, by strengthening the capacities of members, distribution of training materials, kits.
10. Strengthened institution building processes through CRP strategy.
11. Resource Book Keeper (RBK) strategy adopted for strengthening book keeping at SHG level—to have at least one book keeper, preferably an SHG member, for three SHGs.

12. Strengthening micro financial services through bank linkage, effective grounding of Community Investment Fund (CIF) through Micro Credit Planning (MCP) process, implementing Total Financial Inclusion (TFI).
13. Supported procurement and marketing services, Rice Credit Line (food security) activities, preparation and implementation of Annual Work & Finance Plans (AWFPs) by linking to different schemes and programs.

Apart from class room training, the team provides approaches of problem solving, building convergence among the institutions internally and externally by providing on-the job support to the key stakeholders. In addition to conducting high quality trainings, the CB team participates in review and planning meetings. Annual audit, preparation of monthly and annual reports, conduct of the annual general body meeting and conducting the elections as per the MACS act were ensured by APMAS.

At the district level, APMAS provided ToTs on the MACS act, clarified concepts, roles and responsibilities to be undertaken by ZS staff, provided trainings for sub committees and assisted various districts in preparing AWFPs. At the mandal level, it supported development of model VOs, development of model MS', supported TFI, by providing training cum handholding support to a large number of bookkeepers, improved the governance systems, facilitated food security and other developmental and welfare interventions along with the required bank linkages. APMAS took pro-active role in preparation of operational manuals for MS and ZS incorporating structure, roles and responsibilities, service provision details, resource management (financial and human) by indicating directions for taking right decisions. Participatory situational analysis is done for different clusters, institutional development towards promotion of livelihoods for its need-based support services in carrying out different livelihood initiatives. APMAS provided ToT on facilitation and preparation of quality MCP for cluster staff across the state.

At village level, APMAS provides support in vision building, IB processes, preparation of Micro Credit Plans, development of resource materials and providing trainings to CRPs, providing linkages to line departments. APMAS staff presence to support CBOs (SHGs, federations) resulted in systematically discussing the agenda in monthly meetings and improved capacity of the federations' OB and EC members in organizing productive meetings. Federation members gained skill in reviewing the performance of the lower level institutions, the performance of the staff and development of appropriate action plans for subsequent periods. APMAS staff provides feedback to the federations about the issues in the lower level institutions (MS', VOs and SHGs) and supported them in developing appropriate solutions to improve the situation in getting linked to line departments and perform their functions through MS, VO and SHGs. APMAS in collaboration with SERP adopted Participatory Monitoring and Information System in reviewing their performance periodically to assess their progress, against the measurable indicators and thus provide necessary input services in strengthening them further. During the year 2008, an eight point agenda is introduced for building synergy between the mF and livelihood promotion activities in the overall context of institution building process.

**Eight point agenda introduced to promote LH activities:** APMAS believes that Building institutions of the poor is the first step to address poverty. Providing access to financial services (savings, credit, insurance and remittances) is the following step.

Having obtained access to reasonable and significant financial resources, APMAS initiated the process of providing support in the area of livelihood promotion. The following are the areas of support initiated in selected villages of the livelihood clusters.

1. Cluster level livelihood mapping
2. Selection of model VOs and livelihood mapping through MCP
3. Identification of predominant activities and baseline documentation
4. Introduction of LH agenda in to SHGs, VOs and MS meetings
5. Identification of gaps, key issues and preparation of action plans
6. Preparation of action plan and strategize input services
7. Create, facilitate linkages with line departments and other service providers across the value chain
8. Process documentation and reporting

**The need for the present study:**

APMAS among the 14 number of clusters, supporting for SHG development process incorporating the institution building for micro-finance agenda over the past three years. In four of the intensive clusters, with the support from AKF, it intensively forwarded the steps towards strengthening MCP process, nurturing these institutions to explore the opportunities for strengthening livelihood promotion initiatives. The main objective of this partnership is to nurture the SHGs, VOs and MS institutions in the selected cluster, mandals and villages by providing technical and professional support in the areas of livelihood promotion. The support is provided through its concerted efforts put in selected VOs of model mandals in intensive clusters viz., 1) Parigi 2) Lakkireddypally 3) Aluruu and 4) Chennur situated in Ranga Reddy, Kadapa, Kurnool and Adilabad district respectively. This additional support is provided to optimize the benefit from the institution building and microfinance support provided by APMAS. These pilot initiatives were simultaneously integrated through livelihood promotion activities alongside of rendering the support in above said areas. With over three years support in the area of livelihood promotion, it may be little difficult to look for impact. APMAS was allotted with the remote (far away from the district headquarters, almost state boundary) and neglected mandals for its support services, which is a challenge before it. However, the processes followed and the indicative outputs and outcomes could be assessed during the current assessment study.

It is in this context that APMAS and the Aga Khan Foundation would like to commission a study to assess the effectiveness of the support provided by APMAS to develop the intensive clusters as model clusters on sustainable livelihoods.

**Study Objectives:**

To objective of the external review is to assess the effectiveness, outcomes and impact (wherever applicable) of the support provided by APMAS to the IKP Intensive Clusters and to guide the development of a future strategy for strengthening livelihoods enhancement in the clusters.

The assignment will assess (i) relevance and quality of design of interventions (ii) efficiency of implementation (iii) effectiveness of processes (iv) outputs and impact on livelihoods enhancement of members of SHGs and their federations (v) and potential sustainability of key activities undertaken in the Intensive Clusters.

**Outputs:**

Output of the assignment will be an assessment report of the Intensive Clusters. The report should be brief, analytical in its assessment and specific in recommendations. Major findings and recommendations will be presented to APMAS and the Aga Khan Foundation in a debriefing meeting on completion of field visits, and prior to submission of the draft report. A soft copy and hard copy of the draft report will be submitted to APMAS. The final document will be submitted as a soft copy along with hard copies, one week after receiving comments from the Aga Khan Foundation and APMAS on the draft document.

**Scope of Work:**

The assessment will review APMAS interventions in the 14 IKP clusters (Intensive and Extensive) since 2006, with particular reference to 4 Intensive Clusters. Specific scope of work includes the following:

- Assess the rationale and processes adopted for selecting the 14 clusters and in particular the 4 “intensive clusters”. This should look into the parameters adopted and their relevance for identifying the clusters.
- Review the strategy on enhancing and sustaining livelihoods in the intensive clusters and its operationalisation.
- Map and review the activities taken up by APMAS in 14 clusters, particularly in the four intensive clusters and assess the approaches and processes adopted by APMAS. This should specifically look at activities on sector feasibility studies, value chain analysis, gaps identification, training and capacity building of SHGs and their federations and linkages created.
- Assess and compare the extent of improvement in livelihoods and capacity of CBOs (SHGs/ SHG federations) as a result of support provided by APMAS. The comparison should be with control groups and available baseline studies.
- Analyse whether the “Intensive Clusters” have developed as model clusters for livelihoods promotion.
- Analyse the development of “Model Village Organisations” with reference to capacity development of the SHG members for building and sustaining rural livelihoods.
- Review the approaches and processes adopted by APMAS with specific reference to the improvements in the management of CIF.
- Assess and document the lessons emerging from the intensive cluster support for IKP (Government of Andhra Pradesh) and APMAS to strengthen livelihood initiatives for SHG members and their federations in the state. This should specially analyse whether the intensive clusters have emerged as model clusters on livelihood promotion for possible replication and adoption at the state level.
- Provide feedback and recommendations for further strengthening livelihood activities in the intensive clusters through the CBOs and its possible replication and adoption at state level.

**Study Team:**

The review team should ideally consist of 3 development experts including a Team Leader.

The Team Leader should have at least 20 years of experience in the area of rural livelihoods and poverty reduction and an in-depth understanding of development priorities and government policies, specifically to Andhra Pradesh and more generally to the semi arid regions of India. The Team Leader will be responsible for overall coordination, guidance and deliverables of the assignment along with the team members.

The other two team members should have at least 10-15 years of experience in rural livelihoods and poverty reduction with expertise in (a) institution and capacity building and (b) microfinance.

Preference would be given to teams having at least one woman member.

### Itinerary of Field Visits

Day/ date	Tentative Plan	Facilitators
5th February, 2010 HYDERABAD	<ul style="list-style-type: none"> <li>✚ Briefing on APMAS interventions on cluster approach and AKF initiatives - Presentation</li> <li>✚ Interaction and discussions with the core team</li> <li>✚ Meeting with SERP officials</li> <li>✚ Discussions with APMAS Board of Directors</li> <li>✚ Handing over of key documents and relevant literature, reports, additional information etc., for review</li> </ul>	<p>Mr. C.S Reddy</p> <p>Mr. Nanji Reddy</p> <p>Core team members</p>
6th February Kama Reddy Cluster, Nizamabad District	<p>Field visit: Travel to Kamareddy (Kancherla Vill, Bikanur)</p> <ul style="list-style-type: none"> <li>✚ Briefing about Kamareddy cluster</li> <li>✚ Visit to Kancherla VO and two SHGs</li> <li>✚ Institution Building, Capacity Building, micro-Finance and Self Regulation of SHGs and SHG federations (Swayam Niyanthrana Udyamam) initiatives.</li> <li>✚ Interaction with IKP staff</li> <li>✚ Meeting the PD and District Collector</li> </ul> <p>Night Stay at Nizamabad</p>	<p>Ms.Ramalakshmi</p> <p>Dr. Sridhar</p> <p>Mr. Srinivas Siddi</p>
7th February Kama Reddy Cluster, Nizamabad District	<p>Field visit: Pothangal Kurdu VO, Gandhari Mandal, Yellareddy cluster</p> <ul style="list-style-type: none"> <li>✚ Meeting with SHGs and interaction with Executive Committee of VO <ul style="list-style-type: none"> <li>○ Bookkeeping, auditing other institutional, Governance systems and procedures being adopted etc.</li> </ul> </li> <li>✚ Meeting with Executive Committee of Mandal Samakhya, Bikanur</li> </ul> <p>Return to Hyderabad Night stay Hyderabad</p>	<p>Ms.Ramalakshmi</p> <p>Dr. Sridhar</p> <p>Mr. Srinivas Siddi</p>
8th February Parigi Cluster, Ranga Reddy District	<p>Field Visit: Parigi cluster of Ranga Reddy District, (Sultanpur, Chiguralpally)</p> <ul style="list-style-type: none"> <li>✚ Overview on IB, CB and LHP initiatives at cluster – Briefing and sharing of progress</li> <li>✚ Visit to Sultanpur VO and SHGs</li> <li>✚ Interaction with VO, sub-committees, SHG and LHG <ul style="list-style-type: none"> <li>○ MCP and lending pattern, Financial and non-financial linkages, Institution building mechanism for support services, Role of sub-committees, para-professionals in supporting livelihood initiatives, convergence, Impact of non-financial services in sustaining the livelihood initiatives</li> <li>○ SHG performance review, Bookkeeping strategy, Inclusion of LH agenda, financial and non-financial services, bank linkage - mF utilization pattern, member repayment mechanism, facilitation of support services and convergence – concerns, issues and challenges.</li> </ul> </li> <li>✚ Meeting with RBKs, women bookkeepers</li> </ul>	<p>Mr. Nanji Reddy and Ms. Sirisha</p>

	<ul style="list-style-type: none"> <li>✚ Visit to field interventions on Livelihoods.</li> <li>✚ Interaction with IKP staff (A/C, DPMS), line departments</li> <li>Discussions with IKP staff</li> </ul> <p>Return to Hyderabad Night stay at Hyderabad</p>	
9th February Parigi Cluster, Ranga Reddy District	<p>Field Visit: Mittakoduru village</p> <ul style="list-style-type: none"> <li>✚ Discussions with SHG members, Executive Committee of Village Organisation <ul style="list-style-type: none"> <li>○ CB initiatives - CRP RBK strategy for social capital development, Convergence, Facilitation of financial and other non-financial services</li> </ul> </li> <li>✚ Marketing interventions at VO</li> <li>✚ Interaction with MS Executive Committee <ul style="list-style-type: none"> <li>○ Performance of MS, Process, Role of sub-committees, CIF management, Institutional mechanism and procedures, bookkeeping</li> </ul> </li> </ul> <p>Return to Hyderabad Boarding train to Chittoor – Over Night travel</p>	Mr. Nanji Reddy and Ms. Sirisha
10th February Chittoor Cluster, Chittoor District	<p>Field Visit: Chittoor Region (Kollapally VO, Irala Mandal)</p> <ul style="list-style-type: none"> <li>✚ Briefing on Chittoor cluster overview on IB and CB initiatives at cluster by Regional Team</li> <li>✚ Interaction with PD, other IKP staff</li> <li>✚ Visit to Kollapally VO at Chenganapalli and SHGs (Saraswathi, Vinayaka) <ul style="list-style-type: none"> <li>○ Institutional mechanism: role of sub-committees, Systems and procedures, bookkeeping, Masa nivedikas, MCP, grading of VOs and SHGs</li> <li>○ CB initiatives - CRP strategy for social capital development, Convergence, Facilitation of financial services</li> </ul> </li> <li>✚ Visit to field interventions – VDDCs/MPs, BMCU at Irala, etc.</li> </ul> <p>Night Stay at Chittoor</p>	Mr. Vinayaka Reddy Mr. Ch. Srinivas
11th February Chittoor Cluster, Chittoor District	<ul style="list-style-type: none"> <li>✚ Visit to VO, SHGs at Peta Agraharam, Pothalapattu Mandal <ul style="list-style-type: none"> <li>○ IB, CB MCP process, Revolving fund, bank linkage, mF utilization pattern, repayment mechanism, management, accounting, bookkeeping, profitability of the VOs, Legal compliance, Auditing, facilitation of support services</li> </ul> </li> <li>✚ Visit to MS and interaction with MS EC members, sub-committees</li> </ul> <p>Leave for Tirupati by 4 wheeler Travel to Guntakal by train</p>	Mr. Vinayaka Reddy Mr. Ch. Srinivas

<p>12th Februar Aluru Cluster, Kurnool District</p>	<p>Travel from Guntakal to Aluru</p> <p>Field Visit: Aluru – Arikere Thanda, Institution Building and Livelihood Promotion</p> <ul style="list-style-type: none"> <li>✚ Overview on IB, CB and LHP initiatives at cluster – Briefing and sharing of progress</li> <li>✚ Interaction with IKP staff at Aluru</li> <li>✚ Visit to MS <ul style="list-style-type: none"> <li>○ Performance of MS, Annual General Body meeting and its Process, CIF management, Role of sub-committees, Social issues Institutional mechanism: Systems and procedures, bookkeeping</li> <li>○ Meeting with RBKs, women bookkeepers</li> </ul> </li> <li>✚ Visit to Arikere Thanda VO, SHG <ul style="list-style-type: none"> <li>○ SHG performance review, Bookkeeping strategy, CIF management, Inclusion of LH agenda, financial and non-financial services, MCP process, bank linkage - TFI, mF utilization pattern, repayment mechanism, facilitation of support services and convergence. CB initiatives - CRP RBK strategy for social capital development, Convergence, Facilitation of financial services</li> </ul> </li> <li>✚ Visit to field interventions – NPM plots and Rajashree Poultry</li> </ul> <p>Return to Hyderabad by car. Night stay at Hyderabad</p>	<p>Mr. C. Narayana Reddy</p> <p>Mr. Ch. Srinivas</p>
<p>13th February Hyderabad</p>	<p>Consolidation of findings, learning and preparation for de-briefing</p>	<p>Mr. Rajan</p>
<p>14th February Hyderabad</p>	<ul style="list-style-type: none"> <li>✚ Debriefing at APMAS (APMAS and SERP staff)</li> </ul> <p>Leave Hyderabad</p>	<p>Mr. C.S. Reddy</p> <p>Representatives from SERP and APMAS core team members</p>