

Note for Record
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By: Shoaib Sultan Khan
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Subject: Andhra Really Shining

Subakurtama (alias Subama) belonged to a nomadic tribe and twelve years ago survived by begging and selling broomsticks. Her husband had deserted her and left her a daughter to look after. Her father was dead so she had to take care of her dead sister's two children. Some of the members of the Self Help Group (SHG) in the village, formed under South Asia Poverty Alleviation Programme (SAPAP) supported by UNDP, asked her to join the SHG. She could not afford to save a rupee a day, the requirement of SHG membership. By now the SHGs formed in village Seva comprising 1271 households had also federated in a Village Organisation (VO). In 1997 the VO offered to pay savings of one rupee a day for next five months of all those who could not afford to save to be repaid in due course.

Subama whose abode was under a tree and when it used to rain, she would either make a shelter with a tarpaulin or shift to a common shelter for destitute in the village, joined the pre-SHG group of ten schedule tribe members. The VO also arranged to get them daily wage labour. Subama went to Hasanapuram and Kalva for training under SAPAP. Subama never believed that by becoming a member of SHG, she could come out of poverty. Training built up her confidence.

As she had no roof over her head, Subama persuaded her SHG to make housing as an agenda item for securing shelter for all destitutes in the village. The VO, on the demand of the SHGs, carried out a survey and identified 25 shelterless families and made a demand for housing on their behalf to the Sarpanch of the Panchayat and persuaded the Sarpanch to allocate housing funds received by the Panchayat as housing grants from the State government, to the deserving destitutes. The Gram Panchayat sanctioned 24 housing grants. Subama was one of them.

However, Subama could only access the housing grant of Rs. 16,000 if she could show that she had laid the foundations of the house. Her SHG came to her rescue and lent her Rs. 5,000 with the housing subsidy money she could build up only upto ceiling level. Her SHG again came to her rescue and lent her Rs. 10,000 and recommended her candidature to the Panchayat for appointment as Aganwadi (Day Care Centre) caretaker at Rs. 200 p.m. She was also sanctioned a loan of Rs. 20,000 for income generating activities with which she bought two milch animals and paid back Rs. 35,000 from the income she generated and borrowed Rs. 60,000 to buy six buffaloes providing 40 litres of milk every day. She proudly showed the buffaloes to us and also the milk collection vehicle which took away the milk from her doorstep, after she had measured the density of the milk.

Being a daycare center caretaker, she offered to be trained as a para health worker and after training arranged medical health camps and gave HIV AIDs awareness besides immunization and nutrition needs of pregnant women. Once while traveling in a bus, she helped deliver a baby to a woman passenger in distress.

After joining the SHG Subama understood the importance of education and is now in the forefront of the plan of the VO for construction of an English medium school which she was confident would make more than 5,000 population of the village proficient in English in next ten years enabling them to acquire even education abroad.

Although she had to marry her daughter at a young age because there was no male member in her household but she was fully conscious of the evils of early child marriages. However, her son-in-law agreed to her daughter continuing her education after marriage and she is now a qualified practicing nurse.

Subama called the SHG her life which enabled her to access over ten years Rs. 200,000, who was not long ago a beggar and a shelterless woman. Now she had not only one house, she had bought a plot of land for Rs.27,000 and was building a spacious house for her daughter and sister's children. In the past government did allocate funds for the rural poor but it never reached them. With the support of the VO not only the money reaches the poor, they have now access even to Collector and the Superintendent of Police. SHG has given the destitutes and the poor status and equal rights.

Subama was most grateful to the SHG council members who reached her and despite her reluctance, did not give up in persuading her to join the group. Now Subama is acting as community resource person (CRP) persuading destitutes and poor to organize and has herself organized 50 SHGs. She is also undertaking pension distribution under government programme. She proudly publicizes her example and what she has made of herself by joining the SHG/VO/MMS.

Subama's life story is the story of hundreds of thousands of rural poor families of Andhra Pradesh (AP) who decided to join the SHG. Beginning with 20 Mandals in three districts covering no more than 100,000 families in 1996 under SAPAP, now the coverage with World Bank assistance has been taken by the State government through Society for Elimination of Rural Poverty (SERP) to 884 Mandals in 22 districts of AP covering 8 million families.

The centerpiece of the programme, now being called Indira Kranti Patham (IKP), is social mobilization motivating rural poor women to organize in groups of 10-15 and when a sufficient number of SHGs are formed to federate them in a Village Organization (VO) and subsequently the VOs federate at the Mandal level in a Mahila Mandal Samakhya (MMS) representing around 30 VOs which in turn represent about 350-500 SHGs comprising 4,500 to 6,000 women, each representing a family on an average of 5 members. SERP is the sensitive support organization which fosters SHGs/VOs and MMSs. In 2000 it subsumed SAPAP when World Bank stepped into the shoes of UNDP.

The grassroots institutional framework of SHGs/VOs/MMSs is, unlike NGOs, a sensitive support organization of the poor for the poor. It is financially self managed. In year 2000, they had accessed only Rs. 700 crores from the commercial banks beginning with a seed capital of Rupees five million provided by UNDP to each of the 20 Mandals. By 2004 this had increased to RS. 1,100 crores.

However, in 2004 the newly elected State government redeemed its promise made in the election manifesto and provided an interest subsidy to SHGs of 75% of the interest paid by them to the bank. By early 2007 the credit uptake had shot upto 2,500 crores and next year

SHGs hope to cross the 3,500 crores figure coupled with State government's directive to the Banks for priority banking for the poor.

Another important initiative by the State government has been housing subsidy for destitutes and shelterless identified by VOs. This coupled with Union Governments launch of the 100 days employment guarantee scheme to the rural jobless has accelerated poverty reduction.

Andhra has demonstrated a poverty reduction model unparalleled anywhere in South Asia. It has already impacted the livelihood of 8 million families and targets to reach another three million in the next two years. SERP has not stopped only at alleviating poverty, as most micro credit programmes do, it has facilitated millions of poor and destitute families to come out of poverty.

SERP's most effective strategy in scaling up its operations from coverage of 100,000 households to 8 million households has been the use of Community Resource Persons (CRPs) from the SAPAP Mandals. Each of these Mandals have a pool of Social Capital comprising 250-300 CRPs. These CRPs form themselves in group of five and normally two groups take up a Mandal for fostering SHGs spending a fortnight a month for next six months in the Mandal. The end result is 100% coverage of the destitutes and the poor comprising backward classes and the minorities and also upper caste poor. The SHGs so formed federate in VOs and subsequently in MMS. The engagement of CRPs for social mobilization to achieve an institutional framework at the grassroots of SHGs/VOs/MMSs has given phenomenal results at pittance of a cost.

The Orvakal Mandal in Kurnool district has 489 SHGs, 27 VOs with 5,562 households as members represented by women. They have 978 leaders trained in different descriptions. SAPAP gave them a seed capital of Rupees 3 million and SERP gave them Rs. 2.9 million as community investment fund (CIF) since 1996. They accessed Rs. 11 crores 65 lacs loan amount from Banks. Thus during last 12 years by turnover of their savings, seed capital, CIF grant and bank loans, the SHGs/VOs and MMSs gave 33,226 loans amounting to Rupees 18 crores to the 5,562 members.

The Orvakal MMS linked with 23 development programmes of government and also forged partnership with 7 donors and constructed their own building at a cost of 2 crores called Social Mobilization and Experimentation Learning Centre (SMELC). It has so far trained 18,000 women from all over the State.

The Orvakal MMS designed its own programme for the landless with a grant received from the Turner Foundation through UNDP SAPAP. It acquired 182 hectare of land and settled 98 landless families.

Under Jeevna Joyti (Life Saving) programme, the MMS supports 292 families suffering from malaria and TB.

23 VOs have their own Mahila Banks with a capital of 2 crores 11 lacs of 1149 members.

Under Bhavita programme, the MMS has provided 1050 child labourers residential schooling leading to their admissions in educational institutions including higher education. The Mandal has been rid of bonded child labour. SMELC also runs a computer training center.

Empowerment has persuaded government to link up with MMS at Mandal level. MMS has been given a role in ensuring delivery of government services such as health, education, peace committee for policing and other government programmes. The Sarpanch of the Panchayat also heeds the suggestions of the MMS and acts on their complaints.

The activities of women as demonstrated through SHGs/VOs/MMS had a salutary effect on the menfolk and their criticism and scepticism has now turned into admiration as many of them had got capital through their wives and are doing thriving businesses.

The Orvakal Mahila Mandal Samakhya's vision is elimination of poverty by 2008 and their slogan is women need development and development needs women.

The spirit behind Orvakal Mandal's spectacular achievements is Vijayabharti who joined SAPAP in 1995 as a Social Organizer and has now dedicated herself to the cause of empowerment of women for poverty reduction. Under her guidance and patronage, the Orvakal MMS plans to build a residential school to which the child labour, now grown up fully qualified nurses, contributed a substantial sum of money saved from their earnings. This was their contribution to the future generations. It was a most touching gesture.

Gradually the women are also making inroads in the political set up and have succeeded in winning many of the seats in Panchayat and a few of them also got elected as Sarpanch. However, their effort in winning a seat against a 300-ac landowner did not succeed. As against 600, the woman candidate got only 300 votes. But she had the satisfaction that she did not pay a penny for the votes unlike her opponent.

The Adarsh Mahila Mandal Somakhya in Anantpur district was formed in March 1998 and was now 9 years old. It comprises 438 SHGs, 38 VOs and 4373 families represented by women. The total savings of SHGs/VOs and MMS is Rs. 1 crore 28 lacs and a loan turnover of Rs. 15 crores 6 lacs. They have employed 155 bookkeepers for SHGs and 38 animators for VOs. Their salaries are paid by SHGs and VOs. The MMS has an income of Rs. 70,831 and expenditure of Rs. 38,000 monthly. The MMS is paying professional staff. The VOs bear the cost of participation of their representatives in monthly MMS meetings. Like Orvakal they also have close links with Mandal government departments.

The Collector of Anantpur Mr. Kadmiel described some of the pro poor programmes being implemented in the district which is in rain shadow and biggest in area in the State. He described the SHGs a formidable group alongwith VOs and MMS. These are now helping district administration in distributing Rs. 200 p.m. old age pensions to 160,000 persons; housing subsidy of Rs. 25,000 to 150,000 shelterless destitutes, minimum 100 days work to jobless and according to the Collector, 7,000 were provided more than 100 days work under employment guarantee scheme.

The SHGs have accessed more than 95 crores of loans from commercial banks under priority banking scheme for rural poor. Rs. 2 crores 79 lacs was paid back to SHGs as interest subsidy.

VOs have been given responsibility for selecting engineers for the housing scheme and distribution of wages under National Employment Guarantee Scheme which was launched by the Prime Minister of India from the district of Anantpur and Rs. 73 crores have so far been disbursed under this scheme in the district through the SHGs/VOs/MMSs.

The 7 UNDP/SAPAP Mandals in Anantpur district have formed a Maha Mahila Mandal Samakhya (MMMS) and this meeting was being held in their newly constructed building. The objectives of the MMMS were described as follows:

- documentation of case studies of thousands of poor who came out of poverty and putting it on the website;
- facilitate MMS;
- make SHGs/VOs/MMSs self managed;
- training of MMSs; and
- mobilize support for poorest of the poor (PoP) and poorest families (PF).

MMMS is the only facilitator to MMSs and will perform only those functions which are beyond the purview and capacity of MMS. Three representatives from each of the 7 MMSs are represented on the MMMS. There are 1,000 CRPs fostered by 7 SAPAP Mandals.

To identify gaps MMMS requires each MMS to report on the following:

- Whether SHGs are self managed in terms of paying Book Keepers
- Do VOs have trained animators and paid?
- DO VOs have their own office?
- Do VOs pay travel expenses for participation in MMS meetings to their representatives?
- Number of meetings of MMS and % of attendance
- % of recovery of loans taken by SHGs
- % of recovery of loan money taken by VO from MMS
- % of recovery of loan money disbursed by MMS to VOs
- Rotation of capital by SHGs/VOs/MMSs
- Demand collection sheets preparation
- Identification of training needs
- Volume of Bank support

The functioning of MMS is to be evaluated on the following criteria:

- How many girls sponsored for higher education? In one Mandal we were told the MMS had sponsored 30 girls for higher education in engineering, medical and computer science colleges
- Identification and stoppage of child labour
- Support to pregnant women

- Support to Balika Sanghas (Youth Groups)

One of the important areas of focus of the MMMS would be strengthening of not only financial but management audit. The auditors of one MMS would be asked to audit other than their own MMS and do rating. The auditors will seek explanation for amounts of money sitting idle and not in circulation. An intensive training of auditors would be arranged by MMMS.

MMMS would also encourage sharing of experiences between Mandals both good and bad to learn from each other. It is also planning to encourage MMSs to establish family counseling centers.

On my query as to why the need for MMMS was felt in the presence of a Zila Mahila Mandal Samakhya? The response was the 7 SAPAP Mandals are the resource group for providing CRPs and manual of good practices to the remaining 56 Mandals in the district. It was critical that the SAPAP Mandals not only be centers of excellence for others to follow but keep on preserving the integrity of social mobilization approach.

About the weaknesses in non-SAPAP Mandals, it was pointed out that it is only the leaders of SHGs who are participating not the entire group. In SAPAP Mandals to ensure participation by every member of the SHG, weekly meetings are held by rotation in the house of each of the 10-15 members, who presides. The council of the SHG comprising three to five members changes every three years.

The weekly meetings of non-SAPAP SHGs were irregular, without fixed day and time so also their training which was reduced from 20 days to 10 days. SAPAP SHGs always meet during the day while non-SAPAP SHGs were mostly meeting at night. The ratio of Book Keepers in SAPAP Mandals is one to three in non-SAPAP Mandals it was one to 8/10 SHGs.

The Collector of Anantpur was also present in the meeting. MMMS has been given the responsibility to rectify the defects and their CRPs are working in 20 Mandals.

When the UNDP SAPAP Mandal women representatives expressed their thanks for my contribution towards their development and I protested that it was all due to their determination and hard work. They responded that if UNDP had not planted the seedling, it would never have grown in the tree you see today.

Warangal district initiated the social mobilization approach only three years ago.

We were received by the Collector of the district Ms Damayanthi, who had earlier worked with UNDP SAPAP. We visited a village where non-pesticide management (NPM) is being practiced in growing cotton and chilies. More than 40 surrounding villages have taken note of the success and demonstration of NPM and are gradually adopting it.

Our next visit was to a village where physically challenged individuals have been organized in groups of 7 by the MMS comprising 790 members who have accessed credit worth Rs. 23 lacs, residing in 24 villages. These included beggars, people with severe disabilities and disabled. It was most heartwarming to see what each one of them had achieved in a short period of less than three years with the help of the Disability Project. It was something new for me too as also for other members of the Rural Support Programmes Network (RSPN) group. It was most moving.

After a sumptuous lunch hosted by the Collector at the Circuit House Warangal which was at one time the capital of Kakutiya dynasty and is the second largest town after Hyderabad in AP, we proceeded to Preegeeta Mahila Mandal Samakhya accompanied with the Joint Collector Mr. Jaleel who was speaking chaste Hyderabad Urdu.

Two years ago 500 SHGs were formed which met monthly and irregularly till two groups of CRPs comprising ten members arrived from Anantpur and now according to the President MMS, 98% of the 8719 poor have been organized in SHGs living in 53 villages and 53 VOs have been formed. The SHGs have appointed and are paying 224 Book Keepers. 40 VOs have their offices on rent.

25 VOs are distributing government pensions to 2072 persons amounting to Rs. 533,000. 599 members have insured themselves at a premium of Rs. 100 per year against accidental and natural death. The insurance policy covers family of five.

38 VOs have registered themselves as Cooperatives under AP Mutual Cooperative Societies Act.

633 SHGs have received Rs. 942,000 as interest subsidy.

The MMS has an income of Rs. 36,607 per month and an expenditure of only Rs. 1,500 monthly.

The Anantpur CRPs have motivated and trained SHGs to hold weekly meetings and savings and group training. CRPs gave training how to prepare Micro Investment Plans (MIPs); trained office bearers of SHGs and also trained Book Keepers and Community Animators.

The Anantpur CRPs gave such excellent training that the MMS has now a pool of their own CRPs who are going to adjoining districts Maidak, Rangareddy and Adilabad to train SHG office bearers.

Mr. Jaleel proudly told us that the VOs were assigned by the district administration the procurement of maize and paddy which they did to the entire satisfaction of the Collector. The system saved the administration not only lot of botheration but also prevented leakages and corruption. On an average the VOs made a profit of Rs. 100,000 each as commission. The VOs procured 40,000 tons worth Rs. 9 million and got 1% commission.

Our visit to training for jobs programme, an innovation of Collector Damayanthi was another heartwarming experience. We met three distinct groups who had rural background and had obtained degrees and educational qualifications but were not employable.

In collaboration with industry leaders, the Trade Training Development Centre (TTDC) designed special three month courses for men, boys and girls to equip them with the skills needed by commercial and industrial firms. These courses focused on communication skills and confidence building. Many trainees came to the stage and spoke with confidence. When one girl felt a bit nervous and someone suggested she take a pause, she confidently responded "It is OK" and gathered herself up and spoke with full confidence. Many of them who had graduated from training for job courses spoke what kind of jobs they had secured and how pleased they were with themselves. Damayanthi should rightly feel proud of this wonderful initiative espoused by her.

The dinner at the Collector's 120-year old house for the Pakistani group was an expression of hospitality and warmth of welcome coming straight from the heart of the hostess who ten years ago had visited Pakistan including Northern Areas. We were simply overwhelmed.

At Hyderabad, the Minister for Rural Development, Rural Water Supply and Employment Generation Mr. D. Srinivas hosted a banquet for the group in the regal surroundings of the Nizam of Hyderabad's Jubilee Manzil. He made a speech which was full of generous praise for the UNDP SAPAP strategy. In an aside, he said to me that Raju must have mentioned your name hundred times to me. The interest and enthusiastic support that the Minister was giving to SERP is rarely found in politicians. His concern for the poor seemed to override all other considerations.

Our meeting with the Chief Minister Dr. Rajsekhar Reddy was like meeting the ideologue of the State government's policies for poverty reduction. It was his brainchild to provide interest subsidy complemented with priority banking for the poor and housing subsidy for the shelterless destitutes. These two initiatives have made all the difference to the poor, pulling them out of abject poverty to a prosperous and comfortable existence.

In 1995 when UNDP initiated SAPAP, my job as Senior Adviser was to identify one person in Andhra Pradesh who would understand the potential of people and how it can be unleashed through the process of Social Mobilization. I was lucky that my friend K.R. Venugopal identified K. Raju for me. I had to do nothing except to interact with Raju. He found his team and implemented SAPAP. Raju was lucky in finding Vijay Kumar. My mentor and teacher Akhter Hameed Khan used to say "you don't replicate programmes, you replicate people".

Conclusion

This is the 54th year of my working life and the last 29 years, I have spent in holding dialogues with rural poor communities in Pakistan and for the preceding 12 years in South Asia including Andhra Pradesh in India from 1995-2002. I have, since, been visiting Andhra once in a year on the invitation of the Society for Elimination of Rural Poverty (SERP) set up by the State government.

My visit to Andhra at the end of the last month for a week and seeing the achievements of the State government in the last three years has encouraged me to conclude that: Andhra has been able to demonstrate an approach of poverty reduction encompassing 8 million rural poor families which has no parallel anywhere in South Asia including Grameen Bank. Andhra has found the solution to rural poverty comprising:

- i) a three-tier institutional grassroots framework of Self Help Groups (SHGs), Village Organizations (VOs) and Mahila Mandal Samakhyas (MMSs);
- ii) an independent and autonomous sensitive support organization like SERP for fostering a statewide 3-tier grassroots institutional framework;
- iii) an interest-subsidy policy for the poor matched with priority banking by scheduled banks for the poor;

- iv) a state-wide housing subsidy for the destitutes and shelterless identified by VOs:
- v) full and active support by the State and district administrations under the direction of the Honourable Chief Minister and the Minister for Rural Development; and
- vi) pro-poor Union Government policies such as the employment guarantee scheme and other pro-poor initiatives.

In Delhi, I had the privilege of being received by Mr. Jairam Ramesh, Union Minister whom I conveyed my thoughts and my pleas. We should not look anywhere else for rural poverty reduction in South Asia although the saying that the neighbours grass always looks greener makes one do so. India has become a home grown model for elimination of poverty. It would be a tragedy and injustice to the rural poor of India, if the rest of India does not take advantage of the Andhra demonstration.