

Planning Commission - UNDP sponsored
"Strengthening State Plans for Human Development"

Training of Trainers Workshop on Human Development

MODULE: 5

Poverty & Human Development

15th January 2007 - 19th January 2007



Administrative Training Institute
Government of West Bengal
FC Block, Sector – III, Salt Lake
Kolkata – 700106
www.atiwb.gov.in

Module 5

Poverty and Human Development

Time – Two hours

Interactive Session – 1 Hour

Case Discussion – 1 Hour

Note: The participants may be given the appended case “Participatory Poverty Reduction” to read before coming to the class. The session will end with the discussion of the case, on the basis of the questions suggested at the end of the case.

Learning Outcomes

Knowledge acquired through this module will allow the participants to:

- Define Poverty
- Explain how the poverty is measured
- State, process of identification of poor
- Discuss the anti-poverty policies adopted in India
- State the non –income dimensions of poverty
- Discuss strategies for poverty reduction & human development
- Discuss on Participatory Poverty Reduction

Poverty in India

On being sworn in as the first Prime Minister of independent India in 1947, Nehru called for "the ending of poverty and ignorance and disease and inequality of opportunity." Mahatma Gandhi had always insisted that India would become truly independent only when the poorest of its people would be free from human suffering.

Every major policy and plan document has expressed such a perspective and concern. The *First Five Year Plan* (1951-56) stated that "the central objective of planning in India is to raise the standard of living of the people and to open them opportunities for a richer and more varied life." The document went on to state: "It is no longer possible to think of development as a process merely of increasing the available supplies of material goods; it is necessary to ensure that simultaneously a steady advance is made towards the realisation of wider objectives such as full employment and the removal of economic inequalities." Successive Five-Year Plans continued to emphasize poverty eradication, and the attainment of economic equality and social justice as key objectives. The *Eighth Five Year Plan* (1992-97) identified

human development as the ultimate goal. It aimed to create jobs, contain population, eradicate illiteracy, universalize elementary education, and provide safe drinking water and primary health care facilities to all. The *Ninth Five Year Plan* (1997) emphasised the importance of focusing on human development, and argued that there can be no two opinions about this being the ultimate goal of all public action. The *Tenth Five Year Plan* reinforces and reiterates this commitment.

Poverty policies

Despite the strong political consensus on ending poverty, poverty policy in India has been overwhelmingly concerned with income poverty. The focus on income poverty began early in the 1960s when a Working Group of eminent economists was set up by Government of India to assess the extent of poverty in the country. This Group used a nationally desirable minimum level of consumption expenditure to define India's poverty line and based it on a standard balanced diet prescribed by the Nutrition Advisory Committee. Based on such a measure, the Group found that "half the population lives in abject poverty." The Report discussed the consequences as well. "Such widespread poverty is a challenge which no society in modern times can afford to ignore for long. It must be eradicated on humanitarian grounds and as a condition for orderly progress." It also warned that no programme or policy that "fails to alleviate the conditions of the poor appreciably can hope for the necessary measure of public cooperation and political support in a mature democracy."

The Report of the Working Group set the trend for defining and measuring income poverty. Subsequent studies on poverty in India continued to use either income or consumption as the basis for defining and measuring poverty. The attention of policy makers thus shifted to a narrow conception of poverty as income deprivation. The focus of poverty policy was on providing an assured minimum income to every citizen of the country. To this day, India's income poverty line is the monetary equivalent of a minimum daily calorie intake – 2400 calories per person in rural areas and 2100 calories per person in urban areas.

Assessing levels of income poverty over time and across States is not an easy task. Differences in methodologies and assumptions can lead to quite different estimates. Until recently, for example, there were two sets of poverty line estimates for India using the same criteria of minimum calorie requirements. In 1993-94, for instance, according to the Planning Commission, only 19% of India's population was below the poverty line. This was the "official" estimate. Estimates based on consumer expenditure surveys carried out regularly by the National Sample Survey (NSS) Organization however placed the proportion of India's population below the poverty line at 36%. In February 1997, Government of India accepted

the recommendations of the Expert Group on Estimation of Proportion and Number of Poor (1993) which rejected the adjustments made by the Planning Commission to arrive at estimates of poverty. As a result, the official estimate of India's population below the poverty line was 35.97% in 1993-94. According to the latest estimates (1999-2000) the population living below poverty line declined to 26.10 % (260.2 million)

Despite the decline in proportions, the number of income poor has been increasing due to the growth in population. Between 1951-94, their numbers doubled - from 170 million in 1951 to an estimated 340 million in 1994 as population increased nearly threefold. There were nearly 25 million more rural poor in 1994 than there were in 1986-87. Similarly, though the proportion of urban poor went down from 34% in 1986-87 to 31% in 1994, the number of urban poor during this period remained almost the same, around 60 million. According to the latest estimates (1999-2000) there are about 67.07 million poor people in urban India (23.62%) and 193.24 million (27.09%) poor people in rural areas.

Many would credit the reductions in income poverty to economic growth. Between 1950- 75, when income poverty was fluctuating, growth averaged 3.6%. Over the next 10 years, when the reduction in income poverty was more pronounced, growth rose to 4%, and during 1986-91, it averaged 6%. A related factor is agricultural growth. India from the mid-1970s to the mid-1980s enjoyed a higher and more stable trend rate of agricultural growth. On the other hand, when the index of agricultural production for all commodities fell by 2.5% between 1990-91 and 1991-92, rural poverty went up in the country.

Although economic growth has the potential to reduce income poverty equating growth with income poverty reduction is too simplistic. The association between economic growth and poverty reduction is weak. In the latter half of the 1980s, for example, despite rapid economic growth, income poverty did not decline much. Similarly, all States recorded significant declines in income poverty from the mid 1970s to the end 1980s even though the green revolution was limited in geographical coverage; and most States did not record any significant increase in agricultural value-added per head of rural population.

Discussion Prompt – 30 minutes

Ask the participants to discuss the possible reasons why growth in national incomes has not translated into poverty reduction in their own States. Reasons should be categorized appropriately (eg. faulty premises, structural limitations, capacity limitations, system failures and State-specific features).

Use the points in the below to consolidate the discussion.

□ Several factors mediate the conversion of economic growth into income poverty reduction. Kerala, for instance, ensured maximum reductions in income poverty despite slow economic growth through political activism and a rapid expansion of equal opportunities. Improvements in infrastructure and access to assets also play an important role in income poverty reduction.

□ Growth is important but the conversion of higher incomes into income poverty reduction is contingent upon several factors: effective public policy interventions, the redistribution of assets, the equitable expansion of physical and social infrastructure, an even and rapid spread of health, education and employment opportunities, and the assurance of people's participation.

Public expenditures have played an important role in India's income poverty reduction. The period from the mid 1970s to the end of the 1980s when income poverty showed a marked reduction was also a decade when public expenditures rose phenomenally. During this period, the Government introduced several new poverty alleviation programmes. There was an increased political commitment to poverty eradication which was backed by an increased allocation of resources and by a set of new pro-poor policies. Nationalized commercial banks were required to assign 40% of their lending to priority sectors - small farmers, small businesses, and artisans. New employment-creation and asset generation programmes for income poverty reduction were introduced. As a result, rural non-agricultural employment increased substantially, and real wages went up sharply. But most important, between 1976 and 1990, real per capita development expenditure increased at an annual rate of 6% per annum compared with only a 3% growth in real GDP per capita. In fact, the steep rise in government spending contributed to the fiscal crisis that necessitated economic reforms in 1991. On the other hand, after economic reforms were introduced, real government expenditure per capita fell 15% during 1990-93, but increased again by 6% in 1993-94. Income poverty too worsened in the initial years of the reforms, but since 1994, showed improvement.

Government expenditures appear to have a much more direct and distinct impact on poverty than income growth. Practically all States that have succeeded in reducing poverty have made sizable investments in poverty alleviation programmes. The size of government spending matters, but so does the efficiency of such spending. Leakage, corruption and inefficiency in management are frequently reported. Nevertheless, even with a poor record in programme implementation, states that have invested heavily in poverty alleviation programmes seem to

do distinctly better in income poverty reduction. This indicates the enormous potential that exists for accelerating income poverty reductions with improvements in the efficiency of spending. Improving the design, administration and management of poverty alleviation programmes are urgently required for a more rapid reduction in income poverty.

Poverty Scenario in India

Number and Percentage of Population Below Poverty Line by State - 1999-2000 (30-day recall period) *						
	Rural		Urban		Combined	
States/U.T.'s	No. of Persons (Lakhs)	% of Persons	No of Persons (Lakhs)	% of Persons	No. of Persons (Lakhs)	% of Persons
Andhra Pradesh	58.13	11.05	60.88	26.63	119.01	15.77
Arunachal Pradesh	3.8	40.04	0.18	7.47	3.98	33.47
Assam	92.17	40.04	2.38	7.47	94.55	36.09
Bihar	376.51	44.3	49.13	32.91	425.64	42.6
Goa	0.11	1.35	0.59	7.52	0.7	4.4
Gujarat	39.8	13.17	28.09	15.59	67.89	14.07
Haryana	11.94	8.27	5.39	9.99	17.34	8.74
Himachal Pradesh	4.84	7.94	0.29	4.63	5.12	7.63
Jammu & Kashmir	2.97	3.97	0.49	1.98	3.46	3.48
Karnataka	59.91	17.38	44.49	25.25	104.4	20.04
Kerala	20.97	9.38	20.07	20.27	41.04	12.72
Madhya Pradesh	217.32	37.06	81.22	38.44	298.54	37.43
Maharashtra	125.12	23.72	102.87	26.81	227.99	25.02
Manipur	6.53	40.04	0.66	7.47	7.19	28.54
Meghalaya	7.89	40.04	0.34	7.47	8.23	33.87
Mizoram	1.4	40.04	0.45	7.47	1.85	19.47
Nagaland	5.21	40.04	0.28	7.47	5.49	32.67
Orissa	143.69	48.01	25.4	42.83	169.09	47.15
Punjab	10.2	6.35	4.29	5.75	14.49	6.16
Rajasthan	55.06	13.74	26.78	19.85	81.83	15.28
Sikkim	2	40.04	0.04	7.47	2.05	36.55
Tamil Nadu	80.51	20.55	49.97	22.11	130.48	21.12
Tripura	12.53	40.04	0.49	7.47	13.02	34.44
Uttar Pradesh	412.01	31.22	117.88	30.89	529.89	31.15
West Bengal	180.11	31.85	33.38	14.86	213.49	27.02
A & N Island	0.58	20.55	0.24	22.11	0.82	20.99
Chandigarh	0.06	5.75	0.45	5.75	0.51	5.75
Dadra & Nagar Haveli	0.3	17.57	0.03	13.52	0.33	17.14
Daman & Diu	0.01	1.35	0.05	7.52	0.06	4.44
Delhi	0.07	0.4	11.42	9.42	11.49	8.23
Lakshadweep	0.03	9.38	0.08	20.27	0.11	15.6
Pondicherry	0.64	20.55	1.77	22.11	2.41	21.67
All India	1932.43	27.09	670.07	23.62	2602.5	26.1

Non-income dimensions of poverty

The overwhelming attention paid to measuring and monitoring income poverty has resulted in a gross neglect of other serious forms of human deprivation such as child labour, illiteracy and environmental degradation. Many other forms of deprivations are silent and invisible. These include for instance issues of women's health, domestic violence and child malnutrition. These deprivations are not related to income or income poverty levels in any predictable manner. Haryana is one of the richest and fastest growing states in terms of per capita income. The per capita income of Haryana is more than double than the per capita income of Manipur in 1997-98 at 1980-81 prices. Yet infant mortality in Haryana is 69 per 1,000 live births (1991) is more twice than in income-poorer Manipur. And women in Haryana suffer systematic deprivation that gives them one of the lowest female-to-male ratios in the country - 861 per 1000 males (2001).

Income levels often fail to capture deprivations along other dimensions of human life. Rural Andhra Pradesh and rural Madhya Pradesh, for example, suffer from similar levels of educational deprivation - an illiteracy rate of 64% - but the proportion of income poor is 29% in Andhra Pradesh and it is 45% in Madhya Pradesh. Again, the extent of urban illiteracy is the same in Punjab and Orissa (28%), and yet the proportion of urban income poor is 11% in Punjab, and in Orissa, it is 41%. Similarly, Kerala, Tamil Nadu and Andhra Pradesh which report the lowest levels of child malnutrition do so despite having relatively low levels of per capita incomes. Madhya Pradesh and Maharashtra report the same levels of child malnutrition even though Maharashtra's per capita income is more than double that of Madhya Pradesh's. Gujarat, among the high-income states, reports the highest levels of child malnutrition.

Levels of affluence or the lack of incomes also fail to measure the richness - or poverty of human lives. Urban poverty rates, for instance, have been consistently lower than rural poverty rates nationwide and across all states. Also, urban income levels are typically higher than rural incomes. Yet visitors to India's major cities will observe that traffic congestion has increased dramatically and so has air pollution. Respiratory problems have gone up and there is a severe shortage of water and electricity. The poor, especially those living in urban slums, estimated to be around 21.1% of urban population, experience the decay even more: clogged drainage pipes, stagnant water, filthy public latrines, uncleared garbage piles, and an increasingly unhealthy environment around them. Most significantly, infant mortality in

urban areas has remained stagnant in recent years for the country as a whole, and has gone up in several states. The declining trends in urban income poverty do not capture such dangerously deteriorating living conditions.

While income is important, people often value other things in life much more than income. Even to the very poor, self-respect and a good reputation mean a lot. They often articulate their immediate needs as a good education for their children, access to good health care facilities, and a safe environment. They detest exploitation and discrimination. To most people, to be treated with dignity and respect matter much more than incomes.

Strategies for poverty eradication

Given India's mixed record of the past, what are the chances that the political intent will translate into public action? Clearly, there is a long way to go in ending human deprivations. Access to quality health care, basic education and other essential services has to improve dramatically. Caste, class and gender barriers have to be addressed. Physical provisioning has to be expanded considerably. There is scope for optimism because

The Tenth Plan and official policies for poverty eradication reflect human development priorities.

Economic conditions are favourable.

• Democratic participation is opening up. This is not just through local governments but through people's organizations, and in particular women's groups that are frequently organized around credit, economic activities and social empowerment.

At the same time, there are some causes for concern.

The focus on reducing fiscal deficits is forcing major cuts in social sector spending.

The pressure to pursue state minimalism is leading to a virtual abdication of state responsibilities.

The pressure to privatize is beginning to affect people's access to basic health and education.

Case Discussion: Time-30 minutes

At this stage the case may be taken up for discussion. The Instructor may raise the following questions, as given at the end of the case, and encourage participant to respond to them.

- i. How can empowered poor women help in fighting against poverty?
- ii. How can we make the project of women-oriented participatory approach viable to deal with the problem of poverty?
- iii. What are the conditions of success of such an approach?

iv. Where is such experiment being replicated?

Individual Exercise No. 1 – Time: 30 minutes

Ask each participant to give five concrete suggestions on “What needs to be done differently to ensure that India progresses on the scale of human development? Ensure that suggestions given below are discussed.

Some suggestions to strengthen HD

- Maintain a balance between economic growth and an expansion of social opportunities. Give high priority to basic education, preventive and promotive health care, assuring basic economic security and livelihoods.
- Correct imbalances and inequalities between men and women, between rural and urban areas, between socially disadvantaged communities and the rest of society.
- Invest adequate resources in social sectors. Additional resources could be mobilized by improving tax-GDP ratio and ensuring a growth rate of 6-8% per annum; by eliminating subsidies to the rich; by cutting losses of public enterprises; and by reducing defense spending.
- Set the priorities right for public spending. Expenditures must be utilized for improving the quality and efficacy of services, for correcting imbalances in public expenditures, for plugging leaks and reducing wastage, and for ensuring greater efficiency in spending.
- The State needs to play a more proactive role in expanding social opportunities. The State has shown dynamism in reducing controls, liberalizing the economy, and opening up the economy. The 73rd Constitutional amendment to ensure women's participation in local governments displays an extremely progressive and proactive face. On the other hand, efforts at abolishing child labour, preventing child prostitution, and until recently, addressing the problem of AIDS have been far less successful. On many of these matters, sustained advocacy, open debates, concerted pressure and public action are urgently needed to provoke a positive response from the state.

- Create and expand opportunities for women to participate more fully in economic and political decision-making. The human development experience from Kerala and Manipur suggest that the well-being of society improves when women enjoy greater economic, social and political freedoms.

- Ensure that economic growth is participatory. It must be planned and managed locally by people whose lives it affects. Communities must participate actively to shape programmes, ensure that opportunities are expanded, and that the benefits are shared equitably. For this, structures of local self-governance must be strengthened; and people's participation has to become a norm of public life.

APPENDIX: CASE

Participatory Poverty Reduction

From Malappuram to Kudumbashree, Kerala

Introduction

Anti-poverty programmes undertaken by the Government of Kerala have led to a reduction in poverty levels, but persistent backwardness in certain locations and among particular groups of people worries the policy-makers. It is widely recognized that a top-down approach to poverty reduction that depended on isolated schemes delivered separately to individual families or groups of families had failed to yield desired results.

Kerala started a pilot project of participatory poverty alleviation initially in Allapuzha municipal area with the support of the UNICEF as part of the centrally-sponsored Urban Basic Services Programme (UBSP). Based on the lessons from the pilot phase, the model was extended to all the municipalities in 1995, which included the rural areas of Malappuram district covering 96 panchayats. Thus, the Kudumbashree (prosperity for the family) project evolved after intense experimentation in diverse conditions into the participatory strategy for taking power to the people and especially the poorest and weakest women.

Background

Kudumbashree is a women-oriented community-based poverty reduction programme being implemented in Kerala by the state government, with the active support of the Government of India, National Bank for Agricultural and Rural Development (NABARD), and UNICEF. Two bank-linked self-employment programmes of the Swarna Jayanti Shahari Rozgar Yojana (SJSRY), namely Development of Women and Children in Urban Areas (DWCUA) and Urban Self Employment Programme (USEP), provide Kudumbashree with nominal financial resources to encourage beneficiaries of the project to set up micro-enterprises. More than 10,600 USEP micro-enterprises and 685 DWCUA micro-enterprises have already been generated in Kerala and the Kudumbashree project is gaining international recognition as well. It has been awarded the coveted Commonwealth Association for Public Administration and Management (CAPAM) gold medal for the year 2000, for best practice in public management. The community marketing network concept of Kudumbashree is fast developing as a field-level reality. Kudumbashree is an outstanding example of a successful government organised non-governmental organisation (GONGO).

Objectives

The mission statement of the Kudumbashree project is 'to eradicate absolute poverty in 10 years through concerted community action under the leadership of local governments, by facilitating organisation for the poor for combining self-help with demand-led convergence of available services and resources to tackle the multiple dimensions and manifestations of poverty holistically'.

The specific objectives of the project are as follows:

- Facilitating self-determination of the poor families through a transparent risk index composed of socially accepted indicators of poverty through a participatory survey.
- Empowering the women among the poor to improve their individual and collective capabilities by organising them into neighbourhood groups (NHGs) at the local level, area development societies (ADSs) at the ward level and community development societies (CDSs) at the local government level.
- Encouraging thrift and investment through credit by developing CDSs to work as informal banks for the poor.
- Improving incomes of the poor through upgradation of vocational and managerial skills and creation of opportunities for self-employment and wage employment.
- Ensuring better health and nutrition for all poor families
- Ensuring access to basic amenities like safe drinking water, sanitary latrines, improved shelter and healthy living environment.
- Ensuring zero dropouts in schools for all children belonging to the poor families.
- Promoting functional literacy among the poor and supporting continuing education.
- Enabling the poor to participate in the decentralization process through the CDSs as sub- systems of the local government.
- Helping the poor fight social evils like alcoholism, smoking and drug abuse, dowry, discrimination based on gender, religion, caste, etc.
- Providing a mechanism for convergence of all resources and services meant for alleviation of poverty in the state.
- Collaborating with government and non-government institutions and agencies in all activities related to improving the quality of life of the poor.

Salient Features

The Malappuram model

Malappuram has been identified as one of the most backward districts in India. The district

has the highest fertility and infant mortality rates in Kerala. The Union Ministry of Health has enlisted Malappuram as one of the 90 problem districts in India. The percentage share of families below poverty line in the district was as high as 45 per cent.

A fact sheet of the district is given in Table

Table 1 Profile of Malappuram District		
Area	3548 sq. km	
Population: 2001 Census		
Male	17,59,479	
Female	18,70,161	
Total	36,29,640	
Socially disadvantaged groups*	2,55,731	
Social indicators vis-à-vis state average	District Average	State Average
Decadal growth rate (1991-2001)	17.22%	9.42%
Infant mortality rate*	22	13
Women Literacy	85.96%	87.86%
Average family size*	6.49	5.3
Families below poverty line*	45%	26%
Note: * data pertains to 1991 Census		

Identification of the poor

The methodology used to identify the poor suffered from two basic deficiencies. First, since it is based on income, there was substantial under-reporting and the officials conducting the survey had to exercise a great deal of discretion in the absence of verifiable data. Second, the identification was used only to provide direct assistance under a single programme, the Integrated Rural Development Programme (IRDP). It was felt that a layman-friendly index based on a non-monetary set of indicators to determine poverty would be more reliable and acceptable. Based on a system of trial and error in Allapuzha municipality of Kerala, a nine-point risk index was developed consisting of the following elements;

- Poor quality of house i.e. *kutch*a house.
- Lack of access to safe drinking water.
- Lack of access to sanitary latrines.
- Number of illiterate adults in the family.

- Single income households.
- Number of individuals getting barely two meals a day or less.
- Number of children below the age of five in the family.
- Number of cases of alcoholism or drug addiction in the family.
- Scheduled caste or scheduled tribe family (i.e., belonging to socially disadvantaged groups).

The households with four out of nine factors were classified as poor. Thus a community-based transparent identification system of the poor was attempted. This index represented significant innovation and a fundamental departure from existing norms.

Organisation of the poor

Hitherto, poverty alleviation programmes in India, by design or default, have focused on equipping the male head of a household with skill or wage employment that the family could rise above the poverty line. Programmes have been delivered without any lateral linkages or follow up appraisals. No attempt has been made to view the target groups as cohesive units and provide a suitable basket of services and schemes. A conscious attempt was made to get over these problems in the Malappuram project.

At the local level, the identified families were organised into NHGs of 20 to 30 families. Each family in the NHG was represented by a woman. These NHGs of women were networked into ADSs at the level of the Ward or electoral constituency. These ADSs were then federated into a CDS at the village panchayat or municipality level. There were also higher levels of networking at the level of the intermediate local government tier, viz., the block panchayat at the district level.

Organization Set-up

- NHG: Each NHG prepares a development micro-plan based on the needs of the members as identified through surveys and discussions. The basic building block of the community based organization is the NHG. This grassroots level body democratically elects five volunteers from its members who function as *barefoot experts* performing the following functions:
 - The President presides over the weekly meetings and imparts necessary leadership and guidance to the group members.
 - The Secretary records the details of the proceedings of the meeting and is responsible for necessary follow-up including motivation and team building.
 - The Community Health Volunteer looks after various health related issues of the

group members, particularly among children, women and the aged, and is responsible for the convergence of various programmes undertaken by the health and social welfare departments.

- The Volunteer for Income Generation Activities looks after the collection, consolidation and maintenance of books, accounts and registers in connection with thrift mobilization. Necessary training is imparted by NABARD towards capacity building of the volunteers
- The Volunteer for Physical Amenities acts as a catalyst for local development by identifying gaps in the availability of critical physical amenities; trying to integrate the resources of various government programmes; and liaising with local government organs for the follow up of programmes.
- ADS: This is formed at the ward level of the village panchayat or municipality by networking NHGs, normally 8 to 10 in number. The ADS functions through three distinct bodies:
 - The General Body consists of all presidents and secretaries of federated NHGs along with the representatives of resource persons selected from that area.
 - The Governing Body is constituted by electing a president, secretary and five-member committee from the members in the general body. It oversees the functioning of the general body.
 - A Monitoring and Advisory Committee is formed under the chairmanship of the elected member of the village panchayat or municipality representing that ward. Since the ward is the basic unit for laying down priorities for local development, the ADS acts as a lobby of the poor in the preparation of development plans by local governments. The ADS puts together the micro-plans of the NHGs into what is called a *mini plan*.
- CDS: CDS is a registered non-government organisation (NGO) formed at the level of the village panchayat or municipality and comprising of a federation of ADSs. Like the ADS, it has also three sub-systems:
 - The General Body consists of all ADS chairpersons and ADS governing body members along with representatives of resource persons, officers of the local government who are involved in implementing various poverty alleviation and women empowerment programmes.
 - The Governing Body consists of a president, member secretary and five selected

committee members. The President is the elected representative whereas the member secretary is the local officer in charge of anti-poverty programmes. Other government officials and representatives of resource persons are nominated to the Governing Body.

- Monitoring and Advisory Committee: The municipal chairperson/president of the panchayat is the chairman of the Monitoring and Advisory Committee which is convened by the municipal secretary/panchayat secretary.

The CDS is co-terminous with the village panchayat or municipality and prepares development plans at the local government level by consolidating the plans prepared by the ADSs. The CDS is recognised as an agency to which local governments can entrust the execution of small public works through the process of community contracting. The participation and representation of the women of the community, who constitute the core of the NHG model, imparts a gender dimension to the programme and ensures that the voice of the disadvantaged is heeded. There are CDSs at the block level and district level, which serve to coordinate as well as provide feedback and take up higher order development activities. Regular weekly meetings are held and the discussions and decisions are recorded. These meetings serve as forum for the dissemination of information, development of consensus on collective requirements, and the discussion of possibilities of cohesive action.

Key features

- The programme covers every family below the poverty line.
- Each poor family is represented by a woman, a paradigm shift from the a priori male-centric model of poverty alleviation programmes. Women have imparted a new dimension to the project in terms of feedback on poverty indicators, sensitivity to problems of the poor, commitment to poverty alleviation, and special attention to gender concerns.
- The whole system is democratic and encourages full participation through periodic discussions and rotation of volunteers every two years.
- The volunteers have ample opportunity to hone their leadership qualities through regular capacity building initiatives.
- The democratic hierarchy of the organization facilitates interventions at different stages of the local development planning process.
- The representative character of the organization enables it to be a powerful interest group representing 30-35 per cent of the population.

- Since decisions are taken based on analysis of the field situation and through the medium of regular discussions, the plans represent the felt needs and priorities of the community.
- The hierarchical organization with the higher levels 'nesting the representatives of the lower level' affords good channels for quick and effective communication.

Strategies

Informal bank for the poor

A major function of the organisation is to act as an informal bank for the poor (Box 1). Women pool their savings at the weekly NHG meetings. The ADS is authorized to open accounts in banks to deposit the savings. So far in Malappuram Rs. 2.67 core has been collected out of which

Rs. .06 crore has been circulated as loans among the members mainly for immediate needs like medical treatment, educational expenses and repayment of old debts. About 70 per cent of the disbursements are used for consumption purposes or to ward off indebtedness. The remaining disbursements are [or economic development activities either for the strengthening

Box 1

The poor women's bank

In 1995, a thrift and credit society was started as small savings scheme .for poor women with an objective to encourage the poor to save and. widen their resource base. The women contribute small sums at group meetings. This money is entrusted to the Commanding Officer who then deposits it in the nearest bank. Each member is given an individual passbook, which ensures transparency in the maintenance of accounts. Members are given loans from the thrift society to meet their immediate needs like medical treatment, purchase of school books and uniforms for children etc. Each request for a plan is discussed in the NHG meeting.

The thrift and credit society has made astounding progress. In a span of one-and-a.-half years, the women could mobilise Rs.one crore as thrift savings. These societies .have been acclaimed as the largest informal bank in Asia, in terms of participation and savings mobilised. As on 31 October, 1998, the thrift savings were Rs.I.50 crore.

of existing activities or for taking up new activities. Since the whole process, and in particular the financial component of the project is transparent, there has been 100 per cent repayment

of loans. As on 31 March 2002, the number of NHGs was 4,645, with a total thrift of Rs. 5,36,30,006 and total thrift loan of Rs. 5,51,38,883.

To ensure accountability, a simple community financial management system has been designed and is operated by the secretary of the ADS. This ensures regular monitoring of loan repayment as well as close scrutiny in the accounting and audit of balance sheets.

The main objective is to go beyond mobilising thrift from members towards attracting credit from commercial banks. It is expected that with the strengthening of the system the banks would lend nine times the savings without any guarantee. NABARD has already provided credit to 808 NHGs. The loan repayment is 99.98 per cent as against 51 percent for the traditional anti-poverty programmes.

Role of government

The government acts as a proactive facilitator of the programme. At the district level, there is a full-time coordinator for the programme, appointed by the government, who acts as a catalyst without infringing upon the autonomy of the CDS system.

A massive capacity building exercise has been undertaken within the CDS matrix. Experts as well as key resource persons selected from amongst the community imparted the training. There has been a significant effect of the training programme:

- In 1994, nearly 13,000 volunteers were trained in identification of risk families.
- Between the period 1994-98, 1,06,000 community volunteers were trained on concept, strategy and operations of the project.
- During 1995-98, about 4,645 volunteers were trained in community health management.
- 2,000 training courses were conducted on community finance management by the CDS in 1995-96 and by NABARD in 1995-97.
- About 20,000 volunteers were trained in preparation of development plans in 1995 - 96, in implementation in 1996-97 and monitoring in 1996-97.
- In 1998, about 3,000 volunteers were trained in Participatory Learning and Action (PLA) techniques.
- In 1995 and 1996, 850 volunteers were trained in micro-enterprise development.
- In 1995, 99 awareness camps against alcoholism were conducted.
- During 1995-97, 1700 training camps on immunization were held.

Achievements

The CDS system has translated into several impressive achievements that have been

delineated below:

Environmental sanitation and drinking water

The programme has facilitated the construction and capacity building of several sanitation and drinking water initiatives. It has provided:

- 5,600 sanitary latrines with the support of the government and local bodies.
- 20 bore wells under the Drought Relief Scheme of the government.
- 10 open wells under the Drought Relief Scheme of the government.
- 53 toilets in schools.
- Rural Sanitary Marts in 14 blocks.

It has also introduced rainwater harvesting techniques in the district and trained and equipped 200 women masons.

Education

The programme has also led to the following tangible benefits in the field of education:

- Additional facilities created in pre-primary and primary schools.
- Formation of Mother Teacher Associations (MTAs) in primary schools.
- Reduction in drop-out rate. (According to volunteers/activists actively involved in the CDS' programme, the drop out rates which were 35 per cent in 1991 declined to 11-12 per cent. Further, the teachers involved in the programme state that there has been an increase in the number of girl students in 5th to 8th standards, from 10-15 per cent to 30-35 per cent, respectively.)
- Remedial education for under-performing students from poor families. A DPEP has been extended to marginalised groups.

Community Health

Improvements in the collective health of the community have been a palpable plus point of the CDS system. This has been due to the following achievements in the sphere of community health:

- Improved use of medical facilities.
- Convergence of health programmes.
- Universal coverage in immunization against polio.
- Reduced incidence of diseases of poverty such as cholera, typhoid, malaria and diarrhoea.
- Better outreach of reproductive and child health (RCH) programmes.
- Participatory implementation of AIDS control programme.

- Opening of Rural Health Depots for First Aid and Oral Rehydration Salt.

Development of micro-enterprises

The CDS system has enabled the development of several sustainable micro-enterprises: I:)

- 12.3 22 micro-enterprises set up and assisted through revolving funds.
- Direct marketing groups selling consumer goods set up.
- Festival markets organised through group action.
- Micro-enterprise consultants trained to form a support network.
- Variety of initiatives ranging from solid waste management to computer centres implemented (Box 2).

Box 2

Micro-enterprise development by kudumbashree

Kudumbashree promotes micro-enterprises for women below poverty line. These enterprises include Catering, soap making, goat rearing, rice cultivation, copra production, spice/coffee packaging and managing computer booths. Till 2002, 35,196 women have been engaged in micro-enterprise and 26,505 units have been created. The total investment in micro-enterprises in Kerala, as on 30 April 2002, has been Rs. 64 crore.

Lessons learned

The first five years of the Malappuram experience yielded several lessons that are of relevance to the alleviation of poverty:

- Community-based involvement of the poor through simple transparent criteria has resulted in better identification of the poor. Since the criteria are in tune with the perceptions of the public, there is greater objectivity and reduced patronage in classifying the poor families for various benefits.
- The organisation of the poor has provided a powerful social safety net against vulnerability. The poor now have a well-defined role in public life, particularly in the development process right from the planning stage. The internal dynamics of the system often helps it to develop organically with cohesion and purpose. The highly democratic and participatory structure of the system has helped it to be recognised as a true representative of the poor. There has been a gradual but perceptible improvement in the confidence levels of the poor and they have begun articulating their demands. From expressing their 'voice', they have to be enabled to use their

power of ' choice'. Their 'freedoms' have been enlarged and 'capabilities' enhanced in small but significant degrees.

- The Malappuram experience represents the conscious empowerment of the poor through a gender-sensitive process. It has imparted a new dimension to the role of the state. By actively promoting awareness amongst the public, capacity building of the community and the design of self-management systems, it has proved that the state can play a crucial role in the empowerment of poor communities through consistent policy efforts. The community development system has been authorised to select and identify the beneficiaries of various developmental programmes of the poor sponsored by the state as well as local governments. Also, it is encouraged to take up implementation of public works through community contract.
- By focusing on the social dynamics of the organisation and by encouraging thrift, the culture of Self-help (Box 3) has been inculcated. This is in sharp contrast to the earlier practice of providing subsidies, doles and 'freebees' to the poor to enable them to rise above the poverty line.
- The quality of interventions for reducing poverty as enunciated in the mission statement has improved through the participatory planning undertaken by the system.

Box 3

From dependence to self-help

With the formation of Thrift Societies, there has been a visible change in the attitude of women. In the initial stages of the programme, projects like the Community Based Nutrition Programme and the Poverty Alleviation Programme (PAP) were considered as just additional channels for providing latrines. However, the real concept of the programmes is gradually catching on. With the formation of self-help groups, women have come to realize that the fundamental cause of their poverty is very low levels of income and unless they are able to learn some extra money, their condition will not improve. As a result of this, their demands for starting income generating activities increased exponentially.

In 1998, UNICEF provided Rs. 7 lakh for initiating activities that contributed to supplementing family incomes in all the panchayats in the district. These funds have been used by women to purchase goats and cows, to initiate mushroom cultivation and even to set up tea shops and garment manufacturing units. NABARD is also supporting the programme

under its self-help group scheme and two banks viz., Canara Bank and South Malabar Gramin Bank, have sanctioned Rs. 18.5 lakh to the district community development system for lending to the women without any collateral security.

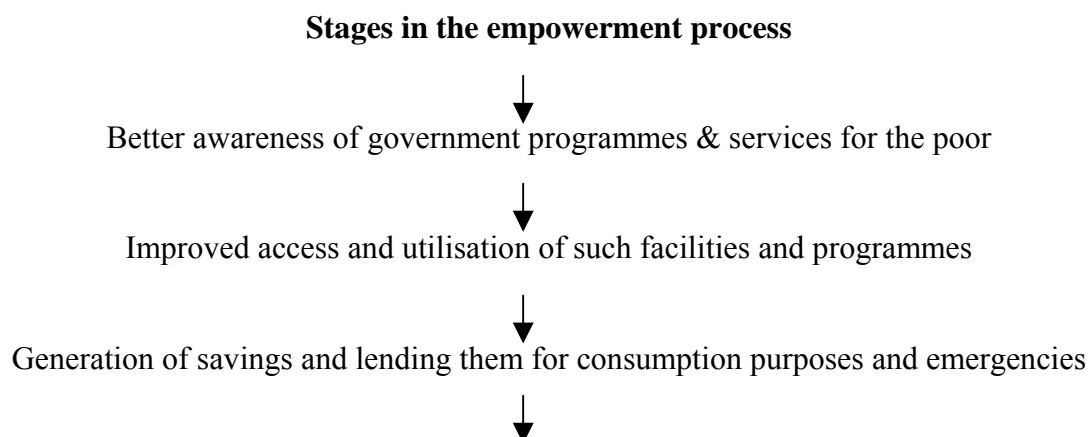
Rapid collection of essential data, interactive prioritisation of developmental needs and collective identification of economic development opportunities have contributed to the preparation and implementation of improved poverty reduction schemes at the local level.

- The transparent functioning of the system has promoted trust amongst the poor and has enabled them to identify persons most needy of assistance. This has contributed towards preventing ungainly jockeying for benefits and crude dependence-inducing patronage systems among the population.
- The experiment has contributed to bringing about more responsive governance through:
- Improved outreach of developmental software.
- Better access and utilisation as well as reduction of costs of public services.
- Improved accountability, transparency and targeting in developmental systems as well as greater convergence of Governmental resources.
- More efficient management of public assets such as water supply systems.

In short, the Malappuram experience shows that empowerment of the poor is an unfolding process with clearly discernible phases having sequential progression. Based on the evidence, the stages in the empowerment process are depicted in Fig. 1.

The above sequence holds true in a majority of cases though it is possible to leave out or combine some of the stages. For such a scheme to be a success there is undoubtedly a need for cooperation and coordination by the community at every stage, as well as facilitation and commitment from the state government.

Fig. 1





Replicability

The Malappuram example has shown that empowered poor women are important catalysts in the fight against poverty. This example has highlighted the need for co-ordinated efforts and convergence of resources to achieve basic human needs such as drinking water, primary health care and education. It has shown that the strengthening and expansion of women oriented participatory approach is a viable alternative for monitoring poverty alleviation programmes. The CDS system has a critical role in the conceptualization and implementation of anti-poverty programmes, in the identification and selection of beneficiaries of such programmes and in performing social audit functions, as a watchdog of the public.

Malappuram CDS is the largest NGO of women in the whole of Asia. It has internationalised a dynamic system whereby 1.66 lakh women network through about 5,000 NHGs every week to facilitate overall individual and community development. The twin concepts of convergent community action and self-help have ushered in a new paradigm in community development. The Malappuram experience has revealed that novel methods for tackling various dimensions of poverty, both causative and symptomatic. The Government of Kerala has decided to

replicate this all over the state through the Kudumbashree programme. For this purpose, a State Poverty Eradication Mission has been created specially maintained by officers selected from various development departments on the basis of proven capability and commitment, at the state and district levels.

Questions for Discussion:

1. How can empowered poor women help in fighting against poverty?
2. How can we make the project of women-oriented participatory approach viable to deal with the problem of poverty?
3. What are the conditions of success of such an approach?
4. Where is such experiment being replicated?