

Development

November 2017

Monthly Development update from DHAN Collective

Matters

Awareness

Savings: Safety First **8**

Microfinance

Financial Counselling **10**

Youth Development

Promoting Entrepreneurship **20**



Feature

Building Resilient SHGs through Financial Inclusion



While the SHGs play a critical role in ensuring timely credit to the members at an affordable rate of interest, loans issued without proper assessment could potentially become a bad loan. Enabling the poor households for proper self-assessment of their credit need, finding assured sources of income for honoring their repayment commitment to the group, use of loan on intended purpose are very critical. Financial counselling at the family level can help realise this.

Kalanjiam Federations in Mysore region provide financial counselling to the member families, who have applied for higher amounts of loans at their groups. Experiences show that over Rs. 18 crore lent to members with the counseling resulted in prompt repayment in addition to proper deployment of loan for the intended purpose.



DHAN Foundation

1A, Vaidyanathapuram East
Kennet Cross Road

Madurai 625 016. Tamil Nadu, INDIA

Tel.: +91 452 2302500; Fax: 2602247

Email: dhanfoundation@dhan.org

Website: <http://www.dhan.org>

From the Editors' Desk

Dear Readers,

Greetings from DHAN Foundation.

Focus of the current issue of Development Matters is "Financial Inclusion". Broadening and deepening of the financial services to the people through financial literacy and other appropriate measures can enable the poor communities to reap the fruits of financial inclusion. DHAN has been spearheading financial inclusion from the very beginning of the SHG centred enabling model of Kalanjiam Community Banking launched by it in early nineties. With more than 25 years of experience, DHAN's model of financial inclusion through SHGs stood the test of time. Scaling-up of the model both vertically and horizontally has proven its ability to adapt and contextualise to the changing economic climate in the country. This issue captures various dimensions of financial inclusion and DHAN's experiences and learnings in this sphere.

We welcome your suggestions and feedback on the articles featured in the Development Matters. Please write to us at dhancdc@dhan.org

Happy Reading!

Contents

1. Education Development through Financial Inclusion <i>Ahila Devi S</i>	1
2. Building Resilient SHGs through Financial Inclusion <i>Umarani A</i>	4
3. Savings: Safety First RBI & DHAN Collaboration on Depositor Education and Awareness Programmes (DEAPs) <i>Kalyanasundaram M</i>	8
4. Financial Counselling – Key to Financial Self-Discipline <i>Sindhu P D</i>	10
5. Marching against Poverty <i>Naveen Kumar</i>	13
6. End Poverty Through Financial Inclusion <i>Naguveer Prakash V</i>	16
7. Promoting Entrepreneurship the Key to Youth Development <i>Lokesh Sinram</i>	20
8. River Vaigai and Madurai City – Issues and Strategies to Restore <i>Praveen Kumar S</i>	25
9. Infographic	32

Education Development through Financial Inclusion

Ahila Devi S *

Education is very much fundamental to development and growth. The higher the level of education in a society, achievement of that society in development scale is proportionately higher. This, in turn, leads to economic prosperity and better-civilized living. Education results in transforming a society into an informative society having higher earnings and social awareness.

Access to education is a fundamental right bestowed through the Constitution of India. However, most of the poor parents in India are below primary school level. Hence access to education for their children is vital for the advancement of the family's welfare. The poor dreams to make their children obtain schooling and get them educated. Given the increasing trend of the private players, the poor's access to education is getting reduced. Education credit could make a huge impact in ensuring continuity in education as well as the graduation of the education levels of the poor families. It helps arrest dropouts in studies. The positive trend is the increase in the enrollment for higher education.

Financial Inclusion Vs Education Development:

The advent of financial inclusion has made considerable efforts to include the excluded in the process of development. Financial inclusions initiatives through the Self Help Groups (SHGs) not only help organize the poor, it also facilitated the access to formal financial institutions to fulfil their financial needs. Though in the initial phase the members of the SHG's used the access to the funds towards their consumption needs and to arrest income leakages by repaying high-interest loans. This effort itself could have made them save considerably by increasing the family inflow. The effective utilization of subsequent financial linkages towards livelihood enhancement aids them to prosper. Livelihood enhancement leads to economic development, giving hope for them to think of ensuring the children's education. Yet the elusive cost of higher education act as a hindrance for the poor to chase their dream.



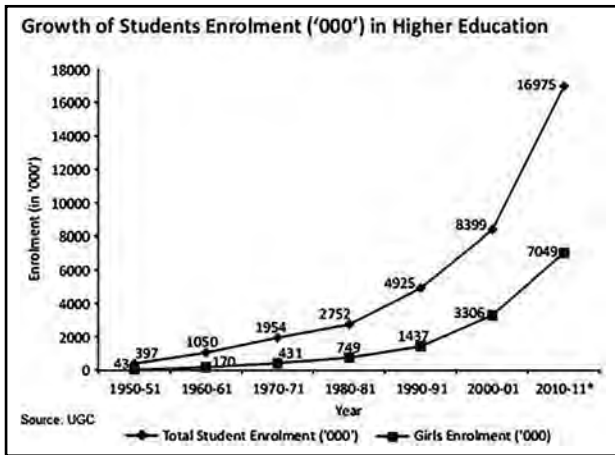
Education Intervention in SHGs

DHAN believes education as a tool for addressing poverty reduction. Education of the children acts as a catalyst to propel the family graduate out of poverty in short span. Education of the children empowers the generation next to seek skilled/professional employment. They earn more once they get employed considering their parents who are mostly daily wagers, labours, farmers, domestic maids, etc., their contribution to the family.

Microfinance can contribute targeted intervention for ensuring educational attainments of the children from poor households in many ways. While the poor households avail loans from their SHGs for their children's educational needs, in the beginning, loans from SHG's, would be sufficient to meet the needs of primary and secondary schooling of their children. They look for higher amounts of loans when their children go for a college education or higher education. They also need support for availing education loans from commercial banks if their children get admitted in professional courses.

SHG's has acted as a pathway for the downtrodden to achieve their education dreams. Many poor were enrolling their kids in private schools. When they are enrolling they have to pay the school fees as being

* Ms. Ahila Devi S, Programme Leader, DHAN Kalanjiam Foundation



demand in the schools. Nowadays few schools have the option of monthly fees, most private schools collect an annual fee or else in term payments. It is when the poor members of SHG find it difficult to raise the needed resources from external sources. Since the school fees may not be that big, external lenders don't give importance for such lending. With little or no option members seek the SHG to aid them in their distress. Thus members of Kalanjams were able to avail loans for their children's education at a high priority. Credit for education is a long-term development proposition for the alleviation of poverty among the poor.

The SHGs promoted by DHAN facilitate its members to give priority to ensure the education of their children. Hence the members seek access to credits to meet their fund requirements. Totally 3.29 lakh loans had got issued to the tune of Rs.636.28 Crores in the past 15 years through the SHG lending. Many members have made use of the credits from the SHG to build their children's education possible. Here the quantum of the amount and its timely availability is that gives the members the liberty to get credit to meet their needs.

Aiding Education

The federations have been enrolling its members in the government-sponsored life insurance product Aam Aadmi Bima Yojana (AABY). This Life Insurance Corporation managed insurance product provides scholarships to the 9-12 or ITI studying wards of the insured members. LIC provides the scholarships of Rs.1,200 for each of the eligible student from Shiksha Sahayog Yojana (SSY) scheme of the government.

Every year the DHAN promoted federations enrol the members for providing life insurance cover. Last year 6,87,545 members have got insured in AABY and the federations ensure that eligible members enrolled in AABY get the benefit of the SSY scholarship. Total of Rs.12.38 crore was received as student scholarships for 1,03,132 students. This scholarship support aids the poor members in a small way to keep their students in schools. Once they complete the higher secondary education and the prospect of taking up higher education. This attempt also increases the chances of a higher ratio of girls taking up higher studies.

Remedial Education

Many members of the Kalanjiam are mostly illiterate. Hence as parents, their dream of giving quality education needs multiple reinforcement mechanisms. Credit alone could not bridge their needs. In the cases where the parents are illiterates, their direct engagement with their children towards education is limited. Hence remedial education centres were instituted to address the educational needs of the members' children. These tuition centres promoted by the federations at cluster level based on the local needs take care of assisting the educational needs of the children in slums and villages. The tuition centres were accessed as a node for facilitating education among the children of illiterate parents who could least contribute to their kid's education.

In the Kalanjiam programme, there were 40 tuition centres being run in 10 regions. Through the tuition centres, as many as 1,000 students were getting benefited. The remedial education centres are promoted at the cluster level to meet the needs of the community. It is run by identifying suitable local human resources to manage the centre. The federation meets the cost of running the centre. They facilitate organizing children in the evening and teach them the lessons. Individual focus on children in their weak subjects assists them to improve their academic performances.

Formal Collaborations

Banks were issuing education loans significantly for higher education. It is part of their social development initiative and falls in priority sector lending. It facilitates aspiring youth access the educational loan products being offered by the banks. The lending by the banks has

encouraged the downtrodden to access the bank loans to chase their dreams. This opportunity has given space to the emergence of many first time graduates. Though it is seen as an entitlement prospect, poor lack the negotiating power to get the work done on their own. Their illiteracy act as a mental block for them to approach the bankers with confidence.

The professionals working at the block level assist the member in need to access the bankers. They help the members understand the documents required and guide them to get the documents in order. They facilitate the members to get the education loan from the banks.

Career Guidance

Education gets shape when one identifies his/her choice of career and chose the higher education accordingly. A child from a well of the family may have the required exposure and knowledge to make a choice of his interest. But a child from a poor family of illiterate parents has less exposure to decide his/her choice. They could end up in a dilemma to make informed choices.

It is here the federations and regions make interventions like organizing career guidance events to aid the students getting into higher studies. This event was anchored by academicians and professionals from the sector. They facilitate the students with the available opportunities for them to decide their choice of course. For many of the participants, the career guidance events are of eye-openers and they aided by the expert guidance make their choice of higher education.

Way forward

Education is a distant dream for the poor. Microfinance which focuses on economic empowerment should have to address the education needs of the poor. It should be a multidimensional approach that meets the needs of the poor. SHG with its widespread access has the ability to address the gaps in education access through its financial leverages. When given the trust and focus SHGs could help to bring about the change in reach of education among the poor. Widening the reach of education through financial inclusion is the key to deliver success. □

Kokila a member of Karthigai Kalanjiam of Sellur Federation, Madurai is similar to many illiterate mothers. She had two daughters and wished to ensure higher education for them. She had done schooling only up to 4th standard. However, her husband, a carpenter, made arrangements for his daughters' marriage when they completed their high school. Kokila stood by her wish. The stand made the father to disown the daughters' education. Being an entrepreneur, she preferred taking up the onus on her shoulders.

She had the opportunity of obtaining the SSY scholarship for her daughters. Then, she enrolled her daughters in a polytechnic college. The academic fees were paid from the Kalanjiam fund and earnings from her beautician and tailoring activities. Her daughters completed the course meritoriously that getting into engineering college was not a big deal. However, annual fees was close to Rs.40,000 and she could not source it from the local funds. The interest on a loan would put undue pressure on her and secondly, she had to start repaying the principal on immediate receipt of the loan.

When she approached the Kalanjiam for a loan, the coordinator suggested her to apply for an educational loan. She along with the federation coordinator made an effort to obtain the loan from Indian Overseas Bank, Chokkikulam Branch. The Branch Manager informed them about the procedure. With support from the federation, she could avail a loan of Rs.1,50,000 for each of her daughters, in a span of three years.

Now, both have completed their engineering course and are employed, supporting the family with their source of income. □

Building Resilient SHGs through Financial Inclusion

Experience of DHAN's Community Banking Programme

Umarani A *

Financial Inclusion (FI), according to Rangarajan Committee on Financial Inclusion (2008) is a “process of ensuring access to financial services and providing adequate credit where needed to vulnerable groups such as weaker sections and low-income groups at affordable cost”. According to Raghuraman Committee on Financial Sector Reforms (2014), the FI is “**Broadening of financial services to those who do not have access; Deepening of financial services for people who have minimal financial services, and promoting financial literacy and consumer protection for clients to enable them make appropriate choices**”

These definitions tend to view financial service as a goal by themselves and not as instruments to achieve higher order goals such as sustainable development goals. Despite the growth of the banking sector, the banks could not reach and bring the marginalized and disadvantaged into the banking fold. There are many studies which reveal many reasons for the financial exclusion. Financial inclusion should be seen as an instrument for improving the standard of life of the poor and the marginalized.



The Reserve Bank of India has taken proactive steps in urging the banks to revisit their FI policies and practices and rework with the objectives of the FI. In the early 90s, the pilot on SHG-Bank Linkage was taken up by NABARD with well-defined RBI guidelines, which, later has become a core strategy of the banking system to increase access of the poor to formal banking services. The self-help groups are ‘retail banks’ undertaking mobilization of savings and pooling the savings for internal lending among its members by charging affordable interest rates from its members. In the process of the banking business, the members learn the nuances of financial discipline, which helps them reach banks for credit. The SHG-Bank Linkage has been mainstreamed with the banks since 1996 which is one of the financial tools for building resilience in SHGs.

Resilience Building Framework – Experience of DHAN

DHAN, in the 90s, conceptualized the SHGs as a financial intermediary and piloted for about five years in promoting resilient SHGs-federation model for its sustainability and impact on poor by implementing “Rural Women’s Banking Project”. Over a period, DHAN has done process innovation, product innovation, structural innovation and system innovation involving the poor community who is the fulcrum in resilience building through the transformative process. **It follows the 4-phase model of resilience building – social intermediation; financial intermediation, livelihoods intermediation and civic intermediation.** Each of the phases encompasses all the four innovations as part of resilience building in SHGs.

Social capital for building resilient SHGs

It is an important phase for SHGs dealing with the social dimension. There is a need to understand the kinds of

* Ms. Umarani A, Chief Executive, DHAN Kalanjiam Foundation



social change to which the SHGs contribute both short term and long term and linking this with the impact. The short-term benefits are to develop skills, promote social cohesion and increase the confidence of the members which leads to empowerment. The long-term benefits are to improve the resilience of the poor women and family. It is expected that the impact of the changes needs to get translated into resilience households with graduation out of poverty. The social dimensions include social cohesion among the members of the SHGs, mutuality, trust, social capital with a sustainable network structure, empowerment and risk sharing and risk diversification behaviour.

The DHAN's Kalanjiam Community Banking Programme promotes a nested model of SHG-federations with

clearly defined institutional roles, governance structure with defined leadership positions and activities, and the process of institution building for its stability and sustainability. The process innovation in targeting the poor and profiling them based on the economic criteria as survival, subsistence and self-employed and recognize the life cycle risks and shocks with a potential capacity of the families to handle them and degree of vulnerability to such shocks and risks is inbuilt in the community banking model. **The structural innovation is building nested model of social capital to build the institutional resilience, enhance the access to various development and financial services for its SHGs members, and strengthening household resilience by instilling a sense of mutuality, responsibility, accountability and contributive.**



Financial inclusion for economic resilience at household level and SHGs

The SHGs are functioning as a financial intermediary by promoting savings which is a mandatory function to build the capital adequacy in the groups and facilitating internal lending to meet the consumption and productive needs of the members. In community banking programme, savings is the first expenditure of the poor women; credit is must to help them addressing financial needs of the family; risk sharing through insurance is must to cope and handle the life and livelihoods risks; and pension is best to provide social protection and security of life during old age of the poor. The SHG-Bank Linkage under financial inclusion plays a vital role in strengthening the household resilience through promoting need-based appropriate loan products to meet consumption to productive needs of the poor families. It also provides assurance for better future through specialized products – sanitation, housing, higher education, health, death, marriage, asset creation, diversification of business, etc. to strengthen the household resilience.

There are important financial and non-financial tools to promote institutional sustainability by building the internal coping capacity towards handing the disasters and shocks. It includes diversified savings and purposive savings to secure for future needs; Incentive on savings to service the insurance premium for life and livestock security; shifting from term loan concept to Revolving Online Credit / Cash Credit system to ensure repeat credit and timely credit to the SHG members; flexible and affordable interest rates; common fund generation and allocation for risk pooling and sharing; financial counseling and financial literacy for promoting better understanding about the banking and prepare the poor for financial discipline.

The system innovation includes appropriate accounting system with the strict procedure of following universally accepted accounting principles and procedures, internal financial monitoring and control system through digitization, the involvement of governance by specific financial role allocation and effective audit system to monitor and improve the financial soundness of the

groups and federations. **Creation of corpus in SHGs and federations for financial sustainability and innovation on risk mitigation and resilience building experiments.** The group level corpus is being used for creating common assets and addressing community-level shocks and risks – rehabilitation of water bodies, creating water structures in villages, cattle water ponds, drinking water facilities, greening of villages, etc.

Financial Inclusion for Building Livelihood Resilience

The SHGs need to facilitate loan graduation and increased credit absorption among their members towards economic activities, scaling the activities through deepening and diversification for which the skill enhancement, adequate credit assistance and promoting appropriate institutional structure for scale advantage for forward and backward linkages. Financial inclusion has to include resilience elements to address livelihoods risk of the poor.

The Kalanjams are providing livelihood loans for agriculture, livestock, small business, vending, trading, etc. They are involved in skill building, financial counselling, training and exposures, organizing common interest groups for various livelihoods activities, working capital, collective purchases and marketing as resilient building activities. Facilitating migration as a livelihood strategy with modified repayment structure in SHGs plays a vital role in retention of the members in the groups. Special savings, crop and livestock insurance, and building multiskilling to manage the uncertainties are other risk mitigating tools being implemented.

Financial Inclusion for Building Civic Resilience

The poor are encountering life cycle health risks which may be chronic/acute from birth to death. The Kalanjams act as a financial intermediary designing and implementing insurance products – life, mutual life, accident insurance, health mutual and health insurance, scholarship assistance, higher education loan, students career counselling, special for sanitation, tap water, roof water harvesting, housing and amenities, as resilience products at affordable interest rates to their members. Groups create risk fund to help at the time of crisis, say, the death of a family member – funeral fund, in case

of fire-house repair grant, loss of assets due to natural calamities – supporting the affected from pooling the donations, mutuality fund and risk fund created at groups/federations for building household resilience.

The government social security schemes – PMJJBY, PMSBY and APY are being taken to the appropriate age groups under financial inclusion through intensive financial and insurance literacy, depositors education and awareness programmes, and mass campaigns, which lead to opening individual bank account, enrolling into the social security schemes, monitoring the funds availability in the bank account, facilitating renewals on time, and ensuring reach of benefits to the families. The SHG-federations have initiated financial literacy and counselling centres for better utilization of savings, credit and insurance services. The pension has been piloted and ready to scale up to address the old age security in collaboration with government APY pension scheme and own pension programme run by People Mutuals.

Resilience Building by Outreaching and Preparedness

The common fund generated from the community banking business of the Kalanjams is being pooled and utilized for large-scale risk pooling and mitigation through expansion of community banking model in all the contexts. The community financing by the groups from their surplus for large-scale reach and development is a unique financial resilient tool. The fund being deployed by the groups for including the excluded into the fold of Financial Inclusion services of formal banks is very significant. Every year, the groups contribute about Rs. 25 crores towards professional services, own administration, development and capacity building, and self-growth through expansion of the community banking model in northern states to bring the left out into the banking fold.

Community has built a strong financial resilience in the matured SHGs and started giving forward to support and strengthen the financial inclusion in a significant way. To conclude, SHG-Bank Linkage provides greater space and opportunities for the poor to access the affordable financial services under the umbrella of financial inclusion provided there are appropriate resilience building financial tools integrated within SHGs. □

Savings: Safety First

RBI & DHAN Collaboration on Depositor Education and Awareness Programmes (DEAPs)

Kalyanasundaram M *

Savings is fundamental to financial well-being of people and consequently for the nation. Savings of the people of a country is the bedrock and sacred capital for the growth of the economy. People and governments have a larger concern of protecting the savings and being deployed for right purpose and objectives. All over the world, the advent of banks has brought a greater measure of comfort and safety for the savings of the people and people in turn started reposing their faith in the banking systems and parted with their savings. Yet, people are lured by non-banking and informal channels, largely dubious, in our country and their hard earned money is saved in these sources at great peril. The attraction is the higher interest yield coupled with fringe benefits. In the process, their savings is lost and the life ruined.

What is distressing is the fact that though several instances of non-banking channels duping the people have come to light, people still continue to get attracted towards most unsafe sources and keep their savings. The sordid tales of Sahara in Uttar Pradesh, Saradha in West Bengal, and Rose Valley in Odisha are grim reminders of large scale cheating. There is, therefore, a greater need for multipronged awareness and educational programmes among the public at large to inform and motivate to seek a banking relationship for their safety of savings. RBI has acknowledged that the illiterate lot in informal sector are vulnerable and predisposed towards such savings schemes on offer from non-banking channels.

In order to reach out to this large segment of population comprising poor, downtrodden, and disabled, RBI recognised the need to collaborate with the NGOs working with the community and having large outreach of excluded segment of population.

In pursuit of this objective, RBI has set up Depositor Education and Awareness Fund (DEA Fund) under the RBI's banking Act 26-A. The DEA Fund is funded by deposits from the customers' accounts in the banks which are not operated for more than 10 years. The balances in such accounts are transferred to RBI which is keeping these

* Mr. Kalyanasundaram M, Programme Leader, DHAN Foundation

amounts in DEA Fund. In future, if the banks send the claims of the customers for these deposits, RBI will return the money with 4% interest. A team of senior officials from RBI headed by a Deputy Governor would manage this fund and provide guidance for conducting Depositor Education and Awareness Programmes.

DHAN Foundation is one among the select NGOs / development institutions of RBI for conducting DEAPs. After the successful piloting of two DEAPs, RBI has standardised the DEAP as a daylong programme keeping the focus on awareness, education and protection of depositors. Therefore, the emphasis on building long-term relationship with banks which in the Indian context is the safest avenue for keeping the savings and deposits of the public. As such, the DEAPs would focus on KYC (Know Your Customer) norms of RBI for opening accounts with banks, various facilities and operational aspects, special deposit schemes for senior citizens and disabled persons, nomination facilities and ATM transactions including digital payment system – Unstructured Supplementary Service Data (USSD) (*99#), Unified Payment Interface (UPI, BHIM).

RBI has launched several initiatives for the protection of customer deposits

- Releasing on the RBI website broad, Charter of Customer Rights outlining overarching principles of customer rights based on global best practices for public comments. Five Rights for bank customers according to the Charter are as follows:
 1. Right to Fair Treatment
 2. Right to Transparency, Fair and Honest Dealing
 3. Right to Suitability
 4. Right to Privacy
 5. Right to Grievances Redress and Compensation

The Indian Banks' Association and the Banking Codes and Standards Board of India (BCSBI) have formulated a "Model Customer Rights Policy" encapsulating the principles enshrined in the Charter and circulated it to all the member banks. Banks have been advised to formulate with Board approval, either an exclusive Customer Rights Policy keeping the spirit of the Charter intact or dovetail the existing Customer Service Policies suitably to integrate the Charter and its tenets.

Other steps recently initiated by RBI for customer protection are as follows:

- Abolition of foreclosure charges/pre-payment penalties on all floating rate home loans/all floating rate loans
- Levying SMS charges on actual usage basis
- Abolition of penal charges on non-maintenance of minimum balances in inoperative accounts
- Streamlining penal charges levied for non-maintenance of minimum balances in savings bank accounts
- Uniformity in inter-sol charges

Way Forward

- Enforcing ethical behaviour of the financial service providers under the regulatory purview of the Reserve Bank
- Emphasis on "Consumer Education" – Advertisement campaign on fictitious offers/fund transfers, coordination with cyber-crime department etc.
- Spreading awareness about Banking Ombudsman (BO) in rural and semi-urban areas
- Improving the Internal Grievances Redress Mechanism of banks for effectiveness and timely response
- Sensitising frontline staff of banks on importance of customer service
- Bringing about continuous systemic improvement by analysing the root cause of complaints
- Review of the BO Scheme in the light of emerging changes in the environment
- Conducting thematic surveys/studies/incognito visits on specific areas like bundling of third party products, forced selling, cross-selling, mis-selling, etc.

DHAN Foundation has since conducted four such DEAPs in different places in Tamil Nadu, particularly targeting women at large and geared up to organise more such DEAPs in the months ahead. The continuous awareness building through DEAPs will increase the consumers' knowledge over the range of financial products and the safety net in place to safeguard the depositors' money. □

Financial Counselling – Key to Financial Self-Discipline

Sindhu P D *

The Mysore region consists of three districts covering eight blocks. There are seven self-sustained federations and one community invested (self-growth) federation. The Mysore region has 1,800 self-help groups (SHG) in the eight federations. These SHGs cover 30,000 poor families with a financial portfolio of Rs.50 crore.

The federations grow day by day enrolling new members and marching ahead addressing the development needs of the members. The growth gives experiences to take up the work in a systematic way. Adaptation of systems and methodologies gives good control over the initiatives and aids better monitoring system. As the federation grows, the members' loan demand increases, resulting in a huge financial turnover, which increases year-over-year.

Exponential financial inflow without assessing the needs of the poor's absorption potential, ability and source of repayment could annihilate the past successes. It is the duty of the executive system and the community governance to work in parallel to avoid the under or over assessment, excessive funding, divergent need proposal, unproductive requirements as well as members past repayment records. Having an overarching mechanism in the form of financial counselling is vital to help the poor understand their financial requirements and act accordingly. It not only provides the poor with an insight before applying for a loan, but also acts as a means for the federation to directly work with its members and determine their actual needs.

* Ms. Sindhu P D,
Senior Project Executive,
DHAN Foundation

In many families, the loan is often paid from the woman member's income. When the amount is high, the income of the family members also determines the loan repayment in the long run. Hence, involving the earning members in the process of higher volume loan assessment is felt as necessary to create the much needed financial awareness. In 2011, the financial counselling system was introduced in the federation for loan amounts above Rs. 30,000. This eases the pressure on the woman in the family to be accountable for the repayment of the loan as agreed.

The Kalanjiam Community Banking Programme has created a platform for the poor SHG members to perform the savings, credit, social security, entitlements, and livelihood interventions, in addition to creating leadership space. SHGs have provided the space to express the constraints of their family and the members to grow and develop their family in a systematic way.

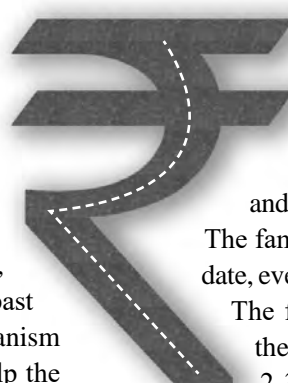
The family counselling is conducted on a fixed date, every month for two days in the federations.

The financial counselling is being done by the federation executive, accountant, and 2-3 federation board members from the community.

The family counselling is attended by the loan seeking member along with the earning dependents. The family counselling is done for the loan amount ranging from Rs. 30,000 to one lakh. In the SHG group meeting, the members raise their demand for the loan and the minutes will be passed in the group meeting with the approval of the members.

Then, the members attend the cluster meeting to get the approval from cluster executive committee (EC).

Once the cluster EC has



ROAD OUT OF
DEBT



given its approval, the member and the dependents attend the financial counselling at the federation office.

The family counselling provides a platform to have closer relationship with the members and facilitate their budget planning, credit use, focus on children's education, and financial literacy. It also aids the members to set goals and plan for their immediate and future needs.

Impact of family counselling

- The family counselling has built a good direct one-to-one relationship between the federation and its members.
- Counselling has educated the members on the institution systems, policy and procedures.
- The process helps the poor member assess their SWOT, thereby strengthening the trust on the federation.
- Family counselling has facilitated many members to realize their options and decide accordingly. This has shown a good direction in the life of many members.
- The process changes the outlook of the family members on SHG as a lender to that of a development partner.

- The responsibility of repaying the loan is equally shared among the family members through counselling, which helps to reduce the stress on the members.
- The counseling enabled the spouses to realize the member's (wife's) contribution and they started motivating the member towards community engagement and leadership skills.
- While attending the counselling, each member's family has built a good relationship, thereby creating new social bonding and sense of togetherness.
- The family voluntarily offers its support to the group in case of any conflict resolution, also they monitor the group's functioning.
- In case of unfortunate demise of the member, the loan is repaid by the family members with full responsibility.
- The family/member visits the office in case of any issues in the group and to help resolve issues in the initial stage itself.
- The process helps the families understand the differences between the role of SHG federation and other institutions in the member's development. It

also enthruses the communities to form new SHGs comprising the poor.

- Good leaders emerged through counselling and they were groomed as board members.
- Financial counseling aids the federation to access entitlement options; it helps ensuring 100% entitlements.
- The process act as the best internal control system to create self-discipline among members.
- The family counselling process has ensured 100% repayment of high volume members' loans.
- Health issues when identified get addressed through the federation's facilitation.

When we initiated the counselling, members could raise many issues such as loss of employment and wage loss. The initial thought clarity expressed by the federation on the need for the process and the assertiveness of the community leaders gave the process the much-needed direction to the process.

Outcomes of Financial Counselling

- (1) Increased awareness among the members about their household finances
- (2) Make the members understand their financial boundaries and take more informed financial decisions
- (3) Increased collective responsibility and support to family

(4) Change in financial attitude and spend behaviours pattern.

First, change in members' behaviour after the financial counselling is the increased awareness of their financial situation. As part of the counselling, members prepare a written budget document of their expenses and income; family may pay more attention to the use and management of their income and debt. Second, counselling may impact members' behaviour through increased financial knowledge. For example, family may be aware of the interest rate, but may not fully understand about the flat and diminishing interest rates. Financial counselling gave them clarity on the interest rate and repayment schedule, and implication of default. It enabled the family to pay the instalment each month to get the next loan easily. This sort of information on financial discipline shared during the counselling informally, through a discussion with the family helped them to abide by their repayment schedule. Thirdly, counselling may enhance the sense of collective family accountability and mutual support with regard to their financial decisions. For example, counselled members may commit to reduce expenses as part of an action plan developed during the counselling session. By this, the members may feel accountable to the federation if they do not adhere to their action plans, and this sense of accountability may lead to better adherence to the proposed financial plan. Finally, the counselling is changing the behaviour and attitude of the family members to lead a happy life and to come out of poverty, by changing their spending behaviour pattern.

The Mysore urban federation which conducts financial counselling since 2011; has totally counselled 3,900-member families to the tune of Rs.18 crore and the outstanding is Rs.3.9 crore. It is found that there is 100% repayment from the members for the amount given through counselling. The total portfolio at risk is 4% mostly from the low volume loans below Rs. 30,000. This shows the differences in the financial discipline of counselled and un-counselled members.

In a nutshell, financial counselling has been found to be a best practice in SHG federations, which has strengthened the credit demand process more by involving the family members. This brings the smiles into the lives of the poor and enables them to come out of poverty. □

Marching against Poverty

Naveen Kumar*

Ten years ago, the native communities of Latehar were not familiar with SHG/micro finance. The only solution for the poor native communities were the money lenders and the landlords to borrow money by pledging gold, vessels, agricultural land and repay the money through bonded labour.

In order to root out poverty and bring dignity in the community, DHAN initiated Kalanjiam Community Banking Programme (KCBP) in June 2007 in Maharastra. Against much adversity, tribal community is being empowered for meeting their needs, through saving and credit. It was the biggest challenge for the community to save from their least possible income; but apart from this, their biggest challenge was that they had to sustain on their own.

It was an ambitious initiative by DHAN to strengthen and mobilise the poor tribal people through community banking. Since then, it is proficiently being managed by the community towards sustainability.

Evolving Micro Credits

Poverty alleviation is the cornerstone of DHAN's community banking initiatives comprising social security, financial security, health security, educational security, and access to legal aid services under the aegis of Kalanjiam Self-Help Group. At the village level, Kalanjiam functions as a bank with 15-20 members. The community's first preference was to strengthen the financial solidarity among them and create saving and lending system within the group.

While SHG laid the foundation among women to make them understand the benefits of saving a very minimal amount; their only motto was to learn why and how to do the savings. Gradually, the social capital built on their own capacity augmented the practice of internal lending to the

Just hearing the name of Jharkhand will automatically bring to our mind tribals and natural flora and fauna. Totally, 32 tribal communities are residing in Jharkhand. Jharkhand is considered as an agro climatic zone coming under the eastern plateau and hills region. The balance and reciprocity between the nature and humans show the real tribal living standard of the community.

One of the Kalanjiam members Manmati Devi tells about her previous livelihood situation, and their life style. It was very difficult to run a family with five members since the only bread winner was her husband. For getting better yield, they used to invest more inputs and work hard. The moneylender lent money at high rate of interest and instead of repayment, her husband used to do labour work in moneylender's field. They used to get inadequate yield and lower market price. Meanwhile, parents are not been able to think about children's better education, better nutrition, celebration of festivals, new clothes and any other agricultural / livelihood interventions.

After the intervention of DHAN, Kalanjiam enabled them to combat the moneylender's trap. Through her Kalanjiam savings and credit, she made her husband to think about investment on agriculture land with some guidance from DHAN staff. For food security, Kalanjiam itself started the grain storage provision inside the cluster and could access at a reasonable price as compared to market price in lean season. Automatically, the financial solidarity has brought them to a portion of using the natural resource effectively.

Cultivation and other livestock rearing enhance their current situation. Now, education, health and nutrition are being visualised as dignified social living status in the society.

* Mr. Naveen Kumar, Project Executive, DHAN Kalanjiam Foundation, Latehar

members in need. It was one of toughest challenges for the Kalanjiam's to satisfy all the members.

On one side, their saving was very less; in contrast, the lending demand was very high and linkage availability was also not effective. **Linkage is limited as the remoteness and the lack of interest of the banks act as a deterrent.** Even locational efforts to have linkage with Kalanjiam Development Financial Services (KDFS) for some livelihood activities were not offering solutions for the credit needs of the members.

They realised that with limited scope for external support, they have to help themselves through their own savings. Hence, member saving in the group has become a habit. Members whose financial needs were satisfied on demand by taking credit, repay them on time. Credits were used towards real business investments which have been beneficial to them and their family, creating income avenues.

Without linkage with any bank, the location created a common fund (profit out of lending) of around Rs. 50.21 lakh in the last 10 years of its initiation. The members have created a cumulative savings of Rs. 63.01 lakh over the years. Such is the discipline of its internal financial transaction. The community has adopted the habit of saving and availing loan, to escape from the trap of moneylenders and landlords within their periphery. The SHGs have a bank balance of Rs. 36.95 lakh. The members park their funds at banks so that they could

make use of it during the agriculture season in the absence of financial help.

SHG lending has its own entanglements. Members may de-prioritise their involvement, putting the welfare of all at stake. Building self-regulation among the members for their participation, regular repayment, addressing defaults and defiance are quite challenging. Here, community itself made efforts to reform defaulters and unwilling members and make them compliant. This is only possible because of their ownership and solidarity towards their common objective.

Challenges in Economic Development:

The formal financial system was inaccessible even after ten years. The biggest challenge in getting financial access for the community is the willingness of the stakeholders. The inaccessibility to formal systems has earlier let them get trapped by money lenders leading to financial linkages.

The adherent practice of Kalanjiam SHG model has helped them to narrow the access gaps to a greater extent by having women in the front of all actions. However, development has its own struggle. Growth witnessed in one element cannot translate into holistic development. It needs collective action from many stakeholders including the community members. The community members here have been facing many challenges in their daily life that needs phased interventions:





1. Individual

Individuals have their own orientation, inner human space and emotional base. This inner impulse guides individuals to make life better by linking with other stages. Lack of inner impulses leads to stagnation. This stagnation is quite visible among the people. The vision and hopes of the community have been stagnant. However, ownership of the institutions is evident despite limited resources. Due to lack of knowledge and information, their visioning capacity is bounded, restricting them from moving forward. However, still they have hoped to rehabilitate on their own.

2. Family

In the current scenario, women in our society are facing so many difficulties to create their identity in their family with proper respect and dignity. So many issues are observable among the community such as gender discrimination, lack of support from spouses, alcoholism, avoiding intervention of livelihood skills and demonstration, and social status of women. As we know, the family carries the identity of every person. Until and unless family members will not give physical and mental support to women, how will society support them in terms of respecting women's initiative? The wings of development for women development is restrained because of lack of family support.

3. Social

Social identity is one of the essential requirements in terms of religion and family background, but more than this education, health, and better sustainable livelihood interventions are more important. To fulfil these interventions, social support and cooperation is very much essential, but the native communities of Jharkhand are lagging behind due to the Naxalite issue, narrow minded community, and lack of innovators rather than laggards. Apart from community initiative, other stakeholders' engagement is essential for ensuring comprehensive development. Diluting the community's developmental mindset through the delivery mode of work will only moderate development and keep the community dependent always.

The Kalanjiam intervention has organised 1,848 tribal families into 140 SHGs and has taken the small step of transforming lives. They have a loan outstanding of Rs.72.08 lakh as of now through their own source by creating wealth individually and collectively. This seed of intervention has instilled much financial discipline and a planning habit among them. This financial development has to get translated into social development to hasten poverty reduction. Joint action of all stakeholders is the key towards achieving the poverty reduction goals, and the community has taken its first step forward. □

End Poverty Through Financial Inclusion

Naguveer Prakash V *

On the occasion of the celebration of the Kalanjiam Movement Day, Kalanjiam Self-Help Group members of Madurai and regions across India celebrated International Day of Poverty Eradication and World Toilet Day. Many events were commensurate on the occasion. In Madurai, nearly 3,000 members took part in the “Thiru Vilakku Pooja” at Gandhi Museum, Madurai to pledge their commitment to end poverty and ensure toilet access.

Two Kalanjiam members who “Moved Out of Poverty” shared their life experiences giving inspiration to the underprivileged gathering. Their tale is so that inspirational that the participants will take the message of challenging and overcoming poverty to their heart. Poverty, when confronted with the conviction to overcome and aided with timely support, will certainly fall down.

“I am Umaibha, from Theeder Nagar, I am from a poor family. We are six sisters and two brothers. I got married when I was 14 years of age. My husband was 20 years old then. In my first three years of married life,

my husband becomes addicted to alcohol.

I had two sons by then. When they were five and three years of age,

Kalanjiam was promoted in our area. I hadn't heard about Kalanjiam earlier. Being a Muslim in our homes, the women's area is cordoned off with a screen. When I saw the group meeting happening in the neighbourhood, I came out and observed the happenings. Motivated by seeing the activity, I raised my doubts. The volunteer then told me that the SHGs use the collective savings of its members to meet their credit needs. Later it mobilizes loans from the bank, that the members could make use of for their economic and other developmental needs.

We started with a savings of Rs.25 per month. My first loan was Rs.500 in the first few months. By this time, my husband has sold all the jewels given during my marriage. We live in a house with no amenities other than the utensils and clothing. Then, my second loan was Rs.3,000. I used it to purchase a bureau for our home. This way, I purchased all the household articles with subsequent loans. When I got my first Rs.40,000 loan I used the money to purchase some jewels. Then I got a loan of Rs.50,000. I used the money for leasing a house. I had taken Rs.50,000 loans subsequently and used the funds to renew the lease of the house.

Little by little, we have increased our monthly savings from Rs.25 to Rs.500 over the years. Now I have an individual saving of Rs.70,000 in my group. I joined the group as a member, then elevated as the president of the group, then to cluster as a leader. In the cluster, I took part in various meetings. This improved my leadership quality. Now I am voluntarily representing our community to raise our issues at concerned offices. This improved my confidence and my oratory skills. Being a member of Kalanjiam has helped me to get transformed into a community leader.”

The circumstance to Umaibha is a common situation that many poor women face. Women get married because it is decided by the family members at home. After marriage, when their life partner does not contribute to

* Mr. Naguveer Prakash V, Team Leader, DHAN Foundation



the family, women have to find their own ways and means to manage their life. Another extremity is that of Indrani when she lost her husband at an early age with two kids. Life was miserable and had its own vulnerability. Overcoming the odds to win over poverty without male support is a daunting task. Yet, organized efforts like that of the Kalanjiam, aid women like Indrani to achieve the unattainable in their lifetime.

“I am Indrani, a member of Manonmani Kalanjiam of Madurai Vattara Kalanjiam, since September 2003. We promoted our Kalanjiam after we happened to see the functioning of Seelaikari Kalanjiam in our area. We started our groups with 15 members. We first made sure the members were regular in attending the group meeting. We become a unit over the years developing cordial relationship mutually.

We started with a member savings of Rs.50 per month, in six months we got our first bank linkage of Rs.30,000. We issue loans to seven members who are in need of funds by evaluating their needs. I also got the loan from the bank to meet my family needs. My husband didn't take efforts to repay the loan. I have to manage the repayment from the amount he gives to manage the family. I had two kids then.

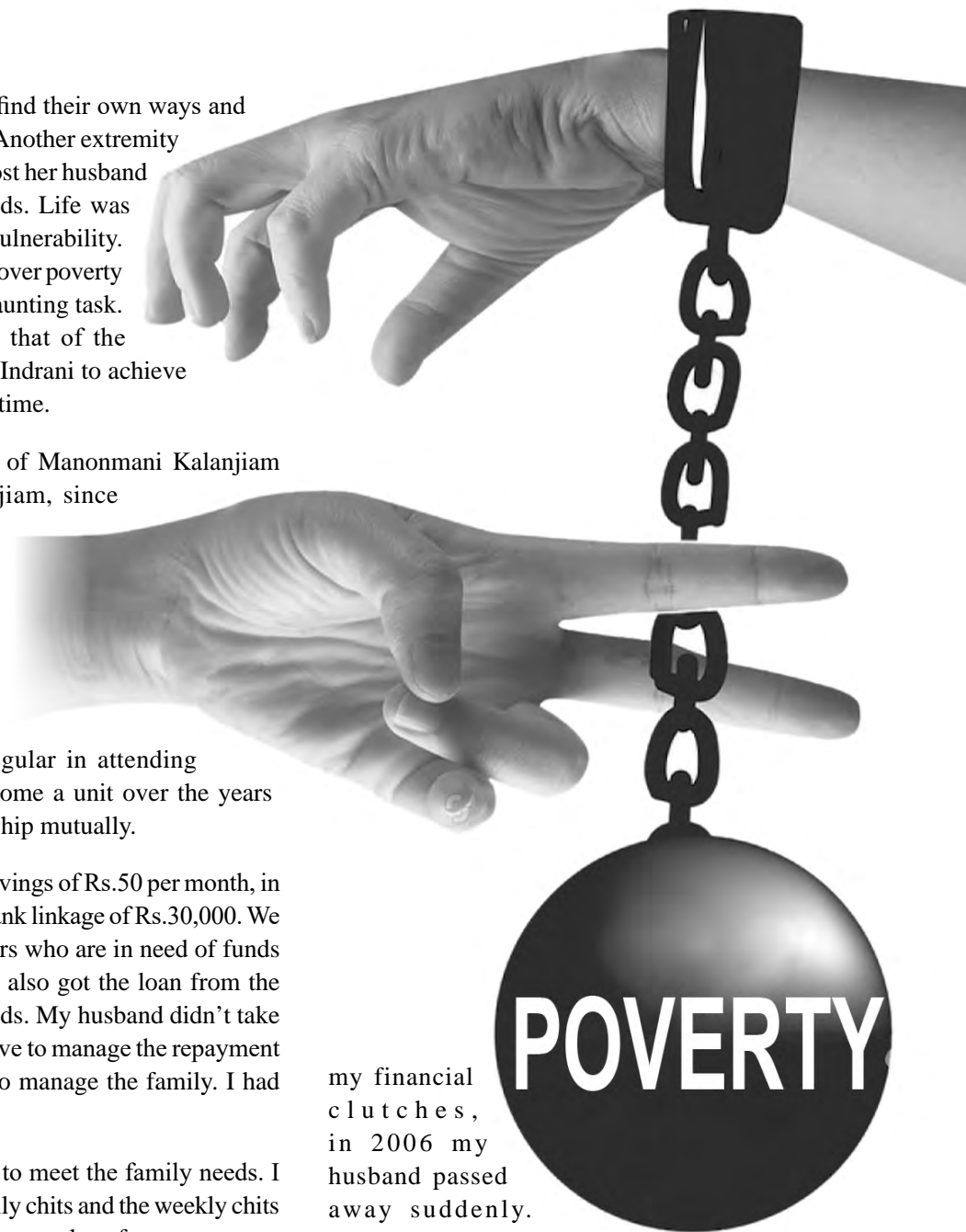
His income is not adequate to meet the family needs. I used to get loans from the daily chits and the weekly chits at high-interest rates. I tried to get a loan from one source to repay the other loan. At some point, I found it difficult to manage the family as I was left with no money in hand. I sought support from my family and my husband, both of them told me to manage on my own. With no other go, I approached Kalanjiam for support. I shared my plight and the financial stress I had been up against.

All the members deliberated my situation and collectively decided to help me out of the situation. With the support, I closed my weekly chits totally, then the monthly chits. When I just thought of having partly liberated myself from

my financial
clutches,
in 2006 my
husband passed
away suddenly.

There was no one to give me a supporting hand. But, the insurance done by us in the group, came in handy. I used the claim amount close to three-fourth of my high-cost loans. I was confronted with the challenge of grooming two young kids. The group came to my support giving me the much-needed confidence.

After his death, I was affected with fibroid in uterus. The hospitals quoted Rs.50,000 to 60,000 for the operation. I got it operated in SUHAM Hospital for less than Rs.10,000, that too I got the expenses reimbursed as we had a health





a toilet facility in our home. Whenever I went to defecate outside, I expected my mother, friends or some other neighbours to accompany me. Because the area is very hazardous and people move all the time during the day, so we wait till night. At the time of open defecation, some insects and dogs used to come, making it a scary experience and elders have to prevent them. This experience has very much affected my mind.

At the same time, I am the secretary of Kurinji adolescent girls group for the past one year in our area. The group was started by health associate of Thenmadurai Vattara Kalanjiam of DHAN Foundation, Madurai Urban Region. They gave education about anaemia, nutrition, personal hygiene, general health and so many health issues in the monthly meeting. They gave awareness about problems of open defecation and the importance of toilet use. They also informed about the availability of loan facilities through Kalanjiam. After getting this health education, I told my mother about the need to construct a toilet at my home to maintain good health. My parents got a loan from Kamatchi Kalanjiam, especially for toilet and constructed the toilet in my house. Now, I am not having any trouble and I am spending more time on my studies.

I am thankful for Kalanjiam and the health associate for giving health education. Otherwise, I wouldn't have been aware of the health implications and told my parents to construct toilet and come out of open defecation. India is a developing country: it has developed in many fields including advanced technologies. We need to change the attitude and culture of open defecation and start using toilet. Once again, thanks for the opportunity to share my thoughts on World Toilet Day.

insurance in our group. I am alive today because of Kalanjiam. In due course, I shifted from rented home to the leased house; I wish now to have a house of my own. This conviction is possible only because I am a member of a Kalanjiam.”

Power of Girls

Priyadharshini, an adolescent girl took the dais by storm with her loud and clear message to the gathering. She is one among 40% of Indians who do not have access to toilets. The sustainable development goal six calls for access to adequate equitable sanitation and hygiene for all and end open defecation. She shared the transformation of her family from an open defecation user to that of toilet users because of her perseverance. These community voices set the tone for the event.

I am K.Priyadharshini studying in seventh standard in a government higher secondary school in Munichalai, Madurai. I have a brother. We used to open defecate till past six months in our area because we don't have

Women Strong Madurai

Madurai Corporation Commissioner **Dr. Aneesh Sekhar IAS**, who presided over the function, said that we have been trying to eradicate poverty over the years since independence. Meanwhile, women empowered through the Self-Help Groups have accessed bank loans and used it effectively creating many self-employed people and entrepreneurs. This has given scope for eradication of poverty among many such families. This showcases women empowerment in society. He appreciated those women who share their experiences as the champion of their times in women empowerment. The fact that Kalanjiam women have effectively used their bank loans and are repaying them promptly demonstrates their success stories. He also emphasized on women providing education to their girls at par with their boys. Educated women would fasten the process of overcoming poverty by their increased contribution. He added that the Clean India Movement will ensure toilets in all home in two years yet cautioning that the usage only will help secure hygiene, thereby eliminating poverty.

Madurai Corporation Assistant Commissioner of Police **Dr. Manivannan** in his speech lauded all the women present in the celebration as an empowered lot. Through SHGs, they have overcome the social barriers of caste, religion, and regional and language discrimination, to achieve what they had through their collective efforts. Furthermore, he added, had poor women been successful in making certain that their husbands' earnings were

available for the household welfare, overcoming poverty was never a hard task as it seemed.

K.M. Natarajan, President, Tamilnadu Gandhi Smarag Nidhi shared that all the small neighbouring countries have the lowest child mortality rates. However, due to malnutrition, the mortality rate in India is high. He encouraged women to raise kitchen gardens and start small millet consumption to address malnutrition, thereby ensuring malnutrition-free India and eradication of poverty.

M.P. Vasimalai, Executive Director, DHAN Foundation addressed the gathering that the Gandhian economist J.C.Kumarappa had defined five models in his economy of permanence classification. He suggests to the members to practise the economy of service to eradicate poverty. This economic framework is based on humanity as the poorest of the poor is cared for by the larger sections of the society.

R. Rajapandian, Chief Executive, SUHAM Trust said that health care plays a key role in eliminating poverty. To ensure hygiene, we need to eliminate open defecation. He also shared his experience that houses having girl children are willingly open to construct toilets at home and it is not the case the other way around.

N. Shanthi Maduresan, CEO, Kalanjiam Mutual Movement, received voluntary contribution from the women SHG members; she shared that the contribution of these women will help to change the lives of the deprived poor in remote areas. Women from SHGs also donated rice to poor women from their neighborhood.

M. Annapackiyam, Kalanjiam mutual movement leader delivered a welcome address, S.Ahila Devi, Regional Coordinator, Madurai Urban briefed the purpose of the event. A.Umarani, CEO, Kalanjiam Foundation, Stree Sakthi Chinnapillai, Kalanjiam Movement Advisor also participated in the event. Leelavathi from Pudur Vattara Kalanjiam delivered the vote of thanks. □



Youth Development

As many as 400 young leaders from 61 countries including Eight SAARC countries participated in the four-day South Asian Youth Summit -2017 organised by International Youth Committee at Bhubaneswar in Odisha, India on the theme of “Creating a Sustainable Future: Empowering Youth with Sustainable Opportunities”. Various foreign youth ministers, Director Generals of Ministry of Youth Affairs & Sports of all of the South Asian countries, top UN officials, academicians, Nobel laureates, and iconic lady Irom Sharmila, attended and deliberated this 4-day long event.

I am an Environmental Engineer who represented DHAN as one among the twelve delegates to represent India. This programme was organised as part of the 23rd Anniversary of the Commemoration of the SAARC Youth Year. The summit brought together young people in the region in order to address issues that impact youth in this part of the world and to strengthen the existing relationships among the South-Asian nations. The Bhubaneswar Youth Declaration adopted at the end of the summit, covered common issues and problems of the regions. It proposes to empower the youth and facilitate effective partnerships with youth, youth-led organisations and youth movements to further strengthen inclusive youth participation in the decision-making

Promoting Entrepreneurship the Key to Youth Development

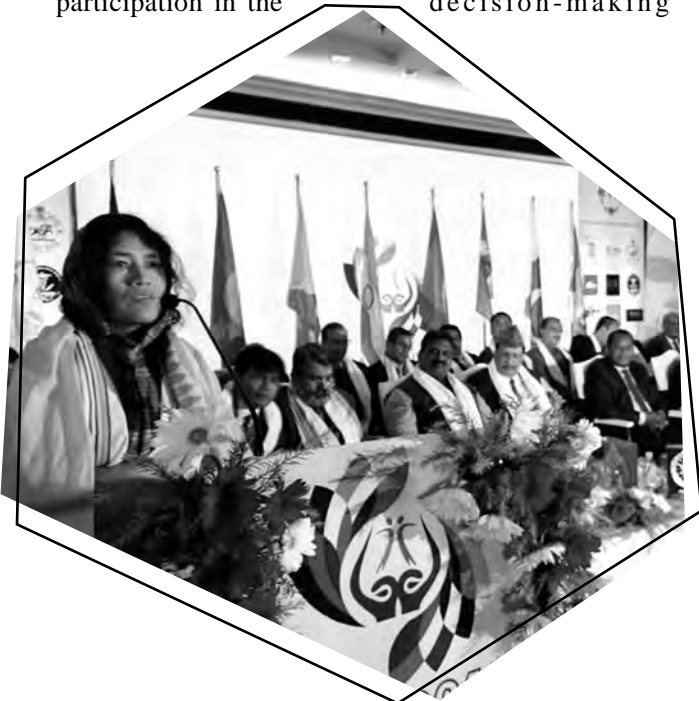
Lokesh Sinram*

processes and implementation of the United Nation’s Sustainable Development Goals (SDGs).

Unemployment, especially among the youth was a major concern raised in the deliberations. The Bhubaneswar Youth Declaration recommends equipping the youth with entrepreneurship and leadership skills and providing financial concessions so that youth are self-employed, and become job creators rather than job seekers. It also recommends supporting youth at risk and creating equal opportunities for disadvantaged and marginalised youth, with a skill-based education system and vocational training.

In the summit, I shared the experiences of DHAN in working with adolescent girls, their issues and opportunities for tapping their potential. DHAN’s experience of working with more than two lakh adolescent girls throughout India was shared at the event. On environmental issues, I expressed the importance of decentralisation of sewage and solid waste treatment in urban areas to achieve environmental sustainability. Other key issues that came up for discussion were corruption,

* **Mr. Lokesh Sinram**, Development Apprentice,
Centre for Urban Water Resource





nepotism and cybersecurity. The Bhubaneswar Youth Declaration notes that corruption and nepotism were the single biggest obstacle to equal opportunity in South Asian countries. It recommends more active involvement by anti-corruption bureaus, awareness, and strict penalties and called for more transparency within the system.

Addressing the summit, Major General DS Singh, Ministry of Youth Affairs, Government of India said “A country can never fail if the youth is involved in decision-making. Youth is the identity of power and unity. It is a pride that India is a country of youth. Youth has extreme power so they can forward and contribute positively for the betterment of the society”. Dignitaries from different countries highlighted contributions of youth in their countries.

Irom Sharmila, an iconic human right activist expressed her emotions and concerns of the military activities and motivated the youth to respect and love each other. To support her, other delegates and activists have given their valuable points and thoughts on youth activism in order to bring prosperity with the 3 Ys – you, youth and you all.

Dr Rajendra Shinde¹, Lead Author of the Intergovernmental Panel on Climate Change (IPCC) that

1 Former Director in United Nations Environment Programme (UNEP), currently serving as the Chairman of TERRE Policy Centre

received the ‘Nobel Peace Prize in 2007’ pointed out that failures of Millennium Development Goals (MDGs) was due to lack of participation by youth and poor usage of technology and he referred to several suggestions from the World Bank to use technology to the maximum extent.

In Asia alone, there are 7.7 million concerned people according to United Nations High Commissioner for Refugees (UNHCR): 3.5 million refugees, 1.9 million internally displaced people (IDPs) and 1.4 million stateless people. Bangladesh hosts 32,000 registered refugees and 5,00,000 unregistered, where 4,00,000 are Rohingya refugees who have crossed over since 25th August of this year. The Rohingya refugees fled from violence at the hands of brutal Burmese military which UN describes as ‘textbook example’ of ethnic cleansing. Ali Johar² concluded that “Being refugee is not a choice. I am not here to gain your sympathy, neither to ask you to save them. I am here just to tell you to save humanity.”

The summit realised that the development of the SAARC nations depends largely on the opportunities provided for

2 A Global Youth peace ambassador” and an active Rohingya Youth Leader



the youth and in building their skills. Youth enriched with skills use them in a timely, appropriate fashion bringing the much-needed transformation. Involvement of the youth in every decision-making process enhances the region economically and brings peace and ends conflicts.

It is also the first time that all youth ministers of SAARC countries are attending the common platform to decide the future of the youth and strengthen the existing relationships amongst the South-Asian nations. On the concluding day of the summit, the youth came out with a joint outcome between the states and the youth called “Bhubaneswar Youth Declaration 2017”. The historic Bhubaneswar Youth Declaration 2017 was passed with twelve problems and recommendations. They are as follows.

1. Unemployment among youth: The youth of this region lack capacity to catch up with the speed of the world that is changing in terms of technology, economy and social development. The protracted global recession and financial crisis from which the world is still recovering led to the number of jobs becoming lesser than the eligible candidates.

Recommendations: Countries should focus more on the skill-based education system and vocational training for illiterate youth that will enable them to gain access to decent livelihoods. Mainstream education should go hand in hand with the recent technological, social and economic growth and assist the youth with entrepreneur and leadership skills, and encourage them by providing facilities such as subsidies so that they can be job providers rather than job seekers.

2. Growing Inequality: Creating discrimination based on caste, class, race, creed, sexual orientations and physical disability are becoming rampant.

Recommendations: Repeal caste-based reservation and bring in economic and social status based reservation that will serve the purpose of fairness and equity.

3. Corruption and nepotism: The presence of nepotism and corruption has become the bedrock for access to equal opportunity.

Recommendations: Active participation of anti-corruption bureau and keeping a check on corruption

and spreading awareness among the youth as well as ensuring that culprits of corruption are strictly punished.

4. Unsettling & Massive Migration: A large number of youth has been migrating from rural to urban areas. Change of priority in their lifestyle, lack of opportunity in rural places, insecurity, de-motivation for traditional jobs, and cultural degradation are the reasons for migration.

Recommendations: Create employment opportunities, supporting traditional businesses and provide facilities to raise living standards of youth in the rural areas.

5. Lack of Connectivity among Youth beyond Electronic Media: Digital literacy for all youth is not well-balanced in the current context. Technology has been surpassing the human capacity to apprehend them into life-sustaining systems. Moral and value-based education is lacking in the current curriculum for the youth.

Recommendations: Establish youth organisations and conduct youth forums that will help in bringing together the youth and giving them the opportunity to share their innovative ideas and learn from others ideas.

6. Cybersecurity: Youth are becoming an extremely individual entity in the hands of the Internet. They are subjected to cyber

vulnerabilities. The cyber laws are not yet streamlined in many countries and youth are not aware of the cybersecurity issues.

Recommendations: Take necessary steps to create awareness among the youth about the negative impact of using the internet. Misleading features such as Blue Whale game, pornography, etc., have to be tackled carefully.

7. Accelerated degradation of the ecosystem: Indiscriminate use of limited resources to meet the growing needs of the people of today's generation is affecting the sustainable development of the future generation. Climate change has become one of the most formidable challenges to safeguard the future of young generations.

Recommendations: Technology advancement for pollution control and waste management should include simple and cost-effective and nature-friendly solutions such as the use of bio-engineering. As the climate change is already happening, there is an urgent need to create awareness and capacity building for climate resilient youth.

8. Youth role in peace and security building: Youth in all regions actively seek high-quality online and interpersonal training to become world champion





educators for peace and sustainable development. They are agents to represent, implement and effectively promote a critical mass of local, relevant, scalable action projects including capacity building, research, and advocacy.

Recommendations: The youth should take full advantage of education initiatives including YES Peace (Youth for Education for Sustainability and Peace) and the Talking across Generations on Education (TAGe) by the UNESCO, Mahatma Gandhi Institute of Education for Peace and Sustainable Development (MGIEP), and the Smart Campus Project by the Terre Policy Centre, etc.

9. Lack of Civic participation and youth-friendly governance: Youth civic activities and programmes are critical for empowering young people to develop their skills and talents; participate in political, economic and social activities and conversations; and become agents of positive change in their communities.

Recommendations: Youth participation in civic and political affairs is enhanced by making them involved in all political decisions as major stakeholders.

10. Need for disaster-free sustainable development: The disaster has become a threatening issue for the countries, with poor economic status and education making its people vulnerable. Earthquakes and haphazard construction in growing cities of SAARC countries are themselves becoming the hub of mass-scale human-made disasters.

Recommendations: Let the Sendai framework of actions (2015-2030) be adopted by all countries and regions expeditiously in development planning and sustainable living. Let youth be made an integral part of disaster-safe construction and pollution-free society.

11. Accelerated degradation of ecology, biodiversity and climate change: Climate change impacts on the life support systems of planet earth have increased tremendously during the last few years. Youth, particularly in the vulnerable and ecologically fragile landscapes, bear the brunt of these impacts.

Recommendations: The declaration, therefore, calls the youth to become the prime movers towards the transition to a clean economy and low-carbon society as per the Paris Agreement (2015). Youth must take advantage of the opportunities offered through the relevant national, regional, international and UN initiatives in the areas of the environment; biodiversity and climate change, particularly in creating new eco-enterprises comprising youth for sustainable employment opportunities.

12. Urgency for Preservation and Promotion of Culture of all South Asian Countries: Our indigenous food, culture and languages are under the threat of extinction.

Recommendations: Undertaking initiatives such as South Asian Cultural Festival every year with the support of all the governments responsible for the region which will be first of its kind in the history of global human development.

At the end of the declaration, delegates and the government representatives, participants of the Bhubaneswar Summit agreed to work and ensure that the proposed recommendation shall be effectively implemented to achieve the goal of sustainable youth development and review and evaluate the policies time to time and ensure effective implementation of the youth policies. Finally, Colombo City, Socialist Republic of Sri Lanka was declared as the next host city of South Asian Youth Summit 2018.

Today's youth are rising to shape the present and future of their countries. They want to be heard, to be included in decision-making debates and to make a change. Students' engagement, social innovation, fostering democracy, youth employment, conflict and sustainable development were amongst the issues discussed on the floor of the "SOUTH ASIAN YOUTH SUMMIT 2017". The summit called for concerted efforts that are long-lasting and progressive. □

River Vaigai and Madurai City – Issues and Strategies to Restore

Praveen Kumar S*

Water is a
fundamental
resource to all life

forms. As per World Water
Development report (2015), ‘Water
is at the core of sustainable development.

Water resources, and the range of services they
provide underpin poverty reduction, economic
growth and environmental sustainability. From food
and energy security to human and environmental health,
water contributes to improvements in social well-being
and inclusive growth, affecting the livelihoods of billions’.

As a developing nation, water pollution in India is a major threat to the
environment and society. As Nation Water Policy of India (2012) states
that India has more than 18% of the world’s population but has only 4% of
world’s renewable water resources and 2.4% of world’s land area. India depends
mainly on rivers for various purposes such as irrigation, drinking, hydropower,
transportation, fisheries, and also rivers are considered sacred in many regions of
India. Preserving those limited resources is more important to satisfy the water needs of
the growing population.

India has 14 major, 55 minor and numerous small rivers. The Vaigai River flows in the southern
part of India through five districts in Tamil Nadu. It is an important river flowing through
Madurai, the second largest city in Tamil Nadu and also has a historical background. From
ancient times, a strong civilization has grown in this region and the Vaigai is considered to
be one of the important holy rivers. The degradation of the river is caused by urbanization and
other human intervention in recent years. Deficient and erratic rainfall in the regions, continuous
disposal of both solid waste and wastewater from both domestic and industries has affected
the ecological status of the river. It is also one of the important tourist places in India. Also,
Madurai has been selected as one of the 100 cities under the recent Smart City Development Programme. So
the necessity to restore the river is very important. This study is focused on understanding the problems of
the river in Madurai Corporation limits and suggesting some strategies to restore the river.

CASE STUDY ON RIVER VAIGAI AND MADURAI

Objectives and Methodology

The focus is to study and highlight the water-related issues around a small stretch of Vaigai River and Madurai
city. The main objective is to analyse the status of the existing infrastructure, find sewage inlets and solid waste
dumping hotspots into the river within the considered river stretch. The study also aims to recognize the exact
problem which led to the degradation of the river and to determine the level of degradation and problems such as
pollution, encroachments, etc. Finally, the study comes up with management strategies which have already been
adopted and solutions to be adopted for effective restoration and to solve other water-related issues identified
in the study.

* Mr. Praveen Kumar S, Project Executive, Water Knowledge Centre, Tata-Dhan Academy



MADURAI CORPORATION

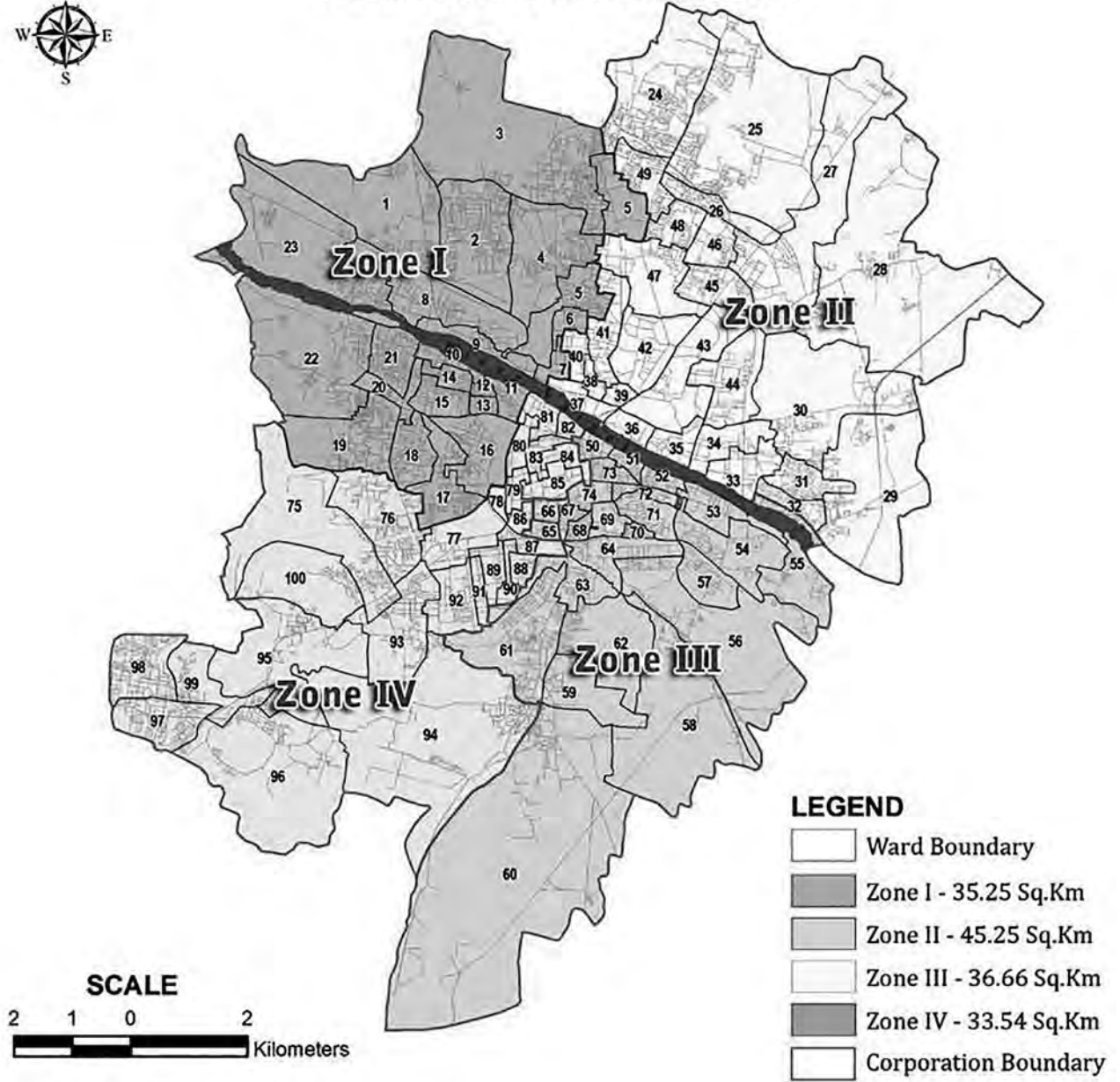


Fig 1: Madurai Corporation Map

The methodology involves both primary and secondary data collection processes. The primary data is collected through field visits to the treatment plants and interaction with government officials and the considered river stretch is divided into 8 sections shown in Table 1. Field survey is carried out in all the sections except left side of section 7 and 8 of river stretch which cannot be accessed since there are no proper pathways. The secondary data is collected from government reports, Detailed Project Report and proposals, quality test report from PWD and literature, journals and articles.

Table 1: Divided Sections of the Considered River Stretch

Section Number	Stretch		Distance* (in km)
	Start	End	
1	Kochadai Check Dam	Vaigai -Bypass Bridge	1.87
2	Vaigai -Bypass Bridge	Arapalayam-Aruldaspuram Bridge	0.91
3	Arapalayam-Aruldaspuram Bridge	Vaigai River Railway Bridge	1.08
4	Vaigai River Railway Bridge	Kalpalam	1.18
5	Kalpalam	Oppulapadithurai Bidge	0.6
6	Oppulapadithurai Bidge	Kuruvikaransalai Bridge	1.29
7	Kuruvikaransalai Bridge	Theppakulam Anna Nagar Bridge	1.12
8	Theppakulam Anna Nagar Bridge	Airport-Mattuthavani Ring Road	2.26
Total	Kochadai Check Dam	Airport-Mattuthavani Ring Road	10.31

Madurai City and Considered Vaigai River Stretch – An introduction

Madurai is the second largest city in Tamil Nadu. Madurai is also the District Headquarters of Madurai District. It is located in 9°55' North longitude and 78°7' East longitude. Madurai Corporation has a coverage area of 51.96 square kilometres and a total population of 11,37,595 as per census 2011. Madurai has 100 wards comprising a total area of 150.70 square kilometres.

The city terrain gradually slopes from west to east and north to south. Vaigai River, which runs from northwest to southwest through Madurai city. It divides Madurai city into two parts, north and south. The north side of the city is sloped towards the Vaigai River and south side sloped away from Vaigai River. The city has grown on both the sides of the river. Rainfall is irregular and intermittent, with an average of approximately 85 cm per annum. For administrative purposes, Madurai Corporation is divided into four zones as shown in Fig.2. For this study, the river stretch within the corporation boundary is taken into consideration starting from Kochadai Check Dam to Airport – Mattuthavani Ring Road Bridge, which is approximately 10.32 km.

Identifying sewage outlet and solid waste dumping spots

In this section, the status of the Vaigai River in the corporation stretch from Kochadai Check dam to Airport – Mattuthavani Ring Road Bridge, was studied in a detailed manner. The distance of the considered stretch

is approximately 10.31 km (measured using Google Earth). The considered stretch is divided into 8 sections for survey purposes as follows.

Following factors were considered during the field visit,

- SW & s-SW – Sewage inlet and small sewage inlet (single household or a shop)
- D – Solid waste dumping area
- IC – Irrigation Channel
- L – Left side of the river
- R – Right side of the river

Table 2: Considered factors quantity in the considered river stretch

Factors	1		2		3		4		5		6		7		Total
	L	R	L	R	L	R	L	R	L	R	L	R	L	R	
SW & s-Sw	6	5	11	6	32	11	2	12	6	3	3	9	8	-	114
D	4	5	12	4	12	6	3	5	2	5	4	3	9	-	74
DR	0	0	6	2	2	3	2	6	2	0	4	8	1	-	36
IC	0	1	0	0	0	1	0	0	0	1	0	1	0	-	4

Note: Section 8 and Section 7 (left side) are not surveyed because they are inaccessible.

There are 114 sewage outlets into the river, 74 solid waste dumping spots, 36 dumper bins for solid waste collection, four Irrigation channel either draining or taking off from the river.

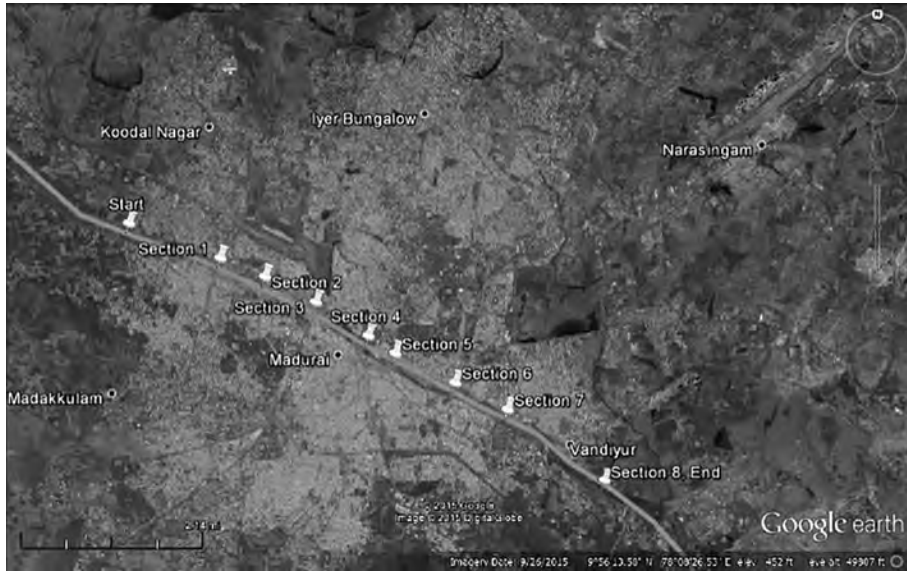


Figure 2: Considered river stretch with the sections

Encroachments

Encroachments are a bigger threat to any natural resources. To prevent the encroachment in Vaigai River, the corporation had laid roadways on both sides, but only from Section 2 to Section 6 and Section 7 (right side). As per the information gathered from the public, the road itself was laid inside the river. The encroachments mentioned below are inside the river next to the roads laid. The encroachments mentioned below are inside the river next to the roads laid. The encroached area is located in the following map. (Figure 3) In the considered stretch, the river is encroached at six places. Most of the encroachments are by households only. A school is located in one of the encroachments. In another encroachment, the corporation itself has built community toilet.



Figure 3: Encroachment map

Quality problems

On 2013, PWD had performed a quality test in River Vaigai in three locations at Arappalayam, AV Bridge, and Kuruvikkaran Salai Bridge. The results are tabulated in Table 3. Also, groundwater quality around the river had been tested in the same locations nearby bore wells. Those results are tabulated in Table 4. Since only domestic sewage is let into the river, the quality of the rivers is not degraded like the other rivers in India.

A) Surface water quality

As per the PWD report, the surface water samples are chemically not potable as some of the parameters are little higher at the second location, but it is reduced as it reaches the third location due to self-purification of river. The result was that the samples are chemically not potable as the sewage pollution parameters exceed the maximum allowable BIS limit.

Table 3: Surface Water Quality Test

S. No.	Physical / Chemical Examination	Desirable Limit	Permissible Limit	SW1	SW2	SW3
1	Turbidity NT Units	1	5	5	7	4
2	Total diss. Solids mg/l	500	2000	420	707	497
3	pH	6.5-8.5	6.5-8.5	8.1	7.8	8.2
4	Total Alk. as CaCo ₃	200	600	190	300	220
5	Total Hardness as CaCo ₃	300	600	240	390	320
6	Calcium as Ca	75	200	60	98	80
7	Magnesium as Mg	30	100	2.3	38	31
8	Free Ammonia as NH ₃	0.5	1.0	1.5	5.0	1.5
9	Nitrite as NO ₂	0.5	1.0	2.0	4.0	1.5
10	Nitrate as NO ₃	45	45	10	10	5
11	Iron as Fe	0.3	0.3	0	0	0
12	Chloride as Cl	250	1000	80	160	110
13	Fluoride as F	1	1.5	1	1	1
14	Phosphate as PO ₄	0.5	1.0	1.0	3.0	1.0
15	B.O.D	-	-	17	46	27
16	C.O.D	-	-	46	27	68

SW1- Nearby Arappalayam causeway, SW2- AV Bridge, SW3 – Kuruvikkaran Bridge (as on 2013)

Desirable limit, Permissible limit – BIS (10500:2012)

A) Groundwater quality

Water sample were taken from three points in the city and tested for its quality. As found in the test results, the water quality is within the permissible limit. Because of the domestic sewage, the groundwater quality is not that affected.

Table 4: Groundwater Quality Test Results

S. No.	Physical / Chemical Examination	Desirable Limit	Permissible Limit	SW1	SW2	SW3
1	Turbidity NT Units	1	5	1	1	1
2	Total diss. Solids mg/l	500	2000	959	1100	1070
3	pH	6.5-8.5	6.5-8.5	7.43	7.7	7.6
4	Total Alk. as CaCo3	200	600	440	594	582
5	Total Hardness as CaCo3	300	600	330	540	530
6	Calcium as Ca	75	200	83	58	133
7	Magnesium as Mg	30	100	32	32	44
8	Free Ammonia as NH3	0.5	1.0	0.2	0.2	0.2
9	Nitrite as NO2	0.5	1.0	0.1	0.2	0.1
10	Nitrate as NO3	45	45	7	14	10
11	Iron as Fe	0.3	0.3	0	0	0
12	Chloride as Cl	250	1000	145	158	153
13	Fluoride as F	1	1.5	0.8	1	1
14	Phosphate as PO4	0.5	1.0	0	0.1	0
15	B.O.D	-	-	3	3	2
16	C.O.D	-	-	7	8	5

GW1- Nearby Arappalayam causeway, GW2- AV Bridge, GW3 – Kuruvikkaran Bridge (as on 2013)

Desirable limit, Permissible limit – BIS (10500:2012)

Other Potential Problems

Some of the other potential problems identified in the river are as follows

- **Sand Mining:** There is no river sand present within the Corporation limit. Due to the construction of check dam at Kochadai, starting point of the considered stretch now has sand deposits. Likewise, at the end also, due to less human intervention, sand deposits are available.
- **Washerman (Dhobi):** From the earlier days, Dhobis are an important part of the stakeholders in the river. Livelihood of many people depends on this occupation along the river bank. They use the water from the wells constructed inside the river and wash

the clothes and let it dry inside the river itself. For their use, many Dhobi washing places have been constructed at some places, with water and other required infrastructure. Two more washing places were not in use because of improper electrical and water connections.

- **Open Defecation:** Throughout the considered stretch, many spots have been identified as open defecation area. There are community toilets constructed by corporation to reduce open defecation. Very few of them are not working properly, due to which open defecation problem in those are as persists.
- **Health Risk:** Mosquito menace is a big threat to the whole of Madurai. Domestic sewage is getting mixed into many streams, tanks and Vaigai River. These

water bodies flow through many parts of Madurai, and mosquito breeding is very high. This poses a serious health risk. Waterborne diseases can easily spread inside Madurai Corporation.

- **Improper underground drainage system:** During the Second Steering committee meeting, presided by the Collector, government officials informed that 90% of UG drainage system is completed along the banks of the river. During the field visit, it was identified that there is no proper planning in the design of UG system. Also many households are not connected to the UG system. Improper maintenance is also an important problem.

MANAGEMENT STRATEGIES ADOPTED BY GOVERNMENT UNTIL NOW

Following are some of the strategies adopted by the government in Madurai to reduce problems.

- To prevent encroachment, roads have been laid along most part of the river bank.
- 90% of the UG system is complete on the banks of river and two centralized sewage treatment plants and one solid waste management plant have been constructed in Madurai city.
- To increase fund and government attention, last year during a collector meet, forming a trust including various stakeholders has been proposed. A mass tree plantation event was conducted in one of the sections by collectors and various departments of governments.

WAY FORWARD: STRATEGIES TO RESTORE THE RIVER

Following are some of the strategies to be adopted for restoring the river.

- Giving concessions and making necessary steps to increase the household connections to underground drainage system mainly focusing on those 114 inlets into the river
- Placing more dumper bins at all the identified 75 hotspots of dumping areas
- Increase tree plantation activities along the banks and maintained by Madurai Corporation

- Rehabilitation of people in the encroached areas to other suitable locations
- Construction of temporary/permanent check dams to increase sand deposition in the river
- Diversion of treated water back into the river, thereby maintaining the environmental flow of the river and also the water can be diverted into tank systems for few days in a month.
- Proper maintenance of community toilets and also construction of more community toilets will enable to eradicate open defecation problems
- Construction of community parks and sidewalk along the banks can be encouraged.
- Restoring tanks and irrigation channels in the city to increase the water flow and reduce health risk.
- Reconstruction of structures inside the river (called 'Mandapam') to increase community engagement.
- Roof water harvesting and decentralized wastewater systems has to be adopted at all the schools and colleges which will drastically reduce the water stress of the city
- Formation of Vaigai River Restoration Trust comprising all the stakeholders as suggested in management strategies.

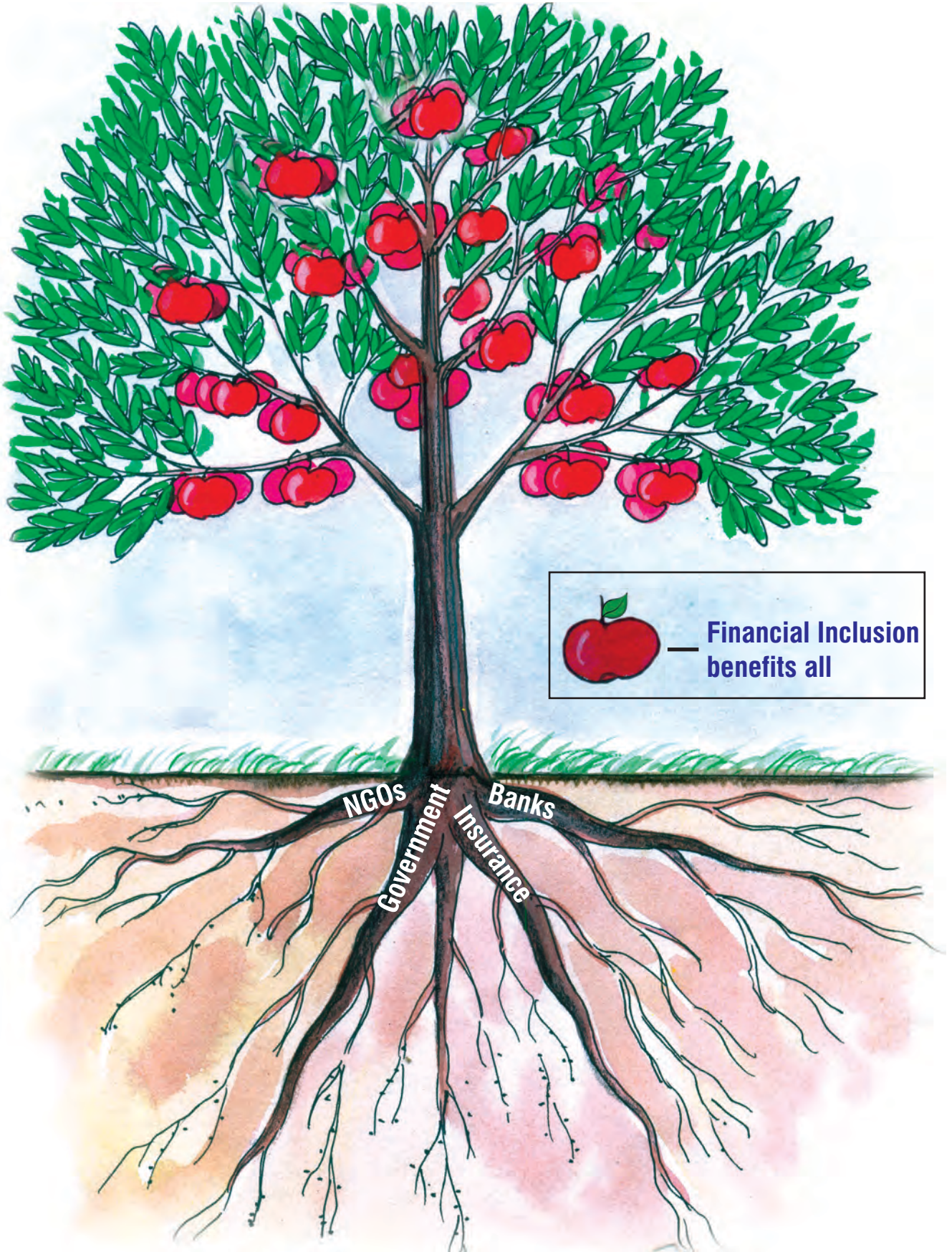
'Restore Vaigai' initiative

'Restore Vaigai', DHAN Foundation's initiative, is to restore the river to its pristine glory. It aims to form a trust comprising all stakeholders such as Government, Academia, Industry, NGOs and Community. Three steering committee meetings were held to shape and form the trust and refine its activities. Under this initiative, awareness programmes such as Pageantry, exhibitions at Chitirai festival and Nathivalam (River Walk) on every full moon are being conducted. To create sense of responsibility and ownership among the people living on the river banks, Zonal councils were formed. To increase the outreach of the initiative and awareness among the people, a website (www.restorevaigai.in) and Facebook page (www.facebook.com/restorevaigai) were created. Tree plantation activity is carried out along the banks during each Nathivalam event. □



**PLUG NON ESSENTIAL EXPENSES
&
INCREASE YOUR SAVINGS**







In Picture

A decade of Kalanjiam Community Banking experience in Latehar



DHAN Foundation

1A, Vaidyanathapuram East, Kennet Cross Road

Madurai 625 016. Tamil Nadu, INDIA

Tel: +91 452 2302500 Fax: 2602247

Email: dhanfoundation@dhan.org Website: <http://www.dhan.org>