

# Development

December 2007

Monthly Development update from DHAN Collective

# Matters

## Livelihoods

Organising communities  
for livelihoods **8**

## Interview

ICT for  
poverty reduction **11**

## Events

Renewal with reflection:  
Tenth annual retreat **25**

## Feature

# Microfinance & Health

The Kalanjiam Experience





Girl children are more likely to be neglected nutritionally and educationally. Of all stages, the reproductive years are the most vulnerable in a woman's life, and this vulnerability is heightened by malnourishment...



**Centre for Development Communication**

DHAN Foundation

18, Pillaiyar Koil Street, S.S. Colony

Madurai - 625 016. Tamil Nadu, INDIA

Tel.: +91-452-4353983, 2610794, 2610805

Email: dhanfoundation\_tn@airtelmail.in

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

## From the Editors' Desk

### Dear Readers!

Thanks for your continued support for shaping Development Matters. We have started receiving candid feedback and contributions for the magazine. Keep continuing it. In this issue health is taking major focus. This issue highlights the Kalanjiam experiences in health intervention with micro finance as an enabling tool for addressing the issues of health and vulnerabilities faced by the poor communities. Mr. Dhanabalan from Kalanjiam Thozhilagam writes about the need for organising communities with business focus. In the era of information and communication, the ever exist inequality perpetuates in the form of digital divide between information rich and information poor. An interview with Mr. Premanand of DHAN's ICT for Poor theme details out the scope and challenges for bridging such digital divides with ICT based peoples' organisation model. The other features that reflect DHAN's grassroots experiences include SUHAM hospital initiative in Theni district, Tamil Nadu, a new collaboration with the Government of Andhra Pradesh for NREGP implementation, experience of implementing a Scheme of Fund for Regeneration of Traditional Industries in Sivagangai district and so on.

We look forward to your valuable feedback and contribution.

**Happy reading!**

## Contents

1. Microfinance and Health Intermediation	1
2. Sustainable Healthcare Advancement	5
2. Organising communities for livelihoods	8
3. ICT for Poverty Reduction	11
4. Making a difference in Pavagada...	14
5. Pioneering Partnership	17
6. Mutuality in Practice	18
7. Creating Fortune out of Menace	20
8. Her smile restored	21
9. Impacting urban livelihoods	22
10. Renewal with reflection: Tenth annual retreat	25



# Microfinance and Health

## – The Kalanjiam Experience

V.K. Padmavathy & K. Narender\*

### Microfinance – an enabling input for poverty reduction

Microfinance acts as an enabling input, reducing risks and vulnerability and improving the economic growth of the family. It is the provision of savings, credit, and insurance services to the poorest of the poor in small forms to improve their standard of living. Savings help them to regulate their household cash flow, access to credit helps them to meet their consumption needs and improve their livelihood, insurance products help the poor cope financially at times of emergency (death, illness, loss of asset). Thus, microfinance plays an important role in reducing the economic poverty of people. The economic development alone cannot reduce the poverty. Hence to bring holistic development and to sustain the economic development there needs a combination of programmes such as health, education, skill building, availability of technology etc. Again standard models and programmes may not be suitable for all contexts (i.e.) rural, tribal, coastal and urban and all needs of people. Therefore community evolved and managed programmes and models to be facilitated to bring sustainable changes.

### Healthy family for combating poverty

A family's well being is strongly influenced by the physical health of



its members. When one member is sick, the entire family shares the burden by having their income reduced and having to work more. Ill health is both a cause and effect of poverty. The physical weakness resulting from ill health strongly influences the livelihood, economic growth, vulnerability, and the power of a poor family to control its own life. Poverty also causes inequality in access to health services between the rich and poor. In earlier days qualitative differences between what was available to the rich and the poor were not large. But today the difference is vast because of the modern health care system and the high cost of health care. The current system is mostly urban and curative-based, largely ignoring the needs of the rural poor. The proportion of income spent on health is

disproportionately increasing the expenses of the poor which reduces the availability of money for essential items like food. Since poverty and health are so closely inter-linked, poverty reduction strategies should also focus on improving health to effectively combat poverty.

### Can microfinance ensure healthcare

Among all the prevailing approaches and strategies to address the issue of poverty, the contribution of microfinance is quite notable. As poverty and health are closely interlinked, it is inevitable that microfinance as a tool to reduce poverty should focus on the health issues, providing scope for exploring new frontiers in microfinance. The microfinance field experience shows that the major chunk of consumption

\* V.K. Padmavathy & K. Narender, Programme Leaders, DHAN Foundation.

credit availed goes for health purposes. One can try to understand how specific are the products to meet the different and specific needs of the clients. In other words, are the products tailor-made to meet the varying needs of the clients? Can microfinance contribute in advancing health of the poor? Similarly can health products help microfinance for its sustainability?

### Healthcare and savings

Generally, poor people save very little, but even this small amount gives them the opportunity to regulate their household cash flow. This savings can be taken back in the form of savings withdrawals or credit especially for purchase of food materials and addressing sudden health care needs. The saving products designed for health and emergencies make them to be prepared for facing any emergencies and shocks. For health expenditure, special savings can be put aside for specific health needs, such as the birth of a child.

### Healthcare and credit

During the initial phase of the microfinance programme, people take loans from their own savings, and later the group mobilises credit from the bank for the use of individuals.

### Healthcare and insurance

Insurance support for death, health, and disability insulates the members from economic shocks, also from defaulting and helps them maintain high levels of repayment despite ill health or death of a wage earner. It also protects the member from having to liquidate assets or withdraw from their savings. Insurance helps to sustain the positive impact made by the savings and credit services. Insurance support averts the 'crisis' and 'distress' situations, which result in substantial income drain. Finally, insurance provides 'greater economic, social and psychological security' for the poor to address the health issues confidently.

### Converging Microfinance and Health

If health programmes are implemented along with microfinance, leakages on health expenses can be arrested. The microfinance programme has already brought people together and strong People Institutions have been built around it. Surveys indicate that nearly 54% of Self Help Group (SHG) members are from the poorest groups – these include the landless and marginal farmers. These institutions are self-sustainable and offer need-based services to poor people. These advantages can be effectively utilised

for implementing the health programme.

The following are advantages in providing **unified services** or **parallel services** combining both microfinance and health.

- Demand driven programmes can be implemented
- The same microfinance structure can be used with additional technical persons, reducing the cost of implementation.
- Since the community network is strong, a participatory health programme can be implemented.
- Learning for the poor in collaboration with financial institutions has been positive; similar mechanisms can be adopted to motivate the government health care system to work with the poor.
- Self-financing by People Institutions is possible

As a whole the “**Economies of Scope**” i.e. packaging services, reduces the delivery and management support costs, and maximizes the variety of benefits for people's multiple needs and wants; this can be achieved through the integration of health with the existing microfinance programme. A larger advantage is that since women are directly involved in microfinance, the health programme will focus on women's health, the most vulnerable population. The focus on women's health will ensure healthy generations, directly impacting the economic growth of the country.

### Microfinance and Health Intermediation - experience of Kalanjiam Federations

DHAN Foundation has taken microfinance as a tool to address the poverty around which the people institution has been promoted to enable people to carry forward the development process on their own. At each village level, 15 -20 women members join together and promote a self help group named as Kalanjiam (a brand name). They save and lend



among themselves and get credit from commercial banks. 15-20 such groups join together and promote an institution with the purpose of co-learning and to facilitate the development activities at group level and also for resource sharing which is called as cluster development association. 200-250 such groups in a block (development unit in India) promote a federation with the major emphasis on solidarity building. The cluster development association and federation are the support structures of primary groups.

These Kalanjiam institutions pass through four distinct generations during their growth. Promotion of primary Kalanjiams and secondary level organisations like Cluster Development Associations and Kalanjiam federations gain focus in the first generation, which is called social intermediation (0-3 years). The financial intermediation (4-6 years), which follows the first generation, envisages the financial self-sustainability of the Kalanjiam institutions in collaboration with mainstream banking system. In the third generation, the Kalanjiam institutions focus on influencing livelihoods of members and this generation is known as the Livelihoods and business intermediation (7-9 years). The last generation is the 'civic intermediation' (10-12 years), where the Kalanjiam institutions intensively undertake health, education, and other community issues.

### **Health intermediation by Kalanjiam Federations**

The study conducted by the federations has brought out many facts. The leakages through health care emergencies are high, due to late

diagnosis of health issue and wrong guidance by the health care providers. Due to these leakages, the credit taken for health care is not effectively used and members could not repay it back. Many of the health issues identified among members are preventable but there is a lack of awareness. Women and Children are having more health issues due to low nutrition level. Though the health care facilities are available at government health care system, the utilisation was low due to various reasons.

**Promotion of Self Health Governance:** In each village, there may be 2-3 or more self help groups depend on the number of poor in a village. All these groups join together at village level and promote a forum called village health forum. Health is not only the individual issues, it is a community issue. Hence, the behaviour of both individual and community needs to be changed. The Kalanjiam groups (SHGs) in a village will join together and address the issue of village together. They also select leaders to steer the process. This forum creates a platform to provide health education to members and enable the members to take forward the "health agenda" on their own. This structure and process has been named as **self health governance**. Similarly at panchayat level and at block level governance has been promoted to set agenda for the mainstream government health care system and to implement the need based health programme evolved by member groups.

**Ensuring primary health care services:** When primary health care is not addressed immediately, the cost of health care may go up and it also leads to further complications.

Considering this the federations promote first aid services at each remote village where the reach of health care facilities are very poor. Educated youths are identified and they are trained to identify the health issues of people and to provide first aid as per the world health organization recommendation.

Simultaneously at the level of village health forum, the awareness on the health issues and health care facilities available in the government and private health care system was raised. The village health forum acts as a demand stream and demands the primary health care facilities from primary health centre and also avails the facilities. Always early diagnosis of any problem reduces both the cost of health care and sufferings of individuals. Ensuring reach of primary health care facilities could achieve the above said purpose. During last year, since the early diagnosis was available 3000 cases having serious problems have been identified and referred to hospitals for treatment. If these services are not available people would have been still suffering for want of clarity and due to neglect.

**Collaboration with health care providers:** Each federation entered into a MoU with specialty care hospitals with the purpose of reducing the cost of health care. The cost of each of the surgery and treatment is worked out along with hospitals and the same is announced to members of federation. It is ensured by the federation that the hospitals are offering quality health care at affordable price. Since the scale at federation level is high (4000 families with 20,000 population), the hospitals are also volunteering for the collaboration. This collaboration



creates win-win situation for both the partners. At present, federations are working with 25 referral hospital of which 50% of them are missionary hospitals which already offers health care at low price (30 – 35% reduction from the total expenses). This sort of collaboration avoids unwanted treatment and surgeries prescribed to poor people.

Five federations have established rural clinic with medical professional to provide primary health care. These centers also manage the referrals. Due to these efforts compared to before years, there is a significant reduction in health care expenditure at individual level.

**Suitable microfinance products for health:** Health risks can be addressed by the provision of precautionary savings services. This type of service is useful for many types of risks, provided that the maturity of the deposit, its interest rate, and its transaction costs for deposits and withdrawals on short notice are adjusted accordingly. For health risks that occur frequently which demand immediate response, the cost and time for withdrawal must be minimal. The federations are facilitating the groups to do special savings for health care with special package and allow the member to withdraw their regular savings during emergency.

The credit is offered at lower interest or no interest for medical emergencies. Repayment holidays are provided during pregnancy period and during medical care. But when member take more than Rs.10,000 for medical purpose, they cannot repay. Considering this fact, the federation offers insurance programme and also tries to mobilize funds from philanthropic institutions. The reality

is, when people need super specialty care and continuous medical care, microfinance programmes cannot support them due to the higher cost involved in that.

**Creating fund for health programme:** At present, the groups at the end of each financial year, allocates portion of their profit which is being pooled at federation level for the implementation of the programme. The federations are in the process of mobilizing exclusive fund from each member who avails such services from federation.

### Focused health interventions

Federation responds to the major health issues of the area. Based on the survey taken at 10 federations, the health issues were prioritized and special project on “Reproductive and child health care” was initiated by the federations. The outcome indicators for the project include reducing anemia among mothers, malnutrition among children, morbidity among mother and children, health care expenditure and increasing health seeking behaviour.

After the initiation of microfinance programme and promotion of community organization there is significant change in the gender issues in Kalanjiam. There is a reduction in domestic violence, decision making at household has improved and their mobility and leadership qualities have improved. These changes made them to participate in the forum and raise their demands. They are also able to implement the development programmes on their own. But still, they have to go a long way in breaking the cultural practices and attitude of their male counterparts. Considering this fact, in health programme, the

federations gives focus on adolescent girls, pregnant mothers and mothers of under 3 children & 0 -3 years children. The outcomes would be further strengthened, and the federation believes that the intensification of health aspect would further empower the women socially.

### Call for action – Way Forward

There is a need to follow closely the various attempts happening globally on the various product innovations for intermediation. Although there is much, we would still like to know about Microfinance and health intermediation, some of the challenges in intermediation could be:

- Strategies to be adopted for intermediation based on the client needs considering the health care system constraints.
- Innovative products for the intermediation to be developed. Research and experimentation is needed. Gathering information on the need and designing products specifically to meet those needs after due piloting.
- Holistic approaches to microfinance as part of an ongoing commitment to innovation, research, and development to integrate civic needs of poor.
- The great diversity of microfinance organization, strategies and situations is needed at the present context. There cannot possibly be a unitary set of best practices.
- Establishing linkages with existing public sector make the mainstream healthcare accountable to offer services accessible at affordable prices to poor. ■

# Sustainable Healthcare Advancement

G. Palaneeswari\*

## Introduction

Microfinance programmes focus on women since they are in a more disadvantaged position than men. Savings is an integral part of the “Conservation Approach” of microfinance. The savings products designed for health and emergencies make the poor to be prepared for facing any emergencies and shocks. If health programmes are implemented along with microfinance, this leakage can be arrested. Efforts to deepening microfinance initiatives through converging it with health began with Women and Child Health Programme in one of the advanced federations namely Kadamalai Kalanjia Vattara Sangam (KKVS) in Theni district of Tamil Nadu. Major aims of the initiative were to evolve solutions to reduce the incidence of female infanticide and to build linkage with mainstream healthcare system. Embarking on the positive results of this endeavour, need based health interventions suiting to the local need were evolved in other advanced federations.

The federation responding to the existing health issues introduced first aiders programme to provide first aid services and refer the patients to near by primary health centers (government run) for primary health needs in remote villages of the block. In order to address the secondary and tertiary health care needs of the members the federation introduced referral programme. Introduction of

this insurance programme created a significant impact as the number of patients availing treatments in referral hospitals increased considerably. However the referral system was found to be more disadvantageous as few of the referral hospitals intended to offer surgical and tertiary treatments even for unnecessary cases mainly to cashing on the insurance back up facility. Keeping all above factors into consideration a need for establishing healthcare system at federation level to provide primary healthcare services to the members and regulate referral system.

Being committed for development of the poor and obligated to the community, DHAN Foundation and KKVS firmly took decision to continue the initiative of providing package of health facilities comprising of primary, secondary and referral services. Hence, planned to establish

a hospital to benefit to 20000 poor families in Theni district who are part of Kalanjiam and Vayalagam movement. For this SUHAM Trust was formed by five federations viz. Kadamalaikundu, Chinnamanur, Bodi, Periyakulam Kalanjiam and Theni Vayalagam.

## SUHAM Trust

SUHAM Trust is a registered legal entity which has been incorporated as a Trust. The Trust is governed by microfinance self help groups namely Kalanjams and farmers groups called Vayalagams operating in Theni district. DHAN Foundation plays the role of promoter and strategic guide to the Trust. The trust will take the responsibility of implementing all the programmes of the SUHAM hospital. It will establish partnerships with identified public and private hospitals and other health institutions. It will



\* G. Palaneeswari, Project Executive, SUHAM Hospital, Theni, Tamil Nadu.



also facilitate linkage between people institutions and mainstream health providers.

### **SUHAM hospital – An overview:**

SUHAM hospital was initiated on May 15<sup>th</sup> 2007. The initiative has been acronymed as “SUHAM” (Sustainable Health care Advancement), which means ‘healthy’. The SUHAM hospital serves the poor families who are not served / not well served by the existing healthcare system. The hospital is situated at Theni which is the centre place for all five blocks in Theni district.

The hospital has an administration team comprising an administrator and an accountant to manage the hospital systems. And there is a technical team comprising of medical officers, staff nurses, pharmacists and lab technicians who takes care of the technical part of the hospital.

The hospital is involved in three activities namely primary healthcare,

secondary healthcare and referral services for diagnosis, tertiary and specialty care. The hospital is furnished with an operation theatre, delivery unit, inpatient care unit, pharmacy and mini lab to address the primary and secondary healthcare needs. The hospital has an exclusive mobile unit for providing primary care services in remote villages and also mobilising patients for the hospital. In addition to this medical and outreach camps are organised by the hospital. The tertiary and specialty care are addressed with the help of government institutions and selected referral hospitals. A list of public, private and missionary hospitals in and around Theni district are identified and MoU is signed with the hospitals after due negotiations. The criteria for selection of referral hospitals are quality service, affordability and accessibility. A system is established between referral hospitals and federations for dispersal of mutual health insurance from the members. The SUHAM hospital undertakes the responsibility of monitoring the

quality of services by referral hospitals. The diagnostic services like X-ray, ECG, scan etc. are facilitated through a formal partnership with reputed diagnostic centers in the district.

### **Components**

- **Mobile clinical unit to address the primary care and community mobilisation:** The SUHAM hospital operates mobile clinical unit to provide primary healthcare services in rural areas. The unit consists of a physician and two paramedical staff provided with essential medicines. The unit covers around 300 villages in Theni district, which travels to the villages based on the demand identified by the federation. The unit refers the patients who are in need of secondary care to the SUHAM hospital.
- **Outreach and special medical camps:** Outreach camps are organised in remote pockets of the district where there is poor



or non existence of healthcare infrastructure. Special health camps on identified areas such as gynaecology, ophthalmology, neurology, diabetics, epidemics, paediatrics etc. are organised with the support of specialised institutions on respective subjects. Primary care and referral services are offered at these camps.

- **Referral services** SUHAM hospital provides primary and secondary care services through its outpatient (OP) and inpatient (IP) care units for the patients referred by the mobile clinic. The hospital also has obstetrics and gynaecological units with the physician of respective specialisation. Specialist physicians are invited for performing surgeries and for consultation. Services are offered through a mini lab and pharmacy for the patients. Public, private and missionary hospitals in and around Theni district have been identified and enlisted after due negotiations for referral services. The criteria for selection of referral hospitals are quality

service, affordability and accessibility. The SUHAM hospital refers the patients to these hospitals for diagnostic, tertiary and specialty care services. Also it monitors the quality of their services continuously. A system has been established between referral hospitals and federations for dispersal of mutual health insurance from the members.

### Reach

The hospital extends its services primarily to over 20,000 households which have membership in Kalanjams and Vayalagams with the coverage of 100,000 population. In addition the services are accessible for the remaining population of the district also. The implementation of mutual health insurance programme in Kalanjiam and Vayalagam federations provides the backup for SUHAM hospital and cashless service is offered to the members' families up to Rs.10000 per year.

### Working towards Sustainability

The SUHAM hospital aims for

sustainability through cost coverage from day one. The hospital meets all its costs from the income generated out of services provided to the patients. Costing for these services is driven by two principles namely affordability of services for the patients and financial self sufficiency of the initiative. The surplus earned out of the transactions is ploughed back for further development of hospital without accumulating any profit. The costs of services in the hospital have been worked out after a survey conducted among various private and missionary health institutions. The cost of treatment from this hospital is 30-35% less than that of missionary hospitals operating in the region.

Hospital medical team comprises of three medical officers, four nurses, one lab technician and one pharmacist. The team mainly involves in curative care aspects and referral services for tertiary and specialty care. The hospital provides 24 hours service. Two doctors and three nurses are available in day shift and one doctor and nurse at night service. Other than regular staff members in the hospital, consultants and surgeons are invited based on the need. The chief medical officer would share the progress of the hospital in the executive committee meeting.

From June to December 2007, the hospital has served 148 in-patients and 1716 out-patients. Forty surgeries have been done. Through these services it could earn Rs. 5.65 lakhs during this period. This apart, the SUHAM has also organised 16 health camps and screened 1987 patients, of them 182 patients were given referral services for various treatments. ■



# Organising communities for livelihoods

T. Dhanabalan\*



## Building social capital for poverty reduction

Long-term solutions to the problems of inadequate resources and social exclusion require connecting the poor to mainstream resources and services. Efforts, which enable the poor to become linked to additional resources and networks, are known as “bridging” social capital. These are the forms of social capital, which are most likely to improve the standard of living of poor people. While social capital among the poor is critical for daily survival and for making their voices heard to those in power, it is only by accessing increased resources that poor people will be able to come out of poverty.

Rural poverty and hunger are two fundamental challenges. Rural communities are endowed with land and water (natural capital), but they

often do not have the skills (human capital) and organisations (social capital) which are needed to turn the natural resources into physical assets.

Social capital is significant because it affects rural people’s capacity to organise for development. Social capital helps groups to perform four key development tasks effectively such as - plan and evaluate to make decisions; mobilise resources and manage them; communicate with each other and coordinate their activities; and resolve conflicts.

Social cohesion has an effect on community productivity and well-being. The social networks and associated norms can increase productivity by reducing the costs of doing business and facilitates co-ordination and co-operation.

## Need for organising communities for business

The mainstream policies such as stringent business regulations, tax regimes, licensing requirements, financial sector reforms and bank supervisions often make business difficult for individual small business persons. The formal financial institutions are not interested to extend loans to these small businesses due to high transaction costs. Such small businesses also lack access to services such as training in basic business skills, marketing and technology transfer.

Individuals owning small businesses often overlook importance of quality because of non standardisation of their products. They are often risk averters with little or no knowledge about the risk coverage systems. Their individual investment capacity is generally low resulting in small volume of business making them unable to compete in a big market. So they are mostly local market players falling into prey of market tactics leading to total failure and becoming labours in the same business.

## Organising communities – DHAN’s way

The People’s Organisations (POs) promoted by DHAN Foundation organise the poorest of the poor women through the *Kalanjiam*s and farmers dependent on Tank-fed Agriculture through the *Vayalagams*, rainfed farmers through *Uzhavar Kuzhus*. They come into existence to address

\* T. Dhanabalan, Chief Executive, Kalanjiam Thozhilagam Limited, Madurai

the issue of poverty through savings & credit and rehabilitation of small-scale water bodies called tanks. The basic belief is that a stable, secure and equitable organisational system is a precursor for achieving the purpose - poverty reduction, which requires effective social intermediation at the household and the village levels.

The people's organisations at each level have a unique system of organising and managing as an independent institution. They are promoted at hamlet, cluster/cascade and at block/district levels, which operate on the principles of self-help, mutual trust, and co-operation. The People's Organisations also provide a forum for social interaction – which serves as an alternate social structure (outside the household/mainstream society) for peer level interaction.

### **Genesis of Kalanjiam Thozhilagam Limited (KTL)**

In the growth path of Peoples' Organisations, business intermediation comes after the social intermediation and financial intermediation, where the federations

of either Vayalagam or Kalanjiam enter into creating requisite capacity and infrastructure to take up a number of viable business activities for individual members or group of members. Many a times the need is facilitation for backward and forward linkages and imparting skills required for different phases of the business activities.

This was the vision conceived when the idea of promoting a business facilitation organisation by the peoples' organisations promoted by DHAN Foundation. The Kalanjiam Thozhilagam Limited (KTL) came into existence in 2002. KTL is a public limited company registered under Companies Act, 1956, promoted by business based people organizations formed by the members of various thematic programmes of DHAN Foundation. KTL, being one among



the nested institutions promoted by DHAN, works on the same belief as that of its other family institutions i.e. the sustainability of social change is more likely if the communities have an ownership in the development process and that communities should be the agents of their own change. With its objective of improving the livelihoods of poorest of the poor families through business promotion and self employment, KTL systematically organizes business based groups among the interested members of main stream programs of DHAN Foundation. The basic purpose is to pool in the scarce resources available with the poor and to share the risks associated with businesses, which are the foremost constraints the BPL families face in starting businesses / becoming self employed.

KTL explores the potential of business in a particular area or location based on the skill or recourses available, conducts the feasibility study and initiates the business promotion by intervening in the process of production and marketing through the business based people organizations. The KTL builds their capacity in the areas of business skill and links them with various stakeholders of business there by







vayalagams or any other basic people organizations of DHAN collective.

### **Producer Company (PC)**

creating a favourable environment for business which facilitates the mobilization of resources, production and marketing of quality produce by avoiding the middle men. A key component of organizing community by KTL involves identifying and developing interested people for a potential business from the community by strengthening and building their business skills / knowledge and to support them through market linkages.

### **KTL's approach**

#### **Primary Producer Groups (PPG) / Primary Marketing Groups (PMG)**

The basic functional unit at the village level in the business promotion is called "Primary Producer Group (PPG)/ Primary Marketing Group (PMG)" based on the nature of operation they carry out production or trading. These groups are the basic people institutions that carry out the actual business either individually or as a group based on the demands of the particular business. The members interested in a particular business / activity are generally organized into PPGs / PMGs and the number of members vary from 3-20 / group based on the share capital requirement and the expected profit of the business. The members of PPGs / PMGs would be mainly from our kalanjams or

The PPGs / PMGs of different activities in the value chain of a business are federated into a Producer Company, which become its shareholders once the turnover of the business groups reach a significant level and when the need grows to directly link the various processes of the value chain to attain a scalable business. The Producer Company serves as a resource centre and consolidation unit linking different PPGs / PMGs of the same business activity.

#### **Kalanjium Thozhilagam Limited (KTL) – The apex institution**

The basic business groups become the shareholders of KTL initially when Producer Company is not yet promoted. Once the Producer Company is promoted for a particular business, the shares of the PPGs / PMGs are transferred to the PC, and the PPGs cease to exist as the shareholders of KTL. This ensures the ownership of people institutions in KTL, which serves as an apex body for the profitability and sustainability of all the people business institutions. It serves for the purpose of linking these people business institutions among themselves and also with the external market for resources and products. It also extends capacity building training on concepts, technology and marketing.

### **Business communities of KTL**

Since its inception KTL has promoted 105 business groups (PPGs and PMGs) various business activities as listed below with 1200 members.

- Charcoal
- Medicinal plants
- Agricultural Produce
- Bio Agri Inputs
- Cattle feed
- Milk
- Handicrafts
- Handmade paper
- Dry fish

### **Impact**

There are a number of instances where the KTL's intervention has caused both direct and indirect impacts in the communities in short time. The direct impact was in the form of additional margins to the producers due to relatively higher price to their produces offered by KTL, relatively lower costs of inputs supplied by it and intensive training given to the groups for efficient cost control in operations and stringent quality control systems.

The indirect impact was in the form of creation of competition in the market for the produces produced by the producer groups. KTL's competition has forced the local traders and other competitors to alter their offer and sale prices to produces and inputs respectively in favour of producers. This has also resulted in increased margins and a favourable market to the business groups.

For more enquiries about the functioning and support contact @

**dhanbds@airtelmail.in** ■

# ICT for Poverty Reduction

P. Premanand\*

DHAN Foundation has promoted 'ICT for Poor' theme to evolve a replicable model to bridge the digital divide between urban and rural, rich and poor. The theme is now moving for upscaling mode. This is an interview with Mr. Premanand, Team Leader of this theme on its development.

## 1. Do you think the changes in the Information & Communication Technologies are responsive to the needs of rural areas? How do we bridge the gap?

ICT is one of the sensitive tools for the development of the rural areas. ICT refers not only to the computer, it also referring the communication tools like telephone, mobile phones, internet, television, etc.

**ICT for employment:** These days, the cost of completing a computer diploma course is much cheaper than anything. These courses are creating huge employment opportunities for the rural youth. Completing these courses will increase the family income by at least Rs.2,000 - Rs.2,500 per month. Now-a-days rural women are showing more interest to take these courses and contribute for their families. Usage of computers in factories and small concerns increases the demand for data entry operators with minimum qualification. Educational background is also not restricting in taking these diploma and certificate courses. Hence, the huge gap in creating

employment opportunities for the rural youth is filled by the computer courses.

**ICT for rural livelihoods:** Our experience shows that ICT is an effective tool to give relevant information needed for rural livelihoods. Timely information will not only save the losses but also add value for their products. In the present days, farmers, fishermen, women are getting timely information and solution. Even agriculture labourers are getting employment opportunity information through mobile and internet. Earlier there was a big gap in taking government information and schemes to the rural areas, ICT can bridge this. Internet communication is also increasing among the villagers. Internet technology is used not only by the youth for e-Mail communication but also used by the illiterate rural women and farmers to communicate with their sons and daughters in abroad working as migrant labourers through Video Conference.

One of our key learnings is that the rural communities have broken the myths about their capacity and adaptability to use modern technologies, when they are given an enabling environment. This has been proved with growing mobile phone users in the rural areas. Reduction in the cost of mobile phone increases the mobile usage among the villagers. Using the mobile is very easier for

communication and also it reduces the cost of communication. Once we create



enabling environment and requisite infrastructure the rural communities never hesitate to take it up for their development. The problem is not at the demand side, but the supply side, the private, the government and the NGOs have to change their mindset.

## 2. How does the 'ICT for Poor' theme address the issues of livelihoods and poverty?

Poverty is a complex phenomenon. There is no single solution to address it. Information and communication are the vital inputs for poverty reduction. The issues are; lack of relevant information needed for the lives and livelihoods in rural areas, lack of quality education and employable skills, lack of information on new technology and practices, cost of communication, etc. 'The ICT for Poor' theme believes that ICT can be used as an effective tool for strengthening rural livelihoods. We have established Village Information Centers (VICs) in the rural areas of Tamil Nadu, Pondicherry and Andhra Pradesh. Currently 162 VICs have been setup. "Thagavalagam" is the

\* P. Premanand, Team Leader, ICT Programme, DHAN Foundation.

brand name of the VIC promoted by us. These Thagavalagams are coordinated by the block level hub centers referred as Community Colleges. Currently 14 block level Community colleges are coordinating these 162 Thagavalagams.

The Thagavalagam VICs are acting as resource centers for the rural communities. They serve the information and communication needs related to agriculture, animal husbandry, education, health and women specific issues. Thagavalagams are providing different sectoral online and offline services for the rural communities. Rural livelihood activities are given the central focus in all such services.

In case of rural livelihoods, lack of timely information and solution for their crop and livestock in case of farmers, fishing and fishery resources in case of fishermen are the major issues. Thagavalagam VICs are offering timely information through Public Addressing (PA) system, information boards, camps, etc. The VIC operators are gathering information from various sources and providing to the rural communities. Weather information from web sites, news papers and radio etc are consolidated and provided to the rural communities through different media. With the help of automatic weather stations (AWS) established at hub centers, The VICs are collecting location specific weather information from the hub centers and sharing with the villagers. Video Conferences becomes one of the easiest ways of providing timely solution for the crop problems. The Hub centers (community colleges) are bringing the

resources to the hubs and facilitating the video conferences. Farmers are able to directly interact with the agriculture and veterinary department officials and other agriculture experts through the weekly video conferences.

The other major issue in rural livelihoods is lack of information about Government schemes related to their activities. Conventional method of disseminating Government information about schemes and announcements through camps and notice boards at agriculture offices are no more relevant. This will consume more time and cost. Thagavalagam weekly agriculture video conference provides the solution for these issues. While having video conferencing with the farmers, the agriculture department officials not only answering the farmers' questions, they are also sharing about new government schemes and announcements. Hence, farmers are getting timely announcements about subsidies, procurements and other loan information through the video conference sessions.

The issue of getting information on employment opportunities can be solved through usage of mobile phones and SMS. Thagavalagam VICs gather the information on agriculture laborers availability and requirement of respective villages and share across other villages connected through intranet

This apart, the Thagavalagams are also creating employment opportunities through its diploma and certificate courses in computer technology. Thagavalagam VICs provide six months Diploma course for the youth and women. After completing the course, they are able

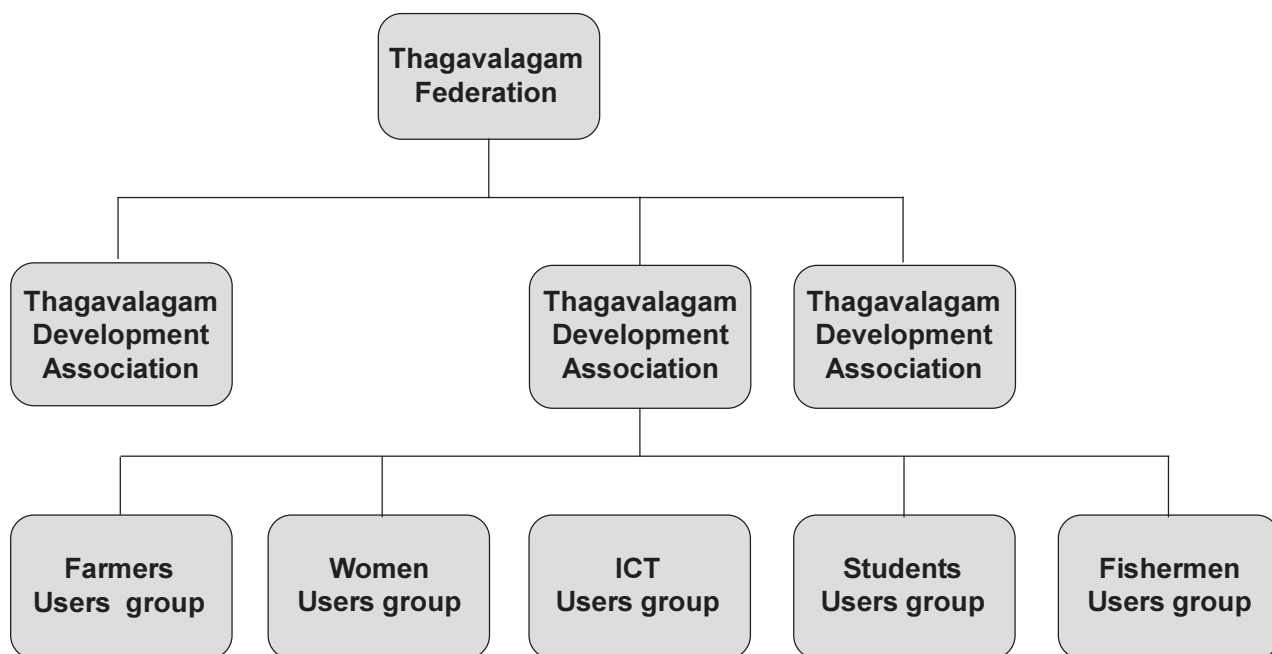
to get immediately employment opportunity as a data entry operators and also able to earn at least Rs.2000 - Rs.2500/- per month. There are lot of case studies and data available in each VICs about the students getting employment opportunities after the courses. Almost all the VIC operators are the products of training courses offered by VICs or Community Colleges.

### **3. Have you come out with community organisation model for replication? How does it work?**

Since the computer and internet technology are very new for the rural communities, asking the SHGs and farmers' groups that are already functioning in that area to take up ownership and management will become a big burden to generate the income and manage the centers. The approach is first making them feel the importance and use if ICT services. Hence, the Thagavalagam VICs are promoting users groups with farmers, women, youth, fishermen who are the direct users of the Village Information Centers. These Users groups together will form a Thagavalagam Development Association at the Village Center level and Thagavalagam Federation at the district level.

Since, the users already realized the benefits of the ICT by using different services, now the Thagavalagam Programme started giving capacity building programme for the user group members. This model is being tried out in the Melur Taluk of Madurai district in Tamil Nadu. Currently 18 Thagavalagam Development Associations have been promoted and soon the federation will be promoted.





#### 4. How do you plan to make all the VICs as self sustainable?

Sustainability of the Village Information Centers depends on several factors. Firstly, optimum number of users for each VIC is very critical. To increase the users, It needs different kind of services to serve all sections of the village / community. In Melur, we started with just computer education, now there are about 32 different offline and online services offered to the communities. They address the information needs of farmers, women, youth and fishermen at all the age groups. Even an illiterate member can get access to its services. Evolving this type of new services and keep experimenting through the centers will increase the users of the VICs.

Secondly, increase in the number of users in turn will increase the income of the VICs. Phases and standards for covering costs have been defined for the Thagavalagam VICs. Continuous capacity building

programme for the VIC operators have an impact on the performance of the centers and their sustainability. Some of the services started as free services have been converted as paid services after assessing the readiness of users to pay for it.

Thirdly, community participation and ownership is very essential to achieve sustainability. After five years of experimentation in Melur we could see more involvement and participation among the rural communities. We could observe this in many occasions, especially in Madurai Symposium 2007, almost all events related to ICT in the Symposium were directly chosen by the rural community. The ownership of the villagers is keep increasing; now the Thagavalagam Development Associations have started reviewing the performance of the VIC operators. They are representing the monthly hub level review meetings instead of VIC operators. While initiating Thagavalagam Theme in Tsunami affected coastal areas, the Panchayat

presidents were taken to Tagavalagams in Madurai district on exposure, which made them to voluntarily come forward to help in setting up VIC, almost all the VICs in the Tsunami affected areas have been established at the premises spared by them at free of cost and free electricity.

#### 5. What lessons have your team learnt from the experimentation phase?

We could say that, each and every day of our rural ICT works gives us more learning. From the five years of experience, we could define a Thagavalagam model for replication which includes Thagavalagam triangle approach, Thagavalagam physical and social infrastructure, institutional arrangement, people institution structure, systems for HRD, services, standards and sustanbility mechanisms. From our learnings, we could list the key factors for the success of our rural ICT initiatives

such as continuous capacity building programme for the VIC operators and users, experimenting different sectoral services, financial support at least for 5 years with immediate hardware back up support. Ultimately, participation and ownership of the community forms foundation for all such initiatives.

**6. How do you see the macro level changes in ICT sector? Are they favorable for bridging this digital divide?**

The GoI, in 2006 announced a big public private partnership programme for setting up of 100,000 rural Common Services Centers (CSC) across the country at a total cost of Rs.5,742 crore. Of this, the Government of India's outlay would be Rs.856 crore, and the State Governments' share Rs.793 crore.

The balance amount of Rs.4,093 crore is expected to come from the private sector. The one lakh CSCs, are expected to give a boost to development by helping to bridge the digital divide. The project is expected to substantially extend the reach of digital services and economic opportunities into the rural and remote areas of the country. Two years have gone and nothing has happened. The issue is operationlising it. It is very essential to have the three layers of partnership to take the ICT services to rural mass. Public sector will be the service provider, civil society will facilitate the process and private sector can provide resources for the rural ICT activities.

The other significant step by the GoI is opening of airwaves to set up community radio stations. Almost a year is passed since the notification and

in reality no community radio has been issued license. The rigid and bureaucratic procedures slow down the interest and enthusiasm among applicants. In DHAN, we are working on this community radio concept in Nagapattinam, where the radio, internet and ICT combined mixed media model is being piloted. We would come with a lot of learnings and many of our federations have the potential to replicate it. As a whole, the macro level changes seemed to be promising. But the concern is how far these initiatives could reach the last mile and last post.

The challenges for the active players like DHAN are rapidly changing technology, increasing cost of connectivity, meeting the costs of license for the software products and less usage and importance for open source software. ■

## Practitioner's Diary

### Making a difference in Pavagada...

H.K. Mahanthesha\*

**P**avagada is one of the backward taluks in Tumkur district of Karnataka. This taluk is characterised by poor or inadequate infrastructure such as health and education, poor access and quality of drinking water, un employment. Migration is a common phenomenon here. About one fourth of the population that has migrated to Bangalore and other places is feeding their dependants in Pavagada. Most of the laborers and cultivators of Pavagada are addicted to alcohol consumption. There is an



\* H.K. Mahanthesha, Project Executive, DHAN Vayalagam (Tank) Foundation, Pavagada, Karnataka.

alarming increase in number of AIDS cases due to migration. All these issues have made DHAN to enter into this taluk. For me, it was a big challenge and my whole team has kept these issues at centre in all the programmes and interventions that we have designed and implemented.

DHAN Foundation is working in collaboration with JSYS (Jala Samvardhana Yojana Sangha) in this taluk for the past six years to implement Karnataka Community Based Tank Management Project (KCBTMP) funded by the World Bank. As per agreement with JSYS signed on 8th April 2002, we took up rehabilitation of 40 tanks. DHAN considered this as an ideal project, because there was a scope for implementing all the components of our Vayalagam tank program. Success of any organisation or initiative depends greatly on the commitment, dedication and hard work of the team involved in it. We are fortunate enough to practice such ideals in our team at Pavagada. Our team consists of six professionals, an accountant, two support staff and five associates. Within five years of intensive work



today DHAN Foundation has created a deeper identity among the local communities and the other stakeholders of the project.

We started from zero, with no experience and a team of newly inducted DHANites. The first challenge we faced was to make the communities to understand the opportunities of the project for their development. The whole team visited repeatedly to the same villages and interacted with farmers. Finally we

could form five tank farmers's associations and we could establish systems in the first year. After my exposure visits to the regions of Vayalagam programme in Tamil Nadu I understood that hard work does miracles and there are no shortcuts for success. When I was new to the location, as a fresher I started taking many decisions on my own which led to many misunderstandings in the team especially my seniors. But soon they understood the motive behind my decisions and accepted them.

### Key achievements of Pavagada Team

1. Reaching out to nearly 30,000 families, and completed works of worth Rs.4,07,14,455/- and mobilized resource of Rs.4,54,04,163/- (Mobilization of Rs.53,58,381/- cash contribution and an equal amount of Shramadhan (Voluntary labour)).
2. Desiltation of 5,19,846 cubic meter of silt and an amount of Rs.98,69,699/- has been spent on it.
3. Formation of four cascade Associations and promoted Pavagada Taluk Keregala Jala Samvardhane Vayalaga Okkuta (Tank farmer's federation); the concept of cost coverage has been accepted and practiced by all the TFA's and MFGs.
4. Encroachment eviction in 14 tanks, plantation of 24,500 plants in foreshore of 12 tanks and seeded groundnut in 720 acres.
5. Rs.46,19,000 has been mobilised as loan through bank linkage for Income generation activities.





The integrated tank development project itself was totally exhaustive and adding DHAN's approaches and its standards was a colossal task for us. Each day was a challenge for us. We also had problem of inadequate manpower to cope up with speedy implementation of the project. We could not stop any activity because of staff shortage as we could not compromise on our values and quality of output. At times out of the seven member team prescribed by JSYS only three professionals were there. But all of them understood the crisis and responded to it positively and shouldered the additional responsibility. Also the community has recognised our intention and hard work; they were ready to come along with us. Daily field visits, direct interaction and transparency in transactions have helped us to gain their confidence. Whereas we have struggled hard to maintain relation with district administration and local monitoring staff of district project unit. We faced lot of problems while

implementing our works. Each day was a new learning for us and there were many opportunities for cross learning too.

Our team was involved in each and every activity of the project. We conducted PRAs involving all the people in the village and stayed in the village for three days. We did padayatras and visited each and every house for motivating them to join and contribute their portion of the project. To ensure transparency and good governance, we trained them to select good leaders; in many places members came voluntarily to shoulder the leadership role. We trained the farmers for presentation in the District Collector's office and generate possible questions for them. After the tank agreement, we had to finish the tank works within eight months. We repeatedly gave orientation to the farmers to make them realize the difference between our work and others. Ensuring quality and transparency at all levels and all stages

of the project was major challenge of the associations. During desiltation and bund works we stayed with them day and night. We developed many systems for desiltation to avoid silt rush. Arranging tractors and JCBs, organising farmers was a challenging task. The whole team could successfully do encroachment eviction in 14 tanks.

We are very happy with what we have achieved in the past five years. We have many *firsts* to our credit. At the same time, we do have few concerns like inadequate manpower, emerging issues in repayment in MFGs and need for strengthening systems to take care of this. Committed and competent leadership needs to be built at the federation. As a team we could make an attempt in many of the core livelihoods issues such as marketing of groundnut, availability of agricultural inputs. Though we have not made any in depth study on impact, we could see qualitative changes in the lives of the members and the issue of migration has been addressed to some extent.

More than this, our pride is that the people of Pavagada have acknowledged our works. Personally I feel that our organisation has recognised my work and I am thankful for the opportunity provided to serve as a faculty at Tata-Dhan Academy from June 2008. There is lot more to do in Pavagada. Though, it is difficult for me to detach myself from Pavagada and my team I am very much attached to the team, people and our federation. I am handing over my responsibilities step by step and also trying to strengthen systems. ■

# Pioneering Partnership

## DHAN & NREGS in Andhra Pradesh

B. Sada Siva\*

**G**overnment of India (GoI) formulated National Rural Employment Guarantee Scheme (NREGS) to provide guaranteed employment to every household in rural areas for not less than hundred days. In addition to providing livelihood security, the scheme aims to create durable community, social and economic assets and infrastructure in rural areas.

The Government of Andhra Pradesh (GoAP) invited DHAN Foundation for Memorandum of Understanding (MoU) with the twin objective of rehabilitating the small scale water bodies with people's participation and implementing the National Rural Employment Guarantee Scheme. The Memorandum of Understanding (MoU) was entered on 6<sup>th</sup> September 2007 between the Department of Rural Development, Govt. of Andhra Pradesh and DHAN Vayalagam (Tank) Foundation based on the experience gained by DHAN in the rehabilitation of tanks in different parts of South India.

DHAN Vayalagam (Tank) Foundation will facilitate the implementation of works under the NREGS - AP in the Adilabad, Chittoor and Nalgonda districts with a special focus on undertaking the rehabilitation of water bodies on a comprehensive manner by involving the local Self Help Groups, Women Federations and Tank Associations (Water Users Associations) etc. Punganur,

Palamaner, Gudipala, Kuppam and Gudipalle mandals in Chittoor district; Indervelly, Bejjur, Asifabad and Gudihathnoor mandals in Adilabad district; Chityal, Choutuppal, and Narayanapur mandals in Nalgonda districts would be covered under this MoU. In each of these mandals, every

year about 15 – 20 tanks will be rehabilitated. Altogether nearly 600 tanks will be rehabilitated in three years period.

**DHAN Vayalagam (Tank) Foundation** will identify the tanks for rehabilitation and collect the information as per the input data sheets for minor irrigation tanks in coordination with EGS functionaries. Also the Foundation will execute works and provide technical support. It will work for enhancing farm productivity in the ayacuts benefited under this scheme through improved water management practices, building capacity of the farmers and creating systems for continuous upkeep of the tanks by themselves.

**Department of Rural Development, Govt. of Andhra Pradesh** will provide funds for initial execution of tank restoration works and capacity building apart from giving operational support and coordination

A state level project steering committee will be constituted to



provide the strategic guidance and policy for the project under the Chairmanship of the Principal Secretary, Department of Rural Development, Government of Andhra Pradesh. The meeting will be conducted once in six months. Similarly, at district level steering committees will be constituted to review, monitor and support the implementation under the chairmanship of respective Project Directors of District Water Management Agencies (DWMA). These committees will meet once in three months.

This type of MoU with the Government for NREGS is first of its kind in the State. The whole DHAN team in the Andhra Pradesh state has geared up to make it a model project and discussions have been initiated with the communities and the district administrations concerned to form steering committees. Detailed proposals have been submitted to the Adilabad and Nalgonda district administration for the rehabilitation of 91 tanks in six mandals. ■

\*B.Sadasiva, Regional Coordinator, DHAN Vayalagam (Tank) Foundation, Hyderabad Region, Andhra Pradesh.

# Mutuality in Practice

## Experience of Gangai Vattara Kalanjia Mutuals

R. Saravana Kumar\*

### Gangai Vattara Kalanjia Mutuals

The provision of financial services like savings and credit for the poor is well recognized as an effective instrument to address poverty, especially the economic well being of poor. Both savings and credit play a vital role in providing social and income security of the poor. However, poor face many risks or shocks, which make them vulnerable, despite savings and credit services. Poverty is not only a state of deprivation and is equally a state of vulnerability. Poverty and vulnerability are closely related. Attempts by poorer households to cope in the event of a crisis, often lead them into debt and ultimately impoverishment. Insurance services to the poor compliment the role of savings and credit to address poverty and results in a synergistic effect.

The Community Banking Programme of DHAN Foundation has more than a decade's experience in micro finance. It organizes the poorest of the poor women into Kalanjams, which in turn promote the clusters and federations at the next levels, which are involved in activities related to strengthening the Kalanjams and enlarging the range of financial services like savings, credit and insurance. Through promoting mutuality and local management, insurance is promoted as a graduated product after savings and credit, in Kalanjams.

### Gangai Vattara Kalanjiam (GVK)

The Gangai Vattara Kalanjiam, a federation of women Self Help

Groups (SHGs) called Kalanjams, is located near Madurai, one of the historic cities of Tamil Nadu. It is spread over Madurai and Sivagangai districts. The Kalanjams have promoted a registered federation - Gangai Vattara Kalanjiam in March 2002. The federation is functioning with a membership of 3,850 poor women organized through 231 groups, each having 15 – 20 members.

### Genesis of mutuality initiative

In order to provide social security to its members, the federation has enrolled its members in KSSSY (Krishi Shramik Suraksha Yojana) in 2001 and JBY (Janashree Beema Yojana) since January 2003 in collaboration with Life Insurance Corporation of India (LIC). This KSSSY scheme was applicable to only for agricultural labourers of Madurai district and people of other districts were not able to be covered. The scheme was withdrawn by Government of India after first two years. The members wanted to find an alternative for the JBY scheme of LIC due to its long processing time to settle the claim, rejection of claims due to various certificates demanded and other operational difficulties. Also the age limit for coverage was 18 – 59, whereas there were many members and their spouse above this age limit. Moreover the member's need was immediate financial support at times of funeral and wage loss compensation during hospitalization. Due to these issues people thought about their own social security programme.

The leaders of the GVK visited Kadamalai Kalanjia Vattara Sangam (KKVS) one of the oldest federations promoted by DHAN Foundation in Theni district of Tamil Nadu, who run their own mutual insurance programme based on members' need. The mutual solutions that the KKVS is implementing for many years inspired our GVK members. The leaders have discussed about the KKVS model in the federation and decided to emulate a similar mutual solution in GVK. The people decided to include benefits like payment on natural death, accidental death, permanent total disability and permanent partial disability. They also decided to include compensation for wage loss in case of hospitalization due to ill health and payment for funeral expenses. Members and their spouses who are 18 to 64 years old would be eligible for coverage under this scheme.

### Features of the scheme

The programme was supported by Oxfam Novib, Rabo Bank and Interpolis re. The programme was launched in February 2005 with the benefits of Rs.20,000 for natural death of insured member, Rs.10,000 for the natural death of spouse, Rs.40,000 for accidental death of insured person, Rs.20,000 for accidental death of spouse and wage loss compensation of Rs.75 per day when insured member is hospitalized.

\*R. Saravana Kumar, Managing Director, Gangai Vattara Kalanjiam, Madurai.



Twenty eight year old Kavitha Pandi was a member of 'Meenakshi Kalanjiam' in Vandiyur Cluster. Her two young daughters aged 3 and 6 years, and her husband faced a sudden shock when she died due to heart attack in November 2005. She had enrolled her family in the "Mutual insurance" programme of the GVKM. On hearing this message, leaders from the federation, cluster and her group immediately rushed to her house and shared their condolences and gave Rs.3,000 for meeting funeral expenses. They garlanded on behalf of mutual insurance program. They ascertained the cause of death and helped her husband to get the death certificate. Without any delay, they processed their claim within a week. They did not stop with just paying out the claim. They were worried about the future of the two kids. They discussed this in their group meeting. Members suggested depositing the claim in the name of two children and they convinced Kavitha's husband. Kavitha's parents contributed Rs.13,000/- and total amount of Rs.30,000/- was deposited in the name of the two children for their future..

## Community to manage

An exclusive federation executive committee was constituted with the members nominated by the Cluster Development Associations (CDA). In order to make it a legitimate and independent body to function as a subsidiary of the GVK, an exclusive institution - Gangai Vattara Kalanjia Mutuals (GVKM) was registered and incorporated under Indian Trusts act in September 2005. This is the first such as federation mutual institutions promoted by Kalanjiam Federation. Systems to manage all the processes of mutual solutions starting from member enrollment to claim settlement were established. An exclusive team comprising of a professional and a support professional with a team of field staff was created to support in management.

## Responsive to members' need

In the second year of implantation, in February 2006, members expressed their difficulty to pay Rs.299 for member and spouse, Rs.132 for member alone. They decided to reduce the benefits and reduce the contribution. They amended the benefits of natural death as Rs.10,000. The benefits provided by the product were Rs.10,000 on natural death, Rs.25,000 on death and permanent total disability due to accident, Rs.12,500 on partial disability due to accident. Wage loss compensation on

account of hospitalization of insured members was given @ Rs.75 per day. The information on death should reach the executive committee, who will provide Rs.3,000 as advance to meet the funeral expenses immediately and the balance would be paid when final payment is made.

After two years of experience, in 2007, people started realizing the need of security after 65 years. They GVKM requested DHAN People Mutuals to evolve a product for their whole life. There were discussions at all levels from federation, CDAs and Kalanjiams, where the members expressed their interest on whole life programme. Finally a product including all their demands was evolved. While the JBY scheme of LIC has several inadequacies such as lack of funeral expenses on the day of death, lack of whole life cover and lack of wage loss compensation, the scheme has certain benefits too, such as higher life cover and scholarship benefits for the children.

## Maximising benefits

All these have made the members to evolve a mutual solution by dovetailing the beneficial features of JBY and covering the gaps to provide comprehensive life coverage. Under this package, the GVKM enrolled all the members in JBY, in addition to covering them under its existing scheme. Now the members are entitled for the benefits of Rs.30,000

on natural death, Rs.75,000 death and permanent total disability due to accident, Rs.37,500 on permanent partial disability due to accident, Rs.1,200 for two children as educational scholarship whose education is from 9<sup>th</sup> standard to 12<sup>th</sup> standard under JBY scheme. Compensation of Rs.75 per day of wage loss on account of hospitalization of insured members and the benefit of Rs.10,000 on death after 59 age. Rs.3,000 for funeral expenses paid on the day of death were ensured under the existing scheme.

## Way forward

With the experience gained in the past three years, the federation is well equipped to design mutual solutions responsive to its members' needs.. The capacity of Kalanjiams to handle any kind of insurance programme in addition to the other two elements of microfinance namely savings and credit has been proved beyond doubt. The feedback system and participatory design and implementation have made the people to manage this on their own. Now the federation has realized the need of covering the health risks of members as the expenses on health issues is a major source of income drain and indebtedness. The members have decided to start their own mutual health insurance programme in near future. The members also envisioned to launch a pension product within 2-3 years. ■

# Creating Fortune out of Menace

S. Kavitha Kannan\*



**S**ingampuari block in Sivagangai district of Tamil Nadu is known for its coconut based industries. About 5200 hectares in this block are covered under coconut gardens. These coconut based industries, are the main source of employment to the people. The *Uppu Chettiar* community known for their entrepreneurship skills introduced this business here about 200 years ago. .

Over these years, the coir industry has grown to huge proportions in this area with proliferating fiber and yarn units. When this industry has become a boon to this area, it has also brought in another problem in the form of coir pith, the disposal of which is not that easy due to its bulky nature. Except for the meager volume that is being used by the pith block making units of this area, almost entire coir pith

being generated by the fiber factories were being dumped along the roadsides and *pormaboke* lands create a big menace to the area.

## SFURTI Project

DHAN Foundation has taken up this challenging issue once it was identified as Cluster Development Agency (CDA) for Singampunari and Periyakulam coir clusters under SFURTI (Scheme of Fund for Regeneration of Traditional Industries) project, that has been recently launched by the Government of India for comprehensive development of 25 traditional coir clusters over 5 years. The Coir Board is the nodal agency for the Scheme, which is the first comprehensive initiative for regeneration of the coir industries sector, based on the cluster

development methodology. The actual implementation of the project began in April 2007 after successive trainings conducted by coir board and subsequent surveys till March 2007. An exclusive team has been created to implement the project under the guidance of DHAN Business Development Services.

## Wealth from the waste

Convincing the people to get involved in implementation of the scheme was a very big challenge for the team. This cluster was already strong in yarn production. So, the team first decided to concentrate on pith manure production from the hillocks of raw pith heaped along the road sides which needed immediate attention. Now the team is trying to convert this otherwise dusty pollutant into an asset of this cluster with the involvement of women workers of this area, who now get an additional income of minimum Rs. 1000/ month through the production of pith manure. So far about 72 women workers of different coir industries got engaged in this activity, which requires them to work just 30-40 minutes per day not disturbing their regular employment..

These women workers have been organized into primary producer groups (PPGs) and trained on manure production and marketing. The Kalanjium Thozhilagam Limited, a business entity promoted by the peoples' organisations promoted by

\*Mrs. S. Kavitha Kannan, Cluster Development Executive, SFURTI Project, Sivagangai District.



DHAN Foundation supports them in marketing their product.

### Uses of Coir-pith manure

There is a growing demand for organic manure. Composted coir pith can be a good source of manure as well as soil conditioner. Each soil has its own physical and chemical properties, which can not be expected to be ideal always. There are acidic, alkaline soils with both beneficial and harmful

microorganisms specific to each soil type. This coir pith manure prevents the harmful microorganisms from acting upon the roots of the crops.

The excellent capacity to retain double its weight of water is the most exclusive feature of this manure that differentiates it from other organic manures. The added advantage of this feature is slow release of water and nutrients that get dissolved in water upon application to soil. This ensures minimal wastage of added nutrients and in turn an improved yield. The improvement in porosity, water holding capacity and organic content of soil is another parameter that has to be counted. The

capacity to reduce the evaporation losses by providing mulching effect leads to conservation of soil moisture. In addition, it enhances the absorption of Phosphate and Potash nutrients by roots, which in turn leads to 40-50% increase in yield.

In a nutshell, this pith manure has become a fortune to this area and on realization of this fact; many women in this area are coming forward to take up this venture. Also removal of coir pith dumped on the roadsides at no cost is a big relief for the local bodies and district administration.

For further details and business enquiries, kindly contact

**S. Kavitha Kannan**

Cluster Development Executive,  
SFURTI, Kalanjium Thozhilagam  
Ltd. 52, T.B. Road,  
Mehaboob Palayam,  
Madurai - 625 016.

Ph: 0452-2301112, 4358001

## Voices from grassroots

### Her smile restored

Shanthi is the member of the Adhi Parasakthi Kalanjiam in the Sanarpatti federation. She narrates the story of her nine year old daughter Gayathri, how her Kalanjiam saved her life.

Myself and my husband are working as agricultural coolies. My husband is a physically handicapped person with one leg attacked by polio so he gets some works like irrigating lands and doing other petty jobs in the fields. We have two daughters and one son. Gayathri is the middle one. Gayathri was suffering from frequent

fever and cough and hence became very weak. So we took her to government hospital for check up where she had blood vomiting. On seeing the girl blood vomiting, we were very much worried and took her to the medical officers and we explained our poor financial status. Ironically the child was not given proper care by the doctors. So we requested the doctors to detail the nature of the sickness of our daughter. Then the doctor after long time of hesitation informed that she is having a hole in the heart. When we asked about the recovery from this ailment,

we were shocked on hearing the doctors say about the uncertainty of the recovery and the expense would be too heavy for us to bear.



I told this in my Kalanjiam meeting and they assured us to raise support. They discussed this with the federation and sought for needed support. The federation took this



matter to the Health team in Kalanjiam Foundation. The Health team helped us to get my daughter admitted at Meenakshi Mission Hospital in Madurai. Soon the doctors' team examined the child closely and after a series of medical tests and check-ups it was found that she was suffering from Congenital Heart Disease (Large Atrial Septal Defect) from her birth. A team of medical officers at last said she needs an immediate intervention of open heart surgery for closure of atrial spetal defect.

The estimated expense of the surgery was Rs.80,000/- . As our family is very poor to bear the entire medical expense, the health team took initiatives to mobilize the amount as

far as possible. They supported our federation to make an appeal to the Sir Ratan Tata Trust (SRTT), Mumbai with all the medical reports and estimates. The SRTT sanctioned Rs.30,000 for the operation against the estimated amount. Then the federation helped me to appeal for support from the Government of Tamil Nadu citing the situation of the child, so we got a grant of Rs.25,000 which I feel as a great thing to happen. When we gave Rs.55,000 to the hospital and explained about the desperate situation of the family, the hospital immediately arranged for the surgery under a special scheme for children. Then the surgery was successfully completed. After the surgery, my Kalanjiam helped me with

a loan of Rs.10,000 for purchasing tablets and other followup medical expenses.

We are very happy on seeing her alive after the successful open heart surgery. Our entire family owes a lot to my Kalanjiam and the federation for saving our dear daughter from this deadly defect. This would not have been possible with out the efforts of Kalanjiam Foundation, which helped in all the possible ways to get my daughter treated. The scar in her chest not only remind me of the difficulties we faced with that problem, but also the timely support extended by everyone at the time of critical situation. It's a delight to see smile in our daughter's face who got a rebirth at this early age.

## Livelihoods

# Impacting urban livelihoods

**A. Ramesh\***

### Slums in Madurai: A snapshot

Madurai is a big city in Tamil Nadu, with increasing population the city has undergone a rapid change its demography and socio economic profile. The city is divided into four zones segmented into 72 wards. More than 218 slums exist in the city that shelter about 1.2 lakhs poor families. Most of the slums are situated along the railway track and river Vaigai. Many of the settlements are unauthorized and are in danger of eviction at any time. The Madurai city is thronged by a heavy floating population, as it is found to be the gateway of southern Tamilnadu. These

migrant labourers are mostly unorganized and undertake petty jobs in the market. The migrant labourers have come from various southern districts of Tamilnadu and settled as close affinity groups in different slums. The migrant population provides labour force to the whole city. Madurai city is a market and trade centre for nearby districts. Everyday farmers from nearby villages will bring their produces like vegetables, fruits and flower to market at the commission shops.

While the city provides wider opportunities for business and earning,

there are a lot of vents for drainage of income. Men drain their income in alcohol and the families indulge in unproductive expenses like social obligations for which they go for loans from usurious money lenders. Kalanjiam Community Banking Program (KCBP) was initiated in 1998 and now it has a coverage of 18, 000 poor families.

### Nature of livelihoods in Madurai Urban slums:

The predominant livelihoods of such migrant population is vending of vegetables, fruits and flowers; petty trading such as shops and small food

\*A. Ramesh, Regional Coordinator, Madurai Urban Region

stalls; domestic labour as servant maids and sanitary workers; muscle labour like construction, loading and unloading and so on.

The major issue in these livelihoods is that these labourers are mostly unorganized, they do not have any platform to voice their issues. Very often they are exploited by middlemen so that they get very meager wages which is not sufficient to meet their basic needs. Their credit needs are mostly met by informal sources and such sources are inadequate and exploitative. These slums lack necessary infrastructure for decent living. As mentioned earlier there is high level of income drain due to bad habits like smoking, alcoholism, chewing tobacco, frequent tea consumption and gambling. Due to unhygienic living and poor sanitation conditions health hazards are very common that results in high spending on health care. Their illiteracy keeps them as poorly paid semi skilled labourers and they are unable to take up jobs that require technical skills. Abundance of labour

supply for certain works ends with lesser pay.

### **Kalanjiam way of strengthening livelihoods**

**Rural – urban linkage:** Vegetable, fruits, flower and milk demands of the Madurai Urban are met from rural areas. Rural – Urban linkage is facilitated in which SHG member(s) of rural areas will supply their produces to the SHG member(s) of the urban areas. By this exploitation by middlemen is avoided and profit will go to both the members.

**Collective action:** The families involved and interested in similar activities are organized to take up the ventures like mini market, grocery shops, restaurants which is not possible by individuals as they require higher quantum of capital. Their collective efforts for investing in working capital, sharing manpower by scheduling among them have resulted in more profits that motivate other people to take up similar venture collectively.

**Industrial tie-up for employment generation:** When some sizable members are involved in any activity like Agarbathi, tailoring and making consumable goods like eatables or snacks are linked with companies. As a result the members get regular employment opportunities and wages through out the year. Experience like tieup with Cycle Agarbathi Company and Rajathi garments are showing promising future of such interventions.

**Product development:** Some products are developed based on the felt needs of the communities like house leasing, auto and tri-cycle finance which helps them to control the leakages and securing assets after a period of time.

**Promoting individual activities:** Entrepreneurship is encouraged at individual level for some selected individuals who are interested and skillful to take up such activities like food item preparation, pickle making and pappad making etc.

By and large, these initiatives have been done at different slums with varied approaches suited to the need and context. Intervention tools such as credit, trainings and infrastructure were provided based on the need of the activity. Such livelihood interventions have diversified ownerships like individual, joint and collective. Activities have been initiated with own funds, loan amounts and grants by the group based on the nature of the activity to meet the cost of the livelihood interventions. All the livelihood interventions are being supported by both leaders and staff of the federation.



## Way Forward

Livelihood plan document will be prepared by each federation, cluster and group by analyzing various factors such as finance, market, viability and sustainability. Facilitating needed resources both finance and skills will

be done at the federation level through groups. Packaging of a set of livelihood interventions to suit a group of people or individuals will be designed to meet the needs. The entire process will be centered on moving from general lending into product based lending by the groups. Building

solidarity is very much essential to get the maximum impact and sustaining it. Skill building and value addition for the existing livelihoods with the help of microfinance programme will be given focus to bring perceivable changes within a short period.

## House leasing: An intervention for arresting income drain

### Housing scenario in slums

More than 60% of the Kalanjiam members live in rented houses paying Rs. 700 – 1000 per month which is 25 – 30 % of their income. Very high exploitation of house owners in terms of heavy electricity and water bills, increased restrictions to the tenants are prevalent. Practically there is high demand and poor supply of houses, which results in increased rents. Many houses in the slum area are in unauthorized housing plots which are prone for eviction at any time. Such houses lack basic amenities. In spite of the uncertainties the rents of the houses are high. All these factors restrict the poor to even dream of owning a house or building a house on their own.

### Rented house Vs Leased house

For rented house 10 months rent is to be paid as an advance, rent must be paid at the end of the month, which is a recurring expenditure for a family. Whereas for leased house there is no advance instead a sizable amount must be paid as one time payment which can be obtained back at the end of the tenure hence it is considered as a form of saving. The regulations are very flexible to the tenant, changes and problems

are very less. But at the end of the tenure there may be complications in getting back the money as the sum is high. This can be overcome by making a formal legally executable agreement between the leaser and lessee. Many families would opt for such arrangements provided they are able to secure needed money. There were experiences in a few of the Kalanjams, where the members have taken loans for this purpose and arranged the remaining portion from other sources to take houses on lease. The federations wanted to develop a loan product for house lease to fulfill their needs.

### House Leasing as a loan product

Usually leasing in a house would require an amount ranging from Rs. 25, 000 – 45, 000, for the lease period of three years. The groups have designed a loan product and the Cluster Development Association (CDA) leaders and staff would ensure the formal agreement processes. But the members would repay the leased amount in two years. EMI would be decided on the basis of the rent amount paid by them earlier. Interest rate of the leased amount would be 12 % per annum. Agreement will be made between member, owner and the CDA. The leaders will execute the sequence of lending processes that

include need assessment, loan utilisation etc.

Response from the members for such product is overwhelming and so far five Kalanjiam federations in the Madurai city have provided this product to 410 members and given loans to the tune of Rs. 123 lakhs and loan outstanding with the members is Rs. 82 lakhs. All these federations have the potential of expanding this product to over 8000 potential members, all of them are spending Rs 56 lakhs every month on rent, if we take an average lease amount as Rs. 30, 000, credit absorption will be Rs. 24 crores.

### Scope & Challenges

The Kalanjiam federations in Madurai City have greater potential for this product. Members view this product as a form of savings. The larger scope of expanding such product will help the federation to cover its costs from the service charges paid from the interest income at the CDAs. At the same time the challenge would be mobilizing such a huge amount from lending agencies, sourcing out that much number of houses agreeing for such terms within the City limit and finally creating a huge system of legal compliance and assistance to the members.



# Renewal with reflection: Tenth annual retreat

The concept of retreat has evolved from the practice of Buddhist monks in the ancient times when they take time out from their routine functions in caves of remote areas during monsoon. This retreat helps them to rejuvenate themselves and perform afresh. Similar process is one of the in built organizational events of DHAN Foundation. Every year end, the staff from various states get together and reflect their experiences and during this process, each staff gets to know people from various states, rejuvenate their involvement.

The tenth retreat of DHAN Foundation was organized at Satyabama University, Chennai from December 18 to 21, 2007. A team of 414 DHANites participated from eight states. There were 47 sub groups for every day and the themes of discussion in the sub groups were **self** for first, **community** for second and **institution** for third day. A hand book with all the event details given to the participants has helped smooth conduct of the event. Every day the programme started with multilingual prayer.

## Inaugural session

R Sumathy, one of the event anchors welcomed the gathering and introduced the special guest A. K. Venkata Subramanian, I.A.S (retd). She shared the uniqueness of DHAN's retreat which is a forum to share learnings, experiences and reflect among the fellow colleagues. M.P. Vasimalai in his inaugural remarks said the tenth retreat is an important landmark in the growth path of DHAN Foundation as more than 100 new members have added into the DHAN's family in the last one year. He appreciated the generosity shown by the Satyabhama University for hosting this retreat and extending all the facilities at free of cost by recognizing our services to the society. He said that there should be sharing of values, philosophy and purpose across the individuals and entities in the organization.

A.K Venkata Subramanian in his

speech expressed his pleasure to address a forum of development workers from various parts of the country. While appreciating the grassroots work done by DHAN, he pointed out that the citizens of the country are neither



aware of various forms of exploitations nor take the responsibilities to address these issues. Development institution like DHAN has a greater responsibility to change the scenario by taking up broader issues such as access to information, human rights, corruption etc. as people having thick field orientation and action, the members of DHAN Foundation need to reflect on these issues during the retreat.

## Reflections on Self

The subgroups discussed about the self by introducing themselves, what were the significant changes, motivating factors and constraints they face in their daily activities. There was a positive change in the knowledge, attitude and skills of the development workers of various facets of development. Motivating factors for the DHANites were found to be learning and contributing space, scope





for self growth and experimentation, appreciation from institution, collegial culture, concern towards community, recognition for the work done from the outsiders, impact in the lives of poor due to our efforts, regular inputs and feedback by the seniors in the organization are few of the important characteristics. Some of the concerns shared by them were lack of role clarity, interpersonal conflicts and poor synergy in team, balancing family and institutional commitments, lack of cooperation and indifference of governance in people's institutions.

### Reflections on Community

Madhan Kumar, the anchor for the second day presented a lead paper on "Reflecting on Community". DHAN has the core strength of working with community and is known for grassroots innovations and demonstrations. He also stressed on participatory democracy at grassroots level, enhancing and building of strong demand stream, and making community more sensible, people centric development. The themes of DHAN are considered as tools for

achieving democracy at the grassroots level, he said. He called for candid reflection on community by every one to crystallize our experiences and refine institutional wisdom.

### Reflections from community leaders

The forum was honored with the reflections from community leaders. Four Kalanjiam movement leaders took a long journey to share their experiences with the DHANites. Stree Shakti Puraskar Chinnapillai and Kalanjiam movement leader Revathi shared their views and experience to the forum. Chinnapillai appreciated the growth of Kalanjiam programme and its impact on women empowerment. She also expressed some concerns relating to building sustainable people institutions at grassroots level. She suggested DHAN to trigger training and capacity building and ensuring staff in locations to focus on location specific development interventions. Revathi, in her reflection expressed that the Kalanjiam movement played a major role in building confidence and

empowerment of poor rural women. With DHAN's sustained efforts, these days involvement of Kalanjiam members in local civic initiatives is well received and appreciated. Our members have gained better understanding on planning for family with concern on community. At the same time, we need to trigger our process to map out the needs and issues at family level. DHANites should identify themselves with member's family. Movement leaders will be always available to groom and induct next level leaders.

### Working with communities

The reflections by DHANites on their experience in working with communities have brought in a lot insights related to processes and outcomes of our interventions. Everyone shared that there is a visible change in the community. Increased self regulation, cost consciousness, improved financial planning and collective decision making are few such changes that they could observe in the community. To bring such positive changes in the community depend upon to what extent the development worker invests time with the community.

Mobilizing the community for addressing civic issues, using the platform of gram sabha meeting, micro planning processes to ascertain the needs of the village, facilitating local communities to resolve conflicts, organizing *Shramadhan* (donating by physical work) activities, involving the community in auditing at group level, giving more emphasis on behavioral change communication were some of the ways suggested by the DHANites as best practice for replication in other areas. At the same

time, there were some issues and concerns while working with the communities such as increasing demand by the community for immediate and short term benefits, declining interest on common cause that affects everyone, identifying good leaders, growing , defaulters, competition from NGOs and political interference.

### Reflections on Institution

Raghini, the anchor for the third day proceedings presented a lead paper for reflecting on institution.. She emphasized the characterization of organization, institution building and its cyclic model and propositions of institution building. The other anchor, Gurunathan shared a note on institutional pride, achievements and contributions in some areas like reaching the un-reached, going global, national presence in prime role, sectoral contributions, national and international participants' exposure and internship, memorandum of understanding and credentials. He called everyone to internalize and feel proud of our achievements and contributions for the sector

Followed by his note intense sub group discussions on institution pride and self vis-à-vis institution were facilitated by senior DHANites. Many of the participants reinforced the institutional pride and achievements with the experience at the field level and shared how they could sense the same level of pride at the local level. More than the recognition by outsiders, the communities value our contributions and cemented a bondage with us.

### Positioning DHAN

The forum also came out with a long list of suggestion to further the initiatives and position DHAN in the sector. To enhance DHAN's position in the years to come it is important to strengthen grass root works by reducing the staff turnover, addressing development issues of people by innovative products. Every staff should take multiple roles; diversifying themes, updating and sharing of knowledge. Strengthening governance, giving thrust on community ownership and mobilizing resources at all levels will help the organization in positioning it in national and international level. For which the role of each DHANite is to spend more time with community voluntarily. Decentralized HRD functions should be taken to attract more professionals and help in team building. Practicing DHAN values and culture, creating location level collaborations, documentation and impact study at all levels were some of the essentials of a DHANite in positioning DHAN.

### Way forward

As a whole, the deliberation on all the three days on self, institution and community have brought in a number of areas for follow up. Developing ways to adapt the climate changes in the existing themes, strengthening grass roots democracy and encouraging diversification, facilitating growth with quality, developing second line leadership, social audit and programme integration at all levels, higher utilization of media for documentation, up-scaling civic initiatives and deepening in the existing programme, working through affiliates at international level, strengthening regional set up, livelihood promotion, increasing volunteerism were some of the actionable areas.

### Parallel development dialogue sessions

Parallel development dialogue sessions on selected themes were organised for an hour on second, third and fourth day of the retreat.





DHANites enrolled their names for such dialogue sessions in advance based on the topic of their interest. The sessions on second day focused on gender mainstreaming and work place practices, health seeking behavior, urban poverty, communication for development and financial governance. Topics for the third day were goal setting in people organization, livelihood promotion and miserable migrants. Themes for the fourth day were organizational development, leadership development in people's organisations, linkage building, mutual insurance, research with human development perspective, corpus for peoples' organisations financial inclusion, climate change and environment.

### **Institutional updates**

#### **Proceeding of Consultative and Strategic Forums**

Shanthi Madhuresan shared the proceedings of Consultative Forum (CF) of DHAN and described it as the forum for consultations to advance different programs and institutions of

DHAN collective. She further added that there were twenty four CF members, the purposes of constituting CF as building self regulating culture and second level leadership, reviewing, revising and evolving program policies, integrating different locations and programs, etc. The mechanisms set for CF were stated as formation of permanent and temporary working groups. The focuses of CFMs were institution building processes, community in action, reviewing and refining of policies, permanent working groups and role of CF members.

The Strategic Forum (SF) proceedings were shared by A. Umarani. She said the strategic forum is a body of collective leadership in operation to discuss on strategic issues of DHAN collective for decision making and implementation and meets four times a year. Focus for the year 2006-07 was annual performance enabling process, salary revision for DHAN staff, annual review and planning process and resource mobilization. It also gave importance for philanthropy of different kinds,

positioning DHAN international in various countries, exploring partnerships, working through affiliates and documentation support for funding agencies.

M.P Vasimalai shared that the theme of forthcoming year (2008) is heritage and we should know the importance and protecting it for the next generation. Heritage is DHAN's culture and all programs have to concentrate beyond program activities and try to integrate with other institutions in collecting contextual heritage. Krishnamurthi, from the Centre for Development Communication shared the facets of heritage which was taken as a theme for the new-year calendar. He highlighted how all the themes of DHAN build on heritage and need for taking conscious steps to identify, document and preserve such heritages..

B. Sivarani spoke on "Region as a Microcosm of DHAN". She narrated her experience, achievements and uniqueness of Salem region where DHAN works in three contexts – Tribal, Rural and Urban. She explained about system establishment at the region level. She also stressed the motivation of people staff, who are the frontline soldiers for achieving our purpose. She introduced her team members who laid out foundation for people institutions and concluded by emphasizing hard work.

Humane trust and DHAN Staff Development Association (DSDA) proceedings were shared by its office bearers. The General Body resolved accepting the changed policies in entry to membership, regular savings, special savings and lending policies.



## Institutional Updates by CEOs

T. Dhanabalan, CEO of Kalanjiam Thozhilam Limited, which is an initiative of DHAN Collective, shared about the features of KTL and different divisions for functioning. KTL has come out with a people organisation model for business promotion such as Primary Producer Groups, Primary Marketing Groups and Producer Companies. The main role of KTL was facilitating backward and forward linkages for the business activities of poor. He highlighted the potential of herbal marketing.

S. Balasubramanian, CEO of People Mutuals shared about the initiatives of People Mutuals where it achieved a total coverage of 5,00,000 people with a total premium of Rs. 3 crores. The benefits received among the groups were upto Rs. 2 crores. Total risk coverage was Rs. 750 crores. Out of 27 mutual insurance programs so far offered, twelve life insurance programs providing risk cover irrespective of age and six health mutual insurance programs covering health risks of poor providing the health care from primary to tertiary were being in operation. Three crop mutual insurance programs were there to indemnify the farmers of loss due to rainfall deficiency, pest attack and income loss.

K. Swaminathan, CEO of Kalanjiam Development Financial Services shared about its purpose, achievements and legal structure. He added that it facilitated bridge and development funding. It created many special products on house and land leasing, business and sanitation. He also explained about the systems for loan loss provision and early warning.

A. Gurunathan presented on the second thematic collective “DHAN



Vayalagam (Tank) Foundation” that works on water conservation and development of water bodies and Resource centre concept. He stated that it had accomplished over Rs. 5 crore worth of conservation works in last year. He appreciated each and every one behind the performance with special appreciations to Prof. C.R. Shanmugam, P.A. Viswanathan, Dr.T. Natarajan and Er. R. Venkatasamy.

V. K Padmavathy, CEO of Kalanjiam Foundation shared the progress. The major focus on health intervention and comprehensive package of health intermediation for the federation is being developed by a dedicated team. She highlighted the efforts of KF to raise resources for upscaling for the coming years and thanked Sir Ratan Tata Trust, who have accepted its proposal and their commitment to support in future.

M.P. Vasimalai, in his concluding remarks said the focus areas for the year 2008. Each region should have regional resource centre (RRC), locations have to focus on cross

subsidization and contextual standardization. Program integration needs to be done at region and location levels and should concentrate on Millennium Development Goals. Standardized monthly calendars should be prepared at locations focusing on experimentation / demonstration, capacity building initiatives for members, leaders and people functionaries and identification and utilization of untapped resources / potential.

In the feedback session, DHANites, especially who have attended this retreat first time expressed their views that the retreat have improved their understanding on institution and community with different insights and also made them to explore the meaning of self with different perspectives. Learning of DHANites was intensive in sub groups and every one contributed effectively. They thanked the retreat coordination committee for the arrangements done and expressed that it was an exciting experience in rain and learnt how to be adaptable with physical discomforts as a development worker. ■

# Partnership *for* Peace & Prosperity



The ongoing economic globalisation has increased the level of economic interdependence on the one hand, and aggravated the lopsided development on the other, reducing some communities to a precarious position of being marginalised. It is only through collaboration can we gradually redress the imbalance in global development. The multi-field, multi-level and multi-channel cooperation has become the realistic choice of more and more organisations working for development across the globe in recent years. *Building partnerships among the stakeholders would promote peace and development through cooperation and convergence of purpose and action.*

## Centre for Development Communication

DHAN Foundation

18, Pillaiyar Koil Street, S.S. Colony, Madurai - 625 016. Tamil Nadu, INDIA

Tel.: +91 - 452 - 4353983, 2610794, 2610805 Fax: +91 - 452 - 2602247

Email: [ghanfoundation\\_tn@airtelmail.in](mailto:ghanfoundation_tn@airtelmail.in) Website: <http://www.dhan.org>