

Note for Record

By: Shoaib Sultan Khan
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Subject: Activists turned CRPs of Andhra Pradesh

Principal Secretary to Government of Andhra Pradesh K. Raju and Chief Executive Officer (CEO), Society for Elimination of Rural Poverty (SERP) Vijay Kumar insisted that I should pay a visit to Andhra after my visit to Rajiv Gandhi Charitable Trust project in Sultanpur – Amethi in U.P.

As always they had drawn up a most inspiring and exhilarating programme for me. My courtesy call on the Chief Minister Mr. Jayasekhra Reddy indicated the immense personal interest the Chief Minister was taking in the activities of the self help groups (SHGs) and SERP. He was all praise the way Raju was implementing the Prime Minister's Employment Guarantee Scheme through SHGs and higher organizations. He was also full of praise for Vijay the way SERP was fostering institutions of the people. I have yet to see a Chief Minister taking this level of interest in the welfare of the poor. Mr. Reddy is a real ideologue whose initiative of performance based loan interest subsidy has ushered in a real revolution in making capital available to the poorest of the poor.

The Minister for Rural Development & SHGs, Dr. Chinna Reddy spent five hours with us in the Zilla Samakhyas Workshop, mostly listening instead of making long speeches the normal habit of ministers in our countries. Dr. Reddy, though looks very young, has been in politics from his student days, now in his thirtieth year in politics. His sensitivity towards the problems of the poor was only matched by his Chief Minister.

There was some kind of a Bandh so my field visit was hastily shifted from Nizamabad to Ranga Reddy district. However, when I reached village Nomula, one would have thought this was all prearranged. Of course it was just at an hour's notice. Nomula has the distinction where all SHGs have achieved Total Financial Inclusion (TFI) meaning every member has accessed loan from the banks in addition to CIF, internal savings loaning and Mahila Banks.

We had an interesting discussion about differences between the earlier programmes and SERP. Earlier there were no regular meetings of the group and no horizontal meetings like the VO under SERP. The revolving fund given to the group used to be so small that it would suffice the needs of no more than 2 or 3 members at a time with long gaps in availability of capital to others resulting in their losing interest. The officials after initial organization would only keep contact with one person of the organisation and instead of coming to the field, would call the representatives of the groups to their offices. Since 2001 with the arrival of SERP and its community coordinator Sunanda, things are totally changed. SHGs have become a vibrant organization with 470 households and two VOs in view of the large number of SHGs. SERP's great strength is effective follow up and monitoring instead of the earlier projects only emphasizing savings of Re. 1 a day in a campaign mode which meant collection of Rs. 365 per year per household and had little significance by itself. Under the TFI initiative, each SHG has now accessed Rs. 500,000 from the Banks.

Another most interesting programme being implemented by the VO is the Non Pesticide Management (NPM). Under this programme, technical support has been provided by an NGO and an NPM CRP has been trained who first demonstrated the efficacy of NPM in her own field two years ago and has now covered half of the village and hopes to convert the entire village to NPM within next two years. NPM would not only usher in organic agriculture, it would also rejuvenate the soil. This is an important initiative for small farmers owning even less than two acres. Some of the Mandal Samakhyas have now acquired the technical expertise of NPM and are spreading the programme without waiting for NGO technical support.

Rural Support Programmes Network (RSPN) in Pakistan may consider sending some farmers along with an NRM professional to learn NPM techniques adopted by SERP for adoption by RSPs.

The formation of Disabled SHGs of 7-10 members is another critical intervention to help a sizeable group of impoverished people. In this Mandal alone, there were over 300 disabled persons.

However, the most impressive phenomenon I noticed this time, was the emergence of the Activists turned Community Resource Persons (CRPs) movement. The Institution Building (IB) CRPs are now being complemented by what Vijay calls

them Thematic CRPs. I interacted with a group of these CRPs at the Andhra Pradesh Human Resource Development Institute where SERP was holding its Zilla Samakhya Workshop. This is an incredible cadre of CRPs addressing:

1. Institution Building
2. Marketing
3. Dairy
4. Health and Nutrition
5. Non Pesticide Management
6. Village Construction
7. Registration
8. Gender
9. Land
10. Job Creation & Employment
11. Total Financial Inclusion
12. Urban Development

One had only to listen to these CRPs to realize what they are capable of achieving. Their initiative, dynamism and dedication is amazing. When the Marketing CRP could not access capital from the Bank, she asked SHGs to provide her funds promising to give them 18% on the loans to off set 12% SHGs will have to pay to the Bank. On top of it when she had sold their produce, she gave them a profit of Rs. 180,000. A group of 4-5 VOs have set up procurement centres under each Marketing CRP whom SERP has trained. The Marketing CRP is a new breed of middlemen or women who plow back profits to producers after taking a fixed amount for their services. There are now more than 600 Marketing CRPs trained by SERP, of which 100 have already become master trainers multiplying number of Marketing CRPs.

The Dairy CRP has learnt how to use Milk Testers to judge the quality of milk which determines the price. The Mandal level Milk Cooling Centre accepts the Dairy CRPs readings and this has resulted in milk producers getting Rs. 18 instead of Rs. 10 paid to them by local buyers per litre. Dairy is a big business and is now institutionalized through Village Dairy Development Committee, Mandal level committee and Zilla Samakhya level committee. 85% of the SHG members survive on agriculture or dairy. The Dairy CRPs have ensured proper return for their produce.

The Gender CRPs have been most effective in reduction of violence against women in increasing women's negotiating power. The CRP is helped by Village Social Action Committee comprising ten members to help resolve issues and do family counseling. Even Police cooperates in getting summons of the committee complied with and the magistrates refer family disputes first to be resolved by the Committee before admitting the petition.

Each category of CRP be it Health or Nutrition or NPM or Land or Job etc., have a clear cut role which they are trying to perform in a most effective way. Their confidence and determination in performing their duties is incredible.

The ZS comprise the Presidents of Mandal Mahila Samakhya (MMSs) and has an Executive of 5 selected members with 7 sub committees for different subjects comprising 5 members each. The General Body of ZS meets once in six months and EC every month. The need for ZS was felt for resource mobilisation, registration, accounting and bookkeeping, training MMSs, monitoring MMSs, linking MMSs with government and NGOs, undertaking direct activities like insurance, acting as mother organisation of MMSs, undertaking large scale district level activities and ensuring sustainability of the institutions of the poor.

Raju raised the issue of the niche of ZS and its relationship with SERP and the effectiveness of the committees.

On the issue of niche of ZS, I reinforced Raju's concern and gave the example of the Cooperatives in the sub-continent. In the fifties, the All India Congress in its annual meetings from 1952 onwards applauded Cooperative movement as the panacea for the poverty of India. Prime Minister Pandit Jawahar Lal Nehru was euphoric about the potential of cooperatives. He got extremely dejected when this did not happen and constituted a Cooperative Commission to look into the causes of the failure of Cooperatives. The Commission came to the conclusion that the Executive Committees of the Cooperatives proved the bane of the movement. The General Body used to meet only once in a year and the Executive Members became all powerful and corrupt. I cautioned the ZS to be conscious of this factor. The social mobilisation movement fostered by SERP is based on SHGs as the foundation, the Village Organisations are the walls and Mandal Samakhya the roof and ZS is the dome. The dome needs the support of the foundation, the walls and the roof to remain in tact. If the dome

undermines the foundation, the walls or the roof, it would disintegrate. ZS will only survive and be effective if SHGs are viable along with VOs and MMSs. The only way this can be ensured if the institutions do not trespass on each others functions. I am glad that ZS is conscious of that but they have to remain so for ever, if ZS is going to ensure sustainability of the SHGs, VOs and MMSs.

Dr. Reddy supported my argument by quoting his personal example that as President of a Cooperative, no one used to come to the General Body meeting and perform he had to fill up the hall with his own party workers. The Minister underscored the importance of the democratic process of SHGs and the review and monitoring functions of ZS. It has to ensure that every poor household has access to loans and there should be equality and no one should be left out. He plans to reach all the ten million households in Andhra. SERP has already organised more than 9 million. He also warned against political bribes when some unscrupulous politicians may try to buy whole groups. He urged the ZS, MMS, VOs and SHGs to be vigilant about government programmes and how these are being implemented.

The Minister paid rich tribute to Raju and Vijay and observed we rarely find the likes of them in bureaucracy. It is for this reason that on his visit to Washington DC, the World Bank complained that the District Poverty Initiatives Project (DRIP) has not been as successful in other states as Andhra.

The ZS representatives assured the Minister that no one can buy them. They would only support those who are good to them.

When the Minister asked me to speak, I pointed out my dilemma because the CRPs, the ZS office bearers, the SERP professionals from the field to the CEO and the Principal Secretary are like the Sharapovas, Serenas, Venises, Sania Mirzas and Federers of the game of Tennis. These women and men are as proficient in their jobs as those are in their games. How can one tell them anything to improve. They are already on the top. What I can do is only to reemphasize the basics. This whole edifice is built on the willingness of the communities, the CRPs and the support organisation. Any weakness in any of the three would damage the edifice.

This edifice has been nurtured by the State Government, personally by the Chief Minister and the Minister for Rural Development. This is the most critical support. Without this support, the edifice would not have been able to achieve much. I only wish in every State and in every country we could find such champions of the poor as the CM and the Minister as in Andhra Pradesh, it will only be then that poverty will become history which I am confident it will be in Andhra. I also mentioned about my visit to Rajiv Gandhi Mahila Vikas Preyोजना in Sultanpur-Amethi and my interaction with Mr. Rahul Gandhi and how impressed I have been by his perception and understanding of the process of social mobilisation harnessing the potential of the people and his empathy and compassion for the poor and the down trodden and how he is determined to reach each and every poor household not only in UP but the whole of India. With such champions of poverty elimination, the goal of a poverty free country is certainly attainable.

I mentioned how in implementing South Asia Poverty Alleviation Programme (SAPAP), my friend Venugopal found K. Raju for me which was the best thing that could have happened to SAPAP and to me. I had to do nothing thereafter Raju did all even finding Vijay Kumar. And now I see another Raju and Vijay emerging in Sampath. This trio will indeed set a shining example for the rest of India.

I concluded by quoting my mentor Akhter Hameed Khan how he used to call the CRPs the diamonds and the jewels of the communities. If they remain honest and selfless, the organisations will go very far. As he used to say the problem of our countries is not economic but moral. The SHGs, VOs, MMSs, ZSs of Andhra have shown that at the grassroots there is both honesty and selflessness. They are the real social capital.

Vijay compared my visit to a festival and how I encourage and inspire them and spur them to go higher and higher. He said I may not be physically with them but my presence is always with them. I could not have asked for a more endearing compliment.

The CRPs said you called us diamonds but to us your words are diamonds.

Minister Reddy hosted a dinner for me in one of the Nizam of Hyderabad's houses called Lake House where I met my old friends former Chief Secretary Madhav Rao, who cut short his stay in Pune to come and see me. I was most touched by his

kind gesture. He was SAPAP's great supporter. My old colleague from SAPAP days Subra, who is now Principal Secretary to the CM, also came and so did Satya Prakash Tucker who brought two fine books for me. I was happy to see Murali who was a member of the first SAPAP team and is now working with Raju.

At the Minister's dinner, the Minister for Cooperatives from the State of Punjab and his Secretary of the Department also came straight from the airport. They had come to see first hand the Andhra SHG model. The Secretary came upto me and said we hear you are the founder of this model. I said yes to the extent that I found Raju. It was he who made it happen and later found people like Vijay who took it to its present level. The Minister was very keen that I should visit Punjab and extended a warm invitation to come to Chandigarh. Although Punjab is governed by Akali Dal but their Minister had no hesitation to come and see something being done by the Congress and he was heartily welcomed. This indeed is political maturity.

Andhra has achieved the most magnificent model of elimination of rural poverty that I know of anywhere in the world. The CRP initiative is fully homegrown and a powerful tool to take the programme to scale. The thematic CRPs have added many dimensions to the core function of institution building. The CRPs of Andhra can stand their ground in any situation against any professional. This could not have happened without the full support and the tireless efforts of the SERP professionals who are fully convinced that without CRPs the programme would never have gone to scale. The SERP professionals have made CRP approach their primary function.

I would never tire to say that since 1996, Raju has nurtured and guided the programme and his cloning Vijay has paid the greatest dividends. Without these two, we would not have the SHG movement that we have in Andhra.

The boost that the Programme got from the Chief Minister Reddy with the introduction of interest subsidy and overall support to SERP made it possible to scale up the programme from 3 million households to over 9 million and bank loans to SHGs from 700 crores to 6,500 crores. In Minister Dr. Chinna Reddy, SERP has found a most supportive and knowledgeable person who has all the time to address the issues affecting the rural poor. With these two political champions for elimination of rural poverty from Andhra Pradesh, it is no wonder what SERP has achieved. If this support

from the State Government continues for SERP, that day is not far away when rural poverty would be history in Andhra Pradesh.

At Delhi, Sampath arranged for me to meet Mr. Jairam Ramesh, Union Minister of State for Commerce and an important voice in the Congress Party. I had met him in April 2007 also when I had urged him to look at their homegrown model in Andhra instead of outside India, although the neighbours grass always looks greener. Minister Jairam produced a speech which he had given and quoted me. I could sense he seemed more convinced that Andhra Model indeed has the answer for India's rural poverty. He mentioned about RG's impressions of my visit to Amethi but felt a Union Poverty Elimination Fund may not be the way to take the SHG movement to scale. He felt without the support of the State Government, this may not be possible. I agreed that with the State Government support, the process can be accelerated but the process of social mobilisation is more dependent on willingness of the communities to organise, presence of CRPs and a sensitive support organisation. If these three elements are present, the movement can be taken to scale if resources are made available either by State Government or by Union Government like AKRSP where Aga Khan Foundation and donors provided the resources. In case of UP, the RG Trust has demonstrated the presence of all the three requisites including a CEO in the person of Sampath. We have seen how important this factor is in case of Andhra.

Minister Jairam conceded that in UP all the 800 Blocks must be covered which according to Sampath can be done in less Rs. 1000 crores. The Minister asked Sampath to prepare a plan for scaling up SHGs from the current 50 Blocks to 800 Blocks in next five years. That can then become the basis how to mobilise the resources.