SWERA PERSPECTIVE PLAN

I.   Introduction

This exercise is a part of ARAVALI's programme to conduct a perspective building exercise with one of their partner organizations, namely SWERA, working in Ajmer district of Rajasthan.

The purpose of preparing this Livelihood Perspective Plan (LPP) is to help SWERA plan and implement a programme for rural livelihood enhancement in its area of operation.

The starting point of the exercise was to develop an in-depth "understanding of the existing livelihoods activities of the target communities and identify potential options, with particular focus on the poorest and women.

In addition the LPP would build the understanding of partner organisations related to livelihood enhancement, identify the resources required (including human resources) and also possible constraints that the organisation was likely to face while initiating these activities.

The LPP was intended to serve as the guiding document for the partner NGO as it initiates work on community focused livelihood enhancement interventions in the identified areas.

Some Preliminary Comments

The Terms of Reference for the Perspective Plan are fairly comprehensive and very relevant to the needs of the area. However there were certain constraints inherent in the very structure and method which need to be pointed out here and which limited both the output and as well as the expected impact of the document on SWERA's performance in the future.

1)   The first constraint was that of time. The team was to spend just five days with the field organization, which is a very short time to gather information, analyse data and draw up strategies, and plan required for the ambitious outcomes outlined in the TOR. This constraint was heightened by the need to establish an initial rapport with the staff, which is so essential if SWERA were to take "ownership" for the final document.

2)   Another difficulty is that this Perspective Plan was in no way a 'start-up' document to initiate activities in the area of operations. And so the PP had to dovetail into existing strategies and any "new initiatives" would need to be synergetic with what already was happening in the field and/or was being planned for the future.

3)   In addition Aravali was committed only to the formulation of the Perspective Plan and not to providing resources required for its implementation, though this was not excluded of course. The procedure therefore was to avoid and suggestion of major "re-engineering" for SWERA but rather to look for ways to optimize existing strategies and available resources.

These constraints were inherent in the very structure of the assignment. However, after an initial meeting with SWERA it was evident that the approach would have to be rethought if SWERA was to benefit substantially from the entire exercise. This is because:

- **SWERA Already Has a Vision articulated in a clear Vision Statement**

  In the first place it became clear that SWERA already had clear Vision and that it had a sense of its Mission in practice. The Vision/Mission statement of the organization, and the level of understanding among key functionaries, was far superior to many other NGOs with far greater resources than SWERA.

  It is apparent that SWERA is also engaged in livelihood enhancement, albeit on a more

  Modest scale than envisaged in the ARAVALI exercise. While the 'perspective' of Aravali Perspective Planning exercise was broad based and comprehensive and seeking to utilise the sectoral opportunities in the area, for promoting a more sustainable livelihood system, SWERA had, within this broad perspective, chosen to focus on some key areas or on the organisational opportunities, by working within their own limited resources and optimizing the organizations core competency.

  The approach adopted therefore was to focus more strongly on 'organisational opportunities', or what was within the present or foreseeable capability of SWERA rather than 'sectoral opportunities' or more comprehensive needs of the area. Of course, it was important to ensure that the 'organisational opportunities' identified did contribute significantly to fulfilling the 'sectoral opportunities" and this in fact was the case in SWERA's programme.

- **SWERA already has a Perspective Plan which it is trying to Implement**

  SWERA also already has a working Perspective Plan, which it is trying, to operationalise and it was here that the major constraints to more effective performance are to be found. SWERA's constraints lie not so much in top management features like Policy and Perspective but rather in the middle management imperatives for translating policy and perspective into action.

  Then again, it would not help very much in preparing detailed action plans without providing the resources to put these into action. Here too SWERA's field capability is more than adequate to the task.

  And this exercise would not address a major constraint, which is the lack of funding continuity which lies at the root of many of SWERA's managerial inadequacies.

  What this document will address therefore is the need to make SWERA's existing Perspective planning approach more relevant to the area, but much more so to the organizational constraints it faces, principally middle management resource lacunae and problems of programme continuity and coherence because of short term funding arrangements.

More specifically it will look at three operational areas:

1. Clarifying the SWERA's **Strategic Intent, which** would underlie all its present and future strategic planning.

2. Outlining a **Tactical Linkages Framework** so that it would be able to more effectively integrate the short-term projects it is forced to undertake, because of funding constraints, into its own programme vision and mission.

3. Suggesting **suitable structures** for the organisation and for its associated local institutions to achieve this synergy.

However, before moving on to these specific areas, we need to look at the context, both external, which includes the geographical and socio-economic and the internal or organizational.

II.   AREA PROFILE

Ajmer District has an area of 8,481 km², and a population of 2,180,526 (2001 census). The district is situated in the center of Rajasthan, and is bounded by Nagaur District to the north, Jaipur and Tonk districts to the east, Bhilwara District to the south, and Pali District to the west. It is divided into 8 blocks and SWERA works in three of the eastern blocks, Srinagar, Silora and Arain.

The eastern portion of the district is generally flat, broken only by gentle undulations, but the western parts, from north-west to south-west, are intersected by the great Aravali Range. Many of the valleys in this region are sandy deserts, part of India's Thar Desert, with an occasional oasis of cultivation, but there are also some very fertile tracts; among these is the plain on which lies the town of Ajmer.

Although close to Ajmer city, the work area of SWERA is backward socially and economically.

Ajmer falls under the semi-arid region and the rainfall is generally low and also highly variable. The soils are mostly rocky with some areas of alluvial soil.

The **district** has a population density of 257 persons per sq. km., which is high as compared to 165 of the state.

The annual exponential growth rate of the **district** during 1991-2001 is 0.02319 percent, which is lower than that of the state 0.02494. About 41 per cent of the population of the **district** lives in urban areas. The sex ratio of the **district** is 932 females per 1000 males, which is slightly higher than that of the state average of 922. The literacy rate (population age 7+ years) of the **district** is 65.06 percent, with 79.96 percent for males and 49.10 percent for females, which are slightly higher than the respective rates of the state.

However the situation in the target area of SWERA is generally worse than that in the district as a whole. SWERA has done a survey of the 25 villages and according to the primary data collected the population is predominantly of the OBC communities (Rawat, Jat and Gujar) with sizable numbers of SC communities (Bairwa, Reger and Balai). The Muslim communities are found in small numbers in most villages but also comprise an entire village, Jilawada. There are very few tribals sprinkled among the villages. The average size of a family is 6.6.

Livelihood System

The major livelihood system is agriculture with animal husbandry playing a supplementary role. Most of the people are small land-owners with between 2-6 bighas of land and a small percentage of landless and big farmers. Almost all the agriculture is rain fed with only a few bigger farmers having irrigated land. All the irrigation is from tube wells.

Because of recurrent drought, the farming system is under tremendous pressure and in most years does not provide all the families, with the exception of a few big farmers have to migrate in search of labour income to supplement their agricultural produce.

III.   SWERA: An Organisational Profile

1.   History

The society for Social Work and Environment for Rural Advancement (SWERA) was founded in 1995 by a group of youth from the villages of Srinagar block. Initially they functioned as a cultural group raising awareness on socio-economic issues, in some 70 villages in Ajmer district, through folk media like skits and puppet shows. They found that this work was very effective in motivating the communities to get involved in social and community issues and this in turn prompted SWERA to promote and implement related schemes and activities.

SWERA's therefore took up a Literacy Project in 1995 in 25 villages in Srinagar block. The area was at that time reeling under the effect of a series of droughts and responding to the needs of the people, SWERA implemented a Food for Work Project in 6 villages in 1996. And in fact this type of work continued right up to 2005.

It was at this time that the first SHG groups were also formed by women working on the project. The groups were formed at the initiative of the women rather than as a planned strategy on the part of SWERA. Two groups started in 1996 and this increased gradually over the next few years. In 1998 the first planned SHG project was undertaken and this has continued to date, with some ups and downs because of discontinuous outside support.

 In 1997, SWERA undertook its first Health programme in 50 villages. The health programme was very well received by the people and the scope and content of this work was extended over the years, to include a clinic supplemented by village level para-professionals for Traditional Birth Attendants and Village Health Workers. It also implemented the ECDC Balwadi scheme in its target villages.

In 2002, the Education programme reached out to Child workers with an NFO project in 2004 SWERA began its first formal school.

At present, SWERA's programme priorities are Health and Education .The NRM activities continue but have diminished with lessening need of the people. The SHG programme has still not taken a definite shape and structure and needs to be restructured and strengthened.

2. SWERA: Vision Mission

The Vision Statement

In the Strategic Business Management, where the concepts of Vision and Mission were first developed and utilized, "Vision " relates directly and immediately to the future of the organization and a vision statement presents an image of what success will look like in a given period of time.

As mentioned earlier, SWERA has already formulated a clear and precise Vision-Mission Statement and what is more this is not just on paper but has been sufficiently integrated into SWERA's practice as well.

The statement reads: to improve the socio-economic condition of the rural people and develop existing livelihood resources of the communities.

The Mission Statement

A mission statement is meant to communicate the essence of an organization to the reader. An organization's ability to articulate its mission indicates its focus and purposefulness. A mission statement typically describes an organization in terms of its:

- ✓ **Purpose** Why the organization exists, and what it seeks to accomplish
- ✓ **Business** The main method or activity through which the organization tries to fulfill this purpose
- ✓ **Values** The principles or beliefs that guide an organization's members as they pursue the organization's purpose

To develop rural society by organizing it into groups and providing necessary inputs in the area of education, health, management of natural resources for sustainable livelihoods in the Srinagar, Silora and Arai blocks of Ajmer district.

IV.   LIVELIHOOD SYSTEM ANALYSIS

Conceptually, *livelihoods* connote the activities, entitlements and assets by which people make a living. In particular, the asset dimension is critical to an appreciation of the concept.

1.   Livelihood Assets

Assets, in this particular context, are defined as not only

- natural/biological (i.e., land, water, common-property resources, flora, fauna),
- social (i.e., community, family, social networks),
- economic (i.e., jobs, savings, credit)
- human (i.e., education, labour, health, nutrition), and
- physical (i.e., roads, markets, clinics, schools, bridges).

The access to, use of, and interaction among these assets, serves as the foundation of a *livelihood system*. The first question to ask is whether the various livelihood systems in the area are productive enough to provide a living to the people.

In the context of the present study, as we have seen in the profile of the area, to be viable, the livelihood systems have to be NRM based. An analysis of the livelihood system will provide an indication of the different types of systems prevalent in the area. And more specifically, this will depend on the different kinds of *farming systems* in the area

2.   Livelihood Strategies

One of the ways to understand livelihood systems is to analyse *coping* and *adaptive strategies* pursued by individuals and communities as a response to external shocks and stresses such as drought, civil strife and policy failures. There is, however, an important distinction between coping and adaptive strategies. Coping strategies are often a *short-term* response to a specific shock such as drought. Actions could include switching to cultivation of drought-resistant crops or reliance on external food aid. Adaptive strategies, on the other hand, entail a long-term change in *behaviour patterns* as a result of a shock or stress. As such, adaptive strategies go beyond the immediate impetus for *survival*, but rather are part of a broader household decision-making process.

Coping strategies are generally short term and geared to survival. In most cases they are courses of action that the people would not normally have recourse to, and which they give up as soon as survival is no longer the main issue. In the case of Ajmer, an example of a coping strategy would be the use government relief programmes.

In some cases, what initially were coping strategies have come to take on the characteristics of an adaptive strategy. Initially migrating in search of labour income in drought situations would have been a coping strategy for survival. But over time, with the increasing frequency of droughts and with the gradual deterioration in the capacity of the livelihood system to provide even a subsistence livelihood, the communities have integrated migration into their livelihood system and in some ways the income from migration labour even subsidises their primary livelihood resources like agriculture. Migration labour provides cash income, which the agriculture-based livelihood system is not able to provide.

3.   **Sustainability**

A last component to the livelihoods equation is the *sustainability* issue. The sustainability of livelihood strategies (as embodied by adaptive behaviour) is a function of how men and women utilise their asset portfolios on both a short and long-term basis. Sustainability is defined in a broad manner and implies:

- Resilience or the ability to cope with and recover from shocks and stresses;
- Economic efficiency, or the use of minimal inputs (or assets) to generate a given amount of outputs;
- Ecological integrity, ensuring that livelihood activities do not irreversibly degrade natural resources within a given ecosystem; and
- Social equity, which suggests that livelihood opportunities are equally distributed at both the intra-household and inter-household level.

In other words, SL is the ability for people to make a living and improve their quality of life without jeopardising the livelihood options of others, either now or in the future. Again, sustainability will be different for different livelihood systems.

4.   **General Description of the Livelihood System**

When we examine the livelihood system of the area, we find that it is predominantly agricultural with animal husbandry playing almost entirely a complementary role. In traditional farming, where farmers maintain animals to supplement the farming system, the focus is on providing draught power and

fertilizer. Here however, most of the farmers use tractors (most often hired) for ploughing and the animal holdings are geared to income generation, with the pattern of holding different for the poorer and better of farmers.

Another key feature of the livelihood system is the major role played by income from migration labour. Today, the livelihood system is not sustainable for the vast majority of the farmers, whatever the farming system being practiced.

5.   **Assets Based Analysis**

As described earlier, any livelihood system will eventually be built upon a combination of the five resources or livelihood assets mentioned, namely, natural, economic, social, physical and human.

These five assets or resources are generally interchangeable. When a livelihood system is put under stress or is weakened because of pressures, internal or external, on one particular asset, then at times strengthening or other of the other resources can bring the system back into a new equilibrium. For example, when the land resource (natural resource) is degraded resulting in falling productivity, then purchase of fertilizers (economic resource) or the use of specialised equipment (Physical resource) can increase productivity and production once again.

The asset analysis therefore has a two-fold purpose. It will help to identify both the constraints and the opportunities affecting the livelihood system. Since the express purpose of this entire exercise is to enhance the existing livelihood system it is critical to identify which if any are the major constraints that are negatively impacting the livelihood system. If there are such constraints, then unless they are removed or compensated for in some way, it will not be possible to improve the functioning of the livelihood system.

Natural Resources: Land and Water

The natural resources consist of land and water as contributing to the functioning of the agricultural based livelihood system.

There are a number of constraints imposed by the conditions of agricultural land. Most of the families own land but for the great majority the holdings are not economically viable because they are small and fractionalized. The majority of the farmers own between 2.5 – 6 bighas of land. Soils are generally shallow and of poor quality. Much of the area is undulating and susceptible to erosion

Almost all the farming is rainfed and because of the relatively low average rainfall as well as the high variability in annual rainfall, both productivity and production are low.

Financial Resources

Finance is also highly constrained. There is little if any surplus from the agricultural system for most of the farmers and as mentioned, migration is a major source of cash income.

Human resources

Literacy is low and in most of the villages. Even where there are educational institutions they are dysfunctional

Health facilities are also very poor and many of the villages in SWERA's working area are dependant on the facilities provided by the organisation..

Social Resources

Though there are SHGs in the area, (Ajmer was the area where the government had strongly promoted SHG formation), most of them were promoted under government schemes and are either dysfunctional or else geared strongly towards accessing the subsidies under the SGSY scheme of the government

6. The Different Livelihood Systems

There are three types of livelihood systems in the area. The base for all of them is agriculture with animal husbandry playing a complementary role. However, in recent times migration for labour income is an essential component and in most years is the major livelihood support for most of the families.

Livelihood Sources					
Landless Labourers		Small Farmers (2-6 bighas)		Larger Farmers (> 6 bighas)	
Labour	80%	Food Crops	30%	Food Crops	45%
Goat/Sheep Rearing	20%	Labour	60%	Cash Crops	25%
		Milk	5%	Vegetables	15%
		Goats	5%	Milk	20%
				Labour*	5%
* Only in bad years					

V.   Livelihood Enhancement

Possible Approaches to Understanding Livelihood
Livelihood enhancement can be looked in a narrow or broad perspective.

- **Narrow Perspective: Livelihood Systems**

  The narrow view looks only at the livelihood systems, which provide immediate economic returns, either in cash or produce. Looked at from this point of view, livelihood enhancement would work on the agricultural and animal husbandry systems to improve productivity and production.

  However, the potential for making meaningful enhancement in livelihoods is very limited for most of the families. In the first place land holdings are small and soils are of poor quality and improvement could only be with highly intensive inputs, which are not financially viable for the possible cropping pattern in the area. Without irrigation, agriculture is too vulnerable to warrant any further investment in the system. The only possible irrigation source in the area is ground water and this can be accessed only through tube wells because of the depth of the water table.

  Animal holdings as a livelihood source are also limited. Fodder is the major constraint and this limits both the type and quantity of animal holdings. The landless and the poorer farmers keep mostly small ruminants for sale. The bigger farmers, and especially those with irrigation sources keep larger cattle, and these contribute to the livelihood through sale of milk.

- **Broad perspective: Livelihood Assets**

  The broader approach would look not just at the livelihood systems but also at the livelihood assets, and especially the human and social resources as capital which has a long term development influence. Underlying this approach is the realization that human and social capital is critical to a sustainable development mode. However, when existing the livelihood systems are no longer able to provide a livelihood within the existing resource pattern, then it is necessary to upgrade these base resources.

The main processes are upgrading human resources by improving the health and educational status of the population. In cases like SWERA's target population this alone is not enough as these resources too are limited. Hence it is also important to harness social capital by organizing the people into hierarchical groups to work not just for their narrow individual interests but also for the good of the group at the hierarchical levels.

SWERA's Options for Livelihood Enhancement

The sectoral options available for SWERA are to impact either the livelihood systems or the livelihood assets.

On the level of the organisation's Goal or the Vision/Mission, SWERA has clearly recognized that the livelihood systems must be upgraded. This however, is an objective, which SWERA of its own resources cannot achieve but can only contribute towards (Using the Logical Framework Analysis terminology). In one sense this is the aim of the SWERA 'programme'.

The real option for SWERA is therefore on the level of the 'projects' or the tasks that SWERA sets itself to accomplish and for the success of which SWERA alone is responsible. This level is what determines the kind of activities that SWERA will undertake and the results that it hopes to achieve.

As described earlier the choice is between upgrading the livelihood systems by focusing on the directly productive livelihood assets namely the natural and physical resources. Again, as described earlier, because of the constraints the systems face, constraints which are beyond the capacity of SWERA to remedy, the kind of interventions that SWERA can undertake would not make a significant difference to the livelihood of the people or enhancing the livelihood assets. The other option is to address the long term livelihood needs by enhancing the human, social and financial asset base.

- **Building up Human Resources: Education and Health**

  In fact, this is the direction in which SWERA is moving, in both principle and practice. The project emphasis is clearly on Health and Education and in an exercise conducted with the staff, there was a clear perception and preference for Education and Health with NRM and Women's Organisation lagging behind.

- **Building up Social Resources: Local Institutions**

  This is also generally in line with SWERA's Vision/Mission Statement. However, from a methodological point of view, if SWERA does take up this second option, with a focus on building human resources,

education and health, then it must give much greater importance in its planning and practice to promoting local institutions which will become sustainable.

VII.   SUGGESTED INTERVENTIONS

The suggested interventions can be on two levels:

1)   Strategic Intent

Basically SWERA would continue with its focus on Education and health but would greatly upscale its activity of building a network of local institutions for an effective and sustainable partnership with the local communities.

The local institution would be a two-tiered SHG network (with a third administrative level of all SWERA promoted clusters) with a base of primary groups and a cluster level association. The clusters would preferably be at the village level though initially they could be of two or at most three contiguous villages. The cluster association would be formed of elected members of the groups.

The primary groups main focus would be the micro-credit operations, and especially the internal savings and loans. A regular item on the agenda would be discussions and the communication of information about the cluster level Community and Social Action programmes.
The Cluster association would be the forum for planning of Community and Social Action Programmes

This two-tiered SHG structure would function as a Strategic Development Organisation, and work as a permanent partner of SWERA, not just participating in the various activities but sharing in the Vision and Mission of SWERA.

2)   Tactical Linkages Framework

Tactically SWERA has to distinguish, even while not separating them, between "*Programme*" and "Projects".

SWERA's *Programme* is the Mission by which it seeks to fulfill its Vision. This *Programme* will stay constant as long as SWERA holds to its original Visio even if the current activities do not contribute substantially to this goal for a shorter or longer span of time.

The "Projects' on the other hand are the activities undertaken under specific proposals with funding agencies. These projects can be short term and all the elements in the different projects may not correspond completely with the priorities of SWERA as spelt out in its **Programme**. On the other hand it is imperative that none of the projects are directly contrary to the values and purposes of SWERA's **Programme.**

3. **Integrating Projects into SWERA's Programme**

SWERA needs to follow two key processes if it is to successfully integrate projects into its programme:

1.   A Results-based planning when preparing project proposals. This will be much easier to accomplish if it adopts the core elements of the Logical Framework Analysis (LFA) in its planning and monitoring. Using LFA terminology, for the great part, the purpose of the project, or that which the project hopes to achieve, would be within the framework of SWERA's programme. However, each project would specify outputs based on the Funding Agencies priorities and these may not always be the key priorities of SWERA. Nevertheless it would be possible to ensure that the outcomes or more specifically the effects of the outputs would fit substantially within the SWERA programme.

2.   A Structural- Functional Approach. This is an application of the above principle to the area of staffing. One of the major concerns of SWERA is to provide continuity at the field and middle management levels even as projects are completed and new (and different) projects are taken up.

4. **Field Level Structures and Functions**

Here the staffs are the structures, and the tasks they fulfill are the functions. It is often possible to ensure that the field staff, while fulfilling fully the requirements of the project funders as spelt out in the proposal, can also fulfill the functions necessary to maintain the SWERA Programme as well. For example, a teacher in an NFE Class can also manage and/or monitor the SHG groups in the village.

In practice therefore, SWERA needs to do an LFA for is overall programme, which in effect will be the Strategic Plan that goes along with, and is an integral part of, the Perspective Plan that it already has. And it will also have specific LFA for each of its projects, taking care to see that at least the Outcomes or Effects feed into and support the Outcomes/Effects of the Programme LFA.

5.   Middle Management

At the Middle-Management Level, the approach will have to be slightly different. For the purposes of this discussion, the functions of the Middle Management staff will be two-fold:

1.   The Operational planning and monitoring to ensure the proper and effective functioning of the field level staff

2.   The Process Monitoring to ensure that the activities fit in with and further the policy and strategy of SWERA.

5.1   Operational Functions of Middle Management

In practice, SWERA does have a core group that has remained with the organization for 8-10 years and these are quite capable of fulfilling the first function, namely operational monitoring and planning.

However, SWERA will have to fine-tune its organizational structures for this. Mainly it will mean a Geographical approach to Middle-Management responsibility. All Middle management Staff should be involved with and share a general responsibility for all the Programme activities and Results in their area even while particular members have specific responsibilities for each of the sectors or project activities.

5.2   Process Functions of Middle Management

The requirements here are slightly higher and more complex and perhaps not entirely within the competence of the stable staff of SWERA. So far these tasks are being done by the professional staff that are taken on for specific projects and generally have to leave when the project is completed. At the present state of affairs at SWERA, this problem will probably continue and stable staffing at this level may not always be possible. But here too the Structural-Functional approach could provide a solution to the problem.

The Process functions are not day-to-day operations and basically an on-going Review of the activities with regard to the objectives and Goal of the projects of SWERA as well as its Programme. Instead of one (or several) persons doing this, SWERA could use an alternative structure, which would fulfill the required functions. For example, a quarterly Process Review with the Staff and one or more Resource Persons could do very well. However, it is essential that the Resource Person

be committed to SWERA's programme, and not just as a one-off assignment. In fact, SWERA does have such persons available and willing to provide support. The Chairman of the Trust for example, plays an important role already and this can be easily structured to provide the Process functions as well.

VIII.   SHG Network as Strategic Development Institution

However, Organisational Restructuring alone will not be sufficient to make SWERA a truly proactive Organisation. It must take a closer look at the utility of the SHG Network and develop it into an affective local institutional partner.

A strong local institutional base is essential for a sustainable development programme at all levels and this holds true for SWERA's programme as well. People's participation must involve a genuine partnership and this can only happen if there is a local institutional counterpart to SWERA. The short-term goal for such an institution is to ensure genuine participation. The long-term aim is for the local institution to gradually assume more and more responsibility for the development programme. This is not restricted to merely supporting SWERA's project activity but to planning new activities as well.

 What we are looking for therefore is what can be called a Strategic Development Organisation, which has the required capability and the necessary vision to become the instrument of local development. It will take up Community and Social Action Programmes as well as be involved in economic and NRM issues on a local level. Swera has already recognized that the SHG network can provide such an institutional base and now needs to operationalise this realization.

1.   Conceptual Clarity re SHG network

A first step to such an operationalisation is to have a clear concept of the required or desired structure.

- Mass based. If the institution is to be effectively involved in Community and Social Action programmes then it must speak for and work through a larger percentage if not a majority of the population. Hence it would not feasible to have nominal representation in the villages in the working area with just a small minority of the population in the programme. The objective should be to have at least a majority and preferably a two-thirds majority of the people with membership in the groups.

Again, if there is to be genuine participation, membership in the groups should be 'informed'. This means that all the members should be aware of the goal and objectives of the network as also of the managerial and especially the financial aspects of the groups. Most if not all the members should therefore be able to articulate the vision and mission of the network on the one hand, and to be in a position to understand, and if necessary challenge, the day-to-day functioning of the group.

- Owned by people. i.e. with local leadership. Sustainability of the local institution is a critical issue with all local institutions especially when promoted by NGOs or other organizations. Here too 'positions' and offices of the members, should not be nominal but must truly reflect their function in the organization. It is not enough to 'elect' officials; they must also 'officiate' effectively.

  One of the problems with local institutions is the problem in finding good leaders. Often persons with promise are selected and then trained to do the tasks and fulfill the required responsibilities. One problem with this is that leadership is static with the same persons remaining in office as long as they are functioning effectively. But this too is not conducive to sustainability and often to genuine participation with the rest of the groups becoming passive followers or even spectators.

  What is needed is to have a leadership cadre in each group from which leaders are chosen and who provide back up and where required group level monitoring of the group. Besides the top level leadership (President and Secretary for example) a lower level leadership cadre also needs to be developed with specific positions and responsibilities which becomes as it were an in-house leadership formation process.

- Effective. i.e. having the capacity to plan and to implement its programmes. One of the major problems facing promoting organizations and the main reason for what can be called 'nominal leadership' is the lack of capacity in the members of the local institutions. There are four points to be kept in mind here:

  - Capacity building is a long-term process and requires constant and continuous training inputs. Training programmes too often are seen as project activities or as a project output, which need to be implemented, often mostly as a reporting requirement. A more results based approach is necessary where the outcome is

the focus. A training programme should result in 'trained members' and this in turn must be reflected in their functioning in the group or the community.

▪ Capacity building therefore necessarily involves a hands-on formation process where the members 'learn by doing'. Capacity building is a gradual process where leadership qualities grow with time and with increasing responsibility actually assumed and fulfilled.

▪ The capacity building process requires a constant, though changing, support structure, which ensures that the 'leaders' are not burdened with responsibilities that are beyond their existing capacity. This in turn ensures that the leaders 'learn by doing' while at the same time avoiding management mistakes that could damage and even destroy the programme.

2. Required Institutional Structure For SHG Network as SDO

The strategic goal of any organization trying to promote a local institutional structure to function as a Strategic Developmental Organisation is to have a system that is:

- A people's institution.

- Effective: with in-built capacity to handle not only regular operations at the present moment but also to cope with new situations that may arise in time.

People's Institutions

There are two factors included in this term. The group must be genuinely a people's institution. This implies at least three key features, namely that the group itself:

▪ Does the planning and monitoring.

▪ Has ownership over financial aspects.

▪ Has the capacity for self-management or at least is building the capacity for the same.

It must also be a true "institution". This is something that is seldom understood and even less often put into practice. The term institution is often used as a synonym of organization but there is a basic difference. . For a social organization to qualify to be called an institution it has to fulfill certain conditions. These are:

- The group must accept established methods of procedure and accepted rules of conduct as members of the group

- The group is formed around an 'organising idea' or a clear vision for the group. In practice this means that they are agreed on the reason why the group has been formed and the tasks that must be performed in order to fulfill the group vision.;

- The group therefore accepts the necessity for some form of organized 'government'.

Effective Institutions

An effective institution again implies two features:

a) an "informed" membership who are aware of the vision and mission of the group.

b) a capable leadership cadre which can provide stable and sustainable leadership for the institution.

Experience has shown that of all the various forms of local groups or institutions that have been partners in the development process, the SHG networks have been both effective and viable. However, experience has also shown that the level of sustainability of SHG groups as a SDO cannot be on the level of the primary groups but must be extended to a cluster level association.

This is primarily because the required leadership capacity cannot always be found, or formed, at the level of the Primary group. The SHG groups that we are dealing with are generally from populations with poor human resources, with regard to both social as well as financial management. To try to build in-house capacity at the primary group level with membership of around 20 in each group for self-sustainability is therefore difficult. However in a cluster organization of 8-10 groups with a total membership of 15-200 persons it is generally possible to find a small number of persons with the required capacity or at least the potential of being trained to reach such a level.

3.   **The Two-Tiered SDO**

This indicates the institutional structure for a stable and sustainable local institution. Basically it requires a two-tiered structure:

1.   A mass base Institution, consisting of a large number of primary SHGs with the focus on micro-credit operations, covering a substantial percentage of the target population.
2.   An "Executive Institution" at the cluster level which provides leadership for the day to day functioning of the groups as micro-credit groups, and which is the training forum for joint Community and Social Action Programmes conducted with and through the Primary Groups.

3.   **Primary Groups**

The reasons for choosing the Primary Groups as a mass based institution is because the SHG has inherent factors that make for sustainability.

SHGs necessarily meet at least once a month and in almost all the cases, the members come voluntarily for the meetings. These regular and well-attended meetings provide a good platform for providing inputs to build vision and generate a sense of mission in the group.

Even more important, the intrinsic dynamics of the micro-credit operations, where the members make savings and then loan this out to the members, makes for very effective generation of social capital, indicated by growing mutual trust, a spirit of cooperation and a habit of coordinated activity.

This in turn makes it easy to increase 'the radius of interest' of the group members. By this is meant that the group members can be motivated to look, not only at the interests of the groups members, but also of the larger community of which the group is a part. This 'larger community' will be first of all the Cluster organisation, and then the villages and communities in which they live; With effective leadership at the cluster level, the SHG network therefore becomes an effective instrument for the planning and implementation of Community and Social Action Programmes.

Characteristics of Primary Group as Mass Base Institution

The required characteristics of a primary group for an effective Mass- Base Institution can be considered under three headings:

- **Financial**   Micro-credit institution

- **Managerial** Well-managed group

- **Social**   Speaking for a large percentage if not a majority of the target community

Financial aspects

This is an essential aspect of the group. As described, it is the micro-credit dynamics that generate the qualities that make SHGs special among all other type of local groups. Hence it is absolutely necessary that the basic operations of regular savings and distribution of the savings as loans to the members be carried out regularly. If this does not happen, then social capital will not be generated or will dissipate over time. One mistake of initially successful SHG networks is to focus increasingly on the social and community action programmes at the cost of the micro-credit operations. This is why the two tiered structure, with a division of tasks is so important. Even as the social and community action programmes are initiated and take off t the cluster level, the focus of the primary groups remains on the micro-credit operations, proving the continuous generation of social capital which makes the social and community action programme possible and effective.

4. **The Cluster Level Association**

SWERA is familiar with the nature and necessity of a Cluster Level Association. However, here too it would be good to focus on the key functions of the Cluster Level Association.

Cluster Level Institutional Characteristics

The Cluster level Institution should not be seen as a micro-credit structure but rather as a vehicle for the Community and Social Action Programmes. This is because SWERA has no interest in developing the Network as a multi-tiered Micro-credit Institution but as a Strategic Development Organisation for social change. All the Micro-credit operations will be at the Primary Group. The Cluster can provide monitoring services to the primary groups but that is not the primary concern t the beginning.

The main purpose of the Cluster Association will be to plan and implement with the support and guidance of SWERA, community and social action programmes. Initially this would focus on ensuring participation in the Health and Education services already being provided and in time, the Cluster could undertake more proactive activities in these and other field.

5. **SWERA and the SHG Network**

SWERA's role in the SHG network will be much more proactive especially in the initial stages. Here too the SHG network is seen not just as a micro-credit institution intended solely for access to credit, but as a strategic development organisation in which the micro-credit operations are the key ingredient in generating social capital which in turn is utilized for enhancing the livelihood system of the target communities.

There are three dimensions to this role of SWERA vis a vis the SHG Network:

1.   The SHG network must function as a social capital generator

2.   The Network must be a well managed institution, functioning efficiently and effectively

3.   The Network should gradually become self-managed with the members making the decisions and running the institution.
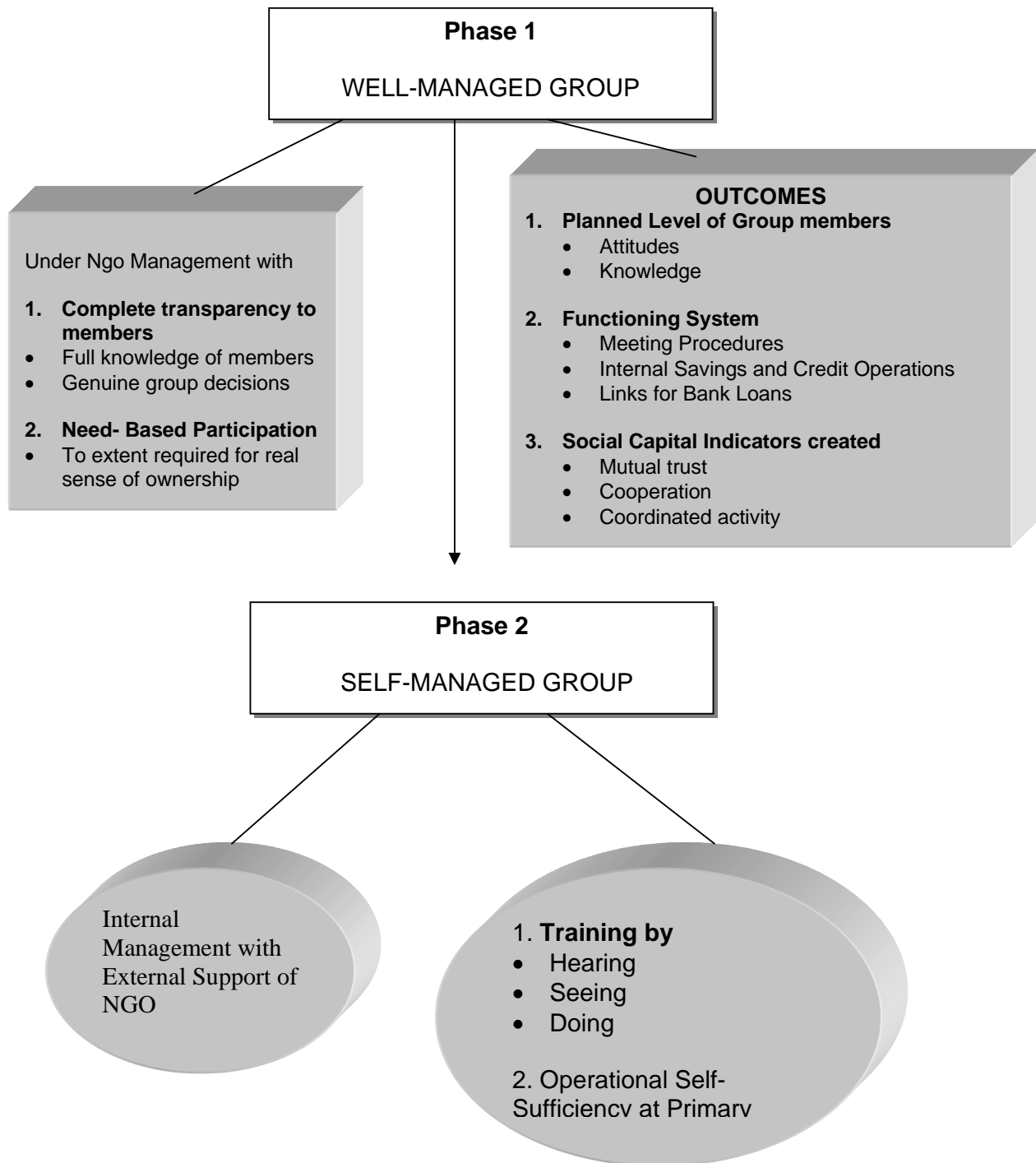
SHG as a Social Capital Generator

The first priority for SWERA is to see that the SHGs act as Social Capital generators rather than Subsidy-Help Groups. The SHG groups as they are being set up at present are designed to access the SGSY programme. The primary motivation of the members is therefore to access the funds available through the programme. Unfortunately the dynamics work against the development of the groups as "self-help" groups. One of the key means of generating a spirit of self-help is through the group collecting its own savings and then using these as loans in the group itself. This is the basic makes the SHG movement so effective as compared to all other forms of local institutions because of its ability to build mutual trust among the members.

Well-managed Network of Groups

The next concern is the functioning of the groups so that the regular interaction serves to build social capital in the group. This in turn will make the group in a genuine "local institution".

Phase 1

WELL-MANAGED GROUP

Under Ngo Management with

1. **Complete transparency to members**
- Full knowledge of members
- Genuine group decisions

2. **Need- Based Participation**
- To extent required for real sense of ownership

OUTCOMES
1. **Planned Level of Group members**
   - Attitudes
   - Knowledge

2. **Functioning System**
   - Meeting Procedures
   - Internal Savings and Credit Operations
   - Links for Bank Loans

3. **Social Capital Indicators created**
   - Mutual trust
   - Cooperation
   - Coordinated activity

Phase 2

SELF-MANAGED GROUP

Internal Management with External Support of NGO

1. **Training by**
- Hearing
- Seeing
- Doing

2. Operational Self-Sufficiency at Primary

The SHG Network as a Self-Managed Institution

The need to make a clear and practical distinction between a "Well-Managed" and a "Self-Managed" Group. Both are necessary conditions for a sustainable SHG. But neither, by itself, is a sufficient condition for the same.

The second point is that all too often NGOs strive to move to a "Self-managed" Group at the cost of a "Well-Managed" Group. This happens when the NGO transfers functions and responsibilities to the group members before they are capable of taking these on.

In an SHG programme, "Well-Managed" always has priority over "Self-Managed". This does not mean the NGO has to wait till the group is functioning fully and efficiently before devolving management tasks to the group members. But it does mean that self-management is not an alibi that the NGO can use for the improper functioning of the group.

IX. THE NEXT STEP

As mentioned earlier, SWERA already has a Perspective Plan, which it is trying to follow. It also has a detailed Action Plan for the SHG Network. It therefore definitely does not need another detailed document in English drawn up by an external Resource Person. What this document has tried to do is point out the directions in which SWERA should go in order to operationalise its existing plans and policies so that they become part and parcel, not just of the monthly staff meetings but also provide the spirit and motivation of the day to day activities and responsibilities of the staff…. And it must do this itself.

The next step for SWERA therefore is to set up a structure for Process Reviews with an External Resource person. Besides the Chairman, who already is already very much part of the planning process, they could perhaps include other members of the Board or local persons with the required expertise and experience. This should not be at all difficult for SWERA with its established performance record and established good will in the area and in NGO circles.

This group would meet quarterly and both review the processes as well as plan for the next quarter.

The reports of this meeting (in hindi) need to be shared with all staff members and discussed at the monthly operational reviews.

I have no doubt that if SWERA effectively capitalizes on its core competence and matches its strengths with the opportunities available, that it can and will lay a strong foundation for a stable and sustainable livelihood for the communities in the area.