

THE MYRADA EXPERIENCE

Including the Excluded

A study of Vulnerable Groups in Chitradurga district

Study Report-2010



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Are SAGs the appropriate institutions to address the needs of the Vulnerable?

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Any part of this report may be used with appropriate acknowledgment

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Foreword

The short mission statement which has guided Myrada for the past 25 years is: "Building poor peoples institutions". The Self help Affinity Groups emerged in 1984-85; these comprised members of poor families identified through participatory methods in the village who then formed their own groups by self selecting their members. It soon became clear that these groups provided the basis for the poor members to : i) support the diversity in livelihood strategies of each family which included several activities - not just assets which were the only purpose accepted by Government and Banks - including education, health, trading, repayment of high cost loans, working capital, for houses, sanitation, skills training, health and similar purposes which were their priorities; ii) cope with the changing situation in rural areas where agriculture and related activities are diverse and high risk; iii) access credit quickly to meet urgent needs iv) gather confidence and skills to influence change in the family and in society.

However what also emerged was that not all the poor found the regular routine of SAGs, including weekly meetings and the practice of regular and fixed savings suitable to their life styles and economic status which they thought was lower than that of the group members. Further since the members had self selected themselves, several families who were not fully part of the village life, like migrants, were left out. Since the focus was on empowerment on the basis of which to build a livelihood strategy for each family and initiate change, the aged and handicapped also did not feel comfortable to join these groups. Myrada staff has been concerned with these families for some time. The Chitradurga Project decided to approach these "excluded" families. Discussions were held with other NGOs in the District who are members of SPIN - a District Apex Organisation - which was promoted and sponsored by Myrada with the financial support and strategic backing of Welthungerhilfe (German Agro Action- GAA).

With GAA's support and active participation it was decided to take up a pilot program to include these families. Some were migrants who sold various articles at various haats - market places; they had regular incomes but could not attend SAG meetings; but they wanted a place to save. Others like widows could not join existing groups for many reasons including the high level of savings and some traditional practices and customs concerning widows.

The most vulnerable people however were the physically and mentally challenged and the elderly. Initially the NGOs adopted an approach to motivate them to form homogeneous groups; but it was found that they preferred to have mixed groups. For example the blind and physically challenged opted to be in one group since each

could help the other. The elderly and severely disabled found it difficult to come for meetings due to the distances involved, in some cases the effort was beyond them. But they decided to meet occasionally in small groups for social interaction and were supported by the NGOs/ CMRCs (Community Managed Resource Centres).

One common trend that emerged however was that most of the members decided to save. They had seen the regular SAG members develop a status in the family, a sense of security and that they had grown in independence largely, they believed, because they had savings and could take loans for the family. They started savings in the vulnerable groups, but adopted different practices suitable to their situation. Many for example did not save weekly but occasionally, another was that savings were not high or uniform. This study shows clearly that their ability to borrow money when they or the family needed, gave them a status in the family which they identified as a major benefit. They were no longer a burden.

Do these findings imply that the SAG strategy left out the poor. It does not. Any institutional intervention or strategy to mitigate poverty has a positive and sustainable impact; but because the causes of poverty are so diverse, it is not appropriate to mitigate poverty in all cases. Every strategy in order to be effective and sustainable must be led by the stakeholders who will design a structure and procedures that are appropriate to the resource to be managed or objective to be achieved. Such a structure and procedure tends to exclude some people un-intentionally. The strategy to address poverty is like an onion, it needs to be peeled regularly. The NGO involved cannot rest content at one level; it needs to constantly dig deeper to identify people who do not fit in for one reason or other. The NGO cannot rest content with success at one level. If it does, it will lose its ability and confidence to take on challenges.

This study has made a serious effort to draw lessons from Myrada's experience in one project; there have been attempts in other projects as well, but not as systematic and extensive as in Chitradurga. My prayer is that all in Myrada will read, reflect on this study and use it to strengthen their approach to the vulnerable people.

Aloysius Prakash Fernandez
Member Secretary
MYRADA
July 2010

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1. INTRODUCTION

1.1 History of partnership of DWHH with Myrada

Chitradurga District of Karnataka State consists of 6 administrative blocks with a geographical area of 770,702 Ha. and a population of 1.5 million. It is one of the well known districts of the State of Karnataka. The district's popularity however, is based on its historical importance; the developmental scenario of the district trails that of other districts due to recurrent droughts and low rainfall.

Since 1982, MYRADA in partnership with DWHH, initiated interventions to improve and stabilise the livelihoods of the people living in this district. MYRADA successfully pioneered the pro-poor and pro-women Self Help Affinity Group (SAG) approach for empowerment through management of savings and credit leading to interventions for change in the family and society, in two administrative blocks (Holalkere and Challakere) of the district till 1999. During this period Myrada also supported several other initiatives taken by intermediary organisations like small NGOs, Banks and Government. This support took the form of raising financial resources, training, establishing linkages etc. Networking did not stop

with intermediary institutions; it also included community based organisations, mainly SAGs and Watershed Management Groups. This networking of CBOs was supported by an Apex Institution called SPIN (SHG Promoting Institutions Network) which monitored and supported the CBOs.

The District Approach Strategy emerged in 1999 and was officially adopted in 2001. Again, with the support of DWHH, MYRADA was able to up-scale its proven interventions and social structures on a district-wide basis through a strategic institutional network.. The network of the intermediary organisations functioned within the framework, concept and strategy of the District Approach.

The objectives of networking intermediary organisations in the District approach were to: a) upgrade skills and institutional support systems b) formalise the strategy adopted in promoting SAGs and watershed Institutions and



c) Promote off-farm income generating activities and establish support systems including marketing. The District Approach also included another dimension, namely the networking of the Community Based Organisations. However when the DWHH programme started in 2001, this dimension of networking CBOs had not taken a formalised structure. The networking of CBOs was formalised during the course of the project in the form of Community Managed Resource Centres (CMRCs) which emerged in Myrada in 2002. The major objectives were, a) to establish a self supporting institution managed by members from the CBOs which would monitor and support the CBOs in a given area; b) to provide a wide variety of services in response to people's needs for a minimum service charge and c) to develop a local market that would one day be able to service the needs of large number of families. These two dimensions of networking a) of intermediary organisations (which in Chitradurga District took the name of SPIN); and b) of CBOs (into CMRCs) gathered strength from 2001 to 2006.

The budgetary support of DWHH for the implementation of the district approach which focused on Institutional Capacity Building (ICB) and Natural Resource Management played a critical role in intensifying three major livelihood

support programs promoted by stakeholders, namely:

- 1) Up-scaling and quality assurance of SAGs: This would be led by SPIN; it was intended to cover the majority of the poor in the entire district; it focused on issues and objectives related to gender, equity and sustainability, including the promotion of linkages with technical, financial and marketing institutions.
- 2) Promotion of a holistic and integrated strategy in Watershed Programmes to conserve the natural resources and build capacities of peoples' institutions for management of natural resources on a large scale
- 3) Creation of employment opportunities through off-farm activities



1.2 Overview of the project: strengthening of self-help institutions in Chitradurga district (as 1310/ IND 1140-05)

Project Focus:

"Building Networks of Civil Society Institutions – Intermediary Development Organisations and Community Managed Resource Centres – for addressing issues of sustainable livelihoods in the District of Chitradurga"

The project covering the period July 2006 to December 2009 intended to consolidate the efforts of MYRADA and DWHH of the previous two decades and to place People's Institutions firmly in the centre of the development support framework, in place of Myrada. As part of this project, there were programmes designed to strengthen Civil Society Institutions (network of NGOs and CBOs) so as to enable them to work at the policy level as well as to acquire the capacity to provide continued need based services. SPIN which had NGO representatives on its Board provided a forum to which Banks and Government Departments were invited to interact with the NGOs. Issues related to convergence, SHG-Bank linkage, performance of NGOs, Banks and Government Departments were

discussed and solutions arrived at during the meetings at the forum.

The main goal of the Project was to continue the process of strengthening the structure and functioning of civil society institutions to improve their competence to analyse, assess and effectively address the development issues of Chitradurga District on a sustainable basis.

The interventions focused on the following three areas:

1. Building and empowering self-sustained networks of CBOs called "Community Managed Resource Centres" to address the issues of livelihoods and empowerment of the poor in a sustainable manner. Empowerment was described as the skills and confidence required to change oppressive relations at home and in society.
2. Strengthening the network of Intermediary Development Organisations (NGOs, Banks, Government Department, other Resource Agencies, etc.) to initiate and sustain development interventions and work in a co-ordinated manner for the development of Chitradurga District.
3. Extending SHG/Group coverage and other services including access to

entitlements to the poorest, vulnerable and marginalised families that have not yet been reached or included.

This study is restricted to 'Focus Area 3': Extending SAG/Group coverage and other services including access to entitlements to the poorest, vulnerable and marginalised families that have not yet been reached and included.

A separate study done by Myrada indicated that most of the times seasonal migrants, deserted women, agricultural labourers, aged and handicapped did not join SAGs for various reasons (see section 4.2.3) and hence were not included in many of the livelihood promotion interventions or entitlement schemes which were facilitated by the SAGs. This group benefited indirectly through other programmes/ services like health, drinking water, etc., but not directly or systematically in a programme that addressed their basic needs. As part of the third 'focus area', it was proposed to reach out to these vulnerable families in the rural and urban areas of Chitradurga district.

Under this program it was decided to form 500 SHGs/ Groups of such vulnerable and poorest people covering at least around 8,000 people during the project period. For wider reach, it was planned to involve other SPIN NGOs for



this task. Myrada built the capacities of these NGOs and played a facilitating role to enable these NGOs to promote Vulnerable Groups. Incentives were also given to the NGOs for promoting these groups. A series of training modules were planned for the Vulnerable Groups that aimed at building their institution and strengthening their management skills. **However it was decided not to impose the SAG model and all the functions normally associated with SAGs like weekly meetings, regular savings, etc.** The term SAG would apply because they were encouraged to meet, to be free to self select the members and to decide on the functions and roles of the group.

The project was implemented over a period of four years, from July 2006 to December 2009. The total budget for the programme was Rs. 25,263,850 (Note: This amount covered all three focus areas and not only the third).

1.3 Study Objectives and Methodology

This study is limited to the third focus area, i.e: **Extending SAG/ Group coverage to poorest and vulnerable families that have not yet been included". The study was conducted with the following objectives:**

To:

- Understand reasons for exclusion of the poorest and the most vulnerable families from the earlier attempts at forming groups.
- Understand how far the current German Agro Action (GAA also known as Welthungerhilfe) project was able to reach out to this section of the society.
- Understand the difficulties in organizing this sector and reaching out to them.
- Study the socio-economic impact of the project activities on their lives.
- Identify the programmes/ activities that will help in further reaching out to this sector.



Methodology

A preliminary tour of the program area was undertaken before the actual study to understand the various components of the project and the process adopted for implementation. At this stage, random meetings were held with the staff of Myrada and of other NGOs, and a few visits were made to the Vulnerable Groups. This helped in developing the study framework and played an important role in developing guiding questions for different project stakeholders. (Refer Annexure 1, 2, 3).

The study was carried out between October to December 2009. At this time 607 groups of vulnerable had emerged; 317 were formed by Myrada and 290 by other NGOs. For the study, 14 Vulnerable Groups (7 from Myrada and 7 from other NGOs) were selected on random basis, covering 4 talukas of the district. Selection of the groups was done taking care to have representation from all categories of vulnerabilities identified by the project. Group

discussion was carried out with the members to get the desired information. Guiding Questions (Annexure 2) formed the basis for this interaction. Besides group discussion, interaction was also carried out with individual members present during the special meeting called for the purpose. This interaction helped in getting in-depth insights into the lives of the members and to capture the impact of the project on them.

Finally the study is a result of interactions with the following stakeholders and analysis of the data/information gathered from them;

- Myrada staff – old timers – to understand the evolution of the SAG concept and the Vulnerable Group concept in Myrada, specifically in Chitradurga district.
- Myrada staff involved in the project – to understand the process involved in initiating a project of this nature.
- Vulnerable group members (one-to-one, as well as group discussions) – to understand various issues related to inclusion/exclusion, their needs, areas where the project has been able to help the group/individuals, areas where the project could not reach the group/individuals and the impact of the project.
- 10 families of vulnerable group members – to understand the impact

of the project on the family.

- 12 non-members (those who still were not part of any group) – to understand why, inspite of all efforts, they were not motivated enough to be part of any Group.
- Vulnerable group promoting agencies (NGOs/ CMRCs) – to understand the efforts made in promoting Vulnerable Groups and the challenges faced.
- Representatives from financial institutions – to capture their experience of linking with Vulnerable Groups; (3 Bank Managers and 3 representatives of Sanghamitra Rural Micro-Finance Services which lends to SAGs were interviewed).



1.4 Study coverage

Following table 1.1 gives a list of 14 Vulnerable Groups visited. 196 members were covered under these 14 groups.

Table 1.1: List of Vulnerable Groups studied

Sr. No.	Group Name	Date of formation	Promoting NGO	Village	Taluka
1	HN Nirgatikara Sangha	Jan'08	Vishwachetana	Mandakkibhatti	Chitradurga
2	Indira Sangha	Mar'07	Ashrayadhama	Huliyur	Chitradurga
3	Yaseen Sangha	Sept'06	Myrada/CMRC	Kurburahalli	Chitradurga
4	Sri M Vishweshwaraiah MSSS Sangha	Dec'06	Myrada/CMRC	Gonur	Chitradurga
5	Vijayalakshmi Sangha	Dec'06	Vandana	Chikamanahalli	Challekere
6	Vinayak Sangha	Dec'02	Myrada/CMRC	Vrundavanahalli	Challekere
7	Adi Shakti Sangha – Rahimnagar	Dec'06	Myrada/CMRC	Challekere town	Challekere
8	Gangotri Sangha	Sept'06	Myrada/CMRC	Nayakanahatti	Challekere
9	Sri Durga Mahila Sangha (Soukhyas group–sex workers collective)	March '06	Myrada/CMRC	Chikjajur	Holalkere
10	Shiri Nirgatikara Sosahaya Sangha	Dec '06	Vishwachetana Vidya Samasthe	Koonabevu	Chitradurga
11	Manjunath Nirgatikara Sangha	Nov'06	Myrada/CMRC	Arehalli	Holalkere
12	Shivshakti Sangha	May '07	Mamta	Obanahally	Challekere
13	Eeshwar Lingeshwar Nirgatikara Sangha	Oct '06	Chetaka	Siddagondanahally	Hosadurga
14	Bhagirathi Nirgatikara Sangha	Jan '07	Chetaka	Muttod	Hosadurga

Note: In case of Myrada, all 7 Vulnerable Groups were directly promoted by respective Community Managed Resource Centres (CMRCs) which are federations of 100-120 CBOs. Myrada acted as a facilitating agency giving guidance to the CMRCs as and when required. In case of non-Myrada groups, 3 of these were promoted by CMRCs - H.N.Nirgatikara Sangha was promoted by Bhagirathi CMRC (Vishwachetana NGO), and Eeshwar Lingeshwar and Bhagirathi SHGs were promoted by Kanchipura CMRC (Chetaka NGO). In the 4 remaining cases, NGOs had promoted the groups directly with the help of their own staff.

2. OVERVIEW OF SAG HISTORY IN MYRADA

2.1 Evolution of SAGs in Myrada

Myrada's current Mission statement that pledges to foster development through appropriate local level institutions, emerged in 1984. From then the thrust of Myrada's interventions shifted from delivering services to motivating and supporting the emergence of people's institutions appropriate to the resource to be managed, whether it be credit, watersheds, etc. From 1985 to 1990 the staff concentrated their efforts in promoting and nurturing Self Help Affinity Groups (SAGs) -previously known as Credit Management Groups (between 1985-1987); later called SHGs till 2000 and now SAGs (to stress the relations of affinity that link the members). Staff personally visited every village, conducted participatory wealth ranking exercises to identify the poorest, motivated them to form groups and left them free to self select the members. In Chitradurga, in the late 80's GAA was supporting programmes such as land development, income generation activities like animal husbandry, poultry, petty business and shops, assistance for construction of houses; support for roofing, toilets, kitchen garden; etc. The staff made serious efforts to ensure that

the benefits of these went to the most needy members only. However since the SAGs played a major role in selection of beneficiaries, their members largely benefited. The component of a loan which was incorporated in many of these programs also helped to concentrate the benefits around SAG members as the SAGs managed savings, loans and recoveries. Public programs like health and drinking water on the other hand were accessible by all, including non group members.

In the early 90's, NABARD, which so far had been supporting and funding the SAG initiatives of Myrada, (the first R&D Grant was given in 1987), decided to upscale its experiences. It convinced the Reserve Bank of India of the credit worthiness of the SHGs and got it to issue a circular (dated July 24, 1991) to Commercial Banks advising them to participate actively in the pilot project linking SHGs with Banks. NABARD, after consultations with a few interested

Banks, Myrada and other voluntary agencies, issued a set of guidelines in 1992, which changed the world for the SHGs. The comprehensive, yet flexible guidelines allowed SHGs to access loans from Banks without much hassle.

This initiative of NABARD changed the priorities in the development sector. Formation of SHGs became a norm - almost everyone (working in this sector) started promoting SHGs. Even the Banks functioning in rural areas got involved in promoting them. This sudden attention on SHGs saw indiscriminate sprouting of these groups all over. But unfortunately, the numbers were being achieved at the cost of quality.¹

As SHGs promoted by other agencies started sprouting all around, Myrada staff felt a self imposed pressure to keep up with others. The focus shifted from 'to whom we are reaching out' to 'to how many we are reaching out'. Staff performance also started being assessed based on the number of groups, amount of savings in the group and in the common fund, on the number of linkages promoted, etc. The 'poorest' and the most vulnerable got left behind in this race; the extra effort needed to reach out to vulnerable people was not made.

1. It was then that Myrada changed the name to SAGs (Self Help Affinity Groups) to stress that it was affinity (relations of mutual trust & support-social capital) which linked the members and to distinguish between groups that had been exposed to adequate institutional capacity building training which empowered the members from those which received little or nothing and which were primarily looked at as credit delivery groups.

In mid 1990's, downsizing of the organization (Myrada) led to further dilution of the efforts to broaden the SAG coverage. With fewer staff handling a larger number of groups, the Federations stepped in to promote and nurture new groups. Given the difficulty and time involved in organizing the 'poorest' and the 'most vulnerable' in groups, the 'poor' and the 'middle poor' and at times, 'the better off' who organized themselves more quickly got priority and hence better access to credit and other support facilities.

2.2 Emergence of Vulnerable Groups in Chitradurga

By the end of 1999-2000, there was a growing concern amongst the staff of Chitradurga project regarding the coverage and reach of the SAG program. They realized that it was becoming increasingly more difficult for the vulnerable to access credit since they did not form SAGs; the extra effort required to approach them was not being made. The bankers also found the groups that were formed to be more credit worthy, as compared to the

groups of vulnerable. During this period the money allocated by NABARD and other similar institutions for training each SAG also declined sharply. Hence it was becoming increasingly difficult for NGOs to provide all the training modules related to "Institutional Capacity Building" which were prescribed in the Training Manuals. The additional expenditure required to approach and form groups of vulnerable persons was not even factored into any program or policy.

This concern for the lack of coverage of the vulnerable often emerged in the Myrada Chitradurga staff meetings. During the meetings staff spent time introspecting and analyzing the reasons for exclusion of the vulnerable from the groups. After considerable debate they came to the conclusion that the SAG operating model, as it had emerged over the years, was too rigid to accommodate the functional requirements of the vulnerable sectors like the sick, old aged, persons with disabilities and those that migrated for work regularly. Norms which required compulsory, fixed and regular savings, weekly meetings, were a deterrent and kept away all those who could not match the group's requirements in this regard. Even the staff had got into the habit of considering only SAG savings/ common fund and regular lending as important



indicators for performance of SAGs. These indicators were the major ones in identifying good SAGs, and the staff was all geared up to promote 'Good SAGs'.

This introspection gave the staff an opportunity to revisit the SAG concept. For this, the staff had to undergo an unlearning process and look at SAGs with a fresh approach. Few decisions were taken during the process:- organizing the vulnerable in groups was given priority; weekly savings and credit were important but not a precondition for forming groups. Based on these new guidelines, the staff took up the challenge of forming Vulnerable Groups in their respective areas. Thus the concept of Vulnerable Groups emerged out of concern and an obligation that the staff felt towards the section of the society that was so far being left out.

This concern of the staff also rubbed off on the existing Federations, as the staff constantly discussed the issue of 'reaching out to the un-reached' in the Federation meetings. The Federations

also took it up as their duty to bring the vulnerable into the groups. In the beginning four Federations viz., HD Pura, Kurganahalli, Ramenahalli and Arehalli, came forward to try out this concept. Village level discussions were held to identify families not covered under SAGs. Analysis of these families led to categorization of the vulnerable. They included: the landless, the handicapped, widows from poor families, aged who have been abandoned by their children, etc. Efforts were made to organise these families into groups. As part of this study, when the researcher met the Arehalli Federation members, they recalled their experience while forming these groups – "The most difficult thing was to bring them together at the meeting venue – the handicapped had to be physically



transported; the aged had to be escorted. But the most touching thing of all was that they did not have any expectations from us. They just wanted somebody to talk to them; somebody to share their happiness and sorrows with".



3. STATISTICAL OVERVIEW OF VULNERABLE GROUPS SUPPORTED UNDER THE PROJECT

3.1 General information

Number of NGOs involved other than Myrada	: 13
Groups promoted/ supported by Myrada	: 317 (including old groups)
Groups formed by other NGOs	: 290
Total Vulnerable Groups promoted/supported under the project	: 607
Total members	: 9510 (Male: 1328; Female: 8182)

Table 3.1: Classification of members in the Vulnerable Groups

Caste wise classification				Categories of vulnerable persons						
SC	ST	Others	Total	SW + MSM + PP	LLL	BL + PH + MR	WP	DP	OP	Total
2547	2331	4632	9510	901	3363	1372	2172	819	883	9510
26.8%	24.5%	48.7%	100%	9.5%	35.4%	14.4%	22.8%	8.6%	9.3%	100%

Note: SC: Schedule Caste; ST: Schedule Tribe; SW: Sex Workers; MSM: Men having sex with men; PP: HIV positive; LLL: Landless labourers; BL: Blind; PH: Physically handicapped; MR: Mentally retarded; WP: Widowed poor; DP: Deserted poor; OP: Old age poor.

3.2 Achievements:

- Promotion of Vulnerable Groups: Myrada had planned to facilitate the formation of 500 new groups covering 8000 vulnerable families across the district. By the end of the project period, 607 SHGs were organized covering a total of 9510 families. The objective of forming groups was to build/enhance social capital that would lay the basis for sharing and mutual support, to enhance their ability to lobby

together for entitlements and in some cases to support their livelihood initiatives.

- Additional financial support to NGOs for promoting Vulnerable Groups: A one-time grant of of Rs 25 per member was fixed by the project to be given to the promoting agency (CMRC /NGO/Federations) for identifying vulnerable persons in the village, forming them into Groups

and providing them handholding support for sustaining the Group.

- Financial support for purchase of books: The project extended a one time grant for purchase of books for all the Vulnerable Groups promoted under the project. A total of Rs. 1,99,950 was spent towards this.
- Book Writers training: Two persons from each group were trained in book keeping. A total of 1230 book writers were trained during the project period at the total cost of Rs.3,55,400
- Institutional Capacity Building (ICB) Training: All the members of 607 groups received basic training on Institutional Capacity Building. The training covered topics like – Why the vulnerable need to be organised, SAG concept and the flexibility of norms for Vulnerable Groups, how to conduct meetings, promote savings, credit management and linkages, etc. A total of Rs.70,350 was spent towards this component.
- Incentive for savings and credit management: In order to provide experience in credit management and to facilitate linkages with financial institutions, a revolving fund of Rs. 4000 was given to each Vulnerable Group. A total of

Rs. 23,26,000 was spent towards this component.

- Livelihood skills promotion: The proposal envisaged to develop skills of 400 persons and to provide sustainable employment to 300 persons during the project period. It was decided that at least 50% of the beneficiaries of the training would be persons from vulnerable families. As of Dec. 09, the project has supported 602 vulnerable persons to develop livelihood activities.

3.3 Trainings

The NGO staff was sensitized on the issue of inclusion/exclusion and the approach of the 'Vulnerable Group' strategy. A ToT programme (training of trainers) was conducted for them. Federation and CMRC members too were sensitized in a similar manner. All Federations and CMRCs were facilitated to incorporate an inclusive approach in their vision and to have an action plan to reach out to the vulnerable poor.

4. STUDY FINDINGS

4.1 Background of people organized in Vulnerable Groups

4.1.1 Social background

The study covered 14 Vulnerable Groups with a total of 196 members. These were predominantly women's group, with rare cases of one or two men being members of few groups. Men were in the group by virtue of their disability – either physical or mental handicap. In such cases wife/ mother attended the meetings along with the member and conducted all transactions on their behalf. Example, Rudrappa of Vishveshwarraiyya Vulnerable Group of Gonur village has partial vision only in one eye. His wife attends all meetings and trainings on his behalf.

In the groups studied, only one group had a child member who was disabled. But during the preliminary visit the researcher met two to three other groups where one to two children were members of these Groups. (Dari Deepa



Sangha, Holalkere and Bhoslingeshwar SAG, Giddapura). Here again, the membership of the children was due to their handicapped status; their mothers attended meetings on their behalf, either along with them or without them.

Out of the 14 groups studied, 6 had members from a single caste or religion while the other 8 were mixed. Of the 6 groups which were homogeneous caste/religion wise, 2 belonged to Sudagada Siddaru (SC) community (Gangotri SHG of Nayakanahatti and Indira SHG of Huliur village) who are traditionally known for moving from one village to another selling wares like cosmetics, artificial jewelry, stationery items, etc. They travel with all their belongings and pitch a tent in a village only when they feel the need to spend a few days there. They do not stay in one place for more than a month. However for the past 12 to 15 years they have found a more permanent habitat on vacant sites on the outskirts of villages; but they still continue to travel to other



villages during the day selling their wares. Usually both husband and wife are involved in this business and both of them travel together. Their houses are temporary makeshift tents made out of cloth and sarees; during heavy rainfall and windy days they are forced to take shelter in nearby schools or other public buildings.

Two of the groups studied were from the muslim community (HN Nirgatikara Sangha, Chitradurga and Yaseen Sangha, Kurburahally). This community seemed to display a higher sense of social responsibility towards the vulnerable. The joint/ extended family system prevalent in this community supports the care of destitutes like the

handicapped, the aged, the deserted and the widows, in a better manner as compared to other communities.

There was one group belonging to Kurubru (Vijaylaxmi Sangha, Chikkamanahalli) community, whose main occupation was yarn making out of sheep wool.

One of the groups was formed under Soukhya Programme (HIV-AIDS programme of GoK) wherein all members belonged to the sex workers community.

The other 8 groups had members from a mixed caste/religious background

4.1.2 Economic background

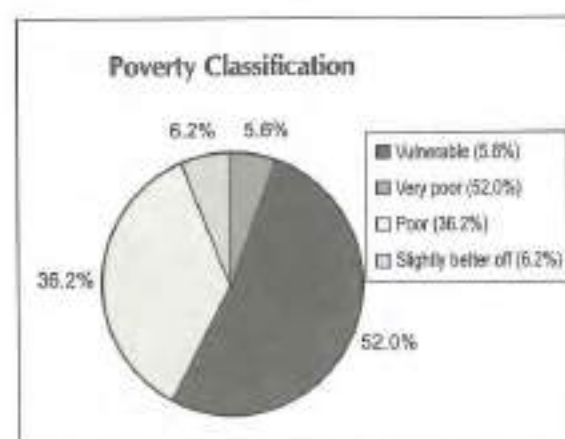
Categorising poverty:

For the purpose of the study, families were categorised by the work they were engaged in, the alternate sources of income, holdings of dryland and livestock, number of dependents in the family, their physical condition (handicapped, aged, etc.), their living condition, etc. Based on these criteria, the families in the groups visited were divided into 4 categories (refer table 4.1):



Table 4.1: Categorising the members of groups studied

Sr. No.	Group Name	Total members	Categories of members (definitions given below)*			
			Vulnerable	Very poor	Poor	Slightly Better-off
1	HN Nirgatikara Sangha	12			11	1
2	Indira SHG	11		6	5	
3	Yaseen (Myrada)	15		7	6	2
4	Sri M Vishweshwaraiah MSSS (Myrada)	12	1	9	2	
5	Vijayalakshmi SHG	15		8	6	1
6	Vinayak SHG (Myrada)	12	3	5	4	
7	Adi Shakti SHG – Rahimnagar (Myrada)	20		13	7	
8	Gangotri SHG (Myrada)	11		11		
9	Sri Durga Mahila SHG (Soukhyia group - Myrada)	12		8	3	1
10	Shiri Nirgatikara Sosahaya Sangha	10		3	6	1
11	Manjunath Nirgatikara Sangha (Myrada)	14		6	2	6
12	Shivshakti SHG	20	7	12	1	
13	Eeshwar Lingeshwar Nirgatikara Sangha	18		5	13	
14	Bhagirathi Nirgatikara Sangha	14		9	5	
	Total	196	11	102	71	12
	Percentage of total	100%	5.6%	52%	36.2%	6.2%



***1. Vulnerable – people who are not capable of earning a living as they are handicapped or very aged.**

Their families are not supporting them or are unable to support them (as they are also very poor). They depend on charity or beg for their living. Those receiving pension and do not have any other means of livelihood are included.



Other indicators:

- No land; no livestock
- Incapable of saving
- Incapable of taking credit and repaying
- No pucca house – stay in sheds/ temporary shelters
- Many handicapped persons in the family
- More than 2/3 of family members are dependents (non earning members)
- Socially marginalized (even from the family) – they need social space to share their joys and sorrows

5.6% of the members in the study belonged to the 'vulnerable' category. 35% of members of Shivshakti SAG – Obanahally fall in this category; 25% of Vinayak SAG – Vrundavanahally, fall in this category.

A case describing 'vulnerable' category:

Kamamma's family in Obanahally has 4 members – Kamamma is handicapped, her grandmother is very aged (with back bent), her aunt is mentally retarded.

Kamamma's mother who works as an agricultural labourer earns Rs. 40 to 50 per day; she is the sole earning member in this family. Kamamma's pension of Rs. 400 per month is the only other support to the family.

2. Very Poor – people physically capable of earning but having meager means of livelihood

They have a single source of income, which is also not assured; they are mostly daily wage earners.

Other indicators:

- No land; no livestock
- Stay in temporary shelters/ sheds or bad quality kadpa or janatha house
- 1/3rd to 2/3rd of the family members are dependents

52% of the members surveyed belonged to 'very poor' category. Majority of the families of Sri M Vishweshwaraiah SAG – Gonur, Adi Shakti SAG – Challekere, Sri Durga SAG – Chikjajur, Vijaylaxmi SAG – Chikkamanahally, and Shivshakti SHG – Obanahally belong to this category. 100% of the members of Gangotri SAG belong to this category.

3. Poor – people with assured, but limited means of livelihood (basic family needs however are not covered by income)

Family has multiple sources of income, but basic family needs stretch beyond income. Example – families with

different members engaged in different works as agricultural labourers, anganwadi workers, in garment industry, tailoring units, factories, as house maids, etc. Some also own 1 – 2 acres of dry land.

Other indicators:

- Own little dryland (grow only crops for consumption purpose – only during good monsoon years)
- Livestock (few – 3 to 5 sheep/ goat)
- Better housing conditions (better Kadappa/Janatha houses)
- Less than 1/3rd of the family members are dependent

36% of the families surveyed belonged to 'poor' category. HN Nirgatikara Sangha – Chitradurga; Shiri Nirgatikara Sosahaya Sangha – Koonabevu; Eeshwar Lingeshwar Nirgatikara Sangha – Siddagondanahally, have majority of the members in this category.

4. Slightly Better-off – These members belong to financially better off families, but are in the Vulnerable Group by the virtue of being widows or handicapped.

Other indicators:

- Own 2 to 4 acres of dryland (grow commercial crops besides consumption crops)
- Livestock (besides sheep and goat, also own milch/ draught cattle)
- Engaged in some enterprisel job

- Better housing condition
- Members in other SAGs

6.2% of the members interviewed belong to this category. There are hardly one or two persons in a few groups belonging to this category. The exception is Manjunath Nirgatikara Sangha of Arehally formed by Myrada, wherein 43% of the members belong to this category. Myrada has been working in this village for over one decade and this has improved their financial status – but they all emphasize that 10 years back they were all very poor and vulnerable.

This category does not need any specific assistance from such projects (projects targeting vulnerable groups), but the members get social space, financial independence as well as the confidence to take decisions in the family by continuing to be in SAGs.

Occupation wise classification:

(Refer Table 4.2)

Out of the 196 families surveyed, 51% had only one source of income. Twelve



Table 4.2: Occupation wise classification of families surveyed

Sr. No.	Occupation type	Primary occupation		Secondary occupation	
		No. of families	%	No. of families	%
1	Own dry/marginal land	3	2	9	5
2	Agriculture labour	72	37	11	6
3	Construction labour	4	2	2	1
4	Cooli (Hamali)	8	4	4	2
5	Cow herd (herding others cattle)	0	0	3	2
6	Skilled work related to construction – mason/ carpenter/contractor/electrician/ bar bender	12	6	6	3
7	Drawing regular salary like – working in factory/office/anganwadi helper, etc.	7	4	5	3
8	Begging/ living on charity	6	3	5	3
9	Maid servant	7	4	2	1
10	Selling articles – going from place to place and selling – plastic items, pins, hair bands, etc.	15	8	3	2
11	Vending vegetables/ flowers/fruits/spices/ milk/ coconut/ small items like chocolates, biscuits, berries, etc. Beedi rolling, leaf plate making	10	5	12	6
12	Petty shop- ration/carpentry/cloth business/ photo frame/ garage/hotel – own business	9	5	9	5
13	Tailoring/ embroidery/ woolen items/ wool weaving	15	8	8	4
14	Garment industry	4	2	0	0
15	Dependent on Pension	10	5	12	6
16	Driver – lorry/ auto/ tractor	12	6	2	1
17	Sheep/goat/ chicken/ pig rearing	2	1	3	2
18	No work	0	0	100	51
Total		196	100	196	100

of them owned dryland 10 of whom had between 1 to 2 acres and 2, between 2 to 4 acres of dry land. Farmers with 2 to 4 acres, grew commercial crops, besides their regular consumption crops. In the years when rainfall is regular and adequate, this land provides them with food for consumption for the year. In

drought years, their fate is comparable to landless families.

Agriculture labour is the most common occupation among the members of the vulnerable group. Around 37% of the members depend on labour as their primary occupation and 6% as their

secondary occupation. During the past three years, tailoring and garments manufacturing has become popular and is the second major source of income among the vulnerable families. 8% of the members surveyed, do this as primary occupation and 4% do it as secondary occupation.

Two groups (8% of the families surveyed) belonging to *Sudagad Siddaru* community make their living by selling wares like stationery items, toys, fancy items, etc. traveling during the day in different villages.

For 5% of the families, pension is the main source of income and for another 6%, pension is important but it forms a secondary source.

Livestock: only 11 of the 196 families owned cattle. For 5 of these families, this was the major source of income, for the rest it supplemented the family income. 1 family was engaged in poultry and another in pig rearing, a secondary source of income for which a loan was taken from the SAG.

4.1.3 Vulnerabilities of Members:

Apart from poverty, the members in Vulnerable Groups faced different kinds of challenges that make it difficult to access the basic/minimum needs of life. Because of these additional challenges, they need more income and social support to lead a normal life as compared to others. The persons who are members in Vulnerable Groups are: physically and mentally challenged (handicapped), blind, widows, deserted women, old aged women, landless laborers and sex workers. (Table 4.3)

Table 4.3: Vulnerability wise classification of members studied

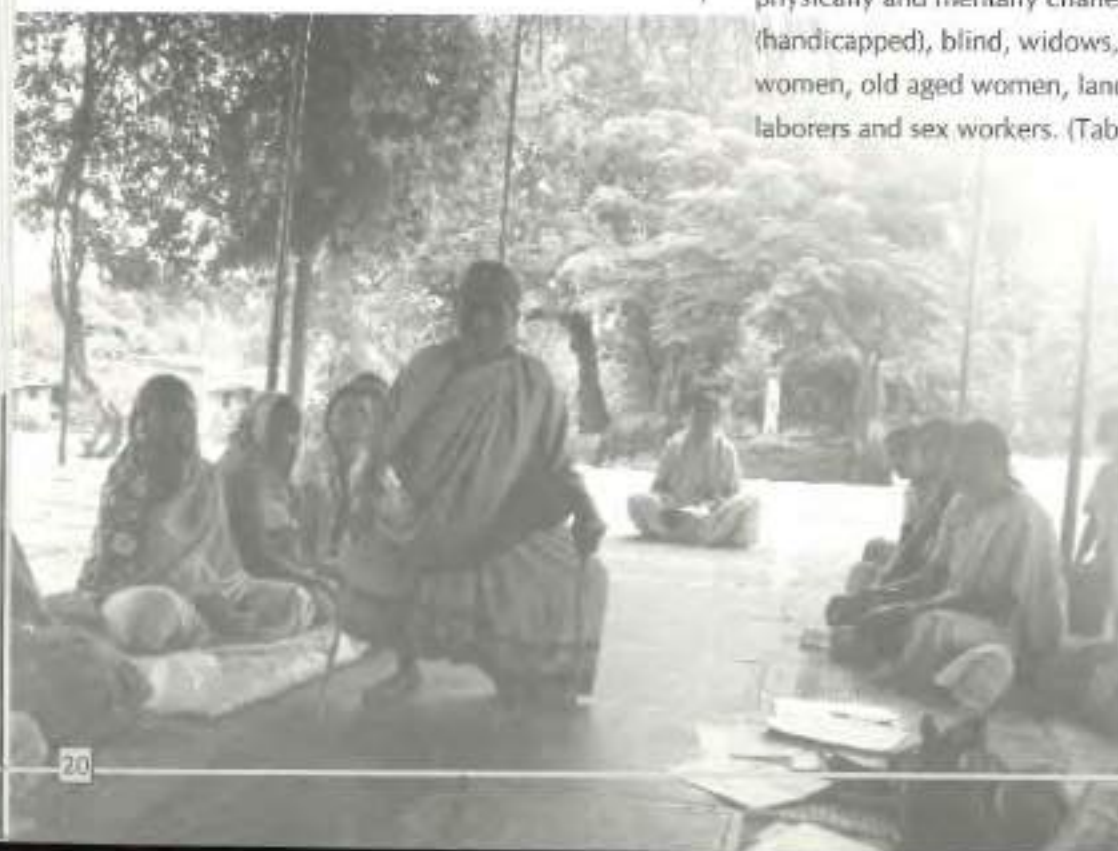
Sex Workers (one group)	12
Landless labourers	64
Marginal farmers	8
Blind	1
Physically handicapped	18
Mentally retarded	4
Widowed poor	60
Deserted poor	14
Old age poor	15
Total	196

Among the members surveyed, 33% were landless poor, 30% were widows and 12% were handicapped /challenged (physically and mentally). Though most of the groups were heterogeneous (having members belonging to different vulnerable categories), there were some groups like the SAG of Chikkamanahalli, where members were mostly aged widows (out of 15 members, 11 were aged widows).

The groups formed under Soukhyia HIV-AIDS programme supported under this project belonged entirely to sex workers and MSMs. Sri Durga SAG of Chikjajur was one of such groups visited (all female sex workers). The members in this group also hailed from an economically poor background, where 67% of the members belonged to 'very poor' category (refer Table:4.1)

4.2 Issues related to inclusion

This study tries to analyse why people are left out of the traditional Self Help Affinity Groups (or prefer not to join certain groups), why some members after joining the group drift away from it, and with what intentions/ expectations people join the Vulnerable Groups. The researcher tried collecting data regarding the number of vulnerable families still outside the SAGs (both Vulnerable Groups and regular SAGs) in the study villages covered by the study, but found that such data is hard to collect, especially in big villages and requires more time. Also, in a few villages where this data was made available, reliability was a question. For example: in Chikkamanahalli, the NGO concerned provided data indicating 100% coverage/inclusion of vulnerable persons, but when the researcher toured the village, many poor families were identified who were still not part of any SAG/ vulnerable group. Hence the researcher restricted the study to understanding the reason for people staying out of the groups, rather than focusing on the data indicating coverage or inclusion.



4.2.1 Reason for Joining the Vulnerable Groups

Different people had different reasons for being part of the Vulnerable Groups. Some of them are elaborated here:

1. Eeshwar Lingeshwar group of Siddagondanahally: As many men from this village go to a nearby cement factory to work as daily wage laborers, their main source of credit until formation of the vulnerable group was the factory owner (or the pay masters in the factory). This loan was not easy to get and came with many conditions like working for longer hours, higher interest rates, etc. Lack of transparency in record keeping of loan accounts, pushed the poor illiterate laborers into a debt trap. SAGs were first introduced to this village in early 2000's. But the poor families (who are now members of Vulnerable Groups) stayed away from these groups as they could not match the savings and credit potential of the other SAG members. Thus the Vulnerable



Group, with friendly conditions for savings and credit developed by the members themselves, was seen as a 'God-sent' opportunity. Majority of the members of this group fall in the 'poor' category.

2. Shivshakti SHG of Obanahally, where majority of the members are handicapped or widows, the members joined with a hope of leveraging some Government schemes/ programmes meant for disabled people like them, through the group. According to Hanumakka, a member of this group, *"There are no groups exclusively for widows and handicapped. We cannot join other groups in the village as there is a huge gap between our capacity and their capacity to save and take loans. Hence we preferred joining this group where all of us were on equal footing, on both social and financial terms"*.
3. When SAGs were being formed in Koonabevu village in early 2000, the current members of Shiri Nirgatikara Sangha, who belong to the socially

backward community and who are also financially poor, remained outside either because of their own apprehensions about the SAG activities (some were scared that their money will be misused), or in some cases, because they thought that they might not be able to 'get-along' due to wide social and economic gap between the two groups. Thus when the concept of Vulnerable Groups was explained to the members (that the group was only for socially backward and economically poor, handicapped, widows, etc., and that they can have their own norms for governance), they saw it as a **good opportunity for their economic development** and formed a Group.

4. Members of Sri Durga Mahila Sangha, a sex workers group promoted by Soukhya (HIV-AIDS prevention program) joined the group **to access health services**.
5. For Hazrat Nawaz Nirgatikara Sangha of Chitradurga, the reasons for joining the group was for their personal development in addition to economic betterment. According to Mahimabanu, a member of this group, *"We had seen the increased confidence and awareness level among women members of other SAGs. We also wished to become*

like them. Hence we formed this group".

6. For women of Sudagad Siddaru community (nomads) the Vulnerable Group gave them a good opportunity to save for the future of their children. Similarly for members of Gangotri SAG of Nayakanahatti, who belong to the same community and live in make shift tents on the outskirts of the town, **Vulnerable Groups gave them not only an opportunity to save, but also a safe place to save** that could be easily accessed.
7. Some of the members of Dari-Deepa SAG of Hollalkere (who joined the group on behalf of their children who are handicapped), hope that by being in this group, their children might get some kind of **benefit in the future like subsidy for education**, etc.
8. Members of Vinayaka SAG of Vrundavanahalli and Adi Shakti SAG of Challekere (formed by Challekere CMRC) got together as they were **inspired by other SAGs to progress in life**.



To sum up:

Reasons for people joining the Vulnerable Groups:

- There were no groups promoted exclusively for the very poor, the handicapped and the aged. Besides, the wide social and economic gap prevailing between this category of the community and the members of conventional SAGs, made it difficult for the two to come together as members of the same Group. Thus, when Vulnerable Groups were promoted, the left out section of the community found it to be an appropriate platform for people like themselves to come together.
- Promoters of Vulnerable Groups had told the members, that the Group can be governed on their own terms and conditions. This prompted the members from the vulnerable category of the community to enroll in Vulnerable Groups.
- These Vulnerable Group members, so far had been silent observers of other's development. They had seen women in SAGs progress, both in terms of confidence building as well as economic status. When the concept of Vulnerable Groups was introduced to them, they saw it as a platform for their own development, similar to that of other SAG members.
- The handicapped, widows and the aged saw the Vulnerable Group as a good platform for leveraging benefits from Government schemes.
- For these people, the Group was also a place where they could share their happiness and problems.
- Easy availability of loan, without 'harassment', on their own terms and conditions, was another reason for people to join the groups.
- Most of them believed that it was very difficult to save at home and Vulnerable Group provided a good opportunity (and also a safe place) to save.
- For the Soukhya Group members (sex workers group), becoming members in a Vulnerable Group was important for two reasons – first it served as a forum to share their problems with women in their own trade and to solve many of them; and second it helped them financially to set up a livelihood strategy.



4.2.2 Why some members drop out:

During interactions with several Vulnerable Groups, the following issues emerged as reasons for members dropping out from the groups:

1. Sri Durga Mahila Sangha was promoted under the Soukhya Programme (HIV/ AIDS prevention program). As a result the group had to undergo 6 basic modules on health and on the causes and prevention of HIV in the first few months of formation. As some members could not afford to spare time for the training, they dropped out. According to Kenchamma, a member of this Sangha, a lower rate of savings and credit activity in the beginning was another reason for dropping out – "As our savings are low in the beginning, credit activity is also not much. Hence the members did not see much benefit by saving in the group and got demotivated and left".
2. In Vishveshwaraiah SAG, 3 members who left in the initial months due to lack of interest, are eager to join back after seeing their ex-colleagues in the group benefiting from easy and quick credit.
3. In Indira SAG, 3 members left as they said it was affecting their work which required them to travel constantly and hence their earnings. The members in this SAG belong to Sudagadassidaru community, where all the families are involved in selling plastic wares, cosmetic items, cheap artificial jewelry, toys, etc. They go from village to village selling these articles.

A Case where the entire Group dissolved:

HN Nirgatikara Sangha was originally formed in September 2006 comprising 20 members, all belonging to the two vulnerable categories – aged poor and handicapped poor. The Bhagirathi CMRC that had promoted this group tried for a year to organize the group. The CMRC representative had to struggle to get all the members together for weekly meetings and at times even physically transported the members to the venue. As none of the members could follow up with bank transactions and manage book keeping, all these responsibilities fell on the shoulders of the CMRC members. Finally the CMRC decided to disband the group and reconstituted it with 12 new members who were physically and economically better off than the earlier members.

4. In Vijaylaxmi group two members left as they were too old and had **difficulties in commuting**.
5. In Vinayaka group of Vrundavanahalli, two members left as they had slight **disability in walking and they found it difficult to commute** as their house was located at a distance from the village. The venue of the meeting could not be shifted to suit these members, as it would have inconvenienced the remaining 13 members, some of whom were also disabled.

To sum up:

Reasons for people dropping out of Vulnerable Groups:

- Attending trainings is not possible for some members as they have to sacrifice a day's labour; (this emerged only in Sri Durga Sangha). The sex workers group promoted by Soukhya, found it difficult to remain in the group since in the initial months the members had to undergo trainings related to health and HIV/ AIDS for which they could not spare the time.
- In the initial months, savings is low, and hence credit activity is minimal. This leads to loss of interest and withdrawal by a few.
- Very old and handicapped find it difficult to commute if the meeting venue is far from their home; hence they drop out. Usually the group fixes a place convenient to all, but as in the case of Vinayaka SHG, it might be difficult to find a place suitable to all 100% members. Thus those inconvenienced, leave the group.
- Migration is another reason for members dropping out.

6. In Gangotri group of Nayakanahatti village, three members left as they **migrated** to another village and another two left as they found it difficult to repay the loan taken.
7. In Eeshwar Lingeshwar group, 2 members left as they **migrated** to another village.

It was observed that if a member dies or gets married and leaves the group, they are usually replaced by some one from the family to ensure that the membership continued.

4.2.3 Why some never join

The study tried to find out, why, despite the many successful efforts at empowering the poor by various organizations/ agencies, some people prefer to remain outside the SAGs/ Vulnerable Groups. For this, the researcher interacted with the NGOs and the vulnerable group members and also met few families who were outside the gambit of the development initiatives promoted by SAGs. Following were the reasons identified:

1. In Vrundavanahalli village of Challekere taluka, 9 families who **regularly migrate** (more than 6 months in a year) are not part of any SAGs in the village. These people leave behind very aged parents and sometimes children also, while migrating. They come back only during the agricultural season to tend to their land (if they have) or to work as agricultural laborers.
2. In Rahim Nagar which is a slum in Challekere, new families keep coming and settling down. These families are not part of any SAGs.
3. In Chikamanahalli, few families (all daily wage laborers) who stay on the other side of the highway that passes through the village are not included in any of the groups. As they are cut off from the main village, no one approached them while forming groups in the village.



4. According to Jayamma Marappa of Chikamanahalli (ex-Panchayat member), "Until few years back, people hesitated to include widows in their groups as they were considered inauspicious. Also, sometimes as widows were dependent on other family members, they hesitated to join the group as they felt that by asking them for the weekly savings they will further burden their caretakers. Similar was the case with the aged".
5. According to Manjamma, a poor aged lady from Koonabevu, "I do not understand why and for whom I should save at the fag end of my life – and for this too I have to ask my son every week".
6. Some people adopted a '**wait and watch**' attitude. Many persons who were earlier hesitant to join the Vulnerable Groups are now ready to be a part of it.
7. There are a very few cases of women not joining the groups as their husbands refuse to let their wives do so.

To sum up:

Reasons for some poor people not joining SAGs:

- People who migrate on regular basis
- In an semi-urban area, where there is constant influx of families, the new comers tend to get left out of groups.
- People who stay at some distance from the main village tend to get left out
- Aged and widows who are dependent on other family members see it as an additional burden on their care-takers; hence they are hesitant to join.
- Very aged do not see any advantages in joining. They do not feel the need to save or to take credit.
- Some people prefer to adopt a 'wait and watch' attitude.
- Resistance from husband and other family members

4.3 Governance in Vulnerable Groups

When the Vulnerable Groups started in early 2000 in Myrada Chitradurga project, they started as social groups where people (the handicapped and the aged) got together to meet their social needs, such as sharing their joys and sorrows. Such meetings were facilitated by the local SAGs/ federations. These SAGs/ Federations made a major effort as many of the Vulnerable Group Members had to be helped physically to reach the meeting venue. There were no norms for meeting. Most of the people who attended also did not have any major expectations. They just needed a social space to meet and talk – to feel that they are part of the society. This was the beginning of the Vulnerable Groups.

As meetings of these groups became more regular, Federations also started sharing their experiences in the

meetings – about how savings and credit had helped many of the members to improve their living. This motivated the members of Vulnerable Groups and they too decided to start regular savings. One of the Arehally Vulnerable groups was the first to start savings in 2002. The members started with savings of 25 to 50 paise per week. The handicapped and the aged in the group did not want to be left behind and started saving whatever they could. Within a year they also started internal lending. This set a trend for all the Vulnerable groups to



adopt Saving and Credit as one of the important programmes of their group. Myrada supported the Vulnerable Groups with working capital in order to help members improve their livelihoods through loans taken from their group.

When Vulnerable Groups were promoted as part of the GAA project in 2006, the same practice was carried forward. The staff also oriented the new groups on the importance of regular savings, and made savings an important feature (though not compulsory) of the Vulnerable Group; the amount of weekly saving however was left to the group members to decide. Moreover, when the new groups were taken for an exposure to older Vulnerable Groups, they saw how many of the members had benefited out of small loans given within the group. This motivated them to adopt savings in their groups. As saving became compulsory (self-imposed by members), weekly meetings also became a compulsory feature.

The Groups were given a free hand in evolving their own norms related to governance – conducting meeting, selection of representatives, saving and internal lending norms, etc. Some of the norms that emerged which are related to Governance in various Vulnerable Groups are elaborated here:

Meetings: In all the groups, weekly meetings are a norm. The day and venue

have been fixed in all the groups and the members adhere to the same. Savings and credit activity form the focus of all vulnerable group meetings. Apart from this, there is discussion on other issues like alternate income generation activities, availing pension and other government schemes, personal problems and issues, etc., but this does not happen on a regular basis. There are few SAGs who limit their meetings to savings and credit activity.

Members of Sri Durga SAG (sex workers group) promoted under Soukhyia program often discuss health issues, the need for regular check-ups and treatment in their weekly meetings. They even take the initiative to get other women to go for check-up and treatment. Follow-up is also done on meeting days.

For groups promoted by CMRCs, weekly meetings are opportunities of interaction between CMRC representatives and the SAG members. Activities of CMRCs are discussed in meetings.

Weekly meetings of all Vulnerable Groups of Myrada are attended by respective Federation volunteers (except in case of Manjunath SAG of Arehally). In case of groups promoted by other NGOs, like Vijaylaxmi SAG, HN Nirgatikara Sangha, Siri SAG, and Shivashakti SAG, the follow-up by staff of the CMRC is low. This has affected the groups' book-keeping systems and

also in some cases the frequency of meetings. Example: in the case of Shivashakti SAG of Obanahally where the staff attend meetings once in two to three months, attendance of members is very irregular. Similar is the case with Shiri SAG of Koonabevu.

Rules and Regulations : Many of the groups have made rules and regulations to conduct regular meetings. Sanctions are imposed for coming late, for chewing tobacco/ beetle nut during meetings, for non-attendance without notice, etc. Example: In Bhagirathi group, Rs. 5 is charged as fine for late attendance and Rs. 10 for non-attendance without prior information. Fine is levied even if a member is unable to put in his/her savings for a given week. Even though the rules are not recorded anywhere, all the members are aware about these rules and sanctions. According to Bhagyamma of Eeshwar Lingeshwar SAG, "Members are so conscious about the sanctions that no

one violates the rules. In case they are unable to attend the meeting for the week, they send their weekly savings through someone". In all the groups that have such rules, members claim that hardly any fine has been collected so far, as everyone is very conscious and tries to avoid paying fines as far as possible. It is also to be noted that such norms are more prevalent in the case of Groups having a majority of members coming under the 'poor' category; in these groups the majority of the members are capable of earning and saving.

On the other hand there are also groups like Shivshakti SAG (that has a majority of the members belonging to 'very poor' and 'vulnerable' category), that do not have any rules. According to Laxmidevi of Shivshakti SAG, "Our members are very poor. Saving regularly itself is a big challenge. If we make strict rules and start levying fines we are afraid that members will drift away from the group".

Adi Shakti group (where majority members belong to very poor category) has framed around 24 rules. Some of them are:

- All members must be poor and must be from the same slum.
- Only one member per family is given membership
- Age for membership – 18 to 45 years
- Fines will be levied for late coming and absence from meeting without prior notice.
- If a member wishes to leave the group, savings will be returned after deducting overdues if any.
- Loan will be given after taking guarantee from two persons (either family members or group members)
- Cheque will be issued for a loan of Rs.5000 and above.

Decision making and conflict

resolution: According to members of all the groups, decision making and conflict resolution happens through discussion and consensus.

Rotation of Leadership: Not much rotation of representatives has taken place in the groups. Members physically capable of carrying out bank related duties and other responsibilities are the obvious choice for the post of representatives. Such members are few in the groups. Hence such representatives stay on for a long time in the same position.

4.4 Finance Management in Groups

4.4.1 Savings:

Savings have become an important feature in all the groups. Members have realized that they would be able to take small loans from the group only if they do regular savings. Hence all members take 'savings' very seriously. Even if a member misses a meeting, she/he does not miss weekly saving – is sent it

through another member. Though, none of the groups have actually declared any sanctions against persons who do not save regularly, still, 'compulsory saving' has become an unwritten rule in all the Groups. This rule has found exception in few cases like in Vinayaka SAG of Vrundavanahally. Here the group has allowed G. Timakka, who is handicapped and who lives on charity from other villagers, to attend meetings even if she cannot do any savings.

It has been seen that all members, irrespective of their vulnerability are saving in the group (except in one or two cases where they have been excused due to their total inability to save). In some cases regular saving has become internalized (a habit), and in some others it has become a self-imposed regulation. Persons unable to work and earn, like the very aged and handicapped (who are dependent on other family members), save either out of their pension or by asking their caretakers for money. Benefit for them and their family is in the form of easy credit available at any time and for any purpose in the group; otherwise they would have to depend on money lenders who charge exorbitant interest rates.

Equality in savings: In 5 out of the 14 groups visited, weekly savings is fixed and is the same for all. This is more for



convenience than for any other reason. According to Laxmi Devi of Sri Durga Sangha, "Keeping accounts is easier if all save the same. At any given time, everybody's saving is equal. It is easier to keep track". In the remaining 9 groups (most of which have majority of the members belonging to very poor and vulnerable category), the amount of weekly saving varies. Minimum amount has been fixed and members can save anything over and above that depending on their ability and convenience. In case of Gangotri SAG, since all members stay in temporary shelters and lack any kind of safe place to keep money, they bring whatever they have in hand on meeting days and deposit it in the group.

Minimum and maximum savings: All groups started saving from small amounts like Rs.5 to Rs.10 per person/ week. Some SAGs like Vishweshwarraiyya and Vinayaka with a majority of members under 'vulnerable' and 'very poor' category, have even started with Rs.2 and Re.1 and even 50 P. Today all groups except Vinayaka SAG of Vrundavanahally, save minimum of Rs. 10 (per person per week). This goes up to Rs. 30 to 50 in some cases especially during agricultural season. In Shiri Group, the weekly savings has been fixed at Rs. 10 in non-agricultural season and Rs. 20 in agricultural season. In Vinayaka group, where 8 out of 12

members come under very poor and vulnerable categories, the minimum saving has been kept at Rs.5.

Amongst the groups studied, average savings is Rs. 18 per member per week. As of Dec. 09 almost all the groups are 3 yrs old (except Vinayak SAG of Myrada that was part of older Vulnerable Groups – formed in Dec. 2002). Average savings per member in 3 yrs is Rs. 1585; the maximum being Rs. 2734 in Gangotri SAG, and minimum being Rs. 773 in Shivshakti SAG that has 19 out of 20 members belonging to vulnerable and very poor categories.

As mentioned earlier, members of Gangotri and Indira SAG belong to *Sudagad Siddaru* community. Their living condition is very poor, as they live in make shift tents made out of sarees and cloth. They earn their living by moving from one village to another (during the day) and selling wares like stationery items, fancy items like clips and hair pins, artificial jewelry, etc. Yet it is surprising to note that, if 3 years total saving is taken, these two groups have the highest average saving per member – Rs. 2440 in case of Indira SAG and Rs. 2734 in case of Gangotri SAG. The fact that these people have a regular source of income but do not have any other place to keep their savings is the main contributing factor towards this. Refer table 4.4 for 'Overview of Saving'.

Table 4.4: Overview of savings

Note: Figure in bracket next to the groups name indicates number of members in the group. Figures in bracket below the SHG name indicate number of members in each of the categories – vulnerable, very poor, poor and slightly better off.

To recall the definitions: Vulnerable – handicapped and aged who are unable to work and who do not have family support; Very poor – have single source of income, often not assured; Poor – family has multiple sources of income but basic needs extend beyond family income; slightly better-off – basic needs easily met out of family earning.

Sr. No.	Group Name	Savings in the beginning (per week)	Savings at present (per week)		Average saving/ week/person	Group saving so far	Total average savings per person
			Min	Max			
		All figures are in Rs.					
1	HN Nirgatikara Sangha (12) (Poor – 11; Better off – 1)	5	10	30	20	18265	1522
2	Indira SAG (11) (V.Poor – 6; Poor – 5)	10	30	30	30	26840	2440
3	Yaseen (15) (V.Poor – 7; Poor – 6, Better off – 2)	10	10	25	17.5	28473	1898
4	Sri M. Vishweshwaraiyah MSSS (12) (Vul – 1; V.Poor – 9; Poor – 2)	2	10	10	10	18331	1528
5	Vijayalakshmi SAG (15) (V.Poor – 8; Poor – 6, Better off – 1)	5	10	15	12.5	16842	1123
6	Vinayak SAG (12) (Vul – 3; V.Poor – 5; Poor – 4)	1	5	10	7.5	16488	1374
7	Adi Shakti SAG (20) (V.Poor – 13; Poor – 7)	5	10	10	10	15795	790
8	Gangotri SAG (11) (V.Poor – 11)	10	10	50	30	30,076	2734
9	Sri Durga Mahila SAG (Soukhya group) (12) (V.Poor – 8; Poor – 3, Better off – 1)	5	20	50	35	18750	1563
10	Shiri Nirgatikara Sosahaya Sangha (10) (V.Poor – 3; Poor – 6, Better off – 1)	5	10	20	15	17140	1714
11	Manjunath Nirgatikara Sangh (14) (V.Poor – 6; Poor – 2, Better off – 6)	10	10	50	30	19720	1409
12	Shivshakti SAG (20) (Vul – 7; V.Poor – 12; Poor – 1)	5	10	20	15	15456	773
13	Eeshwar Lingeshwar Nirgatikara Sangha (18) (V.Poor – 5; Poor – 13)	10	10	10	10	31830	1768
14	Bhagirathi Nirgatikara Sangha (14) (V.Poor – 9; Poor – 5)	5	10	10	10	21700	1550

Why the 'Vulnerable' and 'Poorest' continue to save in the Group?

It is seen that all members irrespective of their vulnerability continue to save in the Vulnerable Group. The only difference being that the Groups having more 'Vulnerable' and 'Very Poor' members save less - as compared to Groups where the majority belong to 'Poor' category. Due to the wide gap in the socio-economic status between the members of Vulnerable Groups and the traditional SAGs, many doubts arise regarding the saving capabilities of these (Vulnerable) Groups. This study tries to address some of these doubts:

o Can the members of Vulnerable Groups save?

It has been observed during the course of this study that except two persons (among

196 members studied) all other members are saving. Three categories of poor are mentioned in this study - the 'vulnerable' (who cannot work and earn - and who do not have any support from family), the 'very poor' (having a single source of income which is not assured) and the 'poor' (multiple sources of income, but basic family needs stretch beyond income). Out of these three categories, the 'very poor' and the 'poor' have some source of income to save from. But the issue is about saving by the 'Vulnerable' category. To understand how this category is saving, the researcher interacted with each of the 11 Vulnerable members, who were part of the Groups covered in the study. A case by case account of what these members feel about saving is given in the Table 4.5 below:

Table 4.5: 'Why the Vulnerable members want to save'

Name of member	Group name	Background of member	Source of saving	What the member feels about saving
Boramma	M. Vishweshwar-raiyya	Widow staying with grandson. Both beg for their livelihood	Boramma gets Rs. 400 per month as pension. Both she and her grandson, get a minimum of Rs. 250 per week by means of begging. Out of this she saves Rs. 10 per week in her Group.	"I have been begging for past seven years, but until I joined the Group, I did not have a single paisa saved up for any emergencies. After joining the Group I have saved around Rs. 1500. Till I joined the group, I never realized that I too can save. I have kept this money aside for emergencies".
Gangamma	Vinayaka SHG	Handicapped. Stays alone. Only regular source of income is her pension. She has also done sheep	Her pension of Rs. 400.	"So far I have taken a total loan of Rs. 6860 from the group for various purpose like health, for purchase of sheep, purchase of site, etc. This would not have been possible

		rearing business by taking loan from Sangha. Total loan taken by the member so far = Rs. 6860. Repaid = Rs. 6710.		if I had not saved in the Group".
Vasantamma	Vinayaka SHG	Mentally retarded. Husband has left her. Daughter is also mentally retarded. Stays with mother who is agriculture labour. Brother works in Bangalore as a daily wage earner.	Mother saves from her daily wages. Brother also sends money monthly.	Mother - "Because of my daughter, I have been able to take loan from the Sangha for health and other purposes"
Timmakka	Vinayaka SHG	Handicapped. Does not get pension. Villagers take care of her.	Does not save.	
Mariyamma	Shivshakti SHG	Separated from husband. Stays with brother. Works in brother's house. 2 daughters - one handicapped and other normal. Both daughters married to brother.	Saves Rs. 10 every week out of daughter's handicap pension. Saved Rs. 960 as on Nov.09.	"As I am saving in the Sangha, I can take loan without hesitation. I helped my brother once with loan for purchasing agriculture inputs. Because of this my brother's family respects me."
Gangamma	Shivshakti SHG	Mariyamma's handicapped daughter.	Saves Rs. 10 every week out of the handicap pension amount. Saved Rs. 960 as of Nov.09. (Her mother saves this on her behalf)	Mariyamma - "We have taken dual membership with a hope that membership in the Sangha might be helpful in accessing any Govt. schemes for handicapped in the future".
R. Kamamma	Shivshakti SHG	Handicapped. Stays with mother (widow), grand aunt (mentally retarded) and grandmother (more than 85 years old). Gets handicapped pension. Also does little tailoring. Grandmother gets	Saves out of pension. Saving as of Nov. 09 = Rs. 1080. Has not taken any loan.	The family has not taken any loan so far, but has taken multiple membership hoping that membership in the Sangha might help in availing some Govt. schemes in future.

		old age pension. Mother is an agricultural labourer.		
Puttamma	Shivshakti SHG	R. Kamalamma's mother – no pension	Saves from agriculture labour	
K. Laxmidevi	Shivshakti SHG	R. Kamalamma's grand aunt – no pension	Does not save.	
Rangamma	Shivshakti SHG	Widow. Agriculture labour. Not getting pension from past one year as son turned 18 and became major. ¹ Son does not work.	Saves from agriculture labour. Saved Rs. 414 as of Nov.09.	"Have taken small loans for consumption purpose. This was possible only as I am a member of the Sangha and save here. Otherwise I had to depend on money lenders who charge very high interest rates".
Ekantamma	Shivshakti SHG	Widow – works as dairy helper – gets Rs. 400 per month – does not get pension. Stays with Mother-in-law who is aged (no pension). Daughter is mentally retarded (no pension). Son – studies in college as well as works as agriculture labour.	Saves from her monthly earning. Saved Rs. 594 as of Nov.09	"Membership in Sangha has helped me to take petty loans. If I do not save in Sangha who will give me loan when I need it?"

o Is this 'saving' forced on them?

At no time during the course of this study, did the members give an impression that the 'savings' was forced on them. All of them are saving voluntarily – as per the norms decided by the Group. The members have seen other SAG members in their own village improving their livelihood through 'savings and credit' activity. This has been an

inspiration for them. During the study the researcher has not come across any case/ member who have dropped out of the Group citing difficulty in saving as a reason. Saving has become a self imposed discipline for these members.

All the members in the groups visited believed that mandatory saving is a good rule. According to them, it inspires them to work more and save more.

1. As per earlier pension norms, widow pension is not allowed to persons staying with their sons who are above 18 years.

Sumitra (belongs to 'Very Poor' category) of Shiri Nirgatikara Sangha puts it as, "Savings has become a prestige issue for everyone. Members feel bad if they are unable to save the minimum amount fixed. As this has been made mandatory, we try to work harder to earn a little extra to save in the group. This way we atleast have a minimum saving in our name".

According to Lalitamma (belongs to 'Very Poor' category) of Vishweshwarraiya group, "The more we save the better it is for us. Hence everyone tries to save more. We do understand when someone is unable to save in a particular week. We give them another weeks' time, but then they have to save for the two consecutive weeks

together. Earlier we used to keep our savings at home. But most of the time, this got spent for unforeseen reasons like arrival of guests, community celebration, etc. In the Group we know our saving is safe".

Even though the staff does not insist on compulsory saving, it has become a norm in the groups as members also consider higher savings as an advantage for themselves. They understand that higher saving means higher common fund in the group, which in turn helps them to take bigger loans in time of need. They also see it as an opportunity to keep some money aside for their future, especially for children's education.



4.4.2 Credit support and repayment (internal loans and loans from financial institutions)

The 'Savings and Credit' activities of the Vulnerable Groups has been highly influenced by its success in other SAGs in the villages. The members of Vulnerable Groups have seen the other SAG members improve their livelihood through these activities. Hence, even though the staff did not pressurise the Vulnerable Group members to save and to take loans, this program evolved as an important component through the decision of the members. The Groups evolved their own norms to suit their members' convenience.

A) Norms related to credit

All groups carry out the credit activities based on norms evolved in the group – in almost all the cases these are unwritten norms, but understood and adhered to by all. Some of these norms are:

- Savings in the group starts soon after formation, but loans start only after a minimum of six months.
- Credit given to a member is not proportionate to the individual saving, but depends on his/her repayment capacity.
- Regular attendance and saving is a must for availing credit.
- Credit requirement is discussed in meetings and minuted before disbursement.

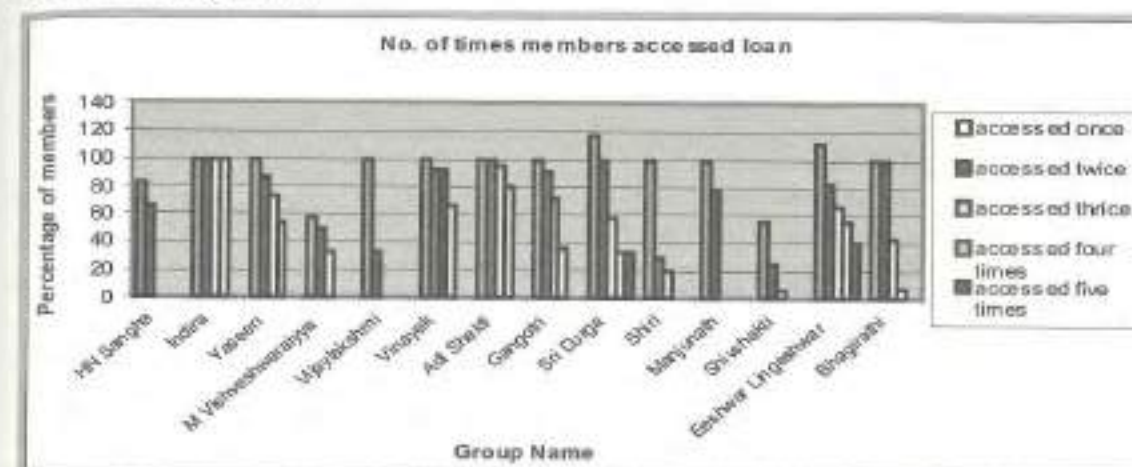
- Rate of interest is fixed at 2% in all the groups except in Gangotri SHG where it is 1%.
- Repayments: Installments and time schedule for repayment of interest and principle amount differ from group to group. In some of the Groups with a majority of members who are 'very poor' or in the 'vulnerable' category, leniency is observed for repayments and the repayment schedule is relaxed – examples are Shivshakti and Vinayaka SAGs etc.
- In some of the Groups repayment periods are arranged to coincide with the agriculture season. For example, in Shivshakti SAG (where 19 of its 20 members come under the 'very poor' and 'vulnerable' categories), all repayments are done after the groundnut harvesting season.
- Though all the groups have norms of 'No repeat-credit' (a new loan is not allowed while the previous one is outstanding), they also have conventions to extend emergency loans for those members who have an existing credit balance.
- In Bhagirathi SAG, if a member wants an urgent loan due to an emergency when the earlier amount is still outstanding, then credit is given out of the members savings, and has to be returned back in a week to 15 days

time. The repaid amount is credited back to the person's savings.

- In another SAG, the solution for such

situations is that the member who requires emergency loan takes the same in the name of some other member who does not have any loan outstanding.

B) Loan accessing pattern:



Note: Where groups show more than 100% members accessing first loan, it indicates that, there were more number of members when the group was formed and subsequently some dropped out.

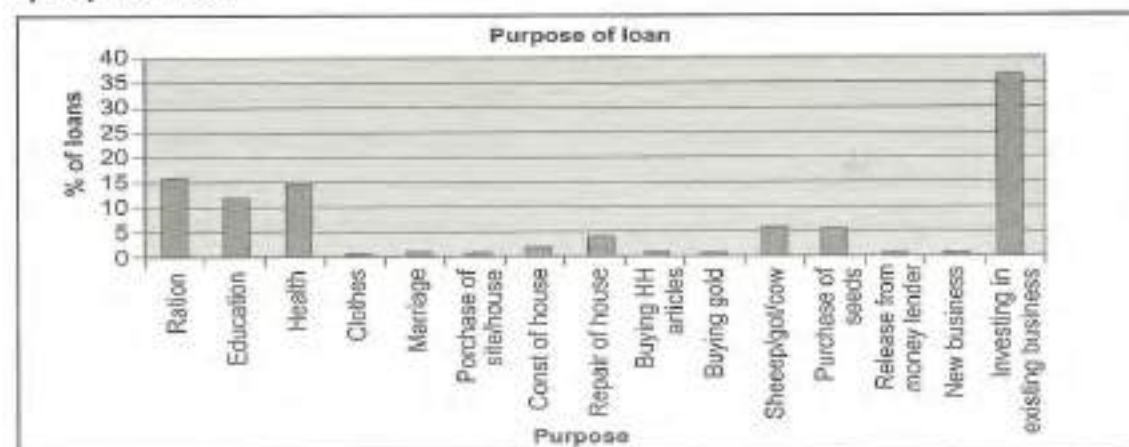
- Most of the groups are between 2½ to 3 years old. In these 3 years, around 60% of the groups have completed 4 cycles of loan.
- In all the groups (except in Indira), with every consequent loan given, number of persons accessing loans reduces. Example, in Yaseen SAG, first loan was taken by 100% of the members, 2nd loan was taken by 85% members, third loan by 70% and fourth loan by 50% members. Main reason behind this is the pending repayment of earlier loan taken. Most of the groups are very strict about not allowing repeat credit. Only in emergencies like health, a second loan is given while the previous is still outstanding.
- Out of the 14 Groups studied, repeat credit is allowed only in four groups viz. Yaseen, Vinayaka, Manjunath and Shivshakti. Out of these Vinayaka and Shivshakti groups have more than 65% of members belonging to 'very poor' and 'vulnerable' category. As rules for 'no-repeat credit' is relaxed in these groups members have been able to take up to four loans.
- In Indira group, 100% of the members have taken 4 rounds of credit; each credit has been taken after repaying the earlier one. The group belongs to Sudagad Siddaru community and earns around Rs.50 -100 every day and up to Rs. 200 – 300 on Jatra (village fair) days.

- In all the groups except in HN Nirgatikara Sangha, M. Vishveshwaraiyya and Shivshakti, all members have accessed loan at least once. In case of HN Nirgatikara Sangha, 2 of the members did not take any loan as they did not have the need for it. But in case of M. Vishveshwaraiyya and Shivshakti SAGs, few members belonging to 'vulnerable' and 'very poor' category, did not take any loan from the group as they did not have the repayment capacity. These members still continue to be in the group as they feel that the membership might help them in accessing Government schemes in

future. Apart from this, being in the group gives them social security and a sense of belonging.

- It is seen that in some of the Sanghas like Vijaylaxmi, Indira, Adi Shakti and Eeshwar Lingeshwar, the bank loan is distributed equally among all members. This is more for convenience of accounting. Example: Vijaylaxmi SAG took a bank loan of Rs.35000 and distributed it equally among its 15 members. Similarly, in Indira SAG, in all the four cycles of loan, Bank and Sanghmitra loans have been distributed equally among the members.

C) Purpose of loan



- A total of 485 loans were taken by 196 members belonging to the 14 groups studied.
- The Majority of loans (36% of the total loans) are taken to invest in the existing trade/ business. All these loans are taken by 'very poor' and 'poor' category members as they have some source of livelihood and also have the capacity to earn and repay back. For example: Most of the members

of Sri Durga SAG in Challekere, come to Challekere town from neighboring villages to sell flowers, vegetables, fruits, beetle leaf and areca nut, etc. These members often require small amount of credit for purchasing their supplies. After joining the group, such credit needs are being met through the SAG. Out of the 38 loans taken in this group so far, 28 are for

investing in their existing trade. Majority of these loans are taken by members belonging to 'very poor' category.

- Second priority area has been food and grocery items as 16% of the loans were taken for this purpose; followed by health, 15%; and education 12% of the total loans. These loans have been taken across all categories of members.
- 6% of the loans were taken for purchase of sheep, goat, milch animals, poultry, etc., 5% for purchase of seeds and fertilizers and 4% were for repair of house. These

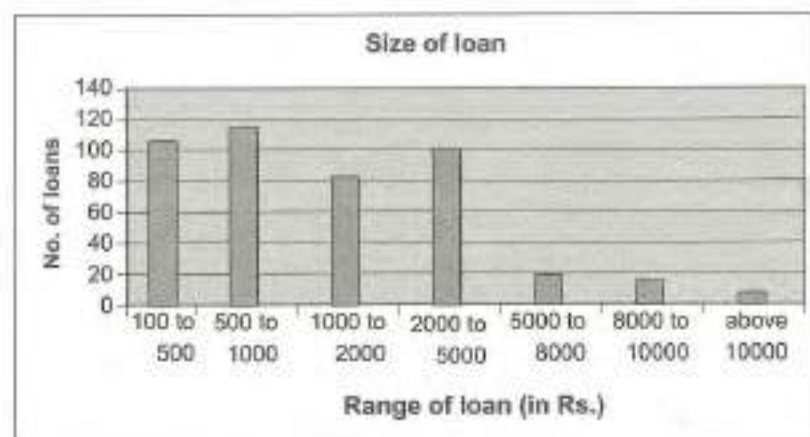
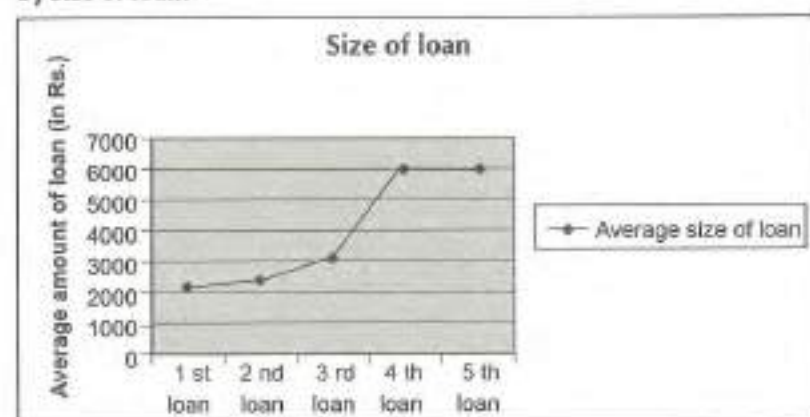
loans have mostly been availed of by members belonging to 'very poor' and 'poor' category.

- Loans for purchase of clothes, house hold utensils, gold, marriage, purchase of site/house, repayment to money lenders and starting new business were less than 2% of the total number.
- Out of the 11 members belonging to 'vulnerable' category, 5 have not taken any loan (as they did not have the repayment capacity). Loan details of six others is given in Table 4.6 below:

Table 4.6: Loan details of Vulnerable members

Name	Loan Amount	Repayment	Purposes	Comments
Gangamma - Vinayaka SHG	6860	6710	Health, vegetable business, uniform (for grandchild), sheep rearing, site purchase, house construction	Cannot do much work with hands. As she stays alone does not have much expense. Purchased site from loan. As Panchayat was giving her assistance for house construction, she took additional loan from the Group to complete the house. Repays out of her pension.
Vasantamma - Vinayaka SHG	7160	2460	Uniform, site loan, house construction	Mother takes loan on her behalf
Timakka - Vinayaka SHG	545	80	Health	This member depends on charity by the village community. Sometimes she does some small odd jobs for neighbours and they pay her.
Mariyamma - Shivshakti SHG	2000	0	Agriculture	Helped her brother with agriculture loan.
Rangamma - Shivshakti SHG	500	200	Consumption (groceries)	
Ekantamma - Shivshakti SHG	2000	0	Agriculture	Had taken a small plot of land on lease. Took loan for seeds and other inputs. Could not get any profit. Barely got back what was invested.

D) Size of loan:



- As indicated in the graphs above, the average size of loan increases with each loan cycle. This is true for all categories of members.
- Small loans start from Rs.100 and are generally in the range of Rs.150 to Rs.500. These are usually for rations, health, small business like coconut/vegetable/fruits vending etc. Usually these are taken by members of 'very poor' and 'vulnerable' categories.
- Big loans range between Rs.4000 to 10,000; these are usually for

purchase of supplies to expand their existing business or for purchase of sheep, goat, milch animals. These are usually taken by 'very poor', 'poor' and 'slightly better-off' members. Example: One member in Yaseen SAG invested Rs.10000 in her Tamarind business; another member in HNN Sangha took Rs. 4000 to invest in existing plastic items business (plastic item vending).

- Highest number of loans are in the range of Rs.500 to 1000 (26% of the total loans are in this range). This is followed by loans in the range of Rs.100 to 500, (24%); and Rs.2000 to 5000 (23% of the loans).

E) Who are the members who take loans:

It was observed that members who take repeated credit belong to 'very poor' or 'poor' category. Though poor, they are physically capable of earning a living, and hence capable of taking loans and repaying. Usually for this category, loans start with smaller amounts – around

Rs.500/- and as they improve their livelihoods, they take up to Rs.2000-3000 and at times have even gone up to Rs. 5000. There are even members who have taken loans for income generation up to Rs. 10000, but these belong to 'poor' category.

Among those who have taken loan once or at the most twice, are those who belong to 'vulnerable' category. The repayment capacity of such members is low; this is evident from the prolonged repayment periods. This category often takes loans for non-income generation activities like purchase of food, groceries, health, etc., but there also instances of these members taking loans for income generation activities like sheep rearing, etc. In some of these cases, where the members are not capable of managing these activities, like the mentally retarded, their caretakers manage the asset and repay the loan on their behalf. This way, it helps the families of the vulnerable members and thus becomes a kind of

incentive to continue taking care of the members.

Out of the 196 members surveyed, 16 have not taken any loans. Out of these 2 have not taken, as they did not have the need, but the other 14 (5 belonging to 'vulnerable' and 9 belonging to 'very poor' category) have not taken as they did not have the repayment capacity.

F) Repayment Period:

- Even though all SAGs have fixed duration for repayment, most of them do not adhere to it. Hence repayment in all the SAGs is very slow. There is no penalty for delay in repayment. Only incentive for repaying the loan (not necessarily on time) is that a member becomes eligible for the subsequent loan.
- Different groups have different norms for repayment of principle amount and interest – some have weekly repayment system, others have monthly. Some Groups synchronize their repayment cycles with the agriculture season.

Cases of two most Vulnerable Groups:

Shivshakti SAG of Obanaahally has 35% of members under 'vulnerable' category and 60% under 'very poor' category; this is the most Vulnerable Group among all the Groups studied. Here, out of 20 members only 11 have taken the first loan, and out of that too, only 5 have repaid back. It has taken them 1 1/2 years to repay a loan of Rs.500. Similarly in Vinayaka SAG of Vrundavanahally which has 25% members in the 'vulnerable' and 42% members in the 'very poor' category, even the first loan amount as small as Rs. 250 has not been settled. Considering the vulnerability of the members, the Group is also lenient with the defaulters. In this SAG repeat loans have also been given considering members vulnerability. Thus, even though members are saving regularly, repayment is a problem for such Groups.

G) Over-all repayment performance:

- It was generally seen that repayment of bank/ Sanghmitra loans are more prompt as compared to internal loans.
- There are some SAGs with a good repayment history. Example: Sri Durga, Yaseen, Indira, Adi Shakti and HN Nirgatikara Sangha. Though around 45% to 65% of the members in these Groups belong to 'very poor' category, they are all physically capable of earning. Thus they make good use of SAG loans to increase their incomes. **It is these members who have benefited the most by being in the Vulnerable Group program.**
- Groups that are more vulnerable have a poor repayment record. But considering the members poor economic condition, the Group is also lenient with the defaulters.

4.4.3 Book keeping

Book keeping in many of the Vulnerable Groups is poor, especially in cases where there is little or no follow-up by staff/ federation/ CMRC members. There is also a problem of book-writers in many of the groups. For example in Vijaylaxmi Sangha there is no proper book writer for the past 6 months.

Earlier the NGO staff used to write the books, but as their visits became

irregular, the group asked some of the school going children to write the books. Similarly in the Shiri group, the book-writer keeps changing quite frequently. For the groups it is very difficult to find someone from among the members as most of them are illiterate. Hence if the NGO staff do not provide regular follow-up and maintenance of books, the quality of the accounts and records suffers.

As compared to non-Myrada groups, Myrada groups are better at book-keeping. This is due to better follow-up and support by Federations and CMRCs. In all Vulnerable Groups of Myrada, Federation volunteers play an active role in book-keeping and maintenance of records.



4.4.4 Financial linkages

Table 4.7 below, gives the financial linkages of various groups visited.

Table 4.7: Linkages of Vulnerable Groups to financial and funding institutions

(Figures are in rupees)

Group Name	Bank	Sanghmitra	SJSY loan	DWHH (GAA)	Promoting agency	Total
HN Nirgatikara Sangha		10000		4000		14000
Indira SHG	88000	55000		4000		147000
Yaseen		125000		4000		129000
Sri M Vishweshwaraiyah MSSS				4000		4000
Vijaylakshmi SAG	35000					35000
Vinayak DAG			10000	20000		30000
Adi Shakti SAG - Rahimnagar					70000	70000
Gangotri SAG	30000		5000	5000	10000	50000
Sri Durga Mahila SAG (Soukhyia group)		130000			10000	140000
Shiri Nirgatikara Soshaya Sangha				4000		4000
Manjunath Nirgatikara Sangha				4000		4000
Shivshakti SAG				4000		4000
Eeshwar Lingeshwar Nirgatikara Sangha	40000			4000		44000
Bhagirathi Nirgatikara Sangha	15000			4000		19000

- Four of the 14 SAGs studied have not taken any financial assistance/ loan/ funds from any other institution other than the project support of Rs.4000. All these SAGs come under 'very poor' and 'vulnerable' categories; they are M.Vishweshwaraiya, Shiri, Manjunath and Shivshakti SAGs.. Since they do not have the capacity to take bigger loans, they prefer to meet their loan needs through their own savings.
- So far Indira SAG (*Sudagada Siddaru community*) has the highest linkage totalling Rs.1,47,000. Repayment is prompt. The main source of repayment is their traditional trade of selling wares like stationery and

plastic items, artificial jewelry, toys, etc.

- Sri Durga Mahila Sangha, has the second highest linkage of Rs.1,40,000; it has members who are active in various kinds of income generation activities like selling flowers, vegetables, fruits, beetle leaf and areca nut, etc.

4.5 Other support received by members of Vulnerable Groups

Vulnerable Groups were formed with an intention to support the poorest and vulnerable families in the community who were excluded from the SAGs. One of the ways envisaged to achieve this goal, was by encouraging savings

and credit activities in the group and by creating financial linkages. There were other ways planned for supporting such families—like providing skill training, accessing entitlements, conducting

legal awareness and health camps, building their capacities in group management aspects, etc. Some of these other initiatives are analysed here.

4.5.1 Access to Pension (entitlements)

Table 4.8 below gives a sketch about the scenario of access to pension in various groups.

Table 4.8: Access to pension – Scenario in various Vulnerable Groups

Name of group (figures in bracket indicate total members in the group)	No. of persons eligible	No of persons recd.		Total eligible members without pension - with reasons			
		Through group effort	Through individual effort	Persons applied for and waiting	Applications rejected	Persons not applied	Total
HN Nirgatikara Sangha (12)	1			1			1
Indira SHG (11)	3					3	3
Yaseen (15)	12		11	1			1
Sri M Vishweshwaraiah MSSS (12)	9		6	1	2		3
Vijayalakshmi SHG (15)	15		1	14			14
Vinayak DAG (12)	10	3	2		2	3	5
Adi Shakti SHG – Rahimnagar (20)	3	1				2	2
Gangotri SHG (11)	4	2		2			2
Sri Durga Mahila SHG (Soukhyia group) (12)	1		1				0
Shiri Nirgatikara Soshaya Sangha (10)	5		5				0
Manjunath Nirgatikara Sangha (14)	9		6	1		2	3
Shivshakti SHG (20)	14		10	1		3	4
Eeshwar Lingeshwar Nirgatikara Sangha (18)	3	0	0	1		2	3
Bhagirathi Nirgatikara Sangha (14)	4		2			2	2
Total	93	6	44	22	4	17	43

Among the groups visited, 47% of the members were eligible for pension – this includes eligibility for widow pension, old age pension and handicapped pension. Out of these, only 54% are receiving the pension as of Dec. 09. The remaining have either applied and are waiting (51%) or have not applied at all (40%). A small number of applications (9%) have been rejected.

Out of the total members receiving pension, 12% have got it through efforts of the group. The rest (88%) have approached the officials individually and in some cases through agents in the village. These also include members who were getting pension even before the group was formed.

In Groups like Shivshakti of Obanahally village that have the maximum number of handicapped persons, out of 14 eligible members, 4 have yet to get their pension. Obanahally village is an extreme case. As per the information given by the villagers, this village has 554 households and there are around 80 to 90 handicapped persons and around 300 widows. There is a total of 9 SAGs (including one Vulnerable Group) in the village; other than the 20 members in the vulnerable Group, there are a number of people who are not in any group. The number of persons receiving pension is also low (the exact figure is not known). In such cases the

NGO working in the village has to play a more proactive role in helping the eligible to access the benefits of the Government pension scheme.

The study identifies the following reasons why a low percentage of members receive pension.

- Lack of awareness amongst NGOs about the conditions for availing pension. For example – there was an earlier rule that denied widows or aged (above 65 years) from availing pension if they had a son aged 18 or above. This rule applied irrespective of whether the widow was staying with the son or not. This rule was amended a year back, and now all widows and aged can avail pension. The NGOs are not aware of this. Similarly in case of a handicap pension, the NGOs are not aware about the procedures to be followed for different kinds and levels/ degrees of handicap.
- Many Vulnerable Group members are not aware about these new rules. For example: Tirumala, a widow belonging to Eeshwar Lingeshwar group has three sons (all agricultural laborers). She has not applied for pension as she believes that in order to avail pension she should falsely declare that she does not have any sons, which she does not want to do. Another case is that of G. Timmakka,

who is aged and is unable to use both her hands. She has 6 sons, none of them living with her. She has not applied for pension as she does not know about the modified rule that allows her pension even if she has sons above 18 years. The village is supporting her as of now.

- There has been very little effort from the NGOs to help the members in this regard. A structured approach to the issue is lacking. Example, in case of Vijaylaxmi SAG (formed by Vandana NGO), all 15 members are eligible for pension. Out of these only 1 is getting pension. This clearly shows a lack of follow-up by the NGO. The situation is slightly better in case of some of the Myrada

groups as there have been efforts made by CMRCs and Federations to identify members eligible for pension and to present their applications to the officials concerned. But there are some other CMRCs who have limited their role only to giving information regarding pensions.

- In some cases there are also problems like the lack of proper/required documents to be submitted along with application forms. For example: Girijamma of Vinayaka SAG, a widow whose husband died in another taluka of Chitradurga is not able to access the pension scheme as the officials refuse to accept the death certificate from another taluka.

An example to emulate:

In Jan. 2009, Challekere and Parshurampura CMRCs of Myrada, organized a camp where they invited people from the community eligible for pension, and also authorities responsible for sanctioning pension applications. A platform was created for the pension sanctioning authorities to meet the applicants face to face. They were acquainted with the problems of the poor and the hardships that they face in getting their pension. The need to hasten up the processing of applications was stressed. A total of 182 community members participated in the camp. The authorities were presented with the applications of these members. Within 4 to 5 months, 130 applications were approved. The rest were kept pending for lack of insufficient documentation. The CMRC is following up on these cases.

4.5.2 Health and Legal Support

Out of the groups visited, legal camps have been conducted in 3 groups – Adi Shakti (by Myrada – Challekere CMRC), and Eeshwar Lingeshwar and Bhagirathi (by Chetaka NGO - Kanchipura CMRC). Health camp had been conducted only in Parshurampura CMRC (Myrada), where members from groups in Challekere and Parshurampura attended. Members who attended this camp, appreciated the way in which the camp was organized. Free medicines were also distributed here. Feedback from members who attended the legal camp shows that they were not so enthusiastic.

4.5.3 Linkages with Government schemes

The NGOs have not extended their efforts in this direction.

4.5.4 Skills training program and other trainings

Two types of skills training were given to members – tailoring and computer basics. Among the groups visited, tailoring training had been conducted in 5 groups. 13 members had undergone 3 months of training and 8 of them have made use of the training to improve their livelihood. Some of these members already had a machine and few others purchased it by taking a loan from the SAG.

Four of the 13 members trained in tailoring are from Eeshwar Lingeshwar group and all four are making use of the training. These women are supported by their CMRC (Kanchipura CMRC) with a buy back arrangement. Apart from its regular responsibilities, this CMRC runs a market outlet where products prepared by SAG members are sold.

'Computer Basics' training was opted for by 2 members (their children attended the training). In both the cases, the trainees were school and college going children who attended the training with a hope that the knowledge will be useful in their future.

Apart from skills training all members of the group were trained on 8 basic topics related to SAG formation and management; this includes the concept of group, importance of meetings and rules and regulations in a group, how to resolve conflict and get everyone to participate, finance management, etc. Group representatives were given training on group management aspects and leadership. The book writers were trained to maintain books in the group; the books were kept to the minimum.

5. PROJECT IMPACTS

Three years of the project is too short a time to expect major impacts, especially in the case of Vulnerable Groups, but still there are some signs of change that are recorded here. During these years of the project the emphasis was on inclusion, to see that those left-out are covered. It was assumed that with some more training and hand holding support, development will follow as in case of other SAGs.

No direct interventions (on a large scale) were done towards livelihood improvement, (except for few opportunities for skills training) and enhancement of quality of life.



¹ Even for the small and marginal farmers, agriculture labour is the main source of income as they are all dry land owners. Their produce from the land is totally dependent on rainfall, that is very erratic and scarce in the region.

Also, while looking at impact, it is important to remember that as there were no direct livelihood enhancement programmes or activities targeted at these Groups, whatever changes have happened with regards to livelihoods, have been due to the 'saving and credit' activities.

5.1 Inclusion:

One of the main objectives of the project was 'Inclusion' – to include the vulnerable families left out so far in the process of development and growth.

According to the secondary data, the project has promoted a total of 607 Vulnerable Groups (317 by Myrada and 290 by other SPIN members) covering 9,510 members. In line with the project's objective, according to the Project Reports, 41% of the members are widowed poor, 35% are from landless families working mainly as agricultural laborers and 14% are handicapped. Similar proportional representation was found in the groups studied. Of the 196 members covered in the groups visited, 39% were landless and small and marginal farmers¹, 33%

were widowed poor and 13% were handicapped. Looking at the primary source of income of the member's families (refer Table 4.2), 43% of the families surveyed were dependent on daily wages from agriculture/ construction/ factory labour; 19% depended on garments industry or on tailoring work done privately; 13% were engaged in income from petty business like vending stationery items, flowers, fruits, beetle leaf and nut, beedi rolling and leaf plate making, 5% were dependent on pension, and 3% lived on charity. Thus, the sample selected for the study shows that the most vulnerable and poor who have not been covered so far in any SAGs, have been carefully identified and included in the Vulnerable Groups.

If these families had not been covered under the Vulnerable Groups promoted by the project, there was very little scope for them to have been included in other groups in future, unless a specific effort such as this was made. These are the people who had either deliberately stayed away from the SAGs, or had been kept away from the Groups, due to the wide socio-economic differences and gaps prevailing between them and the members of the regular SAGs.

5.2 Improved credit opportunities

Improved access to credit for the vulnerable families has been one of the

biggest impacts of this project. In the absence of this, these families were getting trapped into a vicious cycle of dependence, debt and poverty. Though, the project by itself did not emphasize on a 'Savings and Credit' program, this emerged as the major activity by the own free decision of the members. The Vulnerable Groups, with self-established systems for giving credit have proved to be a life-line for many who formerly had access only to high cost credit, or had no access to credit; both the economic and social status of these members have improved as they are now able to borrow to support urgent needs and livelihood activities of the family and are no longer considered as a burden.

5.3 Livelihoods

As the project did not have any direct intervention for improving livelihoods, other indicators have to be selected to determine the impact on livelihoods. Increase in income is an obvious indicator of improved livelihoods. But this is very difficult to capture when one is dealing with the unorganized sector, as the incomes are not regular or fixed. Incomes of this sector depend on a



number of variables like rainfall, market demand for labour, seasonal demand (example: agriculture v/s non-agriculture season), market demand for the petty items that they sell (flower vending is a good business during festival and marriage season). Hence in the absence of such data, one has to depend on other indicators. As one of the major activities of the groups is 'Savings and Credit', the "Purpose of Loans" becomes a good indicator to measure impact on Livelihoods. As per the study, 36% of the loans have been taken for expanding the existing source of income. 11% of the loans are for other sources of income like purchase of sheep/ goat/ cow/ buffalo/ poultry, investing in agriculture (purchase of seeds and fertilizers), investing in new enterprise, etc. **Thus a total of 47% of the loans have been taken for improving the livelihoods of the families.**

Examples of improved livelihoods due to membership in Vulnerable Groups are many:



1. Rajanna, husband of Vijayamma of Adi Shakti Sangha is a coconut vendor. He purchases coconuts from the farm owners and sells them in the local market. Earlier he used to buy coconut from the farm owners on credit. Now with cheaper credit available in the Group, he pays cash for his purchase for which he gets a discount of upto Re 1 per coconut. Thus if he sells 50 coconuts in a day, he is able to earn Rs. 50 more than what he used to before.
2. Indramma of Vombisilli group in Chitradurga, is engaged in flower business. She purchases flowers from the market and strings them into 'venee' (to be worn in the hair by women). Earlier she used to buy 3 to 4 kgs of flowers and used to earn around Rs. 20 to 30 per day. After joining the Vulnerable group, with the credit available from the group she started purchasing 15 to 20 kgs of flowers every day. Due to bulk purchase of flowers, she saved some money. She employed others to tie the flowers and is now saving

a minimum of Rs. 70 to 90 per day. During festive season her profit goes up by 25% to 40%.

3. Kumar is a handicapped youth of Vinayaka SAG; he saved in his Group from the pension he was getting. After two years, he took a loan from the Group to do a course from ITI. Now, technically trained, he is looking for a job. He also has got alternate plans, if he does not get a job; he plans to open his own garage by taking a loan from the Group.

5.4 Quality of life:

Once again analyzing the "Purpose of Loan", 43% of the loans have been taken for food (ration), education and health. 7% was taken for purchase of site, construction/ repair of house. These are initiatives to improve the quality of life. Three years of the project, is too short a period to expect any major impacts. However the fact that the members from vulnerable families can access easy loans for fulfilling basic needs, is in itself a step towards improving their quality of life. In the absence of such groups, the



families would have approached money lenders who would have charged exorbitant interest rates, especially for urgent loans like food and health, pushing them further into debt and poverty.

5.5 Impact at an individual and family level:

Each member has a story to tell about the positive impact of the project on their lives, and each story includes their increased confidence to face the world, unlike before. Going to the bank, where even their husbands have not gone; traveling outside the village alone (without male escort); attending training programs and meetings; mobilising loans for family needs; interacting with bank officials and outsiders without inhibitions or hesitation; these are considered as great achievements by these women members; but these remain un-quantified. In some groups like Eeshwar Lingeshwar, women proudly say, "In our group all of us have learned to sign". This is a big achievement for these illiterate women. 'Habit of regular saving', is also considered by many as a very important positive impact of the project.

For Soukhya groups¹, it was about living with dignity. According to the

¹ Sex-workers groups promoted by MYRADA under KSAPs project and supported by GAA as vulnerable group

members, "Earlier we were scared of appearing in public since people used to abuse us. Now we are able to stand up for ourselves due to our collective strength". A very remarkable impact for this group has been the shift from high risk to low risk sexual behavior. This fact has also been recorded in the progress report of KSAPS as follows: According to Siddamma, "The easy loan availability within the group has eased the financial burden of the members and financial problems at home were the reasons that pushed many of us into this (sex) activity". The current study also discovered the same. Out of the 38 loans taken in Sri Durga SAG, 28 were towards improving their existing business, like sale of flowers, fruits, beetle leaf and nut, etc. These women come from their respective villages into Challekere town on a daily basis to sell their products.

At family level also, the group members have started receiving greater respect. According to Rajanna, husband of Vijayamma of Adi Shakti group, "Earlier, in situations of financial emergencies it was the man's responsibility to arrange for loan. Now women have taken over this responsibility. We men are in awe at the way these women carry out their business in the group. Probably, we could never have done this".

Even for those who are supporting handicapped/ aged members of the family, membership in the group has provided an opportunity for availing easy loans, taken in the name of the handicapped/ aged member. This, in some cases has given the family a reason to support the handicapped members without feeling burdened. G. Timmakka's sister (Vinayaka SHG) who has been supporting the widowed and aged Timmakka for many years has this to say, "We have been supporting Timmakka for so many years. Now, in times of need, it is Timmakka we turn to for loan. This Group has changed the fate of my sister".

To sum up, at the individual level, the impacts of the project have been identified as: a higher level of self-confidence and economic independence, the ability to save and take loans and to deal with banks, improved communication skills, increased mobility (without male escort), confidence to stand up for issues concerning them. At family level, the membership in the group has brought more respect for women at home. The handicapped and the aged (those who depended on other family members) have realized their self-worth as they are able to get credit for family needs.

6. CHALLENGES

Since the dynamics in a vulnerable group are very different from that of SAGs, they pose different challenges:

6.1 Operational difficulties in Vulnerable Group formation

Integrating different vulnerabilities:

This had been one of the challenges in the beginning for the promoting organizations. When they tried to form exclusive and separate groups for aged, handicapped and widows, they found that the members were unable to provide mutual support. In a group of aged individuals, there was no one to lend support to bring the members to the meeting venue. Similar problems emerged with a handicapped members group. Vishwachetana NGO had a major challenge in forming HN Nirgatikara Sangha, which was initially a group exclusively for aged members. They tried for a year to get the members together, but every week it became the CMRC staff's responsibility to physically transport the members to the meeting venue. Later, this Sangha was restructured by disbanding the old members and taking in new members. Now this group comprises members from 'middle poor' category. (refer Table 4.1).

Most of the groups have 'mixed' membership wherein members of different vulnerabilities have come together. 'Able' members now take the responsibility of getting the 'unable' members to the meeting venue. However, in such groups, there is always a fear of the group being dominated by a member who is physically and financially more able than others.

Dealing with different credit needs:

One problem posed by forming mixed groups was that, there is a difference in the credit needs and repayment capacities of various members within a group. For example: In Vishweshwaraiyya group, 6 persons have taken loans twice and 4 have taken 3 times. But there are 5 members who have not taken any loan as they do not have the repayment capacity. Similarly, there is also a wide gap in the size of credit. Example: In Shivshakti SAG of Obannahally, where one member has taken a total of Rs.6800 as loan, there is another member whose total loan amount is Rs. 500. There are many members in this group who have not availed of any loan so far.

Support required on continuing basis:
The Vulnerable Groups require more



support and follow-up as compared to other SAGs. They need continuing motivation, especially in the initial years to keep the group functional. Book-keeping is a weakness in almost all the Vulnerable Groups; this needs a longer hand-holding support. This holds true even for linkages.

Organising the groups: According to NGOs, organizing such groups is itself a Herculean task. As this category of people have long been neglected and marginalized by the social fabric, it becomes difficult to bring them together in an organized system. According to one of the CMRC members, "If the other SAGs take 3 months to organize themselves and start conducting meetings in an orderly manner, the Vulnerable Groups take 8 to 10 months to do the same".

6.2 Difficulties for members

Attending meetings and trainings: Some times due to restriction in mobility, some members are not able to attend all meetings and trainings. For example in Vinayaka group, two handicapped members had to leave the group as their house was on the outskirts of the village and the meeting

venue was in the village. Shifting the venue would have inconvenienced other members. Similarly in the case of skills training, there were instances where eligible and interested members could not undergo training as the venue was difficult for them to reach due to their walking disability. Thus activities outside the village can become a problem for those who are unable to walk or commute using other means of transport.

Attending to bank related responsibilities: In almost all the groups, bank related responsibilities are handled by all the members on a rotation basis. Exception is made for those who cannot commute; these include very aged members, handicapped and mentally retarded. Problems arise when in a group such members are the majority. The responsibility falls on the shoulders of a few 'able' members.

Book-keeping: In most of the cases all the members of the group are illiterate. In such situations the group has to rely on an outside person for book-keeping. Permanence of such a person is always an uncertainty. This means that every time a book-writer changes, a new person has to be oriented.

7. CONCLUSION

7.1 Myrada's beliefs/assumptions..... their relevance with respect to Vulnerable Groups

A single type of people's institution is not appropriate to manage all types of resources or achieve different objectives ...

The concept of 'vulnerable' Groups emerged in Myrada as it was felt that the rigid structure of the SAGs was not allowing the more 'vulnerable' and the 'poorest' to participate. It was assumed that if these people are allowed to form their own Group, governed by norms suited to their capacity and need, it will be more appropriate/ friendly and will encourage inclusion of the 'left out', 'vulnerable' and 'poorest'.

This study shows that the formation of 'vulnerable' Groups did ensure inclusion – it included the handicapped, widows from poor families, destitute and beggars who did not have anyone to support them and aged poor, etc. These groups also evolved their own norms for governance, but as these Groups were promoted by the same persons/ institutions (like Federations and CMRCs) who also promoted SAGs, these norms were greatly influenced by the norms adopted by SAGs. Besides, for this category of 'vulnerable' and poor,



SAGs had always remained a role model. Over the years they had seen the SAG members prosper by doing 'Savings and Credit' in the Group. The 'vulnerable' and 'poorest' could not participate in the traditional SAGs due to the wide gap in the socio-economic status. As one of the 'vulnerable' Group members put it – "With our limited resources we knew we could not match their savings. We also were not in a position to absorb the huge credit that the other SAGs were providing".

Thus the 'vulnerable' Groups, evolved norms on lines similar to that of SAGs, but scaled them down to suit their members. Example – they made savings compulsory as traditional SAGs since they believed that prosperity was not possible without savings; at the same time they also maintained flexibility with regards to the amount saved. Many members started with Re. 1 and Rs. 2 as weekly savings. In a few cases where members are unable to save, they have been excused from saving. A relaxation that these groups have made, as compared to other SAGs, is regarding repayment. Repayment duration and installments are structured according to the capacities of each member; in most cases there are no sanctions for delayed repayments. The only norm that most of

the groups follow related to repayments is that no subsequent credit can be given unless the previous loan is fully cleared.

With average saving of Rs. 1585 per person in three years, the project reiterates another belief held by Myrada - 'poor are willing to save'. As far as Savings is concerned, with the exception of two members (among the members surveyed), all others were saving as per the Group norms. Even the destitutes and the handicapped who are not able to work and earn, showed an eagerness to save. Such people are saving out of their pension fund or with the support of their care takers. They feel that compulsory saving helps them to lead a life of dignity, as during emergencies, they have something to fall back on. The only case where the researcher thought that the members were saving with great difficulty (though not unwillingly) was in case of Shivshakti SAG of Obanahally where 95% members belonged to 'very poor' and 'vulnerable' category.

A single type of people's institution is not appropriate to manage all types of resources - this also proved true even within the Vulnerable Groups. In the sample selected for the study, there were cases where members have not taken any credit - like the destitutes, the handicapped, etc., as they did not

have the capacity to repay. Such people still continued in the Group with a hope that being in the group might help them to access some Government program in future. For few of them, being in the Group gives a sense of belonging and social acceptance, but the group norms and conventions are not the same as those of regular SAGs.

The Savings and Credit sheet of Shivshakti SAG of Obanahally, a group least benefited from the program is given in Table 7.1. Most of the members of this Group are aged, handicapped or mentally retarded. For such members Savings and Credit is not of much help to start with. **They require specific interventions that address their immediate needs.**

Table 7.1: Saving and Credit sheet of Shivshakti SAG, Obanahalli

Name of member	Vulnerability category	1st loan			2nd loan			3rd loan			Total Saving (in Rs.)
		Amt.	Purpose	Repayment	Amt.	Purpose	Repayment	Amt.	Purpose	Repayment	
Putta Hanumakka	WP	300	Cons.	300	500	Agri.	500	6000	Educ.	600	860
H. Laxmidevi	WP	1500	Cons.	Nil							835
Parvathamma	DP	Nil									1240
Mariyamma	WP	2000	Agri.	Nil							960
Gangamma	PH	Nil									960
Satyamma	WP	Nil									920
H. Eramma	WP	1500	Busi.	Nil							580
Kenamma	WP	Nil									310
N. Tippeswamy	PH	1000	Cons.	Nil	800	Busi.	Nil				359
R. Kamalamma	PH	Nil									1080
Jayamma	DP	500	Heal.	500							1050
Puttamma	WP	1000	Cons.	Nil							680
Rangamma	WP	200	Cons.	200	300	Cons.	Nil				414
Ekanthamma	WP	2000	Agri.	Nil							594
Sarojamma	WP	Nil									1000
Puttamma	WP	Nil									429
K. Laxmidevi	PH	Nil									1335
GR Ratnamma	DP	Nil									740
Pathlingappa	PH	300	Cons.	300	1800	Cons.	Nil				630
R. Laxmidevi	PH	1000	Agri.	1000	800	Cons.	Nil				480

Cons.: Consumption; Agri.: Agriculture; Busi.: Business; Heal.: Health; Educ.: Education

Another assumption of Myrada was - **institutions of poor are bankable**. This has also been proved true in this study. As shown in table 4.5, 8 groups out of 14 have been linked to Bank/ Sanghamitra. All these groups have members from 'very poor' and 'poor' category who are capable of working and earning. In all these groups the repayments to the financial institutions have been quite good. In the groups that have not been linked to financial institutions, majority of the members are

from 'very poor' and 'vulnerable' category, who do not have the confidence to take the risk involved in taking loans for several reasons, some of which are not easy to surmount without intensive and expensive care and inputs.

7.2 Filling the gaps-suggestions for improving the programme.

Based on the field study and discussion with NGO/ CMRC staff, the following are some of the suggestions to improve the program:

- (i) **Individual based approach for providing support:** In the project, mixed groups, i.e 'groups of people with multiple vulnerabilities' have been promoted. In such cases, the need of every individual member differs. Hence a common solution cannot be applied to the group. It will be wrong to assume that savings and credit can be the panacea for all members; there are members whose repayment capacity is nil, and hence they are not able to take loans. Example: in Shivshakti group, there are 9 members (out of 20) who have not availed of loans even once. For such members, other means of support must be explored based on individual needs. If this is not done, over time these members might lose interest in the group and leave the group. When the NGO prepares a proposal for support to Vulnerable Groups, this aspect must be kept in mind.
- (ii) **More proactive role of NGOs/ Federations/ CMRCs:** As mentioned above, Vulnerable Groups require



more follow-up and hand-holding support. NGOs can put a system in place where the CMRCs (or Federations where they are active) are made responsible for the Vulnerable Groups. Continuous support and follow-up of the Vulnerable Groups should become ingrained in the Vision of Federations/ CMRCs. During the regular review meetings of CMRCs and Federations, even the performance of Vulnerable Groups must be reviewed. This is already being done in case of Myrada CMRCs. Similar systems can be adopted by others.

- (iii) **Book-keeping is one of the weak areas for the Vulnerable Groups.** CRPs (Community Resource Persons) from Federations/ CMRCs can provide support in this area. Assistance can also be sought from

other SAGs in the village. A system for this should be worked out to ensure that book-keeping does not suffer. There is also a need for 'Book-keeping training' for all those concerned with this program, including the NGO staff.

- (iv) **Mobilising aid funds from different sources:** NGOs must have a good action plan to support the Vulnerable Groups based on the need of individual members. Based on this plan, the NGOs can approach various agencies and philanthropic organizations to support individuals or the group as a whole. At this time, the NGOs are dependent entirely on this project and are not looking elsewhere for support. However, Myrada keeps trying to mobilize some aid and equipment from Rotary and other organisations. It has also succeeded in some cases.
- (v) **Linkage with Government programmes:** Conscious and consistent efforts must be made by NGOs to link these groups or individuals in the groups, with government schemes. In order to do this, the NGOs themselves should be first aware about the various schemes of the Government, especially for the vulnerable poor families. Links with local Panchayats will help in this regard.

It was seen that 46% of the eligible vulnerable group members are not receiving any Pension. The NGOs have not put in specific efforts in this regards. Many of the NGOs are not even aware about the updated (new) guidelines related to Pension Schemes of the Government. Parshurampura and Challekere CMRCs (Myrada) however have set a good example by organizing a mass event, wherein all eligible beneficiaries from the CMRC area and the concerned authorities were brought together on the same platform. Such events help in the following ways; 1) the authorities are familiarized with the problems of the poor; 2) it helps speeding up the process of application processing and disbursements; 3) it also saves the time of individuals and NGOs, as they need not approach authorities with individual applications. Such attempts can be pursued by all NGOs.

Myrada must take up an orientation program for all the SPIN NGOs, Federations and CMRCs regarding various Government schemes available for the members of the Vulnerable Groups. This program must include modalities, procedures and requirements to apply for various schemes. Such orientation programs

need to be done on a regular basis to ensure that updated information is collected and shared.

Alternately, a newsletter can be published on a regular basis containing information of all Govt. schemes and circulated to SPIN NGOs and other development agencies/ organizations.

(vi) **Health camps:** The study shows that 15% of the loans have been taken for health. This indicates the extent of health care needs for this sector. In response, NGOs can plan for frequent health camps in collaboration with government/ non-government agencies/ organizations.

(vii) **Skills training leading to income generation:** Tailoring training has proved to be more successful where the trainees have been linked to a larger unit which has a bigger production and marketing base. For example: Kanchipura CMRC which has trained 4 members from Vulnerable Groups in tailoring has linked these members with the garment unit run by the CMRC. Such linkages must be explored by the NGOs.

(viii) **Encouragement to discuss other issues:** As of now, most of the vulnerable group meetings have become a forum for savings and

credit, like other SAGs. But the needs of these groups is not limited to savings and credit alone – they go beyond. These issues need to be discussed in the group. The discussion and decisions must be recorded and must lead to action where required.

7.3 Conclusion

The concept of Vulnerable Groups emerged in Myrada in early 2000. At that time the term 'vulnerable' primarily indicated handicapped and aged poor. But this project has gone beyond handicapped and aged and reached out to other categories which were equally vulnerable, such as the widows and separated women from poor families, landless poor, marginal farmers who were also left out of SAGs for several reasons partly due to their location or life style and partly because of the standardized functions of the SAGs, which they did not find friendly or appropriate. This broader category unlike the former category which was limited to handicapped and aged, contained people who were physically fit to earn a living. It is for this category of poor that the project has been quite useful. Starting with limited savings and credit activities, the members have progressed and accessed bank loans for improving their livelihoods.

The project has had maximum impact at an individual and family level. Increased self-confidence levels, improved communication skills, increased respect for women in the family and financial empowerment are some of the impacts that come across clearly. **The project has brought a feeling of self-worth among the 'vulnerable'; they feel that they are a part of society and can belong to a group; they have the confidence to plan for their development like other families/women in the SAGs. For long they had been silent observers of the development of the other people, now through this project, they have become part of their own development.**

When the Vulnerable Group concept first emerged in Myrada, savings and credit was not the focus. In fact, the members were asked to attend meetings even if they are unable to save even a single Rupee. Even in this project, Myrada never insisted on compulsory savings. But over a period of time, the members themselves started feeling that saving was very important for their own economic development. This they had learnt from observing the other SAGs functioning in their own village. Gradually the members also realized that smaller savings of Rs. 1 to 2 (with which they started in the beginning), will not help much; hence they moved



to higher weekly savings. Today, saving has become a habit for the members – in their own words, "We don't feel good, if we are not able to save in any week". Thus, compulsory savings has emerged as a self-imposed norm.

But there is one fear with this kind of norm: As discussed in this report earlier, the SAG concept that had evolved keeping in mind the poor and 'vulnerable', started catering to a section of the poor who were in the position to improve their livelihoods through savings and credit activities. Those who did not have this capacity were left behind. With increased focus on savings and credit activities in 'vulnerable' Groups, there is an apprehension that the same might happen even with the existing Vulnerable Groups, if other kinds of support based on individual needs are not included. These are the needs on which such projects must focus next. Innovative ways of reaching out to them (without imposing standardized Group norms), need to be explored.

In the course of this study it was also observed that, where the CMRCs were involved in promotion and mentoring of Vulnerable Groups like in the case of Myrada, Vishwachetana and Chetaka promoted CMRCs, the vulnerable Groups were better serviced. Their performance in book keeping, attendance, savings and credit activities and in dealing with other issues, was much better, when compared to groups promoted and mentored directly by NGOs. The reasons are the following: with limited staff and resources, the reach of the NGOs and most important of all, the follow up that these groups require, also gets limited. Thus, Myrada's assumption that community based institutions like the CMRCs are better suited to reach out to the others in the community has also proved true

in case of promotion of Vulnerable Groups.

This project came to an end in Dec. 2009. After working with the Vulnerable Groups, many NGOs feel convinced that it is this section of the community that needs maximum intervention in terms of development. A beginning has been made in this regard with this project, through a direct focus on the strategy of inclusion.

A number of lessons have been learned and a great deal more has to be done for these groups and for other vulnerable families not yet covered under the existing groups. This project should be taken as a beginning and not the end and the lessons emerging from this experience should be incorporated in future programs with a similar objective.



Annexure 1: Formats used for study

Table 1: Village information (only for the study villages - villages in which groups are being studied)

1	2	3	4	5	6	78
Name of the village	Taluka	Total vulnerable families in the village	Vulnerable families included in SHGs	*No. of vulnerable families not covered in any of the groups: 3-(4+5) = 6	No. of vulnerable SHGs in the village	Other SHGs in the village
			Included in vulnerable groups	Included in other SHGs		

Table 2: Group Information (Only of groups selected for study)

Sr. No.	Group Name	Location		Promoting agency	Date of inception of the Group	Total members				Caste wise classification			Vulnerability wise classification														
		Village	Taluka			Male	Female	Children (below 14 yrs)	Total	SC	ST	Others	Total	S	M	P	L	M	B	P	H	R	P	D	P	O	Total

SW: Sex Worker; MSM: Male having Sex with Male; PP: HIV positive people; LLL: Landless Labourer; MF: Marginal Farmers; BL: blind; PH: Physically Handicapped; MR: Mentally Retarded; WP: Widow from Poor family, DP: Deserter from Poor family and OP - Old aged from Poor family

Table 3: SHG Financial Information

Name of the SHG: _____

Village and taluka: _____

Promoting NGO: _____

Frequency of meeting: _____

Total savings: Rs. _____

Total fund received from other sources:

Financial inst	GAA	Other funds from Myrada	Funds from Govt. programme	Funds from promoting NGO	Other agencies	Total

Interest earned from internal lending: Rs. _____

Other incomes: Rs. _____

Total common fund: Rs. _____

Total number of loans given to members: _____

Total amount loaned: Rs. _____

Total recovery: Rs. _____

Total outstanding: Rs. _____

Total default amount: Rs. _____

Table 4: Loan details - member wise for each SHG

Name of the SHG : _____

Village and taluka : _____

Promoting NCD : _____

[illegible]

* Please use the category code from 'Member details' table

*** Please specify clearly the purpose. DO NOT write as consumption, IGA, health. Clearly specify the objective of the loan amount used for.

*** This should tally with 'SHG financial information table'

Annexure 2: Guiding Questionnaire for the Groups

Name of the Group: _____ Location: _____

Date of inception: _____ Promoting NGO: _____

No. of members in the beginning: _____ Members at present: _____

1. Background of the members of vulnerable group:

1.1 Financial background

[illegible]

- 1.2 Social - Living environment – their interaction with others in village
- 1.3 Vulnerability type – refer table 2
- 1.4 Reason for joining the group
- 1.5 Why some members left?

2. Activities in the group:

2.1 Governance related

- Frequency of meetings
- Meetings compulsorily attended by staff – Yes/ No
- Rules and regulations
- Decision making (who takes decision in the group)
- Conflict resolution (Was there a conflict in the group? How was it resolved)

2.2 Financial

- Savings – frequency _____, Amount: before _____, now _____
- Is it same for all members?
- Is saving compulsory? If yes, why was it made compulsory? Who decided?
- Who writes books of accounts? _____ Other books _____?
- Who goes to the bank? Any difficulties? _____
- Norms for giving credit? Maximum amount? Frequency? Repeat credit?
- Emergencies? Giving loan – is it minuted
- Norms for repayment?
- Interest rate _____ Frequency _____ Sanctions for delay? _____
- How much repayment every month/ week _____ Duration _____

2.3 Non-financial

- What are the other issues discussed in meetings _____

3. Linkage of the groups: refer table 3 for other financial info.

- Financial institution linkage – Bank/ Sanghmitra/ No linkage
- If not linked – Reason _____
- Financial assistance received _____ Repaid _____
- Linkage with various department – Who is taking the lead? _____

Schemes	No. of persons applied	Recd.

- Problems faced in linking with department and financial institution
- Linkage with other agencies like Rotary, etc. – Who is taking the lead? _____

4. How has joining the group made a difference to the members

- Financial – refer table 4
- How many members livelihood has improved as a result of joining the group

Examples

- Any improvement in living condition – improvement in house, purchase of assets, children going to school, release from money lender.

Example:

- During emergencies where did they borrow from before? How has this changed?
- Any difference in the way last festival was celebrated?
- Skill training

Name of person who recd. Training	Relation to member	How it has helped

- Camps conducted

Camps conducted	How it has helped

- Impact on personal and social life

5. Inclusion:

- Are there any vulnerable families left out in villages? If yes, Why???

6. Future: What do they want to achieve further by being in group?

Annexure 3: Guiding Questionnaire for other Stakeholders

For Bank Managers

1. Difference between these groups and others
2. Their experience with these groups

For NGOs

1. Were they promoting such groups before – if no – why not
2. Difficulties in promoting these groups
3. What kind of support these groups require
4. Extent of hand holding required – physically bringing them to the venue, writing books, bank transaction,
5. Time required for the groups to sustain
6. Difference between these groups and other groups
7. Any future plans – how does the NGO plan to work with these groups in future

For Federation/ CMRC representatives

1. Difficulties in promoting these groups
2. What kind of support these groups require
3. Extent of hand holding required – physically bringing them to the venue, writing books, bank transaction,
4. Time required for the groups to sustain
5. Difference between these groups and other groups
6. Any future plans – is it part of there vision/ action plan

For families of group members

1. Has joining the group made any difference in the family? Has it benefited the family?
2. Has there been any difference in the person?

For non-group members

1. Why they have not joined?

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