National Rural Livelihoods Project

SOCIAL ASSESSMENT

REPORT

Ministry of Rural Development

Government of India

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Executive Summary

Too often, well intentioned programs fail when they do not factor the social contexts of their interventions into their design and implementation. Analyses of the experiences of large government poverty alleviation programs, such as the Integrated Rural Development Programme (IRDP) and the *Swarna Jayanti Gram Swarozgar Yojana* (SGSY), point clearly to the need to address social constraints to achieve effectiveness and impact. The National Rural Livelihoods Mission (NRLM) seeks to provide greater focus and momentum to poverty reduction to achieve the Millennium Development Goal by 2015.This entails a rapid increase in viable livelihoods among poor rural households (as well as urban ones). In the longer run, the NRLM is to ensure broad-based inclusive growth and reduce disparities by spreading its benefits from 'islands of growth' across the communities, sectors and regions.

What has been hindering the participation of the poor in development programmes? Why have benefits not reached them in the manner envisaged? A social assessment is a key instrument to seek answers to these questions. For Bank-assisted operations, social assessments are a key tool to ensure adequate treatment of social dimensions in projects. Social assessments help to identify and understand key social issues and risks, and determine the potential social impacts of project interventions on different stakeholders.[1] This Social Assessment for the National Rural Livelihoods Project (NRLP) has been prepared after careful review and analysis of the experiences of previous state- and civil society-supported livelihood projects including World Bank-assisted livelihood projects. A comprehensive desk review was carried out of seven previous District Poverty Initiatives /Rural Livelihoods Projects in Andhra Pradesh, Bihar, Chhattisgarh, Madhya Pradesh, Orissa, Tamil Nadu and Rajasthan. This identified the key social development issues that projects faced and the strategies they used to deal with them. The desk review was supplemented with inputs from consultations carried out at the national level with over 18 states, as well as detailed field consultations in four states (Jharkhand, Madhya Pradesh, Karnataka and Bihar). These consultations obtained the views and feedback on government officials at all levels, civil society partners and, most importantly, of the poor people who are expected to benefit from the NRLP. They identified constraints to accessing development programs and livelihoods and expressed their views on important NRLM strategies.

This report is organized as follows. Chapter 1 describes the context, the social assessment and the stakeholder analysis for the project. Chapter 2 discusses, highlights the social issues that NRLP would need to address, notably exclusion, and issues related to institutions and development efforts. It also discusses some special situations such as conflicts, climate change, and the changing market scenario. Chapter 3 discusses strategies for social development, particularly those that are likely to be more effective in reaching the poorest groups. Chapter 4 provides summaries of the consultations held in connection with the preparation of the NRLP. Chapter 5 gives the specific recommendations that emerge for NRLP from the preceding chapters, and Chapter 6 contains the recommended Social Management Framework for the project.

Social issues and constraints

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[1]. Social Analysis Sourcebook, 2003, World Bank

The key issues that emerge from the social assessment in its entirety have been grouped under three broad goals that link poverty and livelihood interventions:

- *Inclusion.* This entails addressing societal divisions of caste, gender, religion, etc. that affect the poor gravely, creating barriers that significantly impact their ability to come out of poverty.
- *Institutions*, formal and informal, that need to be created or turned around from working against the interests of the poor and heightening their exclusion to giving them space, voice, confidence, economic and social support, and power.
- *Development efforts* that often fail to reach or benefit the poor but must be harnessed to address and 'conquer' the multiple deficits in their lives to effect sustainable poverty reduction.

The social facts and insights garnered are presented as stylized facts below.

Some groups are more disadvantaged than others. Analysis shows clearly that Scheduled Tribes *(Adivasis)*, Scheduled Castes *(Dalits)*, some religious minorities such as Muslims, women, and people with disabilities are amongst the poorest groups. *Adivasis* account for about 8.08 percent of the country's population. Despite improvements, their levels of poverty (43.8% in 2004-05) have changed little over the past 20 years (45.6% in 1983). This slow rate of poverty decline is lower than that in the rest of India's population. Hence, *Adivasis* are increasingly concentrated in the poorest deciles of the population. There has also been an *increase* in tribal poverty in states such as Orissa where three-fourths of tribal households now fall below the poverty line. *Dalits* constitute 16.23 percent of India's population. In the past, they have been socially ostracized, economically exploited, and denied human dignity and a sense of self-worth.[2]

The poor face many types of exclusion which intersect in complex ways, creating barriers that the poor are unable to break. The poor and especially the groups above face geographic, economic, social, political and identity-based exclusion. Some groups of people are excluded simply on the basis of where they live. In rural areas, geographic or spatial exclusion is associated with remoteness, poor connectivity, difficult terrain (including hills, mountains, forests and deserts), low agricultural or resource potential, and poor access to services. Economic exclusion is due to the lack of access to labour markets, credit and other 'capital assets' among some people, These may in turn be due to the lack of education, technical skills and access to technology. Social exclusion cuts across all others forms of exclusion. People who are socially excluded suffer from multiple disadvantages and discrimination on the basis of their identity (e.g., race, ethnicity, religion, caste, descent, age, disability, sexual orientation, HIV status, migrant status, and so on). The poorest of the poor tend to be highly excluded socially, and have the weakest voice and representation in society. Caste discrimination has been identified as the most pronounced and prevalent form of exclusion. There is strong social division along caste lines which determines social behavior and economic segmentation. The various forms of exclusion overlap and reinforce each other. For instance, a *Dalit* or *Adivasi* girl living in rural Chhattisgarh may be excluded from school on the basis of her caste/ethnicity, gender, age and remoteness from a service centre. If she is a differently-abled person, she most likely suffers further discrimination. Social exclusion is a cause of poverty, conflict and insecurity and also a consequence of these.

Institutions work against the interests of the poor. An important aspect of poverty that the groups above face is a lack of access to the institutions that deliver services for livelihoods and development. A range of institutions, formal and informal, play vital roles in rural service delivery. Formal institutions are those that provide basic services (health, education, water and sanitation, Public Distribution System, PDS) while informal ones include traditional social, religious, recreational and political associations that perform various economic and non-economic functions for their members. Some informal institutions

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[2]. Eleventh Five Year Plan

such as SHGs, producer organizations and federations have emerged as 'alternative' institutions for the poor. Some of the key constraints that the poor face in accessing services are: poor physical access, affordability, and social distance including discriminatory attitudes among service providers. Many institutions that are intended to serve the poor, such as the PDS, often exclude them. Poor targeting, low quality of services, and high transaction costs, including corruption, make the 'idea' of using these services – or the experience of doing so - disempowering and humiliating for the poor. It is vital for institutions to be friendly, transparent and efficient for the poor to use services such as education, health, credit or social security, and come out of poverty.

Development efforts also have failed to reach or benefit the poor. Despite a history of livelihood development programs in India, the gains from such programs have been modest, with hardly a dent on poverty.[3] Reports on the IRDP, SGSY or the NABARD SHG-Bank Linkage program show how the better-off amongst the 'target group' corner most of the benefits. This is due to their greater 'voice' failure of targeting systems to remove the 'creamy layer, lack of support mechanisms (such as their own institutions) among the poorer people, lack of their ability to take risks, and so on. For instance, irrigation projects benefit farmers with large lands, sometimes even to the detriment of small land owners. Moreover, even strategic inputs such training and capacity building do not factor in the specific needs of poorer groups. Programs aiming to lower gender barriers also may not be effective as few identify the 'real' issues clearly and evolve specific strategies to address them. For example, while organizing women into self-help groups is heralded as a women's empowerment strategy, few projects look into whether or how they change gender relations in the home. There are also regressive effects such as women's savings from their hard-earned incomes being used to provide dowry for their daughters and obtain "better" bridegrooms. Some of these problems could be addressed by better social accountability efforts. Although these are now being included in some programs, there is still little commitment to these mechanisms at higher levels, or capacity and ownership of them at the grassroots. For these many reasons, the impact of development efforts falls short of what is desired. The NRLM must seek to prepare for and address these issues.

Strategies for inclusion

An important focus of this social assessment was the wide range of strategies for social development implemented in various contexts that might be applicable to NRLP. They offer ideas for the states as they begin the process of preparing state plans and preparation of social inclusion plans. Promising practices include participatory identification of poor using tools such as wealth ranking and social maps. This has allowed for the real poor who get missed out in BPL lists to participate in programs. Strategies for institution building include creating village-level federations that focus on advocacy and convergence, as well as promote access of the poor to other programs and entitlements. Some strategies to reach the ultra poor have also been included, such as 'Pro-poor Inclusion Funds' (PPIF) that provide a special fund for the poorest who may not be able to participate in savings and credit activities. The PPIF also provides scope for additional forms of assistance, including bridging finance against short term repayment relief for defaulters. The lessons of programs working with the ultra poor in other countries and of some livelihood programs for tribal people have also been discussed.

Stakeholder inputs and insights

Field consultations were carried out in Jharkhand, Madhya Pradesh, Karnataka and Bihar to obtain the views of very poor people who are the 'target' of NRLM. In addition, consultations were held with other key stakeholders such as Panchayati Raj Institutions, block and district level officers responsible for

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[3]. The State of India's Livelihoods: The Four P Report, edited by Sankar Dutta and Vipin Sharma, ACCESS Development

program implementation, civil society organizations, bankers and others to seek their opinions and suggestions for NRLM.

These consultations reiterated the reports that groups such as *Adivasis*, especially Primitive Tribal Groups, *Dalits* and women are the poorest. They first experience physical segregation which results in them missing out on services and also becomes a basis for social segregation. Lack of basic economic goods severely impacts the livelihoods of the poor. For instance, low access to land or its low productivity and diminishing access to common property resources widen the gap between those who own land and the landless. Small farmers are less able to access improved technology to increase their productivity. The landless depend on wage labor, but earn low wages and are exploited.

The institutions on which the poor rely also become an important source of exclusion. For instance, communities expressed severe mistrust of institutions that prepare BPL lists as these are influenced by middlemen who resort to corrupt practices to include 'their' beneficiaries. The bureaucratic procedures for service delivery result in high transaction costs for the poor. Running to block offices frequently is difficult for the poor as it results in losses of work and wages. The way in which banks function illustrates this point starkly. Procedures for loans are complicated and time-consuming, and the requirement of collateral makes it impossible for the poor to access credit when they need it. Moreover, the attitude of bankers towards the poor is insensitive - SHGs are treated rudely and seen as non-bankable and low priority clients.

Even community-based organizations exclude the most poor. The consultations point to the poorest still being excluded from SHGs. The 'target-based approach of SHG formation' results in a formation of SHGs in approachable villages and of groups who are easier to reach, thereby excluding those living in remote villages, dispersed habitations, migrants and the poorest households. The influence of officials in selecting members, rather than self-selection of members was also pointed out. Most SHG-promoting institutions have created an impression among poorer and vulnerable households that group norms are strict and inflexible. Such rigidity in saving norms was found to be the main reason for exclusion of many poor and vulnerable women. Those from poorer households who can save little feel that they cannot join groups. Households who cannot save regularly or cannot attend weekly meetings are largely excluded from SHGs. Migrant households and those who are absent for long periods from the village find it difficult to join groups or drop out from them. Existing SHGs are unwilling to include such households since they cannot save regularly and contribute to the group. Others such as Muslim women, physically disabled and PTGs are excluded due to cultural barriers.

People pointed to the lack of transparency and accountability in the functioning of PRIs and viewed these institutions as open to favoritism and politics from which the poor are excluded. Experiences with *Gram Sabhas* are also varied since all districts covered in Bihar and Madhya Pradesh report irregularity in holding of *gram sabhas* and poor attention to the views of the poor and lower castes.

The consultations with the wider development community and government counterparts reflect a sense of hope that NRLM will be a departure from the previous livelihood and poverty reduction programs of the government. A clear recommendation is made for NRLM to focus on approaches rather than targets, which are seen to be one of the key factors responsible for programs 'chasing the poor' but failing to reduce poverty and vulnerability. While coverage is an important indicator, since most of the poor get left out the focus must be on quality and sustainability of SHGs and other institutions of the poor if the goals of poverty reduction and inclusive growth are to be achieved. The real test will be to change attitudes towards working with the poor. It is important for all key stakeholders to feel accountable to provide an enabling environment for the poor. This begins by first believing in the power and capacity of the poor to come out of poverty. For instance, the orientation of banks is crucial for the success of NRLM. Investment in attitudinal change needs to be considered central rather than a one-off 'good to do' strategy.

A key 'takeaway' from the national workshops is that the 'invisible' attitudes and mindsets about the poor are in fact stumbling blocks that NRLM needs to transform.

NRLM should establish much higher levels of integrity and probity than past programmes. The implementation machinery should be oriented to developing and upholding values such as transparency, impartiality, promptness and honesty. Transparent and accountable review, monitoring and evaluation processes must be in place. The MIS is important and central to the implementation systems but it is also important to ensure public access to the data. Use of social audits will bring communities into defining the impact of the interventions on their lives. There is a suggestion to learn from the social audit experiences and lessons of NREGS. Another key suggestion is to focus on women and their livelihoods. Although most programs envisage promoting SHGs of women, they may not be empowered, and may remain 'invisible' and unrecognized in economic spaces (e.g., markets). Making agriculture women-oriented, especially in marketing, is the need of the hour and would help to change their conditions and position in the rural economy.

Learning is important for the staff and management who must understand and respond to emerging needs and concerns of the poor as they attempt to participate and benefit from the program. But, this learning should not be limited to the project and its partners. In fact, there needs to be a specific focus on 'knowledge institutions' for the poor, since currently there is a dearth of ground-level skill and knowledge repositories. The institutions that exist need to be re-engineered to serve the people.

Recommendations

The insights from the literature on poverty and rural livelihoods and the strong voices of the poor in field consultations highlight some important areas for NRLP. First, NRLP must change the attitudes of a wide range of stakeholders who must work with the poor. Second, it must introduce a strong focus on the 'poorest amongst the poor,' including tribal people, scheduled castes, migrants and minorities. Third, while creating institutions of the poor the project must focus on ensuring 'effective inclusion', democratic norms and decision- making, and flexible procedures. A number of activities have been identified below that would contribute to these aims.

Need to know who are the poorest. Clearly, NRLP has to start with good assessments at the state and district/block levels of 'who are the poor?' The project already plans to carry out State Poverty Assessments (SPA) but it is important to ensure that these clearly identify the subsets of poor and analyze vulnerabilities that impact their livelihoods and discuss the social dynamics as well as economic underpinnings of their poverty. Further the SPA must identify what is to be done about the problems on the basis of robust consultations held with these poor people themselves. The assessments will identify the poorest districts and blocks in the state. A key dimension is to bring out not only the constraints but also the inherent capacities of the poor to cope with their vulnerable contexts. Moreover, there are situations that are worsening the status of vulnerable groups such as conflicts, climate change, development-induced displacement and natural disasters for which the poorest groups are paying a high price. These vulnerabilities must also be clearly identified and their differential impact on these groups and especially on women brought out clearly. The process and methodologies adopted for these assessments is as critical as their content. The reluctance of the poorest to identify themselves, of honest reflection by others on the barriers they face in participating and benefiting from development efforts are the 'real' challenges. To ensure these insights, the teams doing these assessments should draw upon those who have an excellent understanding of gender analysis, tribal development, and problems of minorities. Engaging independent experts would ensure objectivity. The assessment teams must be sensitive, transparent and responsive to the community.

Plans clearly stated. State Plans will also be prepared. These should be based directly on the State Poverty Assessments and identify clearly how the project will address the issues that poor and the poorest groups face in eking out their livelihoods. Strategies and actions proposed must address the different groups of poor, especially the 'critically marginalized groups,' and their specific vulnerabilities and contexts. They must also take into account the processes that must be followed which take time and are usually labour-intensive. Short circuiting these processes in the desire to target and plan for large numbers will result in the same ineffectiveness as past programs. The State Plans should identify the local contexts of poverty, delineate the specific actions for different groups and contexts, highlight the challenges of reaching the poorest and discuss the process of doing so, describe the specific strategies for implementation at the block and village levels, and ensure adequate implementation arrangements at all levels. The State Plans should be vetted at the national level on the basis of certain laid down criteria which emphasize social inclusion, among others aspects.

Inclusive mobilization. Social Mobilization is a crucial step if the NRLP's focus on social inclusion is to be achieved. Rapport building prior to beginning activities in a village is important. This would include meetings with all community members to explain the project, including meeting with PRIs and civil society organizations, separate meetings with women, etc. Some participatory strategies and tools such as transect walks should be used to cover marginal areas of the villages and ensure their residents are not left out. More intensive mobilization efforts will be required for these groups as they have little faith in development programs and the institutions that deliver these. Strong communication strategies, house-to-house information prior to community meetings, location-specific meetings are additional efforts that will have to be made. Although the project emphasizes working with women, attention should also be given to addressing men in poor households to ensure that they are supportive of the women in their families participating in the program. Similarly, identifying 'negative stakeholders' at the community level and developing their support is crucial. It is also important to get the public support of community 'opinion-makers,' including religious leaders, and use them as local mobilizers.

The right beneficiaries. 'Putting the Poorest First' is a non-negotiable of the project and hence every effort must be made to select the poorest and the most vulnerable in the village and not merely go by the available BPL list. The strategies to be used for this purpose include participatory wealth ranking, focus group discussions, interviews with people who know the village residents well. The list prepared through this process should be ratified in a *Gram Sabha*. Emphasis should be given to working first with those who are socially excluded. These would include sub-groups of the SC and ST population, women headed households, orphans, widows, abandoned and destitute women, sex workers, nomads, people suffering from HIV/AIDS and other infectious diseases such as leprosy, and so on – i.e., those who are socially invisible and hence often left out by government programmes.

Flexible institutions. One of the principles guiding institution building in NRLM is to unleash the innate capabilities of the poor to create strong self-help groups and federations, and provide the poor 'space, voice and resources.' This will require promoting affinity-based groups and inclusion of the poorest and ensuring strong but flexible norms for the democratic functioning of the institutions. SHGs should be strengthened to take up social development issues and advocate with the local *panchayat* and other institutions to get the poor their entitlements. The SHG grading system which is presently based only on financial and organizational norms (*panchasutra*) should be revised to include democratic participation and social inclusion.

Steady livelihoods for the small. NRLP must promote the livelihoods of the poorest who are unable to participate effectively in groups. 'Household livelihood plans' and SHG plans are useful to develop the options and to motivate and benchmark progress. Focusing on small land-holders and farmers for conservation agriculture, improving access to land among the landless, and reclaiming/ developing common property resources are likely to benefit the poorest. Special efforts to promote tribal livelihoods

which are in tune with the culture and skills of tribal people should be made. These include promotion of NTFP-based and eco-friendly livelihoods, and organization of producer cooperatives to market non-timber forest products. In addition, the livelihoods of young men and women, migrants, and people with disabilities should be developed. Livelihood promotion often requires outside expertise which should be provided for in the state plans and utilized in time.

Gender integration. NRLP must adopt a comprehensive gender strategy to ensure the appropriate focus, comprehensive approaches, and correct support to the project. A range of activities is recommended which include some gender-specific strategies as well as integration of a gender focus in key mechanisms and processes of the project.

- *Gender analysis* to identify the specific vulnerabilities of women and men, their livelihoods, current constraints, coping mechanisms, and solutions is greatly needed.

- *Gender sensitization* of project staff, partners and community leaders is an important investment in NRLP.

- *Women's Leadership.* Participation of women from the most excluded groups must be an important priority for NRLP. For such women, specific leadership development programs are recommended to ensure that sufficient numbers head SHGs and other institutions

- *Gender in stages.* Identifying gender constraints and designing strategies to address them during preparation, integrating gender-specific activities during implementation and budgeting for them, evaluating progress with a gender lens, and redesigning activities or adopting better ones to fill gender gaps are important steps in the project cycle.

- *Breaking barriers.* For instance, if gender-based violence emerges as a critical concern at the local level, strategies such as 'vigilance groups' or mapping of 'danger zones for women' can be implemented. Using the findings of analyses to sensitize PRIs and relevant government staff helps villages adopt goals such as being 'violence free for women.' Given the strong evidence for gender-based violence, women's health can be selected as a theme for NRLP.

- *Expanding choices* for women's livelihoods without gender stereotyping is another important priority for NRLP. For example, women's SHGs and federations can play roles in many male dominated areas such as supply chains in agriculture, horticulture, livestock and forest produce. New livelihood options in areas such as communications, electronics, financial services, maintenance of machines, tourism and so on must be explored.

- *Gender audits* and reviews of strategies are also recommended, including reviews of project documents, communication material, progress and evaluation reports, and field exercises with women and men to understand what impact interventions have had on households, public interactions and decision-making. Disclosure of all such audits and reviews is also important.

- *Gender policies* that can be adopted include institutional policies and mechanisms, e.g., policies against sexual harassment, 'enforcing' gender correct behaviour, commitment to gender equality in job descriptions of staff, etc.

- *Gender learning* exchange programs can be organized to develop creative approaches to incorporating gender across the board in NRLP.

Continuous capacity building. Capacity building is an ongoing, gradually developed process in the project that takes place at all levels from the community to the project management units at state and national levels. The social development contents and methods of training to elicit socially-sensitive planning, decision-making, activities, and implementation must be identified and executed.

Productive partnerships. NRLP must establish and nurture partnerships to deepen its impact on social inclusion and development. The involvement of NGOs and other specialized agencies can improve ways to mobilize communities, identify the poor, build capacities, and so on. Use of independent expertise is needed in many areas. The APDPIP has good lessons on partnerships. Conversely it would be good for NRLP to work with the private sector to encourage their involvement with the rural poor, to provide employment and use corporate social responsibility well.

Monitoring *means* Learning. The M&E system has to be envisaged from the point of view of social inclusion and gender integration from the start of its design. A 'social observatory model' of concurrent monitoring must be adopted to guide the social performance and impact of the project, with inputs from community institutions. The M&E system should include socially-disaggregated monitoring and reporting of beneficiary participation, capacity building, livelihood assistance, partnerships and other interventions, with a particular focus on tribal and other disadvantaged groups and areas. Community institutions should be trained to use participatory monitoring methods such as user satisfaction ratings, citizen report cards, community scorecards, etc. Qualitative and household surveys should be undertaken to assess social, economic and financial changes among beneficiaries and their households. The findings from gender and social audits would be part of the M&E system and their correspondence with program data reviewed. Most importantly, all the feedback provided by the M&E 'exercises' must be used to learn about the project's social performance and take steps to improve it.

Positive and sensitive attitudes. A strong internal sensitivity is needed in NRLP for which a specific strategy for attitudinal change and sensitization of project staff, partners and community members would be useful. The project's consultations thus far establish that insensitive 'patron-like,' unfriendly even hostile, attitudes in and outside of institutions deter the poor from participating in projects and services. Regular training, sensitization events and some innovative practices (such as 'Reflective Dialogues' and 'safe spaces' for project staff to share their fears, apprehensions, and experiences of working on issues such as gender and social inclusion) should be used. Internal staff issues, such as how included district and block level staff feel in the project's decision-making, may also emerge. Clearly, internal inclusion will impact inclusion at the community level.

Empowered social staff. Social staff must be empowered and included in all project meetings and efforts to ensure wide integration of and action on social development issues. Regular reports and presentations by and for them are recommended to ensure that NRLP is having the desired impact and identify what needs management attention. Leadership commitment to social inclusion and gender integration must be ensured and reiterated at all critical meetings and milestones of the project. Strong leadership will act as a strong motivation force for staff.

Addressing grievances promptly should be a strong focus of the NRLP. The Grievance Redressal Mechanism (GRM) needs to be strong and community-focused. There needs to be complete disclosure of the mechanism and composition of the teams that will handle grievances, and processes, including business standards. Regular Action Taken Reports must be prepared and disclosed on local websites. The functioning of the GRM must be reviewed in project management meetings. An online mechanism can be established as well as a Hotline number and postal address to provide a range of options for people to register grievances. Keeping in mind the low level of literacy of the target population, verbal complaints should be heard through forums such as *jan sunwais* and addressed by the grievance redressal committee at the lowest possible level. People's tribunals can also be formed with community members in the team.

Transparency and accountability. Ongoing information disclosure is an important priority for NRLP. It is recommended that the specific roles and responsibilities of staff in information disclosure must be defined. All important reports such as the State Poverty Assessments, State Plans, progress reports,

audits, evaluation reports should be made readily available to the public and dissemination events organized so that people are fully informed about the project and its implementation. The job responsibilities of staff as well as of NGO partners wherever they are engaged must also be disclosed. The Project should appoint Social Audit Committees (SAC) at the village level whose members (people who are trusted by the poor in the village and who have demonstrated honesty and commitment) would be appointed by the Village Organization. The SAC should have representatives of the excluded groups in the village. The SAC should act as a strong community-based mechanism to ensure accountability in the project. Independent reviews through teams comprising of NGO representatives, activists, media and academicians are advocated to help identify good practices as well as areas requiring attention and correction. Staff audits must also be conducted on a pilot basis to see how transparency and accountability are practiced internally. This will send a strong message to project staff as well as the wider community.

Knowledge for progress. NRLP must be a 'learning' project and a strong learning strategy must be framed for the project. Social learning forums should be organized on an annual basis to identify good practices as well as the social constraints that continue to face communities and the project at all levels. Thematic papers on social inclusion, gender integration and women's empowerment would be useful and would help to strengthen the Social Management Framework which is a 'live' document. It will be necessary to see if there are changes (for better or worse) in inclusion patterns in project areas, understand the difficulties faced in including certain groups, and identify success stories of inclusion. NRLP could contribute to knowledge on gender and other social dimensions of rural poverty and livelihoods, expanding evidence of the strategies that help the poor to be included and empowered. In addition, knowledge on special problems such as conflicts, climate change, and extreme poverty can be gathered to ensure NRLP is abreast of these issues and contributes to their 'resolution.'

Individuals with good understanding of social development issues should be engaged for these purposes. Further, learning should not be limited to project staff and partners – NRLP must have a specific focus on creating 'knowledge institutions' for the poor. There is currently a dearth of such institutions – any that do exist could be re-engineered to serve the people.

In the end, these recommendations are pointers for the states as they begin their preparations for the project. Most importantly, all must have a commitment to making specific efforts to identify and address the constraints that most severely affect the poor, building on the lessons of the past. Ultimately, the success of NRLM will depend on how open it is to speaking with the poor continuously, learning and making corrections throughout the program.

The Social Management Framework (SMF)

The Social Management Framework (SMF) would apply to all NRLP-supported interventions. Given the scale and multi-sectoral interventions envisaged under NRLP, the SMF has been designed as a guidance tool for implementation, rather than a plan. It would also guide monitoring and supervision of social interventions, social issues and social safeguard risks. An important component of the SMF is the suggestion for states to evolve Social Inclusion Plans (SIP) which will include specific and suitably adapted strategies for inclusion of the poorest women. The SMF also highlights other key areas such as community investment support, social accountability and grievance redressal mechanisms. The SMF also provides options for NRLP for its work in conflict-affected areas based on lessons from World Bank projects elsewhere. It provides scope for innovation pilots, social enterprises, and community partnerships which will have a social development focus. This focus entails consultations with the expected beneficiaries during design and implementation. It includes direct targeting of the poorest women, people with disabilities, landless, migrant labor and other vulnerable groups in disadvantaged areas, addressing their livelihood and social service needs, and promoting community capacity to

negotiate with markets and service delivery agencies. The SMF will be reviewed periodically for its responsiveness and effectiveness, and revised as needed on the basis of implementation experience.

The full Social Management Framework for the project is presented in Chapter 6 of this report.

1 Social Assessment for National Rural Livelihoods

In June 2010, the Ministry of Rural Development (MORD) of the Government of India (GOI) restructured its primary rural development program, *Swarna Jayanti Gram Swarozgar Yojana* (SGSY) and established the National Rural Livelihoods Mission (NRLM). The Mission's primary objective is to reduce poverty by promoting diversified and gainful self-employment and wage employment opportunities for sustainable income increases. The Central NRLM will provide a combination of financial resources and technical assistance to states so that they can implement a comprehensive livelihoods approach encompassing four inter-related tasks:

    (a) *mobilizing* all rural poor households into effective self help groups (SHGs) and SHG federations;
    (b) *enhancing* their access to credit and other financial, technical, and marketing services;
    (c) *building capacities* and skills for gainful and sustainable livelihoods; and
    (d) improving the *delivery* of social and economic support services to the poor.[4]

Further information about the Mission is given in the Box on the next page.

1.1 The National Rural Livelihoods Project

1.1.1 Project Area

While the National Rural Livelihood Mission will be implemented in all states of the country, the proposed National Rural Livelihood Project (NRLP) that is to be supported by the Bank would be implemented intensively 12 states – five with previous Bank-assisted projects: Bihar, Chhattisgarh, Madhya Pradesh, Orissa and Rajasthan; two 'new states with high levels of poverty: Uttar Pradesh and Jharkhand; and five new states with pockets of deep poverty: Assam, Gujarat, Karnataka, Maharashtra and West Bengal. Within these states, 600 blocks will be selected for 'intensive' implementation. The five states which have had previous Bank-assisted livelihoods projects may be supported for more 'extensive' implementation. Finally, two states which have already implemented livelihoods projects statewide for several years, Andhra Pradesh and Tamil Nadu, will receive support for innovations. The NRLP will also support the MORD to transform its role from one of allocating, disbursing and monitoring GOI resources to the states to one of providing quality technical assistance to implement the NRLM.

1.1.2 Project Objective

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[4]. Rural Livelihoods Mission, Project Appraisal Document,- ?? December 2010

The project development objective of the proposed NRLP is

> *'to establish efficient and effective institutional platforms of the rural poor that enable them to increase household income through sustainable livelihood enhancements and improved access to financial and selected public services.'* [5]

The National Rural Livelihoods Mission (NRLM)

Universal Mobilization of the Poor. The National Rural Livelihoods Mission (NRLM) has the following key features. It aims at universal social mobilization of the poor. The NRLM will try to include at least one woman member of each poor family in a Self-Help Group (SHG). No poor would be left out. Fifty percent of the groups will be of SC/ST families, 15 percent from minorities and 3 percent for persons with disabilities. Thus, the strong institutions of the poor that will be promoted are founded on SHGs and include village-level and higher-level federations. They will provide space, voice and resources to the poor and reduce their dependence on outside agencies. In addition, the NRLM will promote specialized agencies to support livelihoods such as Livelihood Collectives, Producers' Companies or Cooperatives.

From Training to Finance. The NRLM will ensure a range of inputs to members of SHGs and others involved in the program. It provides training, capacity-building and skill-building. It will ensure that the poor are provided with skills to manage their institutions, to link to markets, manage their existing livelihoods, enhance their absorbtive capacity for credit, and so on. A core activity in the NRLM is the development of a revolving fund in each group and provision of a capital subsidy. The revolving fund will be established in the SHGs as a means of inculcating the habit of thrift and accumulation of their own funds to meet their consumption needs in the short run and credit needs in the long run. The subsidy will be a corpus which is to be used to meet members' credit needs directly and as catalytic capital to leverage bank finance. As a follow up to these financial mechanisms, the NRLM will work towards achieving universal financial inclusion, beyond basic banking services, of all poor households, SHGs and their Federations. In order to ensure affordable credit, the NRLM provides for a subsidy on interest rates above 7% per annum for all eligible SHGs that have availed of loans from mainstream financial institutions. This subsidy will be available to SHGs with at least 70 percent members from BPL households.

Livelihood Portfolios. The poor have multiple livelihoods as a mechanism for survival. The NRLM will look at the entire portfolio of livelihoods of each household and work towards stabilizing and enhancing their existing livelihoods and subsequently diversifying their portfolios. The NRLM will seek to ensure that the infrastructure needs for the major livelihood activities are met. It will also provide support to the marketing institutions of the poor. The range of activities in marketing support includes market research, market intelligence, technology extension, and others. The NRLM will scale up existing skill development and placement projects through partnerships to invest in youth and provide impetus to livelihoods and markets. It will encourage public sector banks to set up Rural Self Employment Training Institutes in all districts of the country.

Collaboration and Convergence. The NRLM places a strong emphasis on convergence with other

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[5]. Bank PAD

programmes of the Ministry of Rural Development, other central ministries, and state governments. The thrust is to develop synergies directly and through the institutions of the poor. Partnerships with NGOs and other CSOs will be sought proactively at strategic and implementation levels. In order to facilitate mutually-beneficial working relationships between Panchayati Raj Institutions and other institutions of the poor at the village level, formal platforms will be established for regular consultation between them, exchange of advice and sharing of resources.

Support Structures and Activities. The NRLM will set up dedicated support structures at the National, State, district and sub-district levels. The structures will have linkages with other Government Departments, DRDAs and PRIs. The NRLM will provide technical assistance to the states and all other partners to create and strengthen their institutional capacities for effective implementation. It will build national knowledge management and learning forums and systems concerned with livelihoods. The NRLM believes that successful innovations can reduce the learning curve for poverty eradication by showing different pathways out of poverty. Five percent of the Central allocation is earmarked for innovations. Finally the NRLM will monitor its results, processes and activities through web-enabled comprehensive management information systems, regular meetings of the Performance Review Committees, visits by senior colleagues, and Local, District, State and National Monitoring Groups. Process monitoring, thematic studies and impact evaluations will provide additional information about the progress of the program.

Phasing and Funding. The NRLM has set out to reach, mobilize and support 7 crore (70 million) poor households in 600 districts, 6000 blocks, 250,000 *Gram Panchayats* and 600,000 villages in the country into self-managed SHGs, federations and livelihood collectives. Implementation of the NRLM will be taken up in a phased manner, reaching all districts and blocks by the end of the 12th Five-Year Plan (2017). All states and union territories have to transit to the NRLM within one year. The NRLM is a centrally-sponsored scheme. Its financing will be shared on a 75:25 basis between the Centre and the states except in the northeast states where the financing would be on a 90:10 basis.

In essence, social inclusion is a core value of the NRLM with a strong focus on the poorest. Its approach is to harness the innate capabilities of the poor and complement them with capacities to deal with the outside world. It has three 'livelihood' pillars – enhancing and expanding the options of the poor; building skills for the job market; and nurturing self-employed entrepreneurs. It aims to ensure transparency and accountability in all processes and institutions.

This would be achieved by organizing the rural poor into inclusive, community-managed institutions; leveraging of resources and services by the poor using their own savings and credit received from financial institutions; increasing productive assets and incomes from livelihoods among the poor; and improving their access to public services related to food, nutrition and health.

1.1.3 Project Components

The proposed project would have four components as follows.

Component 1. Institution and Human Capacity Development. This component would develop MORD into a provider of high quality technical assistance for livelihoods promotion and create a national pool of rural development professionals to undertake a variety of activities. The activities include: (a) establishing a team of high quality professionals in MORD and partnerships with experienced agencies in the country to provide technical assistance to the states in areas such as human resource management, livelihood improvement and sustainability, environment management, financial inclusion, and fiduciary management; (b) creating state support structures; (c) training and capacity building of a pool of rural development professionals to implement the project. They would identify useful knowledge, develop training material, formulate and implement training courses, and develop and employ other learning methodologies. A National Centre for Rural Livelihoods would be established, and partnerships developed with existing good quality training and policy research institutes in rural development. The MORD would ensure that the poor get good quality services and technical assistance from the support institutions.

Component 2. State Livelihood Support. This component would organize the rural poor to improve their access to financial, economic and social services. It includes: (a) setting up project implementation structures in the selected states and districts, and professional district-level rural development teams; and (b) mobilizing the poor in the intensive blocks into organizations and establishing systems/mechanisms for them to access financial and economic support services including savings, credit, marketing, and other public services. Investments would be made in e-book-keeping in community institutions; financial literacy and business education of the poor; helping them develop household livelihood plans; developing cadres of community credit/debt counselors and wealth managers; rolling out alternative outreach models (e.g., branchless banking, mobile banking, helpdesks, call centers, and customer relationship managers dedicated to poor clients) to increase steady access to formal financial services; preparation of micro-plans to raise financial and technical resources to achieve income increases. This sub-component would also support community-managed approaches to food stocking and distribution and savings or insurance for health to mitigate food and illness shocks, and convergence with the national Mahatma Gandhi Rural Employment Guarantee Scheme (MGREGS), other safety nets and social insurance programs to reduce vulnerability. Support will also be provided for key investments in livelihood activities such as agriculture, livestock, fisheries, forest collection, non-farm enterprises, and skill development for formal sector employment. The component would also (c) assist the states that have achieved robust thresholds of social mobilization and institution-building to establish special purpose vehicles to support investments that would consolidate and/or scale-up livelihoods in sustainable agriculture, community-managed dairy value chains, education, health and nutrition; and (d) establish a window to finance civil society organizations (CSOs) to implement project activities in high priority regions, including those that are conflict-prone.

Component 3. Innovation and Partnership Fund. The overall goal of this component is to create an 'innovation ecosystem' and encourage rural livelihood innovations to be incubated and scaled up. It would create a mechanism to identify innovative ideas to address the livelihood needs of the rural poor and pilot them in project locations; promote social entrepreneurs; and scale up access to technology, services and markets in key sectors such as agriculture, dairy, fisheries, and non-farm enterprises. The project would invest in: (a) innovations and pilots identified through 'development marketplaces' that could be scaled up; (b) larger-scale implementation of social enterprises through a Livelihoods Challenge

Fund; and (c) public-private and community partnerships to scale up implementation. There would be active partnerships with the World Bank Institute -? and other private foundations.

Component 4. Project Management and Monitoring and Learning Systems. This component would establish an effective project management unit at the national level to develop key systems and processes to coordinate and manage the project. As NRLM is a national program of a significant size to be implemented in states with varying capacities there would be substantial managerial requirements for operations, financial management, efficient procurement and contracting systems, timely generation of data for decision making, knowledge management and communications, and governance and accountability at central and state levels. The key investments include: (a) establishing a National Mission Management Unit (NMMU) and related structures at the national level; (b) developing and rolling out an ICT-based MIS to support decision-making and program monitoring; (c) establishing a knowledge management and communication 'architecture' for rural livelihood programs; (d) a governance and accountability system; and (e) establishing a concurrent monitoring and evaluation system. The investments in this component will help achieve the project objective in an efficient and timely manner.

1.2 Social Assessment

Too often, well-intentioned programs fail when they do not factor the social contexts of their interventions into their design and implementation. Social assessments are undertaken to identify and understand the significant social issues and risks facing a project as well as its social development opportunities. Further to determining the risks (such as constraints that need to be removed for stakeholders to participate in the project or obtain its benefits) and the potential positive and negative impacts of project interventions on stakeholders, social assessments can help to formulate explicit social development outcomes, activities and institutional arrangements, and to identify indicators to monitor and evaluate achievement of the desired outcomes.[6]

The Social Assessment for the National Rural Livelihoods Project consists of three parts. The first is a Desk Review of issues and strategies relevant to the NRLP. The second part reports on the findings of Field Consultations held on the project. The third part, arising from the first two, is the Social Management Framework which sets out what the project could do to address the most important social aspects – both risks and opportunities.

1.2.1 Learning from Previous Projects.

The design of NRLP, particularly the articulation of its core interventions, draws upon several earlier state-level rural livelihood projects supported by the Bank in India. These include the following:

- Andhra Pradesh District Poverty Initiatives Project (2000)
- Andhra Pradesh Rural Poverty Reduction Project (2003)
- MP District Poverty Initiatives Project I (2001) and II (2009)
- Rajasthan District Poverty Initiatives Project I (2000) and II (to be launched)
- Orissa Rural Livelihoods Project, TRIPTI (2008)
- Bihar Rural Livelihoods Project, Jeevika (2007)

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[6]. Social Analysis Sourcebook, 2003, World Bank

- Tamil Nadu Empowerment and Poverty Reduction Project, Puthu Vazhvu (2005)
- Chhattisgarh District Rural Poverty Project (2003)

It has also learned from projects supported by other external agencies (such as DfID which financed the ….) in India and Bank-assisted projects in other countries (such as …). As the project areas of the NRLP are not yet fully defined below the state level, but include six states that have implemented previous projects, this Social Assessment carried out an extensive review of the rural livelihoods projects in A.P., Bihar, Chhattisgarh, M.P. Orissa, Tamil Nadu, Rajasthan in order to identify the key social development issues that these projects experienced and tackled. It also draws on the strategies they employed (Chapter 3) to address them. Further, it reviewed a number of other projects listed below. The field consultations also were carried out in two states which had previous projects in order to learn lessons from them, and two 'new' states, as mentioned earlier.

A range of project documents were reviewed including Project Appraisal Documents, Project Implementation Plans/Documents, Social Assessment reports, Tribal Development Plans, mission Aide Memoires, Quarterly Progress Reports, thematic studies, Mid-term and Final Evaluation Reports, and so on (a complete list if provided in the Bibliography). Separate project profiles have been prepared and annexed to this document for reference and learning.

1.3 Organization of the Report

This report is organized as follows:

Chapter 1 (this chapter) describes the context, covering the NRLP and the NRLM, the social assessment and organization of this report, and the stakeholder analysis for the project. Several related annexes provide profiles of seven previous Bank-assisted livelihoods projects.

Chapter 2 Social Issues for NRLP, highlights the issues the project needs to address including:

- Exclusion issues: types of exclusion, specific excluded groups and their vulnerabilities, and causal factors for exclusion;
- Institutional issues;
- Issues surrounding development efforts and why they may fail to reach or benefit the poor; and
- Legal and safeguard issues relevant to the project.

In addition, some situations that threaten to accentuate the exclusion faced by some groups, such as internal conflicts (naxalite, caste and ethnic conflicts), climate change, and the changing market scenario, have also been discussed. While these may not be addressed directly by the project, they need to be understood and taken into consideration as the project proceeds.

Chapter 3 discusses Strategies for Social Inclusion, particularly those that are likely to be more effective in reaching the poorest groups.

Chapter 4 provides summaries of the consultations held in connection with the preparation of the NRLP.Several national consultations were organized by the MORD with national and state government stakeholders, and private partners. Field consultations were conducted in four states – two with previous livelihoods projects (Madhya Pradesh and Bihar) and two 'new' (Jharkhand and Karnataka).

Consultations were held with the most relevant secondary stakeholders and primary stakeholders, particularly the 'poorest of the poor,' women and men from scheduled castes, scheduled tribes, religious minorities, and other vulnerable groups in socially, economically and culturally representative geographies of the proposed NRLP states. The consultations were undertaken with the objective of informing the design and implementation of the NRLP as a socially inclusive and culturally appropriate program; and of providing operational recommendations for the social management framework for the NRLP. The findings will be available in a consolidated report as well as four state-specific reports.

Chapter 5 gives the specific recommendations that emerge for NRLP from the preceding chapters.

Chapter 6 contains the recommended Social Management Framework (SMF) for the project. The information and analysis from the Social Assessment Desk Review and Field Consultations were used to develop the Social Management Framework (SMF). This identifies the important social issues in the NRLP, and proposes strategies to address them which can be employed by states, districts and sub-district levels when the need/opportunity arises. The SMF also identifies how the NRLP would assess progress in addressing the social issues. Implementation of the SMF is expected to bring out new solutions, promote local innovations and provide useful lessons.

1.4 Project Stakeholders

Achievement of the NRLP's goals depends on a range of stakeholders and their willingness and ability to perform the roles envisaged. Who are these stakeholders, and what are the roles envisaged for them in the project? Are there 'negative stakeholders' who could interfere in project activities and stymie its implementation or achievements? Are there people who could influence the project for the better? This section identifies the key stakeholders and summarizes their current roles and relationships in the project. As the project progresses, states would need to conduct their own stakeholder analyses, and specify the local details. A comprehensive stakeholder analysis which clearly identifies how different groups can be supported to play positive roles is critical for the success of NRLP.(Table 1)

Table 1. Stakeholder Analysis

Stakeholders	Role/s Envisaged	Social Characteristics/Situation	Interests and Influence
Beneficiaries and their Organizations			
Intended Beneficiaries	Participate in project, doing activities envisaged in the sub-project cycles, such as participating in self-help groups, federations and producer organizations, to benefit ultimately from the project – use a range of services and achieve sustainable livelihoods	Are poor, may lack skills, education/literacy, information, active capacities, support networks, have subsistence work, are often indebted (with loans for consumption, health, social obligations, and livelihoods), etc. These characteristics require the project to address their multiple needs simultaneously Are heterogeneous in terms of gender, age, caste, tribe, religion, political affiliation, etc. and therefore present challenges to organize and sustain in self-help groups and other organizations	Interested in 'moving out of poverty' but often lack the time or 'social permission' to participate in projects. May be concerned about accessing credit, repaying loans or sustaining self-employment, alternative livelihoods.
Self-help Groups	Members have a strong common cause and the groups function democratically to benefit all, especially the poorest, to help each other out of poverty. Each group develops in stages with all members sharing responsibilities and benefits equitably and achieving comparable levels of development	Come together on the basis of 'common interest' to develop savings and inter-loaning and obtain credit from financial institutions (FIs). Can also form producers' organizations or other common occupational groups. However, members, membership criteria or norms for functioning may become exclusionary. For example, some poor may not be able to save required amounts or attend meetings at the specified times and frequencies. 'Elite capture' may occur, or leadership rotate among a few better-off/literate members, resulting in others (often the poorest) not being able to get loans or other benefits (such as	Obtaining loans for consumption, livelihoods and other needs, and improving their livelihoods through skill development, access to services, technology, marketing, etc. Can become good clients for FIs (banks), creative and efficient contributors to the market (producers), and a force for development in the village, influencing other programs to provide services to the poor and others

Stakeholders	Role/s Envisaged	Social Characteristics/Situation	Interests and Influence
		training).	
		Poor governance can set in, with poor financial management or corruption leading to exploitation of some	
SHG Federations (Organization of all SHGs in a village)	Circulate larger amounts of members' savings and/or obtain larger loans from FIs (banks).	Members/SHGs are heterogeneous, often leading to internal differences in the federation and need for expert leadership/consensus building	To effectively help members and influence FIs and other providers to enhance livelihoods and village development
	Obtain benefits from other government departments and schemes such as PDS, NREGS, etc.	Tend to be managed by the better-off who may not represent or focus adequately on the poorest, or who capture benefits	Need to have clear purposes and roles, strong capacity development, and guidance to establish good internal management and governance
	Obtain private services for SHGs/members	Require strong capacity building to address issues of members/ SHGs, and manage finances and other roles effectively	
Producer Organizations (e.g., Farmers' groups, Fishing cooperatives, Dairy co-ops, etc.)	Help producers achieve 'backward and forward linkages' including adequate supplies, services, finances, and markets	Are occupationally homogeneous but may be economically heterogeneous with the risk of the poorest being marginalized or 'competed out'	To improve productivity and develop strong markets for their products, obtaining good returns on investments and labor
		Representation of small producers may not inadequate	Could influence public service providers and private suppliers and market managers
		Elite capture, poor governance, etc. remain issues	

Stakeholders	Role/s Envisaged	Social Characteristics/Situation	Interests and Influence
Local Support Organizations			
Community Resource Persons			
Project Facilitation Teams (PFTs)			
Non-Governmental Organizations (NGOs)	Community mobilization, communication, skill training	Strong expertise in community mobilization, and in communication campaigns on social issues. Also work towards poverty reduction through uni-sectoral (e.g., health, rural development) or multi-sectoral programs. Often have innovative ideas and manage implementation well, providing models for replication - but rarely collect robust evidence or carry out evaluations of their efforts, making these essential before 'successful' practices are expanded. May not be based in the specific project area that requires their intermediation, but those with appropriate expertise could be engaged to work where there are inadequate numbers of government staff or local non-profit/private sector personnel. Often form consortia or work through PPPs.	Likely to support project and engage with it to provide valuable expertise. Rivalries exist between agencies which would need to be heeded while engaging NGOs. Also, 'suspicions' between NGOs and local-level bureaucracies need to be managed for effective partnership.
Panchayati Raj Institutions	Support identification of beneficiary households and finalization of lists Promote accountability of health and education services, and	Include representatives of disadvantaged groups such as women, SCs, STs, etc. but these are sometimes without a voice (or even discriminated against) in the group (ZPs, BSs, GPs, and sub-committees). These groups are often 'fronted' by others (e.g., husbands of women; upper castes for SCs, etc.). Elite capture is common and this may extend to PRIs interfering or capturing community institutions such as SHGs, Federations, etc.	Have roles in development schemes which are sanctified by Panchayat Acts and Rules, and so need to be ebcouraged and supported to play these positively to support Project processes and goals. Otherwise may not be supportive of SHGs, Federations and other organizations that represent the poor and could try to

Stakeholders	Role/s Envisaged	Social Characteristics/Situation	Interests and Influence
	reach to the poor	Many village development schemes and their funds are passed through panchayats. Where corruption occurs, muscle may be used to silence the poor, lower castes, etc. Thus, are not very effective grievance redress mechanisms. Gram sabhas are intended to inform all adult village residents and seek their approval for panchayat actions, but participation, especially of the social and economically disadvantaged, is often poor and information is not shared appropriately. Hence, GSs are frequently conducted to complete formalities and documentary requirements.	negatively influence critical processes such as beneficiary selection, livelihood activities in order to benefit others.
Private Service Providers/ **Partners**			
Financial Institutions/ **Banks**	Link with SHGs and Federations to provide credit to project beneficiaries.	While clearly mandated to serve the poor, local functionaries may be insensitive to them, failing to provide the information and assistance required for loans to be taken. Distance, inappropriate bank timings, or rude behaviour of staff can discourage poor women. FIs need to be proactive to overcome these obstacles but often lack adequate human resources. NGO intermediation is sometimes necessary and helpful.	Have an interest in lending to the poor to achieve mandate, targets and increase volume of lending. But this is often undermined by scepticism about the creditworthiness of the poor, which is a key obstacle. On the other hand, sometimes also default on 'due diligence' work, leading, for example, to the poor getting multiple loans that they are unable to pay, giving 'meat' to the above scepticism. NABARD could play a positive role as its SHG linkages have brought about some change.

Stakeholders	Role/s Envisaged	Social Characteristics/Situation	Interests and Influence
			FIs are often not as influential as moneylenders who remain the 'first port of call' for many poor people who are already indebted to them, cannot save to join an SHG, or are not hopeful of getting money from FIs because of earlier default, outstanding loans, etc. Moneylenders are still 'indispensable' and are strong negative stakeholders.
Government Departments at District and State levels			
District Rural Development Agencies	Work closely with DPMU for convergence of key programs that can help to enhance the capacities and livelihoods of the poor	Usually good leadership Implemented SGSY and so oriented largely to its way of addressing poverty Attention focussed on NREGS which provides wage employment for the poor, Poor lack awareness about NREGS and procedures to apply for work, face problems of delayed payments and opening bank accounts; may not get the assured 100 days of work Also have other schemes to implement though faced with	Highly variable interest and capabilities call for strong capacity building for the new NRLM program including participatory approaches, convergence, etc.

Stakeholders	Role/s Envisaged	Social Characteristics/Situation	Interests and Influence
		serious staff shortages; may lack the capacity to forge operational convergence across programs with similar objectives	
Agriculture Department	Provide training and extension services and infrastructure support Focus on improving market conditions by encouraging private sector participation	Limited reach (in part due to staff shortages) Limited focus on increasing the productivity of small farmers and limited or no attention to the landless poor (though land leasing, home plots and community lands could be used by them).	Could be involved in project implementation to support project activities and goals. Will require convergent planning and implementation at the state and district levels. Could also support or undertake pilots and innovations
Animal Husbandry Department	Provide services and training to SHGs and producer organizations involved in livestock activities	Limited reach and capacity for care and treatment of livestock, and for training No focus on establishing market linkages e.g., between milk producers and buyers either through producer cooperatives or private sector; however, other PSUs exist for this purpose	Most likely limited ability to support project interventions, calling for other state or private agencies to be involved
Forestry Department	Support community to develop and sustain forest-based livelihood activities as well as protection of forests	Inadequate technical capacity and not able to add value to NTFP. State marketing institutions may be inefficient, and direct access of community to markets is limited	Most likely limited ability to support project interventions, calling for capacity building as well as engagement of private agencies to help the project

Stakeholders	Role/s Envisaged	Social Characteristics/Situation	Interests and Influence
		Monitoring systems for forest livelihoods are weak Distrust role of community in protection	
Health Department	Make specific efforts (such as home visits to poor households, fixed day services, etc.) to ensure that the poor have access to and avail of health services	Staff shortages due not only to vacancies but also to absenteeism; very limited outreach New programs such as JSY are helping with maternity services Irregular supply of basic services such as immunization, and treatment of diseases such as malaria which severely undermine work capacity	Need to be motivated to provide better and regular services; even with staff shortages, improved planning and monitoring could help to streamline service delivery; community monitoring could also help, for instance, to increase attendance of staff, and special efforts such as home visits or visits to SC, ST, poor localities Workshops for interaction with SHGs would be useful
Women & Child Development Department	Provide regular ICDS services including child care, health and nutrition	Workers who are resident in villages are in a position to provide good services if properly supervised and supported; yet, may 'miss' members of lower castes, poor, remote, etc. Many are 'non-resident' resulting in poor or no services being provided especially to most vulnerable Food stocks irregular/inadequate and not properly targeted at the households most at risk of malnutrition	Could be streamlined through convergent planning and action to support women with day care, and women and child health care
Technical Education/ Labour/			

Stakeholders	Role/s Envisaged	Social Characteristics/Situation	Interests and Influence
Industries Department and related institutions – Polytechnics and Industrial Training Institutes			
Implementation Agencies			
Block Project Management Unit	Manage all aspects of program at respective level	Challenges in staff recruitment, retention and capacity building	Central to project and likely to be interested if job is contractual
District Mission Management Unit		A priori understanding of and priority given to social aspects likely to be low	Strong capacity development will be required with a focus on social development, how to do social/gender analysis, etc.
State Mission Management Unit		Special problems likely in conflict-affected areas	

2 Social Issues in Livelihood Programmes

Three Areas Covered

This chapter identifies and discusses the key social issues related to livelihoods programs, grouping them into three broad 'needs' of programs designed to reduce poverty:

- *Inclusion.* The poor need to overcome societal divisions based on caste, gender, religion and so on which have a significant impact on their ability to come out of poverty.
- *Strong Institutions.* Formal and informal institutions must be made to work in the interests of the poor rather than against them to reduce exclusion of the poor.
- *Effective Development efforts* must be made to reach the poor across these divides and provide them the goods and services that they need.

2.1 Forms of Exclusion

The poor are excluded in a variety of ways, which in turn keep them trapped in poverty. Exclusion may be geographic or spatial, economic, social and political.

Locational (geographic or spatial) exclusion. Some people are excluded because of where they live. In rural areas, exclusion of physically 'remote' areas is common; these areas tend to have poor connectivity, infrastructure and services, and may have low resource potential. It is physically difficult for inhabitants of remote areas to access services and markets and to participate in broader socio-economic processes. Even if connectivity is reasonable, areas may lack resources and be labelled 'backward,' 'disadvantaged' or 'poor,' or be vulnerable to natural disasters such as floods or droughts, which events underlie much poverty. Spatial exclusion in India now rarely covers whole districts, but it commonly applies to blocks, clusters of villages, and parts of villages. It cannot be entirely separated from economic and social exclusion as it is usually economically and socially marginalized groups that inhabit physically deprived spaces. Government policies can be biased against these areas as their development often requires disproportionate resources. Hence, specifically targeting them for development, and comprehensive planning and budgeting are needed to overcome their exclusion.

Economic exclusion is usually the lot of the poor and includes lack of access to resources, labour markets, credit, other forms of 'capital assets' and services. Whilst economic exclusion plays an important role in the reproduction of social inequality, it is also the result of inequalities, for example, in access to education. Educational status, particularly illiteracy, can be an important cause of exclusion from the labour market.

Financial exclusion. Although most banks operating in rural areas are state-owned and have a special mandate to serve the rural poor, they are not operating efficiently and effectively to meet the needs of the poor. In his celebrated book, **Fortune at the Bottom of the Pyramid**, the management guru C. K. Prahalad points out that the poor live in costly environments and often pay relatively higher prices than the better-off for comparable services (Ref.). The most prohibitive prices they pay are often those for financial services. Usury is widespread in the vicinity of the poor and in poorer regions and states and is both a cause and consequence of poverty (see APMAS, 2008). Studies indicate that one of the first and foremost benefits of SHG programs is that members are freed from the clutches of moneylenders.

Political exclusion includes the denial of citizenship rights such as political participation or the right to organize, and also denial of personal security, the rule of law, freedom of expression, and equality of opportunity (Bhalla and Lapeyre, 1997: 420). Political exclusion implies that the state, which grants basic rights and civil liberties, is not a neutral agency but a vehicle of a society's dominant classes, discriminating against certain groups. An outcome of political exclusion or marginalization is the unequal process of resource distribution and accumulation of wealth, based on power relations, the capacity of various groups to lobby for their interests and influence the government's agenda and targeting of government policies.

Social exclusion has been defined as 'a process by which certain groups are systematically disadvantaged because they are discriminated against on the basis of their ethnicity, race, religion, sexual orientation, caste, descent, gender, age, disability, HIV status, migrant status or where they live' (DFID, 2005: 5). Discrimination occurs in public institutions, such as the legal system or education and health services, as well as social institutions such as households. For DFID, social exclusion matters because it denies some people the same rights and opportunities that are afforded to others in their society. Simply because of who they are, they cannot fulfil their potential, nor participate equally in society. An estimated 891 million people in the world's population of 7 billion experience discrimination on the basis of their ethnic, linguistic or religious identities alone.

Some significant forms of social exclusion in the context of the NRLP are discussed below.

> *Caste-based exclusion* is perhaps the most pronounced and prevalent form of exclusion in India. Strong social division on the basis of caste determines inter-personal and inter-group behavior, and is related to economic segmentation. Caste has constrained social and economic mobilization in Bihar, especially the development of collectives of the poor.

> It is important to recognize the uniqueness of caste discrimination. The caste system involves exclusion and discrimination in multiple market and nonmarket transactions and societal interactions. The Scheduled Castes or *Dalits* (who are at the very bottom of the caste hierarchy) may have limited access to markets for land, inputs, consumer goods, social services, housing and so on. They are often excluded from participating in certain types of jobs or selling certain goods such as vegetables or milk because their physical touch is considered 'polluting.' The problem of pollution also results in discrimination against them in public services (including roads, temples and water bodies), and physical or residential exclusion. These features constrain contact between *Dalits* and other social groups in the village, and their participation in community life.

> *Gender-based exclusion* could affect either women or men in different circumstances. In India the exclusion of women remains widespread and systemic, particularly from economic activities.

Women are subjected to exclusion in both the public and private spheres. Household decisions often exclude girls from education, women from approaching health services or economic work, and so on, or deny them control over their income or other household assets. Women's exclusion is often supported by social norms or religious values. In the public sphere, gender differences are apparent in the labour market, with most women working in the informal economy that is characterized by job insecurity, poor working conditions, and low returns. In many communities, traditional barriers still prevent women from venturing out of homes to work. The primacy of household responsibilities prevents some women from working outside or far from their homes. Women also continue to face barriers to political participation, and they are vastly under-represented in policy-making and governing bodies.

Gender-based exclusion can affect men as well. Social norms ascribing them primary responsibility as 'bread earners' may circumscribe the manner in which they work or earn – salaried employment and inherited occupations being most valued. The burden of having a secure livelihood for the survival and well-being of their families often rests on them, possibly denying them the opportunity for more creative pursuits or of taking risks that could in the long run improve their livelihoods.

Religion-related exclusion can deny people social, economic, political or legal rights and opportunities on the grounds of their religious identity. Often religious majorities in an area deprive minorities of these rights due to local (or wider) antagonisms. An additional dimension is the barring of some members of a religious group to certain practices of their own religion. For instance, *Dalits* are prohibited from entering certain Hindu temples (although this practice has been proscribed by law) and women similarly prevented from doing so during their menstrual period.

The disabled or physically/mentally challenged often have limited access to education, employment and public services. Some barriers to their inclusion are physical, such as the inaccessible of buildings or transport, others may be institutional (e.g., discriminatory practices), and still others attitudinal (e.g., the stigma attached to persons living with AIDS).

Age-based exclusion. **O**ld age is usually associated with 'retirement' and hence exclusion from employment in the public sphere. However, even in the household, age can isolate people from family decision-making processes and lead to the denial of services and support, lack of access to resources, and so on. Physical infirmity can further exclude older people from participation in social, economic and political life of their communities; and discriminatory laws and practices and negative attitudes of service providers are additional barriers for the elderly.

2.1.1   Overlaps and Inter-relatedness among Forms of Exclusion

Social exclusion may be 'multiple and cumulative' (Louis, year?) For instance, a *Dalit* or *Adivasi* women may be excluded from health or education services on account of her caste/ethnicity in addition to her sex, and further so if she lives in a Scheduled caste or tribal hamlet which is distant from the public facilities. If she is differently-abled, she may suffer further discrimination. Overcoming such multiple handicaps is a significant challenge faced by many of the chief clients of livelihood programs such as NRLM.

The various forms of exclusion are not mutually exclusive or unrelated. As mentioned above geographic exclusion often overlaps with social exclusion and may cause social and economic inequalities. Different forms of exclusion may reinforce each other. As Cook writes, 'when a regional concentration of poverty coincides with ethnic or religious divisions, the two reinforce each other, generating intractable forms of exclusion, potentially becoming a source of social instability or, in some circumstances, fuelling regional insurrections' (Cook, 2006).[7]

Social exclusion of any of the above types can be the cause of poverty, conflict and insecurity. The socially excluded tend to be amongst the poorest of the poor, and have the least voice and representation in society. The DFID report cited above goes on to specify that exclusion causes poverty in two complementary ways: by excluding individuals from opportunities available to members of other categories, and by under-using an economy's productive potential. People who are socially excluded are often invisible in poverty analyses where income is the usual measure of poverty. Socially excluded people are also least likely to be able to contribute to and benefit from development. Thus, poverty reduction is made harder by social and other forms of exclusion.

Social exclusion can also result in other disadvantages that influence how individuals or groups participate in economic or political functions of society. Many disadvantages are manifest, cutting across various aspects of life. For example:

- Socially excluded groups face exploitation – for instance, they are often found to be working in the worst paid jobs, harshest working conditions, and most insecure areas of the informal economy.
- Excluded groups have asymmetric patron-client relationships, resulting in their labour, loyalty and independence being exchanged unequally for meagre 'handouts' from more powerful sections of society. Bonded labour is an extreme form of exploitation of this type.
- Some castes and tribes have resorted to criminal, illegal or stigmatized activities on account of barriers to accessing socially-acceptable forms of livelihood.
- Destitute persons may not only be poor and asset less but further stigmatized – for example, characterized as mentally ill, leprosy- or AIDS-affected, addicts, and so on. They may actually be orphaned or abused children, widowed women, abandoned elderly, or disabled persons. Many

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[7]. Byrne, Sarah and Devanshu Chakravarti (2009) 'Inequality, Power and Social Exclusion in India,' complete ref

are homeless and live on the streets, sometimes subject to extreme victimization such as begging, sex work or selling body parts.

2.1.2   Some Further Causes of Exclusion

Inequitable access to land and resources. Rural poverty is strongly related to lack of ownership of land. Almost universally across rural India, the land distribution pattern is highly skewed with ownership concentrated among the upper castes who have consequently become economically well-off. *Dalits* and some other backward communities have land limited to their dwellings only – and even these may be mortgaged or leased. If they own land it is often too little to cultivate or of low productivity, or dependable only for subsistence. The situation of land ownership among tribal people varies across the country, with some lands collectively owned and others owned by the State. Over time much tribal land has come to be controlled by non-tribal people. Thus many *Adivasis* do not have full control over the land on which they depend for their livelihood.

Skewed delivery of services and inequitable development. In many areas (even 'before' geographic areas that are physically difficult to access) services fail to reach the poor and excluded; where they do, they may lack quality and hardly cut through the multiple vulnerabilities of the poor to improve their situations. The areas where development has been poor and inequitable have become subject to unrest and conflicts.

Elite capture of institutions. Capture by better-off groups of institutions on which the poor depend is also a critical cause of exclusion. Even the benefits of government programs that have a strong 'pro-poor component' may go to powerful and rich people, with the poorest receiving minimal benefits - both a consequence and cause of exclusion. Because of social exclusions, people who are powerful can capture and control the functioning of institutions; once this happens, it is possible to perpetuate the exclusion of 'target' beneficiaries. There is sometimes a nexus between powerful (e.g., caste) groups and local officials, often of the same caste.

Lack of organization and collective action amongst the poor. One of the most important challenges to development of the rural poor is that they are not organized and therefore must deal with institutions, both public and private, as individuals in need or scattered users of services or goods, passive recipients of 'entitlements.'

Internal displacement caused by irrigation, mining and industrial projects often results in landlessness, poverty and hunger. *Adivasis* have been particularly affected by these problems – for example, about 40 percent of people displaced by dams in the last 60 years have been forest-dwelling tribal people. *Adivasis* displaced by irrigation projects in Orissa have migrated to the forests of Visakhapatnam district in Andhra Pradesh in large numbers. They would have been evicted from there by the Forest Department of Andhra Pradesh but for the presence of the Naxalite movement (see below). In Bihar, many *Dalits* who were victims of upper caste atrocities have moved from their original habitations. They are subject to social tensions in their new habitats as well.

Conflict. Conflict involves a struggle between individuals or groups wishing to assert their values or claims to status, power or resources (Goodhand and Hulme, 1999: 14). Conflicts may turn violent, including the killing and injuring of people, destruction of public facilities and private property, and reprisals. The impact of violent conflict on society, economy and politics can be devastating. Non-violent forms of conflict can still result in the destruction of social relationships, mistrust of government, the collapse of state institutions, psychological trauma or pervasive fear (Haider, 2009).[8] Conflict affects all the people it surrounds, but its impacts on the poor and marginalized are the gravest because they are least able to protect themselves. Girls and women usually have the least say in conflicts, but are often severely affected by them because of having to run homes as well as economic activities in the absence of their men, because of the association of rape with violent conflicts between opposing groups, and because of the deaths of family members, among other reasons.

A key problem that emerges from situations of conflict is the distrust imbuing state-citizen relations. Distrust of government may result in a desire among people to exclude all government involvement in community-based processes. In addition, concerns about weak capacity in public departments, patronage or corruption, as well as the involvement of government as a party in the conflict, can alienate even those who are not directly involved in the conflict. Sometimes external actors get involved, trying to assist communities directly but possibly exacerbating the difficulties faced by victims of the conflict. All these situations call for extreme caution when poverty reduction and inclusion are the objectives, and most often call for the reduction of the conflict or mediation between the opposing parties. Fragile contexts are situations in which 'state structures lack political will and/or capacity to provide the basic functions needed for poverty reduction, development and to safeguard the security and human rights of their population'(OECD DAC, 2007), and call for stronger foundations to be built for development programs.

In India currently three types of conflicts are on-going that affect the proposed project areas: the Naxalite or Maoist conflict, caste conflicts (such as those seen in Bihar, Uttar Pradesh, Haryana) and ethnic conflict in the Northeast region.

The Maoist/Naxalite conflict. The Home Ministry of the Government of India estimates that 91 percent of violence in India, and 89 percent of deaths arising from violence, are the result of Naxalite action (Government of India, 2005: 39). Naxalite activity has grown from 55 districts affected in eight states in November 2003 to 157 districts in 13 states in 2005 (Gill, 2005).

According to a Planning Commission report, **Development Challenges in Extremist Affected Areas,** the main support for the Naxalite movement comes from *Dalits* and *Adivasis* (GOI, 2008).[9] These groups are chronically poor, have low education and limited employment opportunities, are politically marginalized, and face social discrimination and human rights violations. Some of the root causes of the Naxalite movement are landlessness and land alienation, displacement or forced eviction, insecure or unsustainable livelihood, social oppression, and poor governance of public institutions and policing.

Social atrocities and violence against *Dalits* and *Adivasis* show the poor situation of these groups. In a 2004 publication, the National Commission on Scheduled Castes/Scheduled Tribes reports on atrocities

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[8]. Haider, Huma (2009) 'Community-based Approaches to Peace-building in Conflict-affected and Fragile Contexts,' GSDRC spell out and complete ref. ….......
[9]. Government of India (2008) **Development Challenges in Extremist Affected Areas,** Planning Commission, Government of India, New Delhi.

published by the National Crime Record Bureau of the Ministry of Home Affairs. Between 1997 and 2001, 127,933 atrocities were committed against *Dalits*, an average of 25,587 per year. The figure for *Adivasis* was 21,426 or 4,285 per year. The National Commission for Scheduled Tribes reports that between 2001 and 2004 atrocities against tribal communities in the central belt of Madhya Pradesh and Chhattisgarh numbered 2,021 in 2001, 3,012 in 2002, 2,553 in 2003, and 2,343 in 2004. This belt is highly affected by Naxal violence according to the 2006 Annual Report of Union Home Ministry. Figures clearly show that there has not been any reduction in the incidence of atrocities against this marginalized group until recently.[10]

An emerging problem is the 'branding' of tribal villages that support the Naxalites (or allegedly do so).This has caused further discontentment as villagers are often harassed by the police and repeatedly arrested and jailed for sheltering the Naxalites. This response is likely to aggravate the problem rather than reduce it.

In response to the Naxalite problem, the Indian government set up a high-powered committee headed by the Union Home Minister to address the problem. Its members include the Chief Ministers of the worst-affected states (Andhra Pradesh, Maharashtra, Madhya Pradesh, Chhattisgarh, Jharkhand, Bihar, Uttarakhand, Orissa and Uttar Pradesh). Referring to the mandate of this Committee, the Prime Minister pointed out that that Naxal insurgency was not be viewed as a purely law and order problem - underlying it and lending it support was the social and economic deprivation being experienced by a significant part of India's population.

Caste conflicts occur throughout India but are particularly invidious in resource poor regions such as Bihar and U.P, and feudal areas such as Haryana. In Bihar, for example, caste conflicts are endemic, in part because caste and class are congruent in the area. Upper castes have traditionally been the land-owning castes, and the lower castes, marginal farmers. *Dalits* are almost invariably landless agricultural labourers. In 1992 one of the first Naxal-inspired massacres of about 40 landowners belonging to the Bhumihar community took place in a village called Bara. One response to this violence was the targeting of *Dalit* communities by upper castes as well as the State as they were thought to be supporters of the Naxalites. This has triggered a perpetual caste conflict in the state, with consequences for upper castes as well as *Dalits.*

Ethnic conflicts arise around tribal identities in the Northeast of India as well as elsewhere. The northeast region includes eight states (Assam, Nagaland, Manipur, Arunachal Pradesh, Mizoram, Tripura and Sikkim) which are connected to the rest of India by a narrow corridor and surrounded by other countries (Nepal, Bhutan, Myanmar, Bangladesh and China). Unrest over several decades has arisen as a result of internal ethnic strife, ethnic 'difference' with the rest of the country, early neglect of development in the region, and external interference. The spread of education amongst the tribes and other communities, significantly through the work of Christian missionaries, has infused a sense of self-esteem   This has been crucial to the rise of ethno-nationalism, for example, among the Nagas, Mizos and Manipuris. In some hill areas and the Brahmaputra valley, antagonism toward Assamese linguistic and cultural domination led to discontentment among the Bodos, Karbis and others. In the history of the region, feelings of 'in-group/out-group,' marginalization, and minority-consciousness have surfaced to cause

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[10]. All these reports are cited in GOI (2008).

ethnic unrest.[11] Depending on ethnicity and marginality, some movements were more explicit than others in articulating and defending their objectives. Operational strategies varied accordingly (Das, 1989, 1994, 2004, 2007).

Inadequate governance has been a major problem in the region. Hussain says the region is caught in a vicious cycle of economic under-development and militancy and violence. The people of the region feel neglected and harbor a sense of alienation from the rest of India. Assam faces the clash between aspirations of different communities, which has not abated even though power has been decentralized. According to Routray, 'Poor governance is the main trigger for ethnic groups clamouring for autonomy. Such demands from newer groups are here to stay.'[12] Special provisions for self-government and autonomy for the peoples of the Northeast are provided in the Constitution of India. The Department of the North-Eastern Region and the Northeast Council have been set up to address the economic and political problems of the region, which include high unemployment among educated youth, drug addiction, and economic backwardness.

2.2 *Poverty and Vulnerabilities of the Excluded*

The excluded groups discussed earlier have many similarities, such as poor literacy and ill health. However, they also have distinct vulnerabilities which are the subject of this section. For this discussion, the excluded groups have been divided into 'social groups' and 'occupational groups,' following Louis Prakash.[13] The social groups include *Dalits*, *Adivasis*, other backward classes, and religious and linguistic minorities. Four other vulnerable categories cut across these social groups: women, children, the elderly, and the disabled. While people with disability are a distinct group they have been included among occupational groups for the purposes of this discussion. Occupational groups include agricultural labourers, marginalized farmers, child labourers, domestic workers, informal/unorganized sector workers, plantation workers, fishing communities, manual scavengers, forest-based communities. Most individuals (or households) are likely to belong to both a social group and an occupational group (or two or more of these) and hence might face the vulnerabilities associated with all the groups to which they belong.

2.2.1 *Adivasis* or Scheduled Tribes

Poverty. While poverty rates have declined among *Adivasis* (Scheduled Tribes, STs), they have done so at a rate slower than that for the rest of the population: 31 percent between 1983 and 2005, compared with 35 percent for *Dalits* (Scheduled Castes, SCs), and 40 percent for India as a whole. [14] Forty-four percent of the Scheduled Tribe population of India remains poor and, in highly tribal states such as Orissa, three-fourths of tribal households live below the poverty line. Scheduled Tribe people are not only numerically poorer than any other group, but their poverty is also 'deeper' as they are isolated and deprived of a wide range of capabilities, resources and services.

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[11]. Das, N.K. (2009) 'Identity Politics and Social Exclusion in India's North-East: The Case for Re-distributive Justice,' *Bangladesh e-Journal of Sociology 6,* 1, (page numbers).

[12]. Ibid??? see comment 18

[13]. Prakash, Louis (Year?) 'Social Exclusion: A Conceptual and Theoretical Framework,' Paper presented at the Poorest Areas Civil Society Program's Poverty Conference, (place of conference). Louis Prakash identifies two types of excluded groups: social and sectoral.

[14]. World Bank (2010) **Poverty and Social Exclusion Assessment**, give full ref.

Employment. Many ST households in rural areas own a small amount of land which provides them subsistence. About 44 percent of rural ST men are classified as self-employed subsistence farmers, compared with 32 percent of men among Other Backward Classes (OBCs), 35 percent in the 'General' category, and 19 percent among SCs. However, rural Scheduled Tribe men are less likely to be in non-farm self-employment than men in the OBC and General categories, and more likely to be in the casual wage labour force. Formal sector employment among STs is also low - while there are job quotas for STs (commensurate with their shares in state and national populations), low education, lack of information, culture, and physical distances from the towns in which reserved jobs are usually located result in even these jobs remaining vacant.

Loss of Lands and Forests. The Scheduled Tribes in India have gradually been losing access to their traditional lands. Such alienation has taken place mostly due to state acquisition of land for development, private grabbing of control, and shrinking of forest areas. Between 1951 and 1990, 21.3 million people were displaced by land acquisition, of which 40 percent (8.5 million) were tribal people (Burra, 2008). Tribal people have also borne the brunt of development projects without effectively benefitting from them. They have also been disproportionately displaced by mining operations, irrigation schemes, wildlife sanctuaries, and so on which, with the failure to provide appropriate alternatives, has led to social discontent and unrest, providing fertile ground for extremist activities. The alienation of STs from land and forests and their low voice in decision-making are central to their continued exclusion from progress and development.

Underserved by public services. One of the key issues in Scheduled Areas is poor physical access. In most states, rural Scheduled Tribes are physically isolated, concentrated in certain regions and districts, and in hilly and forested areas. Poor coverage by all-weather roads makes transportation difficult even in normal circumstances. The problem of poor connectivity is compounded by the failure of service delivery on account of high staff vacancies and absenteeism at facilities. Most public service staff are culturally different from tribal people and prefer to live in 'mainstream' areas. Tribal people also often find the mainstream systems 'alien' and so they remain underserved by public systems for both supply and demand reasons.

Poor health outcomes. A significant outcome of poor access to services is the ill health of tribal people. In nearly every health parameter – child mortality, malnutrition, immunization, contraceptive use, and maternal care, to name a few – Scheduled Tribes fare worse than the national average and in comparison with non-SC/ST people. Under-five mortality remains high (96 per 1000 children), apparently beginning on par with that of non-tribal people, but getting rapidly worse up to the age of five. States with large Scheduled Tribe populations have had frequent public outcries over deaths of tribal people due to malnutrition. Child deaths usually cluster around periods of seasonal stress, such as drought, when household food supplies and employment are low, or during the rainy season when tribal areas are often physically cut off.

Lagging literacy. Literacy has improved at a slower pace among rural Scheduled Tribe people than among other groups, resulting in wider gaps between STs and non-STs. Over half of the ST population in rural areas (56 percent) was uneducated in 2004-05. Scheduled Tribe women in rural areas are particularly affected, facing the triple disadvantage of ethnicity, gender, and location. Poor access to schools in remote tribal areas results in only one of every three rural ST women being literate, and one of eight attaining post-primary education (NSS, 2004-05).

2.2.2 *Dalits* or Scheduled Castes

Poor ownership and access to capital assets. *Dalits* suffer from low access to capital assets such as agricultural land and low productivity of lands that they may own. This forces them into daily wage labour, often on exploitative terms - e.g., long working hours, poor wages (often not even the minimum wage rate). However, between 1983 and 2005, the proportion of *Dalit* men in casual labour declined from 44.6 percent to 41.7 percent, and that in non-farm self-employment increased from 11 percent to 15.6 percent.

Confined to stigmatized occupations. Dalit men remain restricted to menial, low paying and often socially-stigmatized occupations. Even within public sector jobs, *Dalits* are over-represented in the least skilled categories and lowest employment levels, often in low status jobs (World Bank, 2010) . Occupationally "slotted" castes have "glass walls" that prevent then from leaving their traditional work, and this in turn accounts for low earnings. Higher levels of education help to increase their chances of entry into reserved jobs, but social barriers to other work persist with lower levels of education.

Low education. High dropout rates, poor quality education, and discrimination in schools are some of the problems the Scheduled Castes children face. As a result, there are large gaps in literacy rates and education levels between SC and other children. In 2004-05, the literacy rate among SC children was ___ percent, while among other children it was ___ percent.

Health. Data from the 1998–99 National Family Health Survey also reveal a wide gap between SCs and other castes in health status and access to health services. Infant and child mortality are much higher in SC households than in others, and women's health and childbearing are much worse. The extent of under-nutrition among SC children is also higher among SC children than among other castes.

Social stigma and discrimination. Discrimination against groups such as *Dalits* is in a continuum with social exclusion. Discrimination against D*alits* is rooted in the Hindu concepts of purity and pollution, most of the occupations held by *Dalits* being considered 'dirty' or 'polluting.'In addition to constraining the mobility of *Dalits* out of their occupations, this stigma is carried over to the social restrictions on their access to public spaces such as streets, temples, eating places, and so on.

The World Bank funded livelihoods projects in Orissa and Andhra Pradesh have found that untouchability is still being practiced. It affects day-to-day living as well as larger development activities. Lower castes are not allowed to enter the houses of upper castes and there are restrictions on meals being shared by higher and low castes. In village feasts, SCs do not sit together with the upper castes and do not eat until the latter have finished eating. In village teashops, separate glasses are used for SCs and others. In village meetings, lower castes are allotted a separate space to sit, apart from the main body of the General castes and OBCs. SCs are not allowed access to public utilities used by upper castes including wells, bathing *ghats* and temples.

In addition *Dalits* may face discrimination in other ways. Their localities are physically segregated and they may be denied rental housing (or even purchase) due to the desired segregation. They may be segregated or neglected at institutions delivering public services such as education, health, food, technical assistance, etc. They are often excluded from participation in decision-making and prevented from exercising their political rights. As these discriminatory practices are prohibited by law, they are frequently 'enforced' by social and economic boycott or violence.

During workshop discussions organized by the Bihar Social Institute on the reconstruction of *Dalit* identity in six northern states, dominant castes were reported to have the following negative and derogatory perceptions of *dalits:* they are dirty and filthy, thieves and robbers, lazy, gluttonous (*pethu, khau*), dishonest and ungrateful. The Bank-funded project, Jeevika, in Bihar also found stereotyping to be an important manifestation of social discrimination. It identified the *Musahars* among SC communities as victims of stereotyped thinking about life and culture, therefore facing extreme social exclusion. They are called 'rat-eaters' and 'drunkards' and seen as those who 'can't look beyond their current meal,' meaning that they have no aspirations for the future. The *Musahars* face these prejudices not only from upper castes but also from other Scheduled Castes.

Diversity and change among Scheduled Castes. Amidst the rigidity of the caste system, there has also been a process of 'Sanskritization' through which lower caste groups have climbed the caste ladder by changing their customs and names, adopting those of higher castes, and through improved economic status which has enlarged their 'capabilities' in the public arena. Some groups such as the Meenas of Rajasthan have obtained this space through clerical error, but continue to assert their official Scheduled Caste status despite their affluence in order to avail of reservations in jobs and educational seats.

The diversity among SCs (and even among STs and the other excluded groups discussed later) points to the need for NRLM to adopt strategies to identify the poorest groups within the excluded categories, strategies to ensure their participation, and a range of livelihood options to bring the worst-off groups out of poverty. Some existing projects include categorization of the poorest and most marginalized groups – for example, the Bihar Rural Livelihoods Project calls them "critically marginalized groups" requiring special attention and commitment.

2.2.3 Religious Minorities

Among religious minorities, Muslims are both the largest group and the poorest. There are more Muslims living below the poverty line than any other social group. They also earn less - on average, Rs. 22,807 per year compared with Rs. 25,653 by all others. Only 21 percent of Muslims use the public distribution system compared to 33.2 percent of the general population. Enrolment of Muslim children in schools is low (61.6 percent compared to 71.4 percent for the general population), and the dropout rate is higher.

The Sachar Committee, set up by the Government of India to look into the situation of Muslims in 2005, concluded that the social, cultural and public spaces in India can be very daunting for Indian Muslims. There is a general sense of unease among Muslims in their relationships with other socio- religious communities. In general, Muslims complained that they were constantly looked upon with suspicion not only by certain sections of society but also by public institutions and government structures. The social crisis faced by Muslims, combined with the apparent lack of commitment on the part of the Government, may result in a negative response even to well intentioned programmes. Low rates of immunization among Muslim children are a case in point.

Muslims are largely engaged in the unorganized sector of the economy which rarely enjoys protection of any kind. The traditional occupations in sericulture and the silk industry, hand and power looms, leather industry, and garment making have been adversely affected recently by liberalization. In principle, these workers could have been part of new production chains if they had appropriate skills and equipment. The artisans that have survived face problems related to infrastructure (e.g., affordability of power), the cost of raw materials (which are not subsidized), lack of access to affordable credit, and marketing support. In the absence of these facilities, they are exploited by middlemen, and receive low wages for 'job work' or low prices for their products.

While there are no official data, *Dalits* exist within other religious communities including Muslims, Christians, Sikhs and Buddhists. While there are regional differences, caste identities among these groups are generally aligned with larger social, economic and political hierarchies.[15]The most common segregation practices are related to marriage and access to resources. In the case of Muslim *Dalits*, actual exclusion is unusual (though not unknown), but inferior status may be unambiguously expressed through practices such as having to walk or sit behind others in gatherings, and so on.

Given the social and economic discriminations and declines, and inter-group differences, it is likely that the identification, participation in and benefits obtained by religious minorities such as Muslims from development efforts such as the NRLM would be constrained unless special efforts are made by the program, particularly to reach the poorest among them.

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[15]. Author? (2008) 'Dalits in Muslim and Christian Communities,' Paper prepared for the National Commission for Minorities, Institution? Place?

2.2.4 Women

Women face 'double exclusion' - first due to gender-biased norms and barriers, and second due to the other social (caste/tribe/religious/class) identities. Discrimination against women begins at birth and is reflected in the worsening sex ratio. The low sex ratio among children is a manifestation of the preference for sons being assisted by prenatal sex-selection technologies, as well as continuing barbaric practices such as female infanticide and female neglect in matters of nutrition and health. Maternal mortality and gender-based violence are also very high in India.

Poor health status. Among many other indicators, the high prevalence of anemia, maternal and child mortality rates, and 'unmet demand' for contraception indicate the poor health of women and their inadequate access to health care. To illustrate the 'double difficulty,' while almost 60 percent of all women deliver at home instead of in a safe and clean health facility, 80 percent of *Adivasi* women do so. Only about half of women covered by the 2005 NFHS had at least three antenatal visits. Cultural practices such as early marriage and early child-bearing increase mortality risks even further – giving young women a third disadvantage. Nearly one-fourth of Indian women in the 20-24 year age group had had their first child by the age of 18.

*Stagnant labour force participation.*Women workers are concentrated in the labour-intensive, unskilled jobs in the informal sector, with low wages and high insecurity. Their work on land is hardly recognised - they are seen as 'helping their men in the fields.' As agricultural labourers they are paid lower wages than men, and in addition to gender discrimination, face sexual exploitation. Inequalities in wages may serve as disincentives for women to work. Only 13 percent of women receive any wages at all, and for those that do, weekly wages are 71 percent of men's in salaried work, and 56 percent of men's in casual work (NSS, 2004-05). Women's participation in capital intensive jobs and organized employment is low.

Data from the National Sample Survey show that labour force participation among women aged 15-59 years has virtually stagnated since ___ at about one-third of their population. In the 2004-05 NSS, one-third of women engaged in domestic work (who were 89 percent of the total) stated that they would accept paid work (preferably part-time) in addition to their household duties. Although women aspire to start their own non-farm ventures, one reason for their low participation in such work is their low access to credit and other financial products. Three in five women gave lack of credit as a reason for not being able to do the work they want (NSS, 2004-05). Less than 40 percent knew of credit facilities and, of those, only 10 percent actually applied for it (NFHS, 2005).

High gender-based violence. Dowry deaths, rapes and sexual exploitation in the work place, are examples of gender-based violence that are all too common in India. In addition to physical injury they cause emotional trauma from which women sometimes do not recover. Women also suffer domestic violence widely. Over one-third report having experienced spousal violence at some time, and about one-fourth had experienced violence in the index year of the National Family Health Survey (2004-05). These women had almost 18 percent lower odds of receiving any antenatal care, 13 percent lower odds of

receiving iron supplements, and 15 percent lower odds of having tetanus vaccination prior to delivery, compared with women who had not experienced any spousal violence. They were also one-and-a-half times more likely to have had stillbirths. Apart from affecting women's health, the fear of violence also affects their participation in the work force.

Other forms of exploitation. A particular form of sexual exploitation affects SC women: religious prostitution under the *Devadasi* and *Jogini* systems in which girls are married to the village god and can be sexually exploited by upper caste men in the village. In Andhra Pradesh *Joginis* are dedicated to the deity to prevent calamity befalling the village and they are subsequently coerced into prostitution. A primary survey estimated the number of *Joginis* in six districts of Andhra Pradesh at 21,421; a similar practice exits in Tamil Nadu, Karnataka and Maharashtra. In Rajasthan, the traditional practices among certain tribes of *Nata* and *Dapa,* which gave women the choice to opt out of their marriages and find other partners, has been transformed into the buying and selling of wives between men. In Bihar and some parts of Rajasthan, labeling women as *Dayan* or witches still occurs. The root of such practices is the quest to control property and ensure that women do not own any.

*Political marginalization.*Although the representation of women in local government (i.e., *panchayats* at the village, block and district levels) is a mandated one-third of all positions, and in some states successive *panchayat* elections has increased representation beyond this, it has yet to translate into strong voice and decision-making. Even though elected by wide bodies, many women are 'fronts' for men, and where they occupy SC or ST positions they may also front upper castes or other more powerful groups. Women's participation in *gram sabhas* also continues to be poor.

*Women from SC/ST/Muslim communities.*Women belonging to these marginalized groups may suffer 'triple deprivation' arising from their social background, gender, and lack of economic resources. Most SC and ST women do not own agricultural land and work as wage labourers. In 2001, about 57 percent of SC and 37 percent of ST women in rural areas were agricultural wage labourers, compared with 29 percent among non-SC/ST women. Only 21 percent of SC women were cultivators compared to 51 percent of ST women and 45 percent of non-SC/ST women.

SC/ST women also lack education and health care. In 2000 the literacy rate among rural SC and ST females (aged 15 and above) was 24 percent and 23 percent respectively, compared to 41 percent for non-SC/ST women. In urban areas the literacy rate was 48 percent among SC females, 54 percent among ST and 70 percent among non-SC/ST women. The proportion of SC and ST women who have not received any antenatal care is considerably higher than that of other castes. Institutional deliveries are lower among these excluded sections, and complete coverage of children with vaccinations is lowest among SCs followed by STs.

Women with special needs. Amongst women, single mothers, deserted or abandoned women, widows and elderly women require special interventions. Even now in most communities widows are considered bad omens and ostracized from all social/cultural functions.

The implications for NRLM are that these gender barriers can affect its core interventions, beginning with group formation. Many women may not join groups because of social, familial or spousal proscription. As women's domestic responsibilities are still considered paramount and men still only rarely share the household workload (and often the economic one as well), women may not be able (or permitted) to give the time required to participate in meetings, training and other group activities.

Women who are victims of some of the cultural practices discussed above or are deserted by husbands and families and may have the burden of caring alone for children, and would call for creative home-based methods of livelihood support.

2.2.5 People with disabilities

Disabled people are often subject to stigmatization, excluded from school or the workplace, and dependent on others for physical, economic and social support. People with disabilities are less able to generate income for themselves and their families and they thus tend to be poorer than fully abled people. 'Poor people with disabilities are caught in a vicious cycle of poverty and disability, each being a cause and a consequence of the other' (DFID, 2000: 1) They also tend to be severely affected by shocks such as war or local violence. For those individuals who are already living with a disability when a shock hits, the risk of poverty becomes even greater as disabled individuals, particularly in developing countries, are already disproportionately poor (Dudzik and McLeod, 2000).[16]

People with disabilities face serious barriers to getting jobs. Unequal access to education and training programs is a major challenge that needs to be resolved *a priori*. Then they need to be able to learn about and obtain jobs which they can physically access and carry out despite their disability. They also face social and psychological barriers - ignorance, myths, prejudice, stereotyping and other misperceptions about their capacities, acceptance by fellow workers, and low self-esteem, fear and over-protective families. Infrastructure is a key need to improve access for the physically disabled, with employers also often reluctant to provide accessibility and facilities. In general, there is little legislative support for disabled people, and where protective laws exist they may be poorly enforced. Technology may provide support in certain areas – for example, computers and the Internet could help those with mobility or communication difficulties, but these would need to be made available consciously to poor people (De Marco, 2009).[17]Including disabled people in the NRLP would require these – and other – issues to be squarely addressed.

2.3 Occupational Groups

The National Commission for Enterprises in the Unorganized Sector (NCEUS) has argued that there are layers of poverty among unorganized workers: agricultural labourers are most vulnerable, followed by other casual workers, marginal farmers, the self-employed in rural and then in urban areas, and so on. Different strategies are needed to address the vulnerabilities of these different strata of workers.

2.3.1 Agricultural labourers

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[16]. Dudzik, Pamela and Dinah McLeod (2000) 'Including the Most Vulnerable: Social Funds and People with Disabilities,' complete ref

[17]. De Marco, Gustavo (2009) 'Unlocking the economic potential of persons with disabilities,' World Bank, Washington, D.C. Check and complete ref

Agricultural labourers are often the most marginalized among the rural poor, characterized by poor physical and human capital and high poverty levels.[18] Overall, 28.4 percent of agricultural labourers are estimated to be poor, compared with 19.9 percent of agricultural workers as a whole. The real wage rate for agricultural labour has not only remained low but its growth decelerated during the decade between 1994 and 2004. In 2004-05 and estimated 91 percent of agricultural labourers received wages below the statutory minimum wage except in states such as Kerala, Jammu and Kashmir, Himachal Pradesh and, to some extent, Punjab and Haryana.

Landlessness and a poor asset base are the chief reasons why people in rural areas work as agricultural labour. They often move to other areas in search of work as their lack of assets does not hinder migration. This group of poor are not only constrained in terms of assets and resources, but face other livelihood challenges. For example, they are often the first to be affected in depressed agricultural phases or natural disasters, migrating with the expectation of better livelihood but often accepting very low wages. Increasing mechanization has increased their vulnerability, and they are usually deprived of new work opportunities as they lack education and special skills.

Amongst agricultural labourers there are daily wage earners and contractual labour. The livelihoods of daily wage earners are highly dependent on the physical strength of the individuals to undertake manual labour as their work, by and large, does not require significant skill. However, their low wages and energy-demanding work result in low levels of nutrition and ill-health. They are also affected by various occupational hazards - relatively more exposed to fertilizers, insecticides, pesticides, and potentially injurious tools and machines. They are often unaware of the hazardous effects of direct contact with such toxic substances, or of the need for/availability of protective equipment, and lack access to health services.

There is an interesting gender dimension to the employment of men and women in agriculture. The majority of women workers continue to be agricultural workers even as men migrate or take up new employment opportunities in rural areas. Therefore the share of agricultural workers in the female workforce is very high – 72.8 percent in 2004-05, compared with 48.9 percent for males.

2.3.2   Hazardous and vulnerable occupations

On account of poverty, many people are forced to undertake work in hazardous occupations such as stone quarrying, brick making and mining. In addition to the hard physical labour involved long and long, gruelling hours, they are exposed to occupational diseases such as tuberculosis, silicosis, back pain, etc. and hardly have any protective measures or equipment. While wages in these occupations may be somewhat higher than in agricultural work, the risks involved are also significantly higher.

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[18]. ACCESS Development Services (Year?) **The State of India's Livelihoods**, (publisher, place)

Among brick kiln workers the practice of bonded labour continues. There is an organized system of sending workers to brick kilns through contractors who operate between brick kiln owners and villages. While these workers may receive advance money to meet their previous debts, they are trapped in this bondage on account of the advance payment.

Fishing communities. Using a categorization based on occupation, the livelihoods project in Orissa identified the chief poor groups in the coastal zone as: the landless, wage labourers, small and marginal farmers, forest dependent communities (small in number in the coastal districts), and a large section of the fishing community. They have then described the vulnerabilities of the fishing community. Fisher-folk belong mainly to SC and ST groups. Their vulnerability stems from the fluctuations in daily income, depending on their catch, and they also face seasonal unemployment especially in the rainy season. Further, due to the proximity of the sea, these communities are frequently affected by cyclones.

The fish catch for small fisher-people has been reducing around the coast of India, in part due to trawling by large fishing boats and companies. Fisher-folk face stiff competition from the bigger players in the commercial fishing industry. Moreover, the perishable nature of fish requires almost immediate sale, and as the cost of transportation to better paying markets has increased, small fisher-folk are increasingly at the mercy of local middlemen.

Artisans and people in dying traditional trades. People involved in trades such as pottery, boat- making, weaving, washing are now facing the death of their trades due to factors such as: uncertain markets, increased competition, lack of marketing skills, failure to adapt to modern designs and technology and lack of access to institutional credit. Consequently such artisan households are now among the poorest in the villages.

2.3.3   Migrants

Migration often occurs due to an individual's (or family's) decision to seek better livelihood opportunities, but poor communities, such as the landless and illiterate among Scheduled Castes, Scheduled Tribes and other depressed castes, are often faced with 'migration for survival' caused by distress and social and economic hardships. 'Migration for subsistence' arises because of the need to supplement income during seasonal unemployment. Such migrant communities move out for shorter periods and ordinarily do not travel very far from home.[19]

Migration due to natural disasters. Migration also occurs because of natural disasters such as floods, drought, cyclones, etc. In the 1981 and 1991 censuses, natural disasters were considered one of the main reasons for migration, but this was lower in the 2001 census. It is estimated that about 13.5 percent of the land mass of India is prone to floods, about 8 percent to cyclones, and 68 percent susceptible to drought. An estimated 25 million people are affected by natural disasters every year in India. If the main earning member of a family dies or is disabled during a disaster, his/her entire family may be left destitute.

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[19]. **Migrant Labour – Problems of the Invisible**, Punjab Human Development Report

Natural disasters also affect productivity of land and hence the prospects for work and harvests. For example, in coastal areas, floods may cause salt-water contamination of land and result in the loss of crops over several seasons. Small and marginal farmers can ill afford soil reclamation and treatment processes. Thus, for already malnourished people, floods could mean a rise in mortality and morbidity. Moreover, disease and epidemics in the wake of disasters and the lack of access to adequate public health services can severely affect the working capacities of people and the poor and marginalized are often the worst affected. Not only are the poor worst hit, but their capacity to recover from a disaster is also limited by their social, economic and political situation. Their vulnerabilities are inextricably linked to certain processes of marginalization that protect the interests of particular groups and areas at the cost of others. For instance, in the relief and rehabilitation of areas of Tamil Nadu affected by the tsunami in 2004, it has been established that the poor, women, the widowed, and *Dalits* were discriminated against with regard to livelihood restoration support.

Christian Aid, and international aid agency, has estimated that climate change may cause 300 million 'environmental refugees' globally by the year 2050. Further, poorly planned development projects such as indiscriminate digging of wells or mining, deforestation, destruction of mangroves and coastal zones are also contributing to various natural disasters.

Development-induced displacement. While the lack of development is a significant cause of labour migration, development projects also result in displacement. India's need to build infrastructure for large and heavy industries, mining, irrigation, power, highways, railways, airports, hospitals, education, and so on is indisputable. However, while these development projects serve to improve some people's lives, they may also displace others from lands, livelihoods and community resources. Although the principle of 'greater good for larger numbers' is used to rationalize the involuntary displacement of indigenous people, it raises issues about the fundamental rights of displaced people. The experiences of Narmada, Nandigram, Singur, Kalinga Nagar and Niyamgri are all testimony to this dilemma.

The risks faced by migrants. Migrants are rarely full citizens in their new places of work. The negative impacts of migration include a loss of identity, culture and security. Their access to subsidized food and fuel under the Public Distribution System is curtailed and access to health care and education for their children is more difficult. Journeys to and from work can be hazardous; they can be cheated on public transport and fear other crimes. They are sometimes illegal squatters, subject to police harassment. 'New' migrants are generally without voting rights. Those who belong to disadvantaged groups such as *Dalits* and *Adivasis* face discrimination more generally.

Poor migrants are often employed in risky jobs – occupational accidents, exposure to hazardous chemicals, long working hours and unhygienic conditions are all too common. They often face exclusion

that prevents them from acquiring new skills and moving up the job ladder.[20] They are susceptible to infectious diseases because of crowded and unhygienic living or working conditions. The National Aids Control Organisation has identified migrants as a high risk group for HIV-AIDS.

What is left behind. Male out-migration such as that seen in India's hill regions can lead to greater poverty, shortages of labour and high dependency ratios in the sending areas. When migrants return after a long time they may have lost access to natural resources or their voice in community decision-making. Migration can also have a negative effect on natural resource management and other collective actions.

2.3.4   Chronic or Transient Poverty

When people remain poor for a long time or pass poverty onto the next generation, chronic poverty has set in. The chronically poor are usually severely and multi-dimensionally deprived. They may have low human capabilities in terms of education and skills, little access to productive assets and employment, and be socially and politically marginalized. According to the **Chronic Poverty Report, 2004-2005**, "The chronically poor are not simply a list of vulnerable groups, but people who commonly experience several forms of disadvantages and discriminations at the same time. Differing combinations of structural factors - labour, product markets, ethnicity, race, caste, gender, religion, class, disability, refugee status, geographic location...create and maintain the poverty of some, while giving others the chance to avoid or escape it." Among other factors, initial inequality, social exclusion, low economic growth, and State failures are important causes of chronic poverty.

The **transient poor** are those who move in and out of poverty due to seasonality, life-cycle situations, and so on. These households have some chances of escaping poverty in a 'good' year but may slip into it in a 'bad' year or when they are exposed to shocks. They include those displaced by natural calamities, conflicts or development projects, those with chronic illnesses, disabilities or the aged, those impoverished by social obligations such as marriage or dowry, and the seasonal poor who suffer also from food insecurity.

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[20]. Deshingkar, Priya, Rajiv Khandelwal and John Farrington (Year?) Support for Migrant Workers: The Missing Link in India's Development, complete ref

2.4   Institutional Dimensions

> *"From the perspective of the poor, formal institutions are in crisis. While there are pockets of excellence, the poor invariably experience formal institutions as ineffective, inaccessible, and disempowering."*
>
> *~ **Consultations with the Poor**, World Bank, 2000*

Institutions are important in any project attempting to address poverty because they affect people's opportunities and access to social, material and natural resources. They can also harness and develop capacities for collective action and self-help. On the other hand, inadequate institutions can result in inertia or contribute to immobilization. Institutions have both formal and informal dimensions - with some parts of their operation governed by explicit rules, roles, procedures and precedents, and some by unwritten conventions or behaviours.

A range of institutions play vital roles in livelihoods and service delivery in rural areas. These institutions may be public and formal, such as those that provide critical services (health, education, water and sanitation, Public Distribution System, to name a few) or private and more informal, such as SHGs, federations and producer organizations that have emerged as 'alternative' institutions for and *of* the poor. These have been created to help fill gaps that the poor experience in obtaining services. Other informal institutions include social, religious, cultural or political associations that perform various economic or non-economic functions for their members. The majority of these are based on clan, kin, occupational or locational relationships and some are quite powerful, influencing local governance, public affairs and life in the villages.[21]

In an article entitled 'Role of Institutions in Enabling Inclusion of the Marginalised,' Aloysius Fernandez discusses the relevance of 'invisible institutions' which do not have a visible structure but are critical in the context of poverty and strategies to alleviate it. Some such as caste produce and maintain oppressive power relations.[22]

The 2004 World Bank report, ***Making Services Work for the Poor***, investigated how services that the poor need work to combat poverty and empower people, and linked these goals to necessary changes in public sector institutions, primarily around issues of responsiveness and accountability. This section focuses on how public service delivery institutions can cause exclusion of the poor and highlights the issues in some key formal institutions. It also discusses the community-based organizations and how they reach out to and function for the poor.

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[21]. Sutra Consulting (2008) **Mobilizing Rural Institutions for Sustainable Livelihoods and Equitable Development**, **Case Study - Rural Institutions in Orissa (India),** complete ref

[22]. Premchander, Smita, Sudin K, Peter Reid (2009) **Finding Pathways: Social Inclusion in Rural Development,** complete ref

2.4.1   Institutional issues affecting the poor

Government institutions and service providers far too often fail the poor.[23] Poor people are categorical that social norms and institutions, formal and informal, are the key obstacles they face in their attempt to eke out a livelihood. The poor are the least likely to benefit from public services and yet they are also the least likely to make demands on government to improve coverage or quality due to their lack of voice and bargaining power. Their experiences demonstrate that informal rules and social norms or 'rules in use' override formal rules and even influence the way formal rules operate.[24]

Several issues arise in the context of institutions and the poor, especially the poorest groups such as *Dalits, Adivasis,* or women. Since development efforts are routed through institutions and also impact the informal institutions of the poor, these issues are important pointers for where attention is needed.

Inaccessibility of key institutions and services on which the poor rely. Poverty and lack of access to basic services are inextricably related.[25] Being poor makes it harder to access services, and not being able to access services is an important component of the processes that create, maintain and deepen poverty. For instance, lack of access to effective health services can plunge the poor into chronic poverty as assets and savings are depleted to meet medical bills and debts are incurred. Not having access to education can limit the life opportunities of those who do not become literate and numerate. 'Inaccessibility' may be due to one or more of the following reasons.

- Poor availability of services: The physical availability of basic services such as health, education, water and sanitation, continues to be poor, particularly in areas where the poor live (including urban areas). The problem is more acute in environmentally vulnerable areas that experience problems such as floods, cyclones, where many poor reside. Travelling long distances to service centres results in high expenditure on transportation, and takes time away from productive work or other activities. The sick, old, children or disabled people may not be able to make the journeys, and so remain without services. In addition to costs, distant schools may be poorly connected or pose safety risks to children, especially girls. There are significant reasons for poor adolescent girls being taken out of school.

- Poor affordability of services: Second, access also depends on the affordability of services. Even when services are free, their utilization may involve costs, as in the case of health services, in which may become too expensive if informal payments are involved in ensuring care, or drugs and diagnostic services have to be obtained from the market, or when transportation or time costs are high as mentioned above.[26]

- Social access: Institutions also reproduce unequal power relationships often further marginalising the concerns of particular vulnerable groups. These dynamics have a significant effect on the extent to which people utilise services. Discriminatory attitudes among service providers deter the poor from

[23]. Author? (2009) **Scaling up Social Accountability in World Bank Operations**, complete ref

[24]. World Bank (2001) **Voices of the Poor**, complete ref

[25]. Grant, Ursula and David Hulme (2008) 'Services for the poorest: from angst to action,' Chronic Poverty Research Centre, place? Is this a paper or a report or a book?

[26]. Author? (Year?) 'Designing health and population programmes to reach the poor,' Publisher? Place? Is this a paper or a report or a book?

using services. They often also feel powerless to 'complain,' since one consequence of this can be denial of services by the providers.[27]

Poor targeting – failure to include. Although some public programmes aim to reach the poor specifically, targeting often fails when local areas have a high proportion of needy people and supply is relatively deficient. Commonly, poorer districts have few doctors or nurses per capita, and health outreach workers who are in position cover larger areas and consequently are less likely to visit the most marginalized poor and low caste households.[28]

Public Distribution System - A case of poor targeting

The Public Distribution System (PDS) is a public institutions intended primarily for the poor – but it exemplifies the problem of poor targeting. A report entitled, 'How Inclusive is the 11th Five Year Plan' summarizes the key weaknesses:

> *"There are many problems with the way PDS is currently implemented including targeting errors (of both inclusion and exclusion), high level of leakages and corruption, irregular supplies, etc. There are further problems associated with the definition of the poverty line and the resulting BPL quotas which have been contested by many including state governments."*

Another report ('Public Distribution System and Other Sources of Household Consumption 2004-2005,'GOI, 2007) presents data from the 61st Round of the National Sample Survey to establish that despite targeting, there is high exclusion from the PDS of needy households such as agricultural labour, Scheduled Caste and Scheduled Tribe households. In India on average 52 percent of agricultural labor households either had no card or an 'Above Poverty Line' (APL) card, and 60 percent of the Scheduled Caste households in rural areas were excluded.[29] Thus there is both 'wrong inclusion' (of APL households) and 'wrong exclusion' (of the real poor who are in the BPL lists of the villages). While the PDS Control Order (2001) provides for constant review and updating of families eligible for ration cards, and deletion of ineligible households, such review is not done regularly.[30] The diversion of food grains and other commodities is both a cause and a consequence of these targeting failures.

Poor quality of services. Even when services are available they may be deficient in quality. Not surprising, many poor bypass the closest public facility to go to more costly private facilities or choose more distant public facilities.

- Poor infrastructure, maintenance and supplies: Poor infrastructure at health facilities, schools or *Panchayat* offices is common. Facilities are often poorly maintained, and even key equipment that

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[27]. Op.cit 5? Give Author and Year first

[28]. World Bank (2004) **Making Services Work for the Poor**, World Development Report, World Bank, Washington D.C.
[29]. Authors? Year? Name of article/report? www.indiaenvironmentportal.org/in/node/245566
[30]. National Social Watch Coalition (Wada Na Todo Abhiyan) (Year?) 'How Inclusive is the Eleventh Five Year Plan?' People's Mid-term Appraisal, Centre for Budget Governance and Accountability, New Delhi? Paper or Report?

has broken down may not repaired. Funds for repairs are scarce, diverted or remain unspent. According to Joshi,

> *"The neglect of maintenance and repair has a political logic: it is easier and more attractive for governments to raise the capital costs of creating new facilities. The variety of stakeholders – politicians, contractors and donors – for different reasons, are usually less interested in financing the recurring costs of operation and maintenance, making these facilities ineffective."*[31]

Irregular supplies, for example, of vaccines, medicines or teaching aids - blackboards, text books – etc. are commonly observed and also negatively affect the quality of services.

Poor capacities of staff: Many public institutions are managed by personnel who are either under-qualified, poorly paid or unmotivated. Services fail poor people when technical quality is low, i.e., when inputs are combined in ways that produce inefficient, ineffective or harmful outcomes. For example, health workers with low skills give the wrong medical advice or procedure, or school teaching ineffective.[32] The more skilled an employee, the less likely s/he is to accept a job in a remote area where living and working conditions are poor due to inadequate facilities. Poor pay leads staff to alternate work being undertaken – often private practice. Hence absenteeism is rife, and staff may use their public positions to obtain clients. For example, teachers remain absent from school and take in students for tuition outside of school hours.[33] In random visits to 200 primary schools, investigators found no teaching activity in half of them at the time of the visit.[34]

Poor governance and accountability. Weak governance plagues public service delivery systems in rural India. The monopolistic nature of service agencies is a major factor underlying poor accountability. Given the protection these agencies enjoy, expansion and increases in expenditure may occur without commensurate increases in the scale or quality of services.[35] Further high subsidies in basic services which are ostensibly to provide free services to the poor result in hidden costs. Not only do subsidies provide room for corruption, but they also give an excuse for substandard services to the poor.

- Poor supervision and monitoring: Overall supervision and management of public services are poor with poor human resource management and training, weak reporting systems, and a complete lack of incentives for good performance. Monitoring practices and systems are not put in place; or if they exist, collusion between service providers and supervisors, bureaucrats and politicians, make the systems 'toothless.'

- Complex and time-consuming procedures: Administrative procedures to obtain services can be complicated and thereby exclude the poor. This is best understood through the example of credit institutions which continue to remain inaccessible to the poor (see section 2.4.2, p. 20). The poor also fear approaching the concerned authorities as the former may be illiterate, lack information, and lack

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[31] Joshi, Anuradha (2006) 'Institutions and Service Delivery in Asia,' in **Promoting Growth Ending Poverty 2015**, Institute of Development Studies, Overseas Development Institute? Place? www.asia2015conference.org

[32]. Ibid.
[33]. World Bank (2004) Op. cit.
[34]. Ibid.
[35] Who benefits from India's public services? A people's audit of five basic services, Public Affairs Centre, 2006

assets that make them credit-worthy. Bank officials and staff are often insensitive, and prevent the poor from asking questions or seeking information.

- Lack of mechanisms for citizen feedback: There is a complete lack of mechanisms to obtain feedback from the poor, aimed at improving services. Such feedback could be used to assess the service delivery and identify important gaps in coverage and quality.

Corruption: a critical factor hindering access to institutions. Corruption ('abuse of public office for private gain'), characterized by lack of both transparency and accountability, undermines anti-poverty programs and hinders human development by limiting access to basic services as well as increasing the cost of their delivery, thereby increasing poverty. Corruption is one of the most damaging consequences of poor governance.[36] On a large-scale, it is often the result of collusion between various stakeholders. Shortages of medicines in Primary Health Centres (PHCs) may be due to a nexus between staff and private chemist shops: the free medicines that come to the PHC are sold to the chemists at lower than wholesale prices, or PHC staff receive commissions. Bribery is often the most visible manifestation of public sector corruption, and a serious obstacle for the poor and disadvantaged to obtain public services.[37] For instance, demands for tips and bribes by health staff to admit patients or during institutional deliveries are common.

Transparency International reports that the following situations are deliberately created to foster opportunities for officials to exploit and extort money from hapless citizens.[38] Although these refer to services such as the provision of electricity, they have their parallels in other systems.

- Subscription process: Red tape in subscription processes encourages graft as desperate consumers pay money to officials in order to cut the processes short.
- Billing systems: Opaque billing systems provide fertile ground for corruption.
- Payment enforcement: Disconnecting customers in good standing for the default of others; re-connection processes are opportunities for extortion and exploitation; extortion to reconnect can occur even in cases of wrong disconnection.
- Fault redress: The customer is frequently exploited and monies extorted from him/her.

Discrimination. Socio-cultural, economic and political processes work in all societies to reduce the value placed on the needs or interests of certain groups. This can occur in policy-making as well as service provision, resulting in services being designed or delivered in ways that do not meet the needs or interests of 'excluded' groups. Service providers may be indifferent to or even ill treat these groups, further undermining the already weak demand for services by the poor.[39]

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[36]. Author? Year? Corruption in India: An empirical study, unpan1.un.org/intradoc/groups/public/.../UNPAN01
[37]. Shah, Anwar (Year) 'Corruption and Decentralized Public Governance,' World Bank, Washington D.C.
[38]. Shadrach, Basheerahmad (Year?) Improving the transparency, quality and effectiveness of pro-poor public services using ICTs: An attempt by Transparency International, Publisher, Place
[39]. Grant, Ursula and David Hulme (2008) Op. cit.

As discussed earlier, exclusion directly denies services to the poorest – as, for example, when a high caste teacher refuses to let low caste children participate in mid-day meals programmes and they drop out of school (Dreze, 2004).[40] Some health providers openly discriminate against individuals from certain social or economic groups. The 'social distance' between service providers and their clients can be large, leaving clients feeling condescension or neglect. Strong moral judgements are attached to the behaviour of certain groups such as sex workers, drug addicts, homeless people, certain ethnic groups, and so on. The labels given such as 'dirty' or 'untrustworthy' translate into the perception that they are unworthy of assistance, and result in them being denied services.

Elite capture. Elites can provide important leadership in community-based programs as they often have the skills to negotiate with authorities, to read documents or write proposals, and keep accounts and records. Such leadership can be exercised for the benefit of the poorer community, or at the least, involving elites may be necessary to prevent opposition to the program. There is a risk, however, that elite involvement and leadership may not be benevolent but result in the capture of program benefits by them, reducing wider participation in decision-making and action. Elites may manipulate community structures for their own purposes, including misappropriation of funds. Vulnerable people may be afraid to voice their opinions particularly when these are contrary to elite interests.

2.4.2   Institutions of importance to the poor

Credit institutions. Credit is one of the most pressing needs of the poor. The Participatory Poverty Assessment conducted by the Asian Development Bank found that the options for credit for the poor were local moneylenders, public sector banks, and self-help groups and cooperatives. Of these, the poor rely most on moneylenders despite exploitative interest rates, primarily because of their ready accessibility. They are available '24x7' and prompt in offering large amounts of money without complicated procedures.[41]

Formal credit institutions continue to be viewed as inaccessible and unfriendly by the poor, who struggle with the complex procedures and are unable to meet the collateral and security requirements for loans. Poor rural borrowers generally lack the collateral that banks demand - land remains the predominant form of collateral but poor households very often do not have clear title to their land.[42] The landless and women have a major disadvantage since they are unable to offer land as collateral.[43] Apart from procedures, the poor encounter other transaction costs in dealing with formal banks. Opening an account can be a harrowing experience, and the cost includes not only the minimum amount of deposit, but hidden

[40]. World Bank (2004) Op. cit.
[41]. Viswanathan, Sujatha and Ravi Srivastava (2007) 'Learning from the Poor: Findings from Participatory Poverty Assessment in India,' Asian Development Bank, New Delhi.

[42]. Basu, Priya (2006) **Improving Access to Finance for India's Rural Poor**, The World Bank, New Delhi.

[43]. Mahajan, Vijay and Bharti Ramola Gupta (Year?) 'Financial Services for the Rural Poor and Women in India: Access and Sustainability,' Publisher, Place

costs in the form of bribes demanded by bank staff. Clients often have to pay bribes ranging from 10 to 20 percent of the loan amount to obtain loans. Ultimately, the inadequacy of loan amounts, rigidity of terms, and the lack of timeliness of formal credit negate the effects of low interest rates for the poor. Only 30 percent of borrowers from commercial banks rated their overall experience with their bank as 'good' or better (Mahajan and Gupta, year).[44]

Credit for specially disadvantaged groups such as the landless, artisans and women is very limited. For example, only 2 to 7 percent of rural credit in 1992 went to artisans and village industries. While similar statistics are not available for women, a study of a sample of branches of a commercial bank showed that only 10 percent of borrowers were women, who accounted for 9 percent of the total loan amounts.

Public Distribution System. The PDS is an important institution for the poor particularly in the context of India's high levels of under-nutrition, repeated droughts in many parts of the country, rising food prices along, and so on. A recent report entitled, 'Public Distribution System and Other Sources of Household Consumption, 2004-2005' (GOI, 2007), presents data from the 61st Round of the National Sample Survey to establish that there are high rates of exclusion from the PDS of needy households such as agricultural labour, SC and ST households. Across the country, 52 percent of agricultural labour households either had no card or an APL (Above Poverty Line) card, and 60 percent rural *Dalit* households were excluded.

Another report, 'How inclusive is the 11th Five Year Plan?' summarizes the key weaknesses of the PDS: "There are many problems with the way PDS is currently implemented including targeting errors (of both inclusion and exclusion), high level of leakages and corruption, irregular supplies, etc. There are further problems associated with the definition of the poverty line and the resulting BPL quotas, which have been contested by many, including state governments." [45]

Some of the key problems in the functioning of the PDS are:

- Diversion of food grains and other commodities due to bogus ration cards.
- Reduced issue of grains to consumers compared with the issue stipulated by the Central Government for each household, resulting in food and nutritional security being compromised.
- Inability to reach the poor effectively. Not only are there various cases of wrong inclusion of APL households, but there is also exclusion of the real poor who are on the poverty lists of villages.
- The PDS Control Order 2001 provides for constant review and updating of families eligible for ration cards and deletion of ineligible households. However such reviews are not done regularly.
- States or Fair Price Shop (FPS) dealers generally lift food grains late. Consumers are not given the previous month or fortnight's arrears, making room for diversion and defeating the purpose of the scheme.
- FPSs are not open daily; in many cases, consumers have to travel long distances to reach them.

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[44]. Ibid.

[45]. National Social Watch Coalition, *Wada Na Todo Abhiyan* (Year?) 'How Inclusive is the Eleventh Five-Year Plan? People's Midterm Appraisal,' Centre for Budget Governance and Accountability, Place?

- Beneficiaries are unaware of their rights as the Citizens' Charter is seldom available in the regional language/s.
- The state governments do not inspect the FPSs regularly and properly.
- There is inadequate publicity and lack of information to consumers about the scale of issue, prices and availability of commodities.

Health Services. Health institutions include state-run public hospitals, Primary Health Centres and Subcentres as well as private hospitals, clinics, doctors and other local health providers such as practitioners of traditional medicine and traditional birth attendants (*dais*). The public health system does not always reach the poor. Doctors and paramedical staff may be irregular in attendance, and are sometimes reported to be rude or indifferent. Medicines that are prescribed to patients are not always available. Hence, both access and affordability are serious concerns for the poor. Transportation costs, especially in hilly regions, to reach the public facilities, and in some cases to use locally available private care, are a key deterrents for the poor. The lack of care is reflected in the poor health indicators of India generally and of the poor specifically, with women and children being the worst affected.

Data from the 2005-06 Third National family Health Survey (NFHS-3) show that only 17.3 percent of women had had any contact with a health worker. Only 17.9 percent of Primary Health Centres in the country had a lady doctor and 51.7 percent of deliveries were not conducted with safe attendance. This lack of services is reflected in the poor health outcomes of women.[46]

Staffing gaps and poorly trained personnel are common in the public health system. Even the new National Rural Health Mission which could provide some solution to the inequalities in access to health services has some inherent problems that might work against the poorest. While Rogi Kalyan Samitis (the autonomous societies set up to improve management particularly of secondary facilities) can charge user fees, contract services out to the private sector or share resources with it, the mechanisms to ensure care to the poor are weak. Even the low user fees create barriers for the poor and, despite them, quality and accountability are not guaranteed.

Due to the inadequacies and inaccessibility of the public health system, the poor may resort to private practitioners, many of whom are untrained 'quacks,' poorly trained and/or charge high prices. Many of the poor do not seek health care except – or even - in life-threatening situations. When they do in a serious illness, they may slide into indebtedness. The dominance of the private sector in India (over three-fourths of care being provided by it) also skews care towards secondary or tertiary care, with 'profitability overriding equity and rationality.' [47]

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[46]. Ibid.
[47]. Srinivisan, R. (2004) **Health Care in India - Vision 2020: Issues and Prospects**, Academic Foundation, Place?

Anganwadi centers (under the Integrated Child Development Services program) for children to 6 years are immensely popular among the poor but are perceived to have an 'upper limit' of 40-45 children, which is a major grievance. *Anganwadis* often cannot accommodate more children because of the limitations of space or the worker's inability to manage more children, and the food supplements also are limited in quantity. Children who cannot be accommodated may spend the day playing on the streets, facing the inherent risks of this, and are also denied the additional nutrition. In the Participatory Poverty Assessment carried out by the Asian Development Bank the urban poor rated the *anganwadi* as the third most important institution after health facilities and schools.

Educational institutions. According to whom? the functioning of educational institutions leaves much to be desired and fails to instill a sense of hope amongst the poor. Poor infrastructure, shortages (or absenteeism of teachers, lack of drinking water and toilet facilities, and the costs of supplies, clothing and transport to school are the key problems. Additionally, girls do not attend school because of the low value attached to their schooling, the opportunity cost to household work, and because of parents' fears for their safety after puberty. A separate toilet for girls was available in less than a quarter of the schools at the time of which study?

SC children may be discriminated against in schools – e.g., made to sit separately or ignored by upper caste teachers, made to sweep and clean classrooms and bathrooms, and humiliated by teachers or other students. Children from poor or ST families may be similarly ill-treated. ST children face long distances or arduous travel to attend school. Due to the poor quality of teaching in many rural schools, a high proportion of primary schooled children are unable to read and write even their names. Facilities to reengage children who have dropped out of school but want to continue studying after a gap are virtually unavailable.

While primary schools have become increasingly accessible, secondary school facilities are still 'remote.' The poor in particular see little value in sending their children to secondary school as the direct costs increase, and the opportunity cost of the school-going child not working or contributing to the family income does not justify the outcome.

Panchayati Raj Institutions (PRIs). PRIs have great significance as agencies of decentralized government. The inclusion of representatives of disadvantaged groups such as SCs, STs and women has been ensured in the constitutional mandate setting up these bodies, and this has enabled the poor to have some voice in them. They have the opportunity to participate in crucial decisions affecting their lives and livelihoods and those of other disadvantaged groups. This privilege and authority has helped them to acquire some social position as well.[48]

However, according to the ADB, "*Panchayat* members discriminate against those who are not close to them. Only their party members get benefits from them. The case is the same with the block office." Implementation experiences point to key challenges and issues to the exercise of their roles in development projects. Their 'sense of inclusion' is apparently not fully internalized, and antagonisms towards them become strong and clear wherever and whenever there is the slightest opportunity. The common alibis for their functional exclusion are: lack of education, inability to articulate, and improper manners in social interactions (which could be euphemism for untouchability in some cases). Despite the

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[48]. Viswanathan and Srivastava (2007) Op. cit.

Constitutional safeguards, the dominant communities often use repressive and intimidating measures to silence the weaker groups.[49]

From the point of view of the poor, *Panchayats* may be 'a huge let down.' The ADB PPA documents the alienation of the poor from the premier institution created to ensure their development and participation in it, a system that is intended to be driven by people not procedures.

- Participants in some locations stated that the performance of the *panchayat* depended on individual initiatives of the functionaries. In proactive *panchayats*, the driving force was the persistent initiative of key functionaries.
- People in some villages felt that *panchayats* were not able to perform optimally either due to a lack of awareness about their functions or to control by dominant sections of society.
- In some locations, participants felt that the *panchayats* had failed to perform well due to the complete absence of transparency in planning and execution of works.
- Low awareness of powers and duties among *panchayat* representatives greatly hampers *panchayat* performance and credibility.
- Social distance between different communities and lack of participation of all communities can also be responsible for the suboptimal performance of *panchayats*.
- In traditional communities, traditional institutions and caste-based *panchayats* had more power than the constitutional *panchayat*.

There is also a nexus between *panchayat* leaders and political and administrative authorities that makes it difficult for disadvantaged people to raise their voices against the former. Lack of information hampers people's participation, and there is a lack of transparency in aided schemes. This provides the strong in *panchayats* the opportunities to identify only those who are close to them (or their political party) as 'beneficiaries' rather than the needy. Throughout the PPA's rural sites, instances of local-level politics affected the well-being of either individuals or villages as a whole, directly or indirectly, ranging from the 'non-provision' of benefits to the location of infrastructure.[50]

2.4.3 Community-based Organizations

Over the past two decades in particular, there has been a proliferation of community-based organizations (CBOs) in rural areas. Most of these CBOs have been established under government programs, and many under donor initiatives or externally-aided projects.[51] How inclusive are these organizations? Inclusion is a function of institutional design and membership criteria, *inter alia*, and exclusion can take place in the following ways:

- *Membership criteria* may be tilted towards dominant groups who have the advantage or numbers and tend to be more vocal, leading the concerns and requirements of smaller groups to receive inadequate attention or be ignored. *Pani panchayats,* for instance, have these characteristics, and their decisions usually favor irrigators over the needs of smaller water users. The poor or poorest may be excluded from some CBOs because their poverty and difficult conditions are perceived to be impediments to institutional growth. The classic case of this is the savings and credit group or

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[49]. Ibid.
[50]. Ibid.
[51]. Sutra Consulting (2008) Op. cit.

self-help groups (SHGs) in which the poorest are often excluded because of their inability to save regularly, rather than the group reducing the required amount of saving to accommodate them.

Membership of SHGs in the rural livelihoods projects is intended to be primarily from the Below Poverty Line (BPL) category. Unfortunately, official BPL lists throughout the country tend to be faulty, excluding some who are poor and including some who are above the poverty line. Some World Bank-financed projects such as the Andhra Pradesh Rural Livelihoods Project have made efforts to form SHGs with members beyond the BPL category by identifying and including the 'poorest of the poor' and other excluded groups. The impact evaluation of the Rajasthan District Poverty Initiative Project found that SHGs had been unable to include low caste communities mainly due to social discrimination and the inability of these groups to pay monthly contributions. As a result the main beneficiaries of SHGs were powerful castes or communities in the villages.[52]

- *Low inclusion of women.* Most CBOs other than SHGs, such as cooperatives, producer organizations, and user groups, include few women. If they are members, women's participation in group decision-making is low and accountability to them is almost nonexistent. The absence of women from most governance functions is also reflected in the low level of benefits they obtain through the local institution.

Although a number of forestry and drinking water projects have been aimed at women as primary users of these resources, most related institutions exhibit a virtual absence of women. Under 10 percent of community forest group members are women. This is partly due to the 'rule.' prevalent in almost half of all states where the Joint Forest Management Programme exists, that only one person from each household can become a member. This usually leads to the men of the households becoming members, not the least because women are socially proscribed from engaging in activities such as meetings. Given that so few women are members of JFM groups or attend meetings, it is not surprising that even fewer are on executive committees. Even these few may participate only because it is mandatory for such committees to include one or two women.

All this results in women having a 'nominal rather than effective presence' and the further impact is two-fold: in addition to the neglect of women's needs, the overall productivity of the common property resource system is often impaired. Another example is provided by several IFAD-funded projects that found that women are 'invisible farmers.' Water users' associations have been particularly dismissive of women's needs due to the misconception that only men require water for irrigation.[53]

A significant reason for the invisibility of women in institutions is structural: women suffer from many forms of marginalization. But the other part of the explanation lies in the design of institutions. Few require explicit attention to the interests of women. Where institutional design makes the involvement of women integral to its functioning, as in some of the *Gram Panchayats* in Orissa and in SHGs, women's needs receive at least some formal attention and benefits are

[52]. Rajasthan DPIP Impact Evaluation complete ref
[53]. Institutions and the Rural Poor: Building Coalitions for Rural Poverty Reduction complete ref

channelled to them. There is considerable scope for greater involvement of women and the poor in local institutional processes through institutional redesign.

- *Norms and functioning of the institutions.* The functioning and norms of CBOs are complex and variable. The frequency of meetings may be high, and poorer groups unable to comply because of the opportunity (or direct) costs of attending meetings. Decision-making in *Pani Panchayats*, for example, often revolve around key leaders and participation by other members is limited. Voting is rarely observed but most decisions are deemed to have been arrived at through consensus. Smaller CBOs such as SHGs tend to have more internal democracy in decision-making processes, and representation of interests of the poor may be better.

- *The influence of external groups* can lead to exclusion of the poor in several ways. Economic, political and social elites may be installed as leaders through patronage systems, limiting the possibility of leadership emerging from less powerful and strictly local groups. This has spillover effects that reduce the inclusiveness of internal governance. The potential of being heard and included is the first loss. Nepotism and rent-seeking may emerge to reduce fairness, organizational capacity, and the overall quality of internal governance.

  Government officials or staff may similarly promote or nominate local elites as leaders of rural institutions that their departments support, taking advantage of their local influence and appearing to 'support the cause' by installing these leaders early. The SUTRA report provides evidence that these initial leaders are not easily changed since they manage to gain strong control over the institutions.

- *Leadership styles and requirements of dynamism, literacy may exclude poor.* The links with external more powerful patrons also tend to result in leaders with higher education, those more familiar with formal external processes and with the skills to negotiate with other organizations, including government ones. These attributes are less easily found among the socially marginalized and poorest groups. This even occurs among SHGs – leadership of a majority of SHGs is in the hands of a few communities who are better-off and may belong to upper castes. In the TRIPTI project in Orissa, the dominant middle castes in the villages are taking advantage of the provisions for APL inclusion in the *Swarnajayanti Gram Swarozgar Yojana* program (SGSY) and taking over SHGs to the exclusion of SC/STs from leadership roles.

- *Limited capacity for growth and sustainability.* SHGs and other economic organizations of the poor, such as common interest groups, farmers' organizations, etc. have difficulty in accessing resources that are available for them because they lack capacity such as basic administrative skills, functional literacy, book-keeping, etc., and ability to negotiate with and access support from the relevant agencies (such as rural banks, marketing agencies, and so on). Further capacity building programs for SHGs have remained formalities or one-time events.

- *Low bargaining power.* The poor, especially the 'poorest of the poor,' often lack the confidence to present their concerns and negotiate their interests. Their lack of voice – even collectively - reduces their effective participation in internal group processes and interactions with outsiders, resulting in their interests giving way to those of more articulate members. Groups such as SHGs need to develop and implement strategies to support the weakest members if they are to be inclusive and work for the poorest. 'Efficiency' and 'financial discipline' need to be balanced by the 'ability' of the poor – which in turn calls for flexibility and time to be provided to groups to become strong. Unfortunately, in the rush to achieve 'scale' and 'financial success,' these organizations lose sight of their original purpose, which is to reduce poverty among the poor!

SHGs need to introspect and adopt 'self-regulation guidelines' to rate and improve their performance.

2.4.4. Implications for NRLP

To secure livelihoods for the poorest of the poor, NRLP will need to make institutional changes. The reality of existing institutions, whether state or community based, is that they are largely controlled by the powerful non-poor. Often, those who control one institution also control others. "How can the poor and weak use and benefit from those institutions which were initially controlled by the rich and powerful and run mainly in their interest?"[54] If the poor are to benefit from cooperative arrangements for resource management, they must participate fully in setting them up. Then, it must be ensured that the CBOs are not built around the normal rural patron-client relationships which put power in the hands of the elite and marginalize the poor. These are unlikely to improve the living standards of the poor much beyond survival levels. More inclusive situations could enhance productivity. The *mantra* of such institutions must be 'equity in structure, functioning and benefits.'

2.5   Development Efforts

Despite the long history of livelihood development programmes in India, the gains from such programs (large and small) have been modest, with hardly a visible dent on poverty.[55] What has been missing in the design and/or implementation of programmes? Is there a scarcity of lessons or are we just not learning them? Evidence points to both. Not only government programs but even NGO-led ones have hardly carried out useful evaluations of programmes and put them in the public domain. There are, however, some useful assessments and papers that provide critical insights and expose the design flaws of poverty alleviation programs.

For example, in an article on 'Poverty in India and the IRDP Delusion,' Dreze established how the Integrated Rural development Program (IRDP) failed to identify the barriers the poor face in improving their living conditions and the heterogeneity that exists among them, leading to the more privileged among the 'poor' capturing the lion's share of benefits and excluding the poorest.[56] More than two decades after Dreze's lessons from IRDP, the problem of being able to reach the most poor remains. Clearly, linking poor to credit is effective only if they are in a position to utilize its benefits. Effectiveness lies, to begin with, in organizing the poor, building their capacities, ensuring that their institutions have a say in development interventions, and ultimately that these interventions are properly aligned with the capabilities and daily lives. This section uses identifies some useful lessons from development programs that are useful for livelihoods efforts.

2.5.1   Lessons from Previous Poverty Reduction Programs

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[54]. Ibid.
[55]. Dutta, Sankar and Vipin Sharma (year?) **The State of India's Livelihoods: The Four P Report,** ACCESS Development complete ref
[56]. Dreze, Jean (1990) 'Poverty in India and the IRDP Delusion,' *Economic and Political Weekly* complete ref

The Integrated Rural Development Program (IRDP). IRDP was the first major government programme to attempt an integrated approach to poverty alleviation. Its objective was to assist selected families in rural areas to cross the poverty line by taking up self-employment activities. It provided income-generating assets and working capital where necessary, including subsidies and institutional credit. The target group consisted of small and marginal farmers, agricultural laborers, rural artisans, and others whose annual family income was below the poverty line. Recognizing that women were a disadvantaged group and were hardly participating in the program (they comprised less than five percent of beneficiaries at the time), the IRDP had a spin-off scheme called 'Development of Women and Children in Rural Areas' (DWCRA). In about two decades, IRDP covered about 54.4 million households in the country with a cumulative investment of Rs. 339.64 billion by way of bank credit and subsidies.[57]

However, the IRDP experience brought out several problems. The program's use of a poverty line determined by annual family income to target households as well as establish its impact had a fundamental flaw as it overlooked the critical dimension of access among the poorest of the poor to common property resources, drinking water, health services, education, etc. As Dreze pointed out, the focus on 'current income' failed to distinguish between temporary and chronic poverty. So in identifying beneficiaries, both chronically poor households (with long-run incomes below the poverty line) and households falling temporarily below the poverty line (due to a short-run decline of income) would be included. The benefits of the scheme would thus accrue to both sub-groups. The danger was clearly that the temporarily poor had greater chances of being selected than the chronically poor "...because the temporarily poor usually have more influence, are better educated, can more easily afford the costs of search and bribing, and generally 'know the ropes' better than the chronically poor - not to mention the fact that government officials themselves are often reluctant to lend to the chronically poor."[58]

A Programme Evaluation Organization (PEO) study carried out in 1985 pointed out deficiencies in IRDP such as the lack of a strong administrative set-up, inadequacy of infrastructure to provide assets to the selected beneficiaries, improper identification of viable income-generation activities, poor infrastructure and marketing support to beneficiaries, low recovery of loans, weak monitoring, and misutilization of assistance by beneficiaries. As a result, only 14.8 percent of beneficiaries assisted under IRDP had crossed the poverty line (GOI, 2001).

There were several other factors that did more harm than good to the poor. A high level of corruption was exemplified by the banking sector, where managers often imposed additional requirements on beneficiaries whom they perceived to be un-deserving or unreliable. The bureaucratic procedure to apply for credit was costly and time-consuming for beneficiaries, and there were long delays between application and loan sanction.[59] Some poor and the upper castes were favoured target groups whereas the poorest who were often from socially marginalised groups such as the landless, female-headed households or Scheduled Castes fell outside the program. As a result, the program generally failed to reach the poorest.[60]

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[57]. Ibid.
[58]. Ibid. page number
[59]. Ibid.
[60]. Humphries, Elizabeth (2007) 'Poverty Alleviation Efforts by Governmental, Non-Governmental and International Organisations: Do they provide any confidence that poverty can be eliminated?' Cross Sections, Vol. III, complete ref.

These weaknesses occurred due to a lack of understanding of the vulnerabilities of the poorest groups, so that interventions were not designed to cater to their needs. Dreze highlighted a number of reasons why the poor stayed away from the program. (1) The poor were at a disadvantage in the competition for institutional loans; they were not well placed to pay large bribes, fill complicated forms, and were unable to influence the village headman and find themselves 'guarantors' (2) Bank officials themselves were often reluctant to deal with poor borrowers due to risk. (3) The poor were afraid of being cheated or of not being able to repay.[61]

Swarnjayanti Grameen Swarozgar Yojana (SGSY). In the late 1990s, the individual-based approach of self-employment programs was supplanted by a group-based approach. IRDP was recast as the SGSY (which is now giving way to the National Rural Livelihoods Mission).The main thrust of this programme was to organize groups to overcome the financial, market and technical constraints that individuals faced. Micro-enterprises taken up by SHGs (75 percent women and 25 percent men) were the main intervention to increase incomes. In addition, 15 percent of the total SGSY allocation was earmarked for special 'innovative' projects to 'trigger growth impulses.'

Evaluations of the SGSY have pointed out a number of weaknesses in its implementation. These include: an uneven spread of SHGs, high attrition, constraints on access to credit, lack of capacity building and training, a lack of SHG federations, inadequate risk mitigation, an inadequately dedicated implementation structure, lack of convergence, lack of grievance redress mechanisms, and lack of transparency and accountability.

In a report by the 2007 Ministry of Rural Development (MORD, 2007) which was responsible for this scheme, a key gap reported was the low coverage of the poor. SGSY covered only 1 percent of the relevant target population, and only 33 percent of its beneficiaries were drawn from the poorest quintile while 14 percent were from the richest and 26 percent from the two richest quintiles. Further, the total benefits were even more inequitably distributed - the richest quintile received as much as 50 percent, compared to 8 percent for the poorest (quoted by Tankha et al., 2008). The 2002-03 Annual Report of MORD reported that, in most areas especially in Bihar and Uttar Pradesh, influential people in the villages 'owned' a group (quoted in GOI, 2009). SGSY ranks next to the Public Distribution System and the Indira Awaas Yojana (a housing subsidy program for the poor) in leakages to un-intended households. Indeed, SGSY was a poor performer on most indicators.

A study of almost 11,000 people in SGSY across seven states established the exclusion of Scheduled Castes and Scheduled Tribes (BIRD, 2007). This took place in a number of ways:

- 'Administrative' exclusion - because they were already covered under some state government sponsored program (often implemented by state SC/ST Corporations) or were bank loan defaulters;

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[61]. Dreze (1990) Op. cit.

- Social exclusion - not being accepted as group members; and
- Financial exclusion - being denied their share of loans either by group leaders or by implementing bank/block officials.

Regarding women's participation in the program, 75 percent of SHGs were women's groups, as mentioned above. There were some positive impacts on women's self esteem, confidence and roles in decision making, but the program apparently did not take into account the disadvantages faced by women in earning incomes. As discussed in the section on exclusion, women are less able than men to access collateral, capital, market and extension services directly. Many have limited geographical mobility and personal autonomy, and remain economically dependent on male kin. Even their lower access to education, training and health care, and lower bargaining power affect their productivity.[62]

The total amount allocated for SGSY over ten years was about 15 thousand crore rupees, less than half of the allocation of 30 thousand crore given to the National Rural Employment Guarantee Scheme in one year (2009-10). However, even this amount was not fully utilized during the ten years of the program. At the national level, 42 percent of bank lending was repaid. In response to this low rate of repayment, banks started employing 'avoidance' strategies such as delays, under-financing, releasing only the subsidy component, and so on. This in turn resulted in delays in people starting economic activities, in acquiring assets, and ultimately low incomes or even losses, leading to completion of the vicious cycle of low repayment.

Pilferage was reportedly widespread in the program. Irregularities that adversely affected the program were noticed in every aspect: selection of members, forming, recognising and grading groups, releasing funds and subsidies, selection of NGOs, releasing funds or service fees to them, and so on.[63]

NABARD's SHG-Bank Linkage Program (SBLP). This program is seen as one of the most critical, with potential to change financial exclusion and the constraints faced by the poor, especially women. The number of bank-linked SHGs under this program increased from about five thousand in 1996 to almost a lakh and a half in 2007.

In March 2003 the reach of the SBLP was about 12 million women and their households. The outstanding loans amounted to about 10 billion rupees, equivalent to about to 2.2 to 6.6 percent of the estimated demand (Mahajan and Gupta, 2003). Loan amounts were small - SHG member households got an average

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[62]. Rao, Rukmini (Year?) 'Redesigning the National Rural Livelihood Mission to Benefit Marginalized Rural Poor particularly Dalit and Tribal Women, complete ref

[63]. NNABLE (2009) Suggestions for Designing of National Rural Livelihood Mission, A review of SGSY, National Network Enabling Self Help Movement, complete ref

of Rs.1766 as credit after joining a group and meeting monthly for 9 to 24 months. In 2002-03 only 22 percent of SHGs that existed at the beginning of the year received loans during the year. Even assuming a two-year loan period, this means that more than half the existing SHGs did not receive a loan during the year. At that time, the program remained concentrated in the southern states which accounted for 65 percent of the bank-linked SHGs and over 75 percent of the total loan amount disbursed. In contrast, the North-eastern region accounted for 0.6 percent of SHGs and 0.3 percent of the amount. Even the densely-populated and highly poor eastern region accounted only for 12.6 percent of linked SHGs and 5.9 percent of the amount.

Mahajan and Gupta reported some concerns with the program. There was a tendency to focus on quantitative targets (e.g., numbers of groups to be promoted each year) and less on the quality of the groups formed. Many groups had been promoted by institutions that either lacked the required skills and local knowledge, or by some that were driven by short-term monetary incentives. Many groups had come together on an ad hoc basis because they wanted a loan. Inadequate attention to group quality, the authors felt, could threaten the longer term credibility and viability of the program.

A recent NABARD report suggests that more than 70 million poor households were covered by bank linkages in 2008. About five million SHGs were maintaining savings accounts, and about 80 percent of these were all-women groups. The good news was that nearly 54 percent of beneficiaries were from among poorer groups such as marginal farmers and the landless. However, significant differences exist across states (RFAS, 2003).

NABARD's SHG Bank Linkage Guidance Note[64]

NABARD has provided detailed guidelines for SHGs, covering their size, norms, etc. for the purposes of the SHG opening an account in the nearest government bank and getting loans for their enterprises. The basic principles of SHG functioning defined by NABARD are:

- A group's members should be residents of the same area and have an affinity. Homogeneity could be in terms of caste/occupation/gender or economic status (which is critical).
- Savings first, credit thereafter.
- SHGs should hold regular meetings.
- They should have norms regarding membership, meetings, etc.
- Group leaders should be elected by members and rotated periodically.
- Transparency in operations of the group and participatory decision-making should be practiced.
- Rates of interest on loans should be decided by the group.
- Group liability and peer pressure are to act as substitutes for traditional collateral.

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[64] http://www.nabard.org/microfinance/assessmentmethods.asp#top

The SHG should have developed some norms for its functioning, covering major areas of its functioning, decision-making processes, leadership, etc. These norms would generally relate to membership, periodicity of meetings, savings amount and periodicity; credit sanction process, rate of interest, ceiling amount, etc.; fines on defaulters, leadership election, rotation, etc., personal and social improvement and so on.

National Rural Employment Guarantee Scheme (NREGS). The NREGS guarantees 100 days of employment to every poor rural unemployed household as an enforceable right. Despite its 'flagship' status, it faces several implementation challenges. The suicide of a Block Development Officer in West Bengal, who was trying to implement NREGA honestly, and the murder of an activist in Jharkhand show how threatening the availability of such programs for the poor and their transparency and accountability can be to some powerful groups and the extent of vested interests in the misuse of this programme.[65]

In 2006-07 Samarthan, an NGO, collected data from 600 villages in 39 districts in six states that were covered by the Poorest Areas Civil Society Programme supported by the U.K. Department of International Development.[66] The major findings and conclusions were:

- Awareness of NREGS had risen, but challenges such as delayed payment of wages, lower wages to women, confusion about measurement-based payments, poor quality of work, lack of worksite facilities, and fake muster roll entries had come to the fore.

- Most people continued to be unaware of the fact that they had to demand work. When they did demand work, the average response time for providing employment was 15 to 30 days. Due to these and other reasons, the average annual wages received by surveyed families was Rs 1990 compared to the Rs 6000 envisaged in the NREG Act. On average, only 18.45 person-days of work was provided to a family in a year.

- Adequate numbers of job cards were not provided to Scheduled Caste households in Bihar, Madhya Pradesh and Uttar Pradesh. In Chhattisgarh and Jharkhand, around two-thirds of BPL families surveyed did not have job cards. Over half the job cards issued were in the possession of the village *sarpanch* or *panchayat* secretary.

- In over 70 percent of *panchayats*, five-year perspective plans as well as annual plans had been prepared. However, these plans were not prepared in consultation with *gram sabhas*.

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[65]. Dutta and Sharma (Year?) Op. cit.

[66]. Poorest Areas Civil Society Programme (2007) **Civil Society in Poorest India, Stories of Innovation and Change**, Department for International Development, New Delhi. Check ref.

The impact of the program on women is of interest. Their participation exceeds the one-third quota, which is encouraging, cultural norms continue to prevent women from working outside the home or working with men, limiting women's access to employment days. Studies have also shown that, even when women want to work, they are excluded by the *Panchayat* on account of social norms around 'appropriate' work for women. In Madhya Pradesh, for example, despite women's overall representation being above 40%, women receive fewer days of work in practice because they are not involved in all the types of work available. They are often given 'soft' work such as removing the earth when wells are dug, which takes fewer days. Single women are particularly affected when earthwork depends on couples working together.

Women are also constrained by the program's failure to implement some interventions that have been included in the design of NREGS, such as the provision of crèche facilities. In a recent study of four states, provision of child care facilities at NREGS worksites varied from 1 to 17 percent.[67]

NREGS has also been exposed to corruption and the influence of rural elites. An audit by the Controller and Auditor General found that virtually every formal requirement was violated in a significant number of states, districts and *gram panchayats*. The overall coverage was 55 percent of registered households and only 5.8 percent received their full entitlement of 100 days of employment.[68]

Thus, even well-intentioned programs that seek to reduce poverty fall short of desired impacts due to a lack of strategies to address social issues that affect the behaviour and participation of the rural poor, among other reasons. Institutional biases and prejudices are inadequately addressed to create an enabling environment for the poor to participate equitably and effectively. Access to credit, a fundamental intervention of SGSY, was ineffective due largely to the inaccessibility of banking facilities (a sparsely spread of bank branches in the rural areas), lack of staff, and lack of interest or awareness on the part of bankers. In addition, the banking system and its procedures are too complex and as such poorly suited to the rural poor.

Bangladesh Rehabilitation Assistance Committee (BRAC). In order to reach the poorest of the poor, the program adopted an eligibility criterion which was to include those households who owned less than 50 decimals of land. However, with the spread of the program, BRAC realized that the clientele had changed – by 1992 the proportion of clients who had more than 50 decimals of land was 30 to 50 percent. Apart from the power and influence of the 'better-off poor' to be included, there were other reasons for this. They included self-exclusion by the poorest because of risk aversion, and group exclusion by the moderate poor. The rigidity of weekly payments and excessive focus on borrowing forced the poor to

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[67]. Author? (2010) **Gendered risks, poverty and vulnerability in India, Case study of the Indian Mahatma Gandhi National Rural Employment Guarantee Act (Madhya Pradesh),** Publisher? Place?

[68]. Ibid.

exclude themselves.[69] It was realized that many of the poorest may not be able to use credit effectively. Lending to poor people who cannot rapidly set up activities to generate enough income to repay their loans will only result in over-indebtedness and lead to increased vulnerability and further impoverishment.[70] Thus the extreme poor needed a lot more flexibility than was being offered.

Studies show that the poorest do not benefit even if they do join microfinance, as they do not enter with existing enterprises (Banerjee et al, 2009). Many poor rely on daily labour. When they do borrow it usually is to meet their survival - consumption and emergency - needs. They are thus likely to be inactive members that frequently enter and exit microfinance.[71]These findings helped BRAC introduce a 'Targeting (for) the Ultra-Poor,' a range of strategies to help the ultra poor benefit from microfinance.

World Bank-supported Livelihoods Projects. In 2000 the World Bank began supporting three rural livelihoods projects in Andhra Pradesh, Madhya Pradesh, and Rajasthan. Known as the District Poverty Initiatives Projects (DPIPs), they shared a common set of goals and principles although their implementation details were customized to the needs and interests of the individual states. All of the DPIPs supported the agenda of poverty reduction articulated by the Government of India, the World Bank's Country Assistance Strategy, and the three state governments by aiming to enhance the abilities of the poor to meet their socio-economic development needs and expand their livelihood assets and opportunities. Similar projects were started in Chhattisgarh, Tamil Nadu, Bihar and Orissa between _year_ and _year,_ while the second phases of the A.P., M.P. and Rajasthan projects commenced in _years…(see box)._

World Bank-assisted Livelihoods Projects
Andhra Pradesh District Poverty Initiatives Project I
Andhra Pradesh Rural Livelihoods Project
MP District Poverty Initiatives Project I & II
Rajasthan District Poverty Initiatives Project I & II
Tamil Nadu Empowerment and Poverty Reduction Project (Puthu Vazhvu)

Social inclusion was an important commitment of all these projects, but its achievement has been varied. All projects carried out social assessments that highlighted key social issues, vulnerable groups and their specific vulnerabilities. Some observations would help to understand the issues of reaching these groups, including the poorest, and achieving an impact on the poorest.

- The poor and poorest groups identified by the projects remained broad categories such as Scheduled castes, Scheduled tribes, women and, in some cases, the disabled or vulnerable occupational groups such as the fishing community. Only some projects broke vulnerability down further. The Bihar Rural Livelihoods Project (BRLP, Jeevika) called some groups 'critically marginalized' stating that they need specific attention and commitment. Although a process of

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[69]. Sulaiman, Munshi and Imran Matin (Year?) Making Microfinance work for the Extreme Poor, Evidence and Experiences from Bangladesh, Publisher, Place

[70]. Hashemi, Syed M. and Wamiq Umaira (Year?), **New Pathways for the Poorest: The Graduation Model from BRAC**, Bangladesh Rehabilitation Assistance Committee, Dhaka

[71]. Huda, Karishma (2010) 'Overcoming Extreme Poverty in India: Lessons Learnt from SKS,' *IDS Bulletin 41,* Number 4, page numbers

'Participatory Identification of Poor' has been implemented in some projects final lists of the poorest households that could help to reach the poorest have not yet been evolved.

- There is little mention, other than in the BRLP, of the specific vulnerabilities of Muslim households. For instance, although it is well known that many Muslims are artisans and have other traditional occupations that have suffered due to economic changes, their vulnerability has not been adequately addressed.

- All projects manifest a gap between the issues identified in their social assessments (SA) and the interventions evolved. For example, an SA may have a section on gender which discusses the status of women, but there is seldom a specific attempt to link women's constraints to their livelihoods and to actual project interventions.

- Further, the issues identified are inadequately tracked - or not tracked at all. While project design documents include some social indicators, there is little progress reporting on these. The BRLP has tracked some social initiatives in its Quarterly Progress Reports, and the AP DPIP and RLP included some detailed analyses of the social aspects of project interventions. But these are exceptions rather than the norm and it is difficult to draw specific conclusions about the effectiveness of the livelihood projects in addressing social issues. Thus, there is a need for clearly defined social inclusion indicators and more robust monitoring and evaluation (M&E) systems, including community-based M&E.

Social assessments, participatory poverty assessments and even social accountability tools such as community scorecards, social audits, etc. are intended to provide the insights of poor communities to project designs. Although the utility and value of these approaches are clear, they need to be introduced with an awareness of the inequalities among the poor. There are significant barriers to participation for some, such as ill health or the lack of time and resources to contribute. Participation can place extra burdens on people and therefore bias inclusion against the extremely poor in favour of less poor or non-poor people. Participation agendas set from 'outside' may only be understood by some, limiting the ability or willingness of others to engage (and even the findings of the assessments).[72]

2.5.2   Understanding Implications: What do we still need to get right?

This section points out how the poorest can be affected at each stage of the micro-project cycle, based on actual experience from the previous livelihood projects. The lessons could be useful to redefine or plan interventions better.

◄ *Project designs/ strategies reflect poor understanding of the realities and vulnerabilities of the poor and especially of the poorest.*

While projects commit to reaching and benefiting the poorest groups, their designs and implementation frameworks do not always support this commitment. For instance, it is clear that credit needs of the poorest are different from the less poor. Moreover access to only credit may not do much to alleviate the

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[72]. Grant and Hulme (2008) Op. cit.

poverty of those whose only asset is their labour power, and who may need addition complementary resources to enable them to use loans successfully. Such implementation design reflects a lack of awareness of the disadvantages faced by the poor, including their lack of political influence - more powerful groups in a community could easily corner even the loan benefits![73] Thus, programs need to take proper heed of poverty as a concoction of many different types of social exclusion that require as much attention to remove as financial and economic exclusion.

The international NGO CARE implemented a program called 'Strengthening Household Access to Bari Garden Extension Services' in partnership with 23 local NGOs in five districts of Bangladesh. The project aimed to improve household food security, consumption and nutrition of poor and marginalized women and men farmers. Because women constituted the greatest number of disadvantaged people, however, 99 percent of project participants were women. The program also worked with elderly women and widows, who were neglected or subjected to violence because they were seen as a burden to the household (Bartlett, 2002). The key intervention was 'Farmer Field School' training which trained women to increase yields of fruit and vegetables in their kitchen gardens. Although conceptually a good program, some concerns arose about its real impact on women and households. Women's lack of involvement in the project design had implications for the relevance of the activities to their needs - one NGO partner said, 'only about 60 to 70 percent of women members are now participating in training sessions. The others have stopped participating because they don't see the project as a way of reducing their poverty' (cited in Wilson and Hussain, 2002: 19). In another project, the 'Participatory Upland Conservation Development Program' in Bolivia, supported by the Food and Agriculture Organization (FAO), the leaders realized that by not paying attention to the nature of livelihoods strategies of the poor and marginalised and their limited range of assets, they were often unable to qualify for project assistance, and the impact of the project was limited. Greater attention could have been paid by project managers to meeting the demands that women had expressed during participatory planning sessions. Inadequate attention to these had led to poor participation by the women.[74]

◄ *Some groups remain unreached and under-served.*

Some groups such as minorities, the disabled and those in disadvantaged occupations remain unreached and under-served. The NGO community works with *dalits, adivasis*, women, etc. but to a limited extent only with some minorities such as Muslims. It is left to religious groups to work with them. Another under-served group in programs for poverty alleviation are the disabled. Despite efforts and policies such as earmarked funds to promote the livelihoods of the disabled (e.g., 3 percent under SGSY), practically none of the rural development projects funded by the Government or donors in India take active steps to include the disabled. Many rural development schemes specifically target poor people who can undertake particular types of wage labour: road-building, construction of bunds in the watershed programme, or clearing irrigation channels. Those who are unable to carry out such activities cannot participate in them,

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[73]. Kabeer, Naila et al add names of all authors (1996) 'Compensating for institutional exclusion? Lessons from Indian Government and Non-Government Credit Interventions for the Poor.' *IDS Discussion Paper 356*, complete ref.

[74]. Food and Agriculture Organization (year?) 'Do Sustainable Livelihoods Approaches have a Positive Impact on the Rural Poor? A look at twelve case studies,' complete ref

yet the scheme may affect their livelihoods, for example, by affecting access to water or some other service.[75]

The World Bank also found in an internal assessment of selected projects that among projects with social funds whose use for the most poor, including the disabled, was encouraged 22 of 34 projects reported no disability-related subprojects and 13 (38 percent) of projects reported some disability-related subprojects.

◄   *Identification processes may not be participatory and exposed to manipulation by elites*

Most projects, whether public or privately managed, adopt processes to identify beneficiaries. There are often gaps in the identification process – for example: a lack of interest in really identifying the poorest communities, inability to contact them at the time of the survey, or to attract them to participate in it, lack of skills and training in participatory methods, and so on. When it comes to finalizing the 'lists' as well, the poorest face the risk of being left out. Power dynamics at the community level operate to exclude groups who are uncomfortable or unable to speak openly. Threats by powerful elites can affect identification processes or result in self-exclusion by poorer groups due to their fear of retaliation. For instance, religious minorities may stay away in places where there has been a history of communal tension.

Red tape, inefficiency and corruption that often characterise state interventions also act as deterrents to the participation of the poorest in identification processes. Interviews with extremely poor people in Andhra Pradesh revealed a grave mistrust of government officials on account of the opaque ways in which they made decisions about beneficiaries of pro-poor services. For example, one commented:

> "*The poorest are not the ones who get the BPL [Below Poverty Line] card. Those who have autos and bikes receive our rations. The government officials meet at the weekly market and they tell secrets – secrets about whom they will give things to. We have no way of knowing.*" [76]

The lack of transparency in targeting opens avenues for corruption and rent-seeking, according to another participant:

> "*I applied three times and never received a BPL card. I begged, did not eat, and bribed them with 300 rupees. Still I have received nothing, just empty promises.*"

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[75]. Seeley, Janet (Year?) Recognising diversity: Disability and Rural Livelihoods Approaches in India, ODI complete ref

[76]. Huda, Karishma (Year?) Op. cit.

◀ *Programs may focus on women but fail to address gender.*

It is rare to find an NGO that does not express a commitment to gender equity. However, impact assessments indicate that a wide range of NGO projects fail to conduct gender analyses or to address prevailing patterns of discrimination. Many projects may even reinforce traditional gender roles in South Asia (more so than in Africa).[77] Some government schemes show that in places where gender inequalities are lower, women are able to use project assistance, especially loans, more productively. However, targeting women is not enough to ensure significant poverty reduction since gender bias in delivery can reinforce 'traditional' 'female' activities that have low productivity and are low-paying.

Positive impacts may be achieved – but at a cost. For instance, where women have set up enterprises, they may have achieved small increases in incomes but incurred heavy energy-demanding workloads or loan repayment pressures. In many cases, loans have been used by men to set up enterprises over which women have little control. In some cases they have been employed as unpaid family workers with little benefit. In others there have been indirect benefits and improvements in various aspects of women's well-being as a result of greater recognition of their role in the household and community. Women's increased autonomy has sometimes been temporary, followed by withdrawal of male support. In some programs there are fears that the small increases in women's incomes are leading to decreases in male contributions to certain types of household expenditure. Some new risks may also emerge for women such as increases in domestic tension due to women's increased confidence and 'wealth.' Women's emerging leadership at the community level may also result in retaliation and violence as they begin to express their views or challenge discrimination.

These issues point out that while women have been the focus of attention of many programs, gender issues have been weakly tackle and equity hardly achieved. Attempts to change men's and community attitudes, to talk to men to understand their dilemmas as they deal with changing social norms, to unpack concepts of masculinity or understand the pressures on men to assert their masculinity – all of which impact women's participation and benefit from livelihood programs - are few and far between.

◀ *Biases the work against the poorest creep in during program implementation.*

The choice and type of livelihood activities may alienate the poor and suit the better-off. For instance, projects are prone to gender stereotyping in microenterprise selection. Activities such as pickle- making, basket-weaving, papad-making are promoted for women and may suit those who desire home-based activities with modest returns. However, efforts to ensure better incomes are required for the poorest – for example, including women in farmers' or producers' organizations could enhance their productivity to a greater extent.

Capacity building activities could also cater better to the poorest to enhance their livelihoods. Uniform approaches, use of dominant languages for communication, and negligible follow-up can widen the gap between the poorest and better-off, as the latter are better positioned to receive new inputs due to better awareness, better linkages with the market, and so forth.

◀ *Membership criteria, norms and the style of functioning of organizations can result in exclusion.*

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[77] The Impact of NGO Development Projects, ODI Briefing Paper, 1996

- *Membership:* In 'group exclusion' the moderate poor may not accept the extreme poor into their groups; rigid repayment norms and the emphasis on borrowing may discourage the poorest from joining groups (Hashemi, 1997; Rahman and Razzaque, 2000). Group exclusion underlies 'self exclusion.'

- *Norms for functioning.* Requirements such as mandatory weekly meetings and monthly repayment may be difficult for the poorest members, who depend on daily wages, to meet. Sometimes the poorest exclude themselves on account of such norms.

- *Leadership criteria/styles.* There is a significant bias towards articulate people in selection of leaders. NGOs also often chose such leaders because they are good to 'showcase' during program reviews or in monitoring reports. Seldom is there focus on qualities such as participatory decision-making, or creating a safe space for the poorest to speak and participate.

◀ *Limited attention to solving institutional issues and constraints.*

Many projects intend to empower the poor to interact, influence and hold accountable the various institutions with which they deal. Yet this aspect is weak in many cases as the focus turns to creating 'project-induced' institutions. While this is an extremely important goal, it does not result in other institutions that are needed to improve the lives of the poor 'falling in line.' Programs such as the IRDP failed because insufficient attention was paid to building service institutions and this limited the effectiveness and sustainability of other program investments. Other institutions were needed because the highly centralized, top-down management structure of the IRDP had increasing difficulty delivering the complex range of activities entailed in the program.[78]

Although monitoring and evaluation of institutions could help to strengthen them better, a stocktaking by the World Bank of selected projects working with rural institutions and livelihoods found that M&E was among the weakest aspects. Very few projects used indicators that could reveal how the institutions contributed to the improvement of livelihood opportunities. In addition, there was no evidence that the MIS developed by the projects were tailored to the institutions' needs (present or future) or allowed them to take informed decisions about their strategies or environment.

◀ *Monitoring and evaluation mechanisms do not tell us the impact on the poorest and most excluded*

M&E systems are also among the weakest aspects of projects when viewed from a social development perspective. For instance, the lack of specific social indicators prevents assessment of whether the poorest are participating or benefiting equitably from project interventions. Further, qualitative measurements are need as focusing on numbers alone does not reveal the quality of participation, say, in decision-making or in use of public institutions.

While some qualitative analysis occurs, for instance, in process documentation, it usually focuses on the study of 'good experience.' There is little reflection on the challenges and constraints that cause a project to fail in including or meeting the needs of the poorest, whereas proper analysis could support inclusion of and positive achievements for the poorest. A strategic approach is needed to track and remove

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[78]. World Bank (2006) 'Stocktaking of selected World Bank projects working with Rural Institutions,' complete ref

institutional and structural barriers to the participation of the excluded in programs, and impacts on their poverty.

◄ *Communities are not the drivers of social accountability.*

Social accountability has been recognized as a way to empower the poor and reduce poverty, and as a step toward democratic governance (World Bank, 2001; UNDP, 2002). While some projects create mechanisms for community monitoring or oversight, such as social audits, community score cards, or citizens' report cards, these may not be fully effective. Social accountability can become 'token' if there is inadequate investment in capacity building to use the tools properly and sustain their use. Moreover, marginal groups may abstain from participating or be 'silent spectators,' fearing retaliation. Questioning the functioning of the project may not be feasible or in the interests of the excluded if influential people have a significant role in it.

Social accountability approaches require time, money and expertise to implement and be accepted. The current project-based development approach with its emphasis on maintaining disbursements on track may not be conducive to time-consuming, consensus-generating approaches such as participation, consultation, collecting feedback, or promoting transparency. Further, the number of staff with skills and experience to guide social accountability efforts is limited and unevenly distributed. While the evidence from pilots is mostly positive, only a few rigorous impact evaluations convincingly link social accountability interventions with better quality of services or improved development outcomes.[79] This implies that even in projects that spend time and money on social accountability, this are not linked to the projects' M&E systems, making it difficult to establish whether it led to achievement or improvement of outcomes.

◄ *The poorest may not benefit fully from project interventions, and could even be exposed to new risks.*

Even when projects are able to identify the poorest and bring them into the net of services, it cannot be assumed that project benefits will reach them or improve their livelihoods. The better-off are positioned to capture a disproportionate share of any economic gains offered by development projects. And with their new resources, they can often further tighten their grip over land and other productive assets, thereby worsening the position of the poor. This general finding was borne out by USAID's program evaluations to assess the development effectiveness of its aid. One report reviewing 12 years of small-farm credit programs noted that benefits were 'highly skewed against the small farmer and the landless poor.' It found that this was so because 'very few of the poor had titles to farms large enough to satisfy the requirements of a credit application.' A review of a project in Bangladesh made the following observation:

> *"Thanks to a bribe to a technician, an irrigation pump earmarked for a cooperative of poor farmers in Bangladesh winds up belonging to the village's richest landowner; he graciously allows his neighbors water from the new well in exchange for a third of their harvests. The pump and the added revenue give the 'waterlord' the incentive to take over more land by foreclosing on the small farmers in debt to him. Thanks to his heightened prosperity, the landowner can now*

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[79] Scaling up Social Accountability in World Bank Operations, 2009

buy an imported tractor, eliminating desperately needed jobs for the village's landless families."[80]

Jean Dreze talks of a situation he encountered during a field visit:

"Roshan is an extremely poor landless agricultural labourer who lives in a village of Moradabad district in Uttar Pradesh. A well-meaning official recently decreed that Roshan should be given a subsidised loan to buy a rope-making machine. Roshan, afraid that he might not be able to repay the loan, tried to resist this offer, but by that time the loan had already been sanctioned and he was firmly told to take it. The rope-making machine turned out to be defective, and while the bank officials kept promising that they would send someone to repair it, this never happened. Unable to get the machine repaired himself, Roshan sold it (for a relatively small sum) and bought seven goats with the proceeds. One year later, six of the goats had died. Roshan was left with one small goat and a debt larger than his entire annual income."

As this story illustrates, the insecure nature of income generation schemes can greatly reduce their value for the poor. Consequently, the impact that such schemes have on poverty is much lower than what calculations 'in the absence of uncertainty' suggest.

The Lowlands Agricultural Development Programme (LADEP) in Gambia, supported by IFAD, is attempting to the increase levels of food security and raise the incomes of impoverished households through the promotion of monoculture rice production in lowland areas. However, it may have increased these households' vulnerability to other shocks. A 200 percent increase in the number of rice farmers in some areas has resulted in human and financial resources being concentrated on rice production at the expense of other crops.[81] Some villages witnessed a reduction in the production of crops such as groundnuts where upland farmers had chosen to switch to rice because of higher returns. Others saw a reduction in vegetable production on homestead gardens where labour requirements for dike construction reduced the amount of time women were able to spend on gardening (and where they considered rice more profitable anyway). These changes had negative implications for nutritional levels (lack of diversity in the diet) and vulnerability to natural shock (pests, drought). In addition, an increase in the amount of water standing behind dikes for longer times than previously had apparently contributed to an increased incidence of malaria in the 11 project sites, increasing households' vulnerability to ill-health. Most projects fail to anticipate the risks due to interventions, and to address the consequent 'new' vulnerabilities of the poor.

2.5.3 Implications for NRLP

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[80] *World Hunger: 12 Myths*, 2nd Edition, by Frances Moore Lappé, Joseph Collins and Peter Rosset, with Luis Esparza (fully revised and updated, Grove/Atlantic and Food First Books, Oct. 1998)

[81]. Food and Agriculture Organization (Year?) Op. cit.

NRLP seeks to build on the lessons of previous livelihood projects and must therefore ensure that the social constraints that are likely to affect its interventions (as well as result from its interventions) are understood and addressed. For instance, its capacity building efforts must cater to the differential needs of the various excluded groups, as not all would be at the same point. Institution building will need to ensure that processes such as social preparation and mobilization are given priority where groups are not yet ready to benefit from livelihood interventions or access to credit. Most significantly, NRLP has to ensure that it does not increase the exposure to shocks and risks which undermine the excluded and increase their vulnerability. Strategies to minimize and respond to shocks must be integrated in the interventions and be locally developed as situations of risk vary from place to place.

2.6   Legal Environment

Several existing laws and policies in the country are relevant to the National Rural Livelihoods Project, providing an enabling environment for inclusion as well as several supporting dimensions such as minimum wages, information and transparency, and rights of disadvantaged groups. Only national laws are listed below – in addition to these, many legislative acts exist at the state level. These would be listed in the individual state social assessments that are planned under the project. During the empowerment process at the community level, participants will be made aware of the existence of these laws and of their related entitlements.

2.6.1   National Rural Employment Guarantee Act[82]

The National Rural Employment Guarantee Act, 2005, aims to enhance the livelihood security of people in rural areas by guaranteeing 100 days of wage-employment in a year to rural households whose adult members volunteer to do unskilled manual work creating community assets and infrastructure. NREGA is the first Act in independent India that guarantees the right to work. Apart from granting 100 days of employment, the Act also provides better working conditions such as the availability of a first-aid kit, crèche for children, shade and drinking water at the worksites. The Act also includes unemployment allowance for people who have applied for work but do not get any within 15 days of their application. Since employment generation is one of the main emphases of the Act it bans use of machines and contractors. In order to ensure transparency in the processes of employment provision and related activities, the Act makes Social Audit mandatory. Social audits are expected to increase accountability in the system and give the poor an opportunity to become aware of their rights and entitlements. They would also enable people to participate in the design of the programme, decision-making process, and monitoring and evaluation.

Under the Act the MGNREG Scheme is being implemented across the country. By December 2010, 3.9 crore households had been provided employment; 22.56 percent of these were from SC families, 17.27 percent were ST families, 51.11 percent were women. This is a significant program with which NRLM seeks to converge.

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[82]. www.nrega.nic.in

2.6.2   Forest Rights Act, 2006[83]

For several decades the ownership of land in tribal areas has remained a complex issue throughout India. *Adivasis* living in forest areas often do not have legal title to lands they have been cultivating for years – or even generations. Under the Forest Conservation Act of 1980, *Adivasis* living in forest areas were often denied access to forest resources, such as grazing areas, fuel wood and non-timber forest produce. The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, aims to recognize the rights of forest dwellers and seeks to protect them from being seen as 'encroachers' to safeguard them against forced evictions. Under this Act, *Adivasis* living in forests will receive ownership rights, including the right to farm on small plots, use forests for grazing, and collect and sell non-timber forest products such as honey, medicinal plants, and herbs. (GOI, 2006b).

2.6.3   Panchayati Raj Act, 1992[84]

A system of *panchayats* existed in rural areas before India's Independence and though they continued thereafter they were not government funded, except indirectly through certain programs which were given to *panchayats* to implement and some links with the Community Development Programme of the 1960s. With increasing 'modernization' and the emergence of party politics the role of these traditional *panchayats* declined. Subsequently the Indian Constitution was amended in 1992 (73rd amendment) to establish new '*panchayati raj*' (local government) institutions (PRIs) at village, block and district levels. The 73rd amendment provides for powers and responsibilities to be devolved to these three 'tiers' of PRIs. Their responsibilities include preparation of plans for economic development and social justice, levy and collection of some taxes, duties, tolls and fees, and implementation of programs in 29 areas which are listed in Schedule XI of the Constitution.   Under the NRLM, PRIs are expected to play a role in identifying beneficiaries, using wealth ranking, in overseeing livelihoods plans of the area, and in the grievance redress system.

The three-tier system of PRIs applies to all states with populations over 2 million. Elections are to be held every five years. The Amendment provides for reservation of *panchayat* memberships and headships at all three levels for Scheduled Castes, Scheduled Tribes and women, thus enabling participation of these groups. In the case of SCs and STs, 'seats' are reserved in proportion to the populations of these groups at the state or district levels. One-third of positions are reserved for women.

2.6.4   Panchayats (Extension to Scheduled Areas) Act (PESA) 1996[85]

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[83]. www.fra.org.in/
[84]. en.wikipedia.org/wiki/Panchayati_raj

This progressive legislation for tribal areas (listed in Schedule 5 and Schedule 6? of the Constitution) is aimed primarily at promoting village-level democracy (*Gram Sabhas* or village assemblies and *Panchayat Raj* institutions) in these areas and giving them a role in to natural resource management. It sets up *gram sabhas* and provides for their active involvement in protection. It clearly recognizes the rights of tribal communities over the natural resources of the area. The main rationale for the Act is to protect tribal people and their resources from exploitation.

Under PESA, the *Gram Sabha* is responsible for approving social and economic development plans, programmes and projects. It is also responsible for identifying appropriate beneficiaries for individual-oriented schemes. It oversees land, water and forest management, and has ownership of minor forest products of the area. It has the power to prevent alienation of land in its area, and to take appropriate action to restore any unlawfully alienated land to tribal people. Consultation is required with the *gram sabha* prior to land acquisition and resettlement and rehabilitation activities in Scheduled areas. It is expected to safeguard and preserve the traditions and customs of the tribal people, their cultural identity, community resources, and customary modes of dispute resolution. *Gram sabhas* also control village markets, enforce prohibition, and act as a conflict resolution mechanism.

In the NRLM, the *Gram sabhas* in PESA areas are expected to play a proactive role in identifying beneficiaries using wealth ranking, helping to build community institutions, formulating and approving livelihood plans, and in the grievance redress system.

2.6.5   Food Security Bill, 2010[86]

The draft Food Security Bill provides 25 kg of wheat or rice every month to BPL households at Rs. 3/- per kg through the existing PDS in the country. To ensure the supply of wheat or rice to identified BPL families in accordance with this entitlement, the Central Government is mandated to allocate the required quantities of wheat and rice from the Central pool to state governments; and the states in turn must distribute these food grains through the network of Fair Price Shops (FPS) to BPL families under the Targeted Public Distribution System (TPDS). Guidelines for the identification of BPL families would be issued by the Central Government, and it would also fix the number of BPL families to be covered in each state on the basis of poverty estimates by the Planning Commission and population data from the Registrar General's office.

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[85]. http://www.inclusion.in/index.php?option=com_content&view=article&id=132&Itemid=98
[86]. www.indiaenvironmentportal.org.in/.../ FOOD%20SECURITY%20EGOM%20draft%20bill.doc

The Bill is expected to pass during the Budget Session of Parliament in March 2011. Once passed, state governments would be mandated to implement it. SHGs, Federations and other community institutions formed under the NRLM could play a 'watching' role on the identification of beneficiaries and distribution of entitlements.

2.6.6   Minimum Wages Act, 1948[87]

The Minimum Wages Act calls for state governments to establish a 'minimum rate of wages' and revise it from time to time in accordance with changes in the cost of living index. Minimum wages are required to include a basic rate of wages and a special 'cost of living allowance' but can be adjusted for the 'cash value of commodities obtained at concessional rates' and provided to workers. This is an important Act for NRLM as it would determine the minimum wages of persons paid by others in the employment activities pursued under the program.

2.6.7   Protection of Child Rights Act (2007)[88]

The National Commission for Protection of Child Rights (NCPCR) was set up in March 2007 under the Commission for Protection of Child Rights Act, 2005. A child is defined as a person under 18 years of age.The Commission's mandate is to ensure that all laws, policies, programmes and administrative mechanisms are in consonance with the child rights enshrined in the Constitution of India and in the UN Convention on the Rights of the Child. Child labour laws and the Right to Education Act are among key protective laws for children that a relevant to the NRLP. NRLP would need to ensure that child labour is reduced rather than exacerbated in project areas and activities, and take steps to ensure that children do not drop out of school, for example, to do domestic chores while their mothers are involved in livelihoods activities.

2.6.8   Bonded Labour System (Abolition) Act, 1976[89]

This Act abolished the system of bonded labour in order to prevent economic and physical exploitation of the weaker sections of society. The system of bonded labour is an outcome of customary obligations, forced labour, or indebtedness under which "the debtor agrees to mortgage his/her services or the services of any of his/her family members to the creditor for a specified or an unspecified period with or without wages accompanied by denial of choice of alternative avenues of employment or freedom of movement."

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[87]. www.vakilno1.com/bareacts/minimumwagesact/minimumwagesact.htm
[88]. National Commission for Protection of Child Rights, npcr.gov.in
[89]. Government of India, Bonded Labour System Abolition Act 1976

Since NRLP targets SC and ST communities, the issue of bonded labour in some families may arise. Through social mobilization and sensitization the project should be able to make people aware and active against this practice, and free them from bondage by providing alternative livelihoods.

2.6.9 Right to Information Act, 2005[90]

This Act provides for establishing a practical approach to the right to information for citizens. Under its provisions, any citizen can request information from a public authority (a body of Government), and this body is required to reply within 30 days. The Act also requires all public authorities to computerize their records for wide dissemination and to proactively publish certain categories of information so that citizens need to request information minimally.

The NRLP will have transparent systems of identifying beneficiaries, disbursing credit, and so on, which will be monitored by project staff as well as community members on a regular basis. All project data will be put up for public scrutiny. Any grievance or complaint made by a person would be addressed in a transparent manner.

2.6.10 Land Acquisition (Amendment) Act, 2007[91]

The national Land Acquisition Act, 1894, provides for land to be acquired for public purposes. It was amended in 1984, and in 2007. The Amendment Act of 2007 proposes to do away with earlier clauses that put restrictions on the Government acquiring land for non-state purposes.The definition of 'public purpose' has been broadened to cover three purposes: (i) strategic purposes, including defense requirements and work vital to the state; (ii) public infrastructure; and (iii) any project useful for the general public. The definition of 'person' entitled to the land acquired for public purposes now also includes a 'company' (GOI, 2007a). The amendment has yet to be passed by the Government.

In a national project such as NRLM, the issue of land acquisition has immense importance especially at a time when land is being taken away for corporate purposes, for Special Economic Zones that are being set up, and for corporate farming. However, no land will be acquired in the NRLP.

2.6.11 Gram Nyayalayas Act, 2008[92]

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[90]. en.wikipedia.org/wiki/Right_to_Information_Act
[91]. www.prsindia.org/.../Land%20Acquisition/1197003952_Land_20Acq.pdf

This Act provides for the establishment of *Gram Nyayalayas* (village courts) to improve rural citizens' access to justice 'at their doorsteps,'and ensure that the right to seek justice from higher level courts is not denied to any citizen by reason of social, economic or other disabilities. In NRLM the *Gram Nyayalayas* could be strengthened and in time act as grievance redress points at the community level.

2.6.12 Right to Education Act 2009[93]

The Right to Education Act provides for free and compulsory education to all children up to the ageof 14 years. The social mobilization under NRLP could sensitize village communities to their rights and responsibilities under this Act and encourage families to send their children to school. As mentioned above, the project would also need to ensure that children do not drop out of school as a direct or indirect result of its activities.

2.7 Some Relevant National Policies, Structures and Programmes

2.7.1 National Policy for the Empowerment of Women[94]

The Constitution of India establishes the equality of men and women and promises that the state will make general and specific provisions for the welfare of women.   The Government of India has since adopted several principles of equality between men and women such as equal pay for equal work, right to education for all children, Domestic Violence (Prevention) Act, and so on. These have important implications for the NRLP.

India has also ratified the Convention Ending All Forms of Discrimination against Women (CEDAW) [and the Convention on the Rights of the Child (CRC)]. The National Policy for Women Empowerment (2001) recognizes that gender inequality persists in Indian society, and sees the social and economic structure (Including informal and formal norms and practices) as the underlying cause of gender inequality. It points out that women belonging to weaker sections of society, including Scheduled Tribes, are particularly marginalized, socially excluded and vulnerable with regard to their access to education, health and productive resources. The Policy aims to promote the development and empowerment of

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[92]. Ministry of Social Justice, Government of India
[93]. Government of India, Gazette of India Extraordinary, Registered No. DL-(N)04/007/2003-09
[94]. wcd.nic.in/empwomen.htm

women through gender-sensitive policies; equal human, civil and political rights; equal participation in decision-making; and access to basic services.

2.7.2 National Tribal Policy, 2006 (Draft) [95]

The Ministry of Tribal Affairs developed a draft tribal policy in 2004 and, after a round of consultation a revised National Tribal Policy was developed in 2006. [96] It was presented to the Government in 2007, but its approval is still pending. The National Tribal Policy attempts to develop a holistic and integrated legislative framework to protect the rights of tribal people and promote the socio-economic development of Scheduled Areas. It addresses issues related to protection, socio-economic development, social and cultural rights, distribution of the benefits of schemes to the most vulnerable, and intellectual property rights.

This policy is very significant in terms of its protection of tribal people and their entitlements to forest lands and produce and forest-based livelihoods. Its transaction would be integral to the mandate of NRLM.

2.7.3 National Commission for Scheduled Castes and Scheduled Tribes[97]

Article 338 of the Constitution provides for the appointment of a Special Officer for Scheduled Castes and Scheduled Tribes by the President of India. A National Commission for Scheduled Castes and Scheduled Tribes (NCST) was subsequently created to take over these responsibilities. The Commissioner is empowered (required) to investigate and report to the President on all matters relating to the Constitutional safeguards for SCs and STs

Since NRLM will have SC and ST people as its primary stakeholders and contribute to their empowerment, the Project could work with the national and state SC/ST Commissioners, sharing relevant information and ensuring convergence between NRLM and other schemes for the development or protection of *dalits* and *adivasis*. The Commissioner could also provide information about the situation of SC and ST in the area.

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[95]. www.indiaenvironmentportal.org.in/.../the-national-tribal-policy-a-policy- scheduled-tribes-india-2006
[96]. Several advocacy organizations and movements found the three-week period of consultations too short. They seek a more participatory consultation process (Jacob, 2009; All-India Tribal Peoples Network, 2006). Give full refs here.
[97]. www.ncst.nic.in

2.7.4 National Rural Health Mission

This national programme aims to provide accessible, affordable and accountable quality health services to the poorest households in the remotest rural regions of the country and focuses specially on 18 States, including Jharkhand and Orissa that have very poor health status. Its major objectives are: to reduce infant and maternal mortality; provide access to public health services for every citizen; prevent and control communicable and non-communicable diseases; and encourage alternative systems of health. The mission seeks to establish a fully functional, community-owned, decentralized health delivery system by strengthening existing primary health centres, community health centres, and district health missions, and to promote access to improved health through 'Accredited Female Health Activists,' ASHAs. Moreover, all health facilities are to adhere to Indian Public Health Standards. The NRHM has shifted the focus of health care from narrowly-defined schemes to a functional health system at all levels from village to district, with active local self-government and community ownership and participation (Government of India 2005).

2.7.5 Universal Education: *Sarva Shiksha Abhiyan* (SSA)

The aim of this national programme launched in 2001 is to provide useful and relevant elementary education for all children between six and 14 years of age by 2010. The programme aims to have all children in primary school, significantly reduce drop-out rates, and improve the quality of education. It also focuses specifically on the educational needs of girls and children from Scheduled Castes and Scheduled Tribes as the enrolment rates of these groups have lagged behind the national average. The programmes mandate is to open new schools, strengthen teachers' skills, provide extra teachers, and upgrade school infrastructure and facilities such as toilets, drinking water supply, and class rooms. An important entry point for communities in the programme that could be supported by the NRLP are school management committees, village education committees, parent teacher associations, and so on. These are intended to increase community involvement in schools, including in decision-making. Under SSA there is also a provision to open residential schools for tribal children in the remote areas where population is sparse and it is not logistically possible to open a local school. There is also a similar provision for hostels for girls who live too far from school to travel back and forth daily.

2.7.6 Integrated Child Development Services Programme (ICDS)

Launched in 1975, the ICDS Programme is one of the world's largest and most unique programmes for early childhood development. Its services include supplementary nutrition, immunization, health check-

up, referral, pre-school education, and nutrition and health education for mothers. The concept of providing an integrated package of services is based primarily on the consideration that the overall impact will be much greater as the effectiveness of each service depends upon the other services. The ICDS centre or *Anganwadi* at the village level is an important point in the community from which women can be mobilized, and NRLP could in turn improve women's utilization of ICDS services. The *Anganwadi* Worker is a key person in the village who interacts with women and could thus help to mobilize them, and SHGs could assist her as well as act as 'advocates' of *Anganwadi* services.

2.7.7 Indira Awaas Yojana

Indira Awaas Yojana provides finance assistance to BPL families to construct houses. The amount provided to each family is Rs. 45,000 in plains areas and Rs. 48,500 in hilly areas. The allocation is provided to each district on the basis of the housing shortage among the poor and the SC/ST population of the district. Targets are then fixed for each *panchayat* to construct new houses or upgrade old ones in the area. The SHGs formed under NRLP could work with the *panchayats* to ensure that the poorest families (identified by a wealth ranking process) who are without proper shelter are allocated the housing first.

2.7. 8 Swayamsiddha

Swayamsiddha is an integrated programme for women's empowerment. Its vision is to develop empowered women who would demand their rights from family, community and government. They would also have increased access to and control over material, social and political resources, enhanced awareness and improved skills, and be able to raise issues of common concern through mobilization and networking. The programme's approach is to establish self-reliant women's group - Self-Help Groups (SHGs), and create confidence and awareness among members about women's status, health, nutrition, education, sanitation and hygiene, legal rights, economic status, and other social, economic and political issues. It strengthens and institutionalizes the savings habit among rural women, improves their access to micro credit, and increases their control over economic resources. Women are involved in local level planning, and the programmes and services of other departments are converged on the groups. The NRLP could collaborate with Swayamsiddha in the districts covered by the latter, and address women's issues very actively by engaging with their capacity building, communications, and other activities.

3 Strategies to Address Social Issues

To achieve 'inclusive growth' India faces a significant challenge on account of its social diversity and exclusion and the inequalities imbedded in its economic system. Despite considerable legislation and affirmative action pursued by the government, inequalities have persisted. This chapter discusses the various strategies used to address social inclusion and other issues in rural livelihoods programs of the government and projects financed by the World Bank and other multilateral and bilateral organizations. It also includes some NGO efforts in India and livelihoods projects in other parts of the world.Its examination is organized according to various steps and aspects of the 'village project cycle' that many rural livelihoods projects follow, specifically:

- Selection of beneficiaries
- Building people's institutions
- Livelihood promotion
- Capacity-building
- Monitoring, evaluation and reporting
- Social accountability
- Grievance redressal

Accordingly, the chapter analyses how different projects/programs have tried to bring about inclusion in their contexts, and identifies some good practices as well as pointing to gaps.

3.1 Selection of Beneficiaries

Effective targeting is a key way to ensure inclusion. Government programmes for the poor usually use the 'below poverty line' criterion to select beneficiaries. The BPL lists for every village are prepared by local government taking income as the sole criteria for inclusion. As a result, some socially-based exclusion is overlooked as well as phenomena such as migration which leads to poor people who are outside the village at the time of list preparation being excluded. Moreover, many 'not poor' people influence the selection and are included in the lists. This has resulted in wrong targeting, with benefits often not reaching the people for whom they were intended. Some approaches to effective targeting used by various projects are:

- Spatial or geographical targeting
- Social group targeting
- Economic or occupation targeting
- A focus on women

3.1.1 Geographic Targeting

In large projects covering a number of districts in a state, an effective way of covering the largest number of poor people is to target areas which are especially poor and backward. However, such geographic targeting is usually only a first step to reaching the poorest. Once districts or blocks or even villages are selected, another level of targeting needs to be done to select beneficiaries more accurately.

- *Targeting areas using human development indicators.* Geographic targeting can involve the selection of areas on the basis of one or more human development indicators in a state or district. For example, districts can be selected on the basis of low sex ratios, literacy or school enrolment data or health statistics. The World Bank-assisted projects in Andhra Pradesh (the A.P. Rural Poverty Reduction Project), Jeevika in Bihar, and TRIPTI in Orissa have adopted this strategy.[98] The Western Orissa Poverty Reduction Project supported by DFID focuses on the three poorest districts of the state selected on the basis of …. [99] Similarly, IFAD has focused its projects on the distressed districts of Maharashtra, Rajasthan and other states, selected on the basis of ….[100] These indicators have been useful in reaching out to areas that have significant livelihood needs.

- *Areas with poor infrastructure development.* In some areas there is a lack of infrastructure, not only for communication but also for services - such as health centers, schools, Fair Price Shops, etc. These areas are 'spatially excluded' as government schemes and programs hardly reach them, and they are identifiable on the basis of infrastructure maps and/or service statistics. Many poor are concentrated in these areas and consequently deprived of the services and of access to better served areas because of the lack of transportation. These areas have very few livelihood opportunities low per capita incomes and high rates of migration.[101]

- *Areas prone to disasters.* Some projects are located in disaster-prone areas, either seeking to rebuild them after disasters (including re-establishing livelihoods) and/or implementing strategies to build resilience against future disasters.[102] Broad disaster-prone areas have been mapped by the National Disaster Management Agency (on the basis of the occurrence of previous disasters and other scientific data) and 'micro' areas are usually known to district administrations. The further selection of beneficiaries in these areas could be based on household, economic and social vulnerability data.

- *Conflict-prone zones.* There is substantial experience around the world of strategies to be adopted to identify beneficiaries in areas affected by conflicts, but relatively less in India. In conflict-affected areas in India there are large gaps in government services which are easily identifiable.Caught between insurgents and combative government administration or forces, local people go without services and have a grave mistrust of government as well as others. Strategies to introduce services or programs usually need to follow on 'negotiations' that build trust, identify needs and demands, and elicit participation. Beneficiaries may identify themselves during these processes, or be identified on the basis of agreed criteria.

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[98]. World Bank (Year?), Full name of report, World Bank, Washington, D.C. NEED TO COMPLETE ALL REFS IN THIS WAY and not like this→/PAD, TRIPTI, Orissa; AP Poverty Reduction Project II, Orissa, Jeevika Bihar
World Bank, PIP of the above projects
[99]. Orissa Watershed Development Mission, Social Inclusion in Western Orissa
[100]. IFAD, http://operations.ifad.org/web/ifad/operations/country/project/tags/india
[101]. Op. Cit., AP Poverty Reduction Project.
[102]. Op. Cit., TRIPTI Orissa

- *A combination of criteria.* In order to maximize coverage of the poor, particularly in programs that aim at 'universal' coverage over time but seek to prioritize, several indicators can be used simultaneously to select areas. For example, the Planning Commission has identified 100 backward districts in the country on the basis of a set of criteria.[103] Villages can be selected with a combination of infrastructure and economic criteria such as:, distance from the nearest high school or health centre or market town or state highway, and high percentage of agricultural laborers, proportion of regular formal sector workers, cropping intensity/yield, and/or per capita income.

Innovative Approaches to 'Include' Remote areas. Reaching the poor who live in remote areas is a challenge – the solution is often to innovate active ways to reach out to them rather than 'include' them passively, assuming that they would come to the program. For example, in the CASHE Project implemented by CARE-India to provide financial assistance to the people in the Sunderbans, West Bengal, a unique strategy called 'boat banking' was used to take banks to the smaller islands on boats.[104]

3.1.2 Household or Individual Identification Methods

As mentioned above, BPL lists are not adequate to identify the poor as many poor families are not included in them. Other issues include: inclusion of non-poor who then manage to corner the benefits of a program that uses these lists; 'out of date' lists if they are not updated regularly and frequently. Hence, other strategies are required to find the poor, and especially the 'poorest of the poor' in the villages.

Self-targeting. The National Rural Employment Guarantee Scheme (MNREGS) has adopted a unique way of targeting - a process of self-targeting: anyone willing to do manual labor can apply for work under the scheme.[105] It is assumed that the kind of work undertaken under the program would automatically attract the poorest of the poor and the landless who depend on manual labor as their only asset.

Rule-based targeting. In Bangladesh, Grameen Bank and BRAC employ eligibility rules to restrict the outreach of their projects. Grameen focuses its attention on households that own less than half an acre of land or households owning assets worth less than one acre of land. Similarly, BRAC targets only households with manual laborers. BRI in Indonesia has focused on underserved low income households.[106]

Participatory identification. Participatory techniques are commonly used in World Bank-assisted projects to develop comprehensive lists of poor in the villages.These include: Participatory Rural Appraisal (PRA), Participatory Poverty Assessment (PPA), social mapping and wealth ranking.[107] The list prepared by these processes is endorsed by the village community through the *Gram Sabha* to lend transparency to the system.

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[103]. Planning Commission, Development of Backward Areas, 1981

[104]. CASHE, End Of Project Evaluation

[105]. NREGA Guidelines, www.nrega.nic.in

[106]. Priya Basu and Pradeep Srivastava, Scaling up of Microfinance for India's Rural Poor, World Bank, WP Series 3646, p.26

[107]. Op Cit., PIP, PAD MP DPIP II, Orissa Tripti, Bihar Jeevika, Rajasthan DPIP, Chattisgarh Poverty Alleviation Project, AP Poverty Alleviation Project.

The Government of Tamil Nadu commissioned some studies to evolve a methodology to target the poorest for the project. The governments of other states such as Orissa, Bihar, Andhra Pradesh and Madhya Pradesh adopted self-selection by the poor, facilitated by economic and social criteria that were identified by the poor themselves using the participatory techniques and endorsement process mentioned above. This approach has been highly successful in identifying most of the poor and vulnerable population in the project areas. The Government of Orissa also laid down guidelines and criteria to select 'extremely vulnerable groups.' These include: access to cultivable land, vulnerability to natural shocks, social status, and asset or skill base.

Several processes and tools have been adopted for the Participatory Identification of the Poor in the livelihoods projects financed by the Bank in India and DfID-supported Western Orissa Livelihoods Project (WOLP) and M.P. Rural Project.[108] These include:

- Wealth Ranking is used by a number of projects. It involves the village community in mapping and ranking all households in a village on the basis of their vulnerability.
- Focus Group Discussions (FGDs): FGDs with key members of the community and existing SHGs are carried out to identify the poor who have been 'left out' and include them in existing SHGs. It works well if there is an adequate presence of SHGs in the habitation.
- Interviews: The poorest can be identified through interviews with key informants. However, this approach has been found to be successful in identifying some 'obvious choice' poor families but fails to identify all the families in the village that emerge through social mapping or well-being ranking.

Identification of beneficiaries using these methods remains a challenge for any development project. Wealth or well-being ranking is used in many development programs and is most inclusive when carried out in a participatory manner. However, it has certain weaknesses such as categorizing the lowest ranked households as 'poorest of the poor' (POP) without further enquiry into the group. Therefore, in bigger habitations it may be necessary to do more than one ranking exercise – for example, covering different sections of the village. Households categorized on the basis of relative measures of well-being or poverty within a village may not be comparable across villages. There is also a difference in poverty levels across habitations within a village, so that the 'poverty level' of a main habitation may not be comparable to that of other hamlets which may, for example, have more *dalit* households. Even individual interviews with opinion-makers of the village run the risk of being biased by individuals' perceptions of who is poor. Hence, a mix of methods needs to be used to select the poor and poorest.

3.1.3 Economic and Occupational Targeting

While identifying the poorest through participatory methods, some occupational groups are clearly found to need special attention as they are more vulnerable than others. They include:

- Landless laborers: All projects have identified landlessness as an important indicator of poverty. People who do not possess land work mainly as laborers in other people's lands and as unskilled labor in public works. This group usually also lacks other productive assets.

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[108]. DFID, MPRLP, Western Orissa Livelihoods Project

- People in hazardous occupations such as mines are vulnerable as their work may take a serious toll on their health.
- Other Occupational Vulnerabilities: Certain occupational groups are vulnerable due to reasons such as the seasonality of income, fluctuations in daily income, or entry of 'bigger players' who are displacing the poor from their livelihoods. Fisher-people and traders in rural areas are in these situations. Similarly, village artisans and craftsmen are vulnerable due to poor linkages to supply chains and markets and poor infrastructure.

3.1.4   Focusing on Social Groups and Women

All livelihood projects in India lay special emphasis on identifying socially-excluded people who include:

- *Dalits and adivasis* (SCs and STs). These groups are easily identifiable as they are official categories. However, there is some mis-classification of sub-groups (such as the Meenas in Rajasthan) and there are also the usual problems of a 'creamy layer' and 'influential additions' who may usurp program benefits. TRIPTI in Orissa has a special target to reach out to 'Extremely Poor and Vulnerable Groups' (EPVG) who are mostly SC and ST people.[109]
- Women: Women are vulnerable across all groups on account of their biological roles and social practices, including seclusion, and lack of participation in household and community decision-making. As rural poverty is becoming increasingly feminized, special efforts are being made to target women, and especially women-headed households, widows, destitute and deserted women. Government, externally-assisted, and NGO projects have targeted women in order to address family poverty and vulnerability.[110] Many projects have a separate 'Gender Action Plan'.[111]
- Socially invisible groups include orphans, prostitutes, transsexuals, nomads and others who are often missed out in programs.
- People affected by HIV/AIDS and other infectious diseases. Due to social stigma and lack of awareness, people affected by infectious diseases such as leprosy or HIV/AIDS, are avoided by the community at large, and hence need to be specially targeted by programs.
- Household characteristics. In the process of participatory identification of the poor, a large number of household characteristics are identified by communities that can also be used to select the poor, including: poor health of the head of the household, large number of dependents, poor access to government entitlements (such as widow-headed households) or lack of assets.

3.2   Building Institutions of and for the Poor

Building institutions of the poor at the grassroots to strengthen their social and economic power is a strategy that has been used successfully by livelihoods projects in many parts of the world. The challenge in this is to mobilize the vulnerable and excluded to bring them within the fold of the program. Government can foster organizations for the poor by creating an enabling environment of social empowerment, and exhibit political commitment to the process by providing resources and dedicated institutional support, supporting the scaling up of successful models.[112] In India an important institutional

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[109]. Tripti Orissa, PIP

[110]. DFID, Project Document MPRLP, IFAD, http://operations.ifad.org/web/ifad/operations/country/project/tags/india

[111]. World Bank, Gender Action Plan, MPDPIP, AP Poverty Reduction Project, Chattisgarh Poverty Reduction Project, Rajasthan Poverty Reduction Project

[112]. Vijay Kumar Thallam, 'How Can Organizations of the Poorest Best Be Fostered,' in Joachim Braun, Ruth Varagas, Hill and Rajul Pandya Roch ed., **The Poorest and the Hungry: Assessment, Analyses and Action.** IFPRI 2020 Vision Initiative

type that has been fostered is the 'self-help group.' These have sometimes been aggregated into Federations at the village level or above. In addition other community organizations that involve the poor successfully as Watershed Management groups, Water Users Association, Joint Forest management groups, and so on. The following sections discuss the merits of these groups and some of their needs.

3.2.1   Self Help Groups (SHGs)

SHGs are usually constituted with women who live in close proximity with each other or have common goals, occupations, and so on. There has also tended to be a focus on 'social homogeneity' but such groups may exclude other poor or the poorest members (which is discussed below). An SHG is typically a group of 10 to 20 women who meet regularly and save small amounts of money (decided by them) in a common kitty. When in need, individual members can borrow from this pool and return the money with a nominal interest. The group agrees on their key 'rules' and enforces them with a degree of discretion to accommodate genuine cases of chronic or temporary hardship. The SHGs are a form of social capital for women members - a platform to share and address their common concerns. Some strategies used by different organizations to make SHGs inclusive and to help them take up social issues follow.

Homogeneous groups. Homogeneity among members of SHGs is sometimes considered the key to success – for example, World Bank-assisted projects have laid a great deal of emphasis on homogeneity in terms of occupation, social and cultural attributes, and place of residence.[113] Special care is taken to see that within the outward homogeneity there are no inner differences arising out of social, cultural and other norms. For example, women belonging to minorities may not be comfortable participating in SHGs dominated by majority communities even though they may be of the same economic levels. Hence, separate SHGs are advocated to ensure that their interests are met. Similarly, if there are a few members who are not of the same economic category, they might find difficulty to adhere to the saving norms adopted by a group. In places where women are not readily able to venture out of their homes to participate in a program for socio-cultural reasons, working with men in order to reach women is an important option.

Intra-group Democracy. SHGs are intended to function on democratic lines. For example, groups elect their own President, Treasurer and Secretary. However, groups often flounder if only the powerful among the members are elected to these positions and others remain observers. The latter soon lose interest and may drop out. Alternatively, the powerful members 'exploit' the weaker ones by making them save but denying them loans, for example. In the Bank-financed projects, systems by which poorer or more vulnerable women are elected to these positions have been encouraged. In some projects, the posts are rotated among group members, giving everyone a chance to be an office-bearer.

SHGs 'norms' often exclude the poorest of the poor.[114] Inflexibility often results in exclusion. The poorest of the poor are often affected by strict approaches to regular savings or meetings. They may be unable to participate, for example, if they have fluctuating incomes or live far from the meeting places, and they soon drop out. Hence, groups survive longer in projects that ensure that the SHGs decide their norms democratically and provide some flexibility to members.

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[113]. World Bank, PAD, Rajasthan Poverty Reduction Project
[114]. Priya Basu and Pradeep Srivastava, Op cit 9.

Membership. The entry of new members into 'old' groups can create tension as the group savings that have accumulated over time become accessible to new members. Thus, if a project encourages groups to induct new members (e.g., those who have been identified through participatory processes as having been left out, including very poor or destitute women), it also needs to nurture the 'revised' groups to prevent their disintegration. Some strategies that may need to be adopted include participatory agreements about the entitlements of new members to the old savings. In effect, SHGs may need to revise their 'rules' to promote inclusion.

Special groups. Another case for revision of SHG rules is made by migrant workers who go in and out of villages. Attendance at meetings and amounts/regularity of savings need to be flexible to suit their migration and earning patterns. SHGs may not always be suitable for poor women with physical or other disabilities if meeting rules are rigid or travelling distances long. Adopting meeting places closer to the homes of such members at least periodically, allowing absences and 'proxies' are some strategies that could help them.

*Strategies for the Ultra Poor.*There are a substantial number of people who are *extremely* poor or vulnerable, completely lacking the ability to save money. In order to help them participate in poverty-reduction programs, different agencies have used other strategies.

- <u>Grain Banks.</u> CASHE a microfinance project of CARE India (funded by DFID) developed innovative interventions to reach the poorest.[115] In West Bengal and Orissa grain banks were initiated to improve food security for the poor who found it difficult or impossible to make mandatory cash savings in microfinance groups. Grain banks allow members to save paddy during the harvest season and withdraw stock during the lean season or in the wake of natural disasters. During the next harvest season, the loans of paddy are repaid with interest, typically of 20 to 25 percent. These grain banks start with a grant of paddy, but with the repayments with interest they are sustainable through member contributions in four or five years.

- <u>Income Generation for Vulnerable Group Development (IGVD).</u>This strategy has been implemented successfully by the Bangladesh Government together with the World Food Programme and BRAC for destitute people "who might consume the credit amount that is given to them." The strategy builds on a government safety net program that provides free food grain for an 18-month period to destitute, female-headed households that are at the highest risk of hunger. Through its experience, BRAC discovered that it was difficult to include the poorest in its conventional microfinance operations, and looked for another 'entry point' for the destitute in its development activities. In the IGVD program, BRAC uses food grain to attract the very poor and cater to their consumption needs. It then adds skills-training and savings and credit services to build their capacity. Hence, when the cycle of free food grain ends after 18 months, the participants are able to engage in income-generating activities and become clients of regular microfinance programs, earning on the basis of their newly acquired skills at least the monetary equivalent of the wheat they received earlier. The IGVD program started as a pilot activity in 1985 but is now a national program covering almost one million women.[116]

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[115]. CASHE, Op. Cit 15
[116]. CGAP Focus Note No. 21, Linking Microfinance and Safety Net Programme to Include the Poorest: The Case of IVCVD of Bangladesh

- Linking Safety Nets with Microfinance. The strategy of graduating the poorest to microfinance using safety nets has been used by a number of other organizations as well.[117]The Rural Maintenance Program (RMP) of CARE Bangladesh began in 1982 as a public works program providing employment to destitute rural women aged between 18 and 35 years and physically able to work, who were heads of households, married to disabled men, or had no other source of income. Women are recruited to the RMP for a fixed four-year period. They receive cash wages to maintain earthen village roads. Every woman in the program is required to save one-fifth of her earnings. The participants are trained in numeracy, human rights, gender equity, and health and nutrition, as well as given income-generating and microenterprise management skills. CARE continues to provide them business management advice for a year after they exit the program. The RMP aims to move its participants beyond the need for continuous external assistance by creating micro-entrepreneurs with adequate skills and seed capital from the compulsory savings. Although not all women succeed as micro-entrepreneurs, the program has an impressive track record: 79 percent of graduates continue to be self-employed in micro-enterprise activities three years after the end of the program cycle.

- The Central Region Infrastructure Maintenance Program (CRIMP), a DFID-CARE program in Malawi, was implemented from 1999 to 2002 in two districts. CRIMP was designed as a two-year pilot project to provide employment to poor women in rural roads maintenance. The program employed 1,600 women. Participants were trained in group solidarity, confidence, and basic business skills. They also received help to select appropriate economic activities. One-third of their earnings was deducted as compulsory savings, which they received at the end of the employment program. Participants also saved for a voluntary group fund and used it to distribute loans to other women in the group. In 2002, some elements of the project were incorporated in Malawi's national safety net program. CRIMP successfully targeted the poorest women, built an effective savings program, and provided useful skills training. Program assessments indicate that earnings from the road maintenance work and the training helped most of the participants start income-generating activities (generally in petty trade and farming). Savings proved extremely useful in meeting emergency consumption needs, especially in a "maize crisis" period when most households faced long periods of hunger.About half of CRIMP's participants maintained a culture of savings even three years after the end of the program, and said they used their savings for emergencies and to operate their small businesses.

- Pro-poor Inclusion Fund.This is typically used in World Bank-assisted projects.[118]Keeping in mind the most economically- and socially-excluded people, these projects have a 'Pro-poor Inclusion Fund' (PPIF) which is intended for the poorest of the poor who may not be able to participate in SHGs. The PPIF finances plans prepared by the GPLF and also covers additional assistance deemed necessary by the community, including bridge finance as short-term repayment relief for defaulters. This special funding helps groups jump-start their participation in micro-finance and micro-enterprise.

- Empowerment for Inclusion.Oppression over many generations has relegated the *Terai Dalits* in Nepal to the bottom of their society, with very little awareness of their rights. A CARE Project, Samanta, aims to promote their human rights and social inclusion by developing their knowledge, skills and confidence to enable them to lead their own social, political and economic empowerment processes.[119]

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[117]. CGAP Focus Note No. 34, Graduating the Poorest into Microfinance: Linking Safety Nets and Financial Services

[118]. World Bank, PAD, PIP, MPDPIP II, AP Poverty Reduction Project, TRIPTI Orissa, Jeevika, Bihar, Chattisgarh Poverty Reduction Project, Rajasthan Poverty Reduction Project, TN Women Empowerment Programme

[119]. Bimal Gadal, Addressing Exclusion: Combating Poverty – Context of the Terai Dalits of Nepal in op. cit. 1

Meeting Multiple Needs through Convergence. An important step to include the most vulnerable people is a proper 'needs assessment' for them.[120] This often brings out a spectrum of needs - multiple and wide-ranging, including, for example, the need to link them to government social welfare schemes (pensions, disability support, land to the landless, housing, ration cards, etc.); their need for wage labor, job or self employment schemes, disability aids or appliances, medical aid, special relief provisions, etc. Some of the needs articulated during assessments may be beyond the scope of the project, but convergence with other departments–which is well within the remit of the NRLM - may help to meet them.This includes institutional linkages with service delivery organizations and designing well-thought project processes to ensure convergence at the village/*Gram Panchayat* level and above.Without these processes it may be difficult for the NRLP to effectively address the real needs of the poor and obtain their participation in the project. Involving other village workers such as the *Anganwadi* worker, ASHA, ANM, school teacher or *Gram sewak* is also important to reach poor and vulnerable women and address their needs. The Tamil Nadu Women's Empowerment Project has been quite successful in enhancing inclusion by converging with other government departments.[121]

3.2.2   SHG Federations and Committees

Building federations of SHGs within a village is a strategy to harness their collective energies and achieve the benefits of scale. An important aspect is that Federations are also a collective of all poor communities and castes in a village, and hence an important means to enhance equity and social change, besides poverty reduction. The Bank-assisted projects make special efforts to ensure that the Federations include all communities and castes, and that the office bearers (President, Secretary and others) represent the most vulnerable people. [122]

For the Federations to function smoothly, a number of committees are formed at the *Gram panchayat* level in the Bank-supported projects, including a Financial Committee, Procurement Committee and Utilization Committee whose functions are to appraise the micro-plans and prepare procurement plans, verify the loans sanctioned to the SHGs and their utilization. There is also a Participatory Monitoring Committee. All committees are expected to have adequate representation from vulnerable communities. There appear to be two models of tribal representation in the Bank-supported projects. In the first, if the population of a village is more than 30 percent tribal, at least one member of each committee is tribal. In *gram panchayats* where there are more than 50 percent tribal people, special tribal committees are formed to address the interests of tribal groups. In the second approach, *gram panchayats* (GPs) where the tribal population is 11 to 30 percent establish a separate Tribal Committee to ensure that tribal people are included in all project processes and that they avail of the project's entitlements. If the tribal population exceeds 30 percent of the GP population, four posts are reserved for tribal people in the Executive Committees of the GP. Similarly, Producer Organisations that are formed also include representatives of different social and cultural groups in the area.

3.2.3   Communications

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[120]. Sutra Consulting, Process Guide for Participatory Identification of Poor, TRPTI

[121]. World Bank, PAD PIP, TN Women Empowerment Programme

[122]. Op Cit. 21

Materials that are used to disseminate information in the villages are simple enough for people with very low literacy to understand. Information dissemination on different aspects of the project (such as its basic principles, non-negotiables, activities, roles and responsibilities of different stakeholders, etc.) is crucial. An important strategy for inclusion is to ensure that the poorest households have access to all information about the project, as proposed in the Rajasthan Poverty Reduction Project. Ensuring easy access to information about the project is also important in the context of the Right to Information Act.

As most SHG-based projects are aimed at women, communication materials such as posters are displayed at places where women normally go, such as health centres, schools and *anganwadis*, before the local markets and *panchayat* offices which are more male-dominated locations. Given the low levels of literacy of poor populations, the Bank-supported projects emphasise audio-visual communication over printed materials for better reach.[123] Communication strategies take into account the specificities of tribal areas, and include special approaches to reach tribal people. Some such methods are: folk art, street theatre, films and simple pamphlets. In tribal dominated areas the emphasis is on developing resource persons within the tribal community to provide information and local insight.

3.3 Livelihoods Promotion

Improving livelihoods to alleviate poverty is the main goal of the project. The strategy is to create assets and skills among poor people for them to develop productive livelihood activities and enhance their incomes. Previous projects have taken special care to include the poorest of the poor in livelihoods activities in several ways.

- *Community Investment Funds:*[124] Once SHGs are mature, they prepare a group Livelihoods Plan. The Community Investment Fund is a special fund provided to an SHG to facilitate implementation of the livelihood activities of its members. For example, in Andhra Pradesh the CIF has been used to meet women's needs for drinking water, income-generation, health, literacy, day care, food, or land.

- *Tribal Livelihoods:* Promotion of specific livelihoods that are in tune with the culture of tribal people is an important strategy to include tribal people in the project.[125]Among others, these include: promotion of NTFP-based and eco-friendly livelihoods. Market systems for community-based forestry often need to be liberalized and aligned with on-going changes in agricultural marketing. This can be done by developing new approaches to market access by communities, strengthening the market power of local communities, improving extension and technical services, and creating incentive programmes to induce state marketing reforms.[126]

  BAIF is an NGO that has been working with the poorest and the excluded. In the process of implementing development programmes, BAIF has evolved several strategies that have proved to be effective in facilitating inclusion, especially in tribal contexts. They have identified practices among tribal communities that have the potential to be transformed into profitable livelihoods activities while retaining their cultural contexts. Redefining these practices to fit current contexts has produced excellent results. For example, in South Gujarat, the prevalent practice of *Wavli*

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[123]. Ibid.
[124]. Ibid.
[125]. Ibid.
[126]. World Bank, India: Unlocking Opportunities for Forest Dependent People. Report No. 34481

protects tribal women's rights over their earnings. Women's traditional earning activities were expanded - and *wavli* redefined - to include new activities such as raising nurseries, making mango grafts, growing mushrooms, etc. These were promoted through SHGs. As a result, women's earnings grew and they maintained their rights over them.[127]

- *Market Access:* Poor women often have difficulty negotiating in market activities. Udyogini, an NGO, promotes Business Development Services for producers and intervening organizations to help women move up the value chains of potential growth sectors in disadvantaged areas.[128] A key requirement in marketing is scale - lack of which often makes primary producers depend on middlemen. Hence Udyogini lays special emphasis on scale and sustainability. Another area that needs emphasis is 'systems development.' Forming federations helps to improve scale and develop systems especially to enhance market access.

- *Producer Committees:* In situations where farmers have to depend on middlemen to access markets, there is little chance to get a fair deal. Own producer companies of farmers, supported by institutions such as SAFAL, are an alternative. The Jharkhand Tribal Development Society along with IFAD has been supporting SHG clusters and Federations to market their vegetables.[129] The Bank-assisted projects on livelihoods have also formed a number of producer companies to promote market linkages and achieve scale. In order to create an inclusive structure their committees have a certain percentage of representation from SC and ST communities.Where there is a substantial tribal population, more than 50 percent of the committee members are tribal people, and the chairpersons of the producer groups are tribal.

- *Skills Training:* DFID-supported rural livelihoods projects focus on building skills and assets for men and women, enabling them to access new opportunities for income generation and employment.[130]The Western Orissa Rural Livelihoods Project has brought out the value of this approach. Many people migrate out of their villages to work in brick kilns and earn better than within the village.[131] Skills training for those who do not have access to any productive assets has been an important livelihoods strategy in WORLP and has received special emphasis also in Bank-financed projects such as TRIPTI in Orissa and the Tamil Nadu Empowerment and Poverty Reduction Project. [132]The activities and trades selected for skills training reflect the range of interests among different communities as the special needs of women, people who are differently-abled, people suffering from HIV/AIDS, etc. are also taken into account while selecting trades for skills training.

- *Convergence with other government programs:* The DFID-supported MPRLP has strong convergence with other government programmes, especially in watershed management which deals with soil and land.[133]Community water harvesting and watershed management have proved to be effective ways to stabilize incomes and reduce vulnerability in Madhya Pradesh and other states. Watershed management improves soil fertility and makes more water available, helping farmers to obtain two or more crops a year. This enhanced production makes families more food secure and brings in cash. NREGA is another program with which convergence has taken place and the poor have got an assured source of cash income,

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[127]. Girish Sohani and Jyoti Desai, Effective Strategies for Social Inclusion: Experiences from Tribal Development, op. cit. 1

[128]. Vanita Vishwanathan, Business Development System of Rural Women: Market Systems and Capacity Building, op cit. 1

[129]. Aloysius Fernandez, Role of Institutions in Enabling Inclusion of the Marginalized, op. cit. 1

[130]. DfID, Transforming Rural Livelihoods

[131]. Priya Deshingkar, Labour migration and Policy Reforms in Orissa, Op. cit 1.

[132]. World Bank, PAD, PIP, TN Women Empowerment Project, TRIPTI Orissa

[133]. DfID, MPRLP

working on land-leveling and water-harvesting structures. The experience of Kudumsree in Kerala is also relevant to the issue of convergence. This program has used the power of SHGs to work with local self government in several areas. It has been successful in implementing projects for destitute women, youth, and people with disabilities.[134]

SHG Livelihoods Plans. An important lesson that emerges from past experience is that there is no one strategy that caters to the livelihoods requirements of all the poorest and most vulnerable people. Hence the aggregation of household livelihood plans into an SHG Livelihoods Plan is an important strategy in livelihoods projects. Since the poorest of the poor often do not have any assets, their livelihood needs are often very different from those of less poor people. Often, getting a job card for NREGA or a BPL ration card is a priority for them, or they may not be prepared to take up a livelihood activity immediately. Nevertheless, including their needs in the SHG plan is important – they must not be missed as they often are. The poor also include artisans and others who require larger start-up capital to enhance their livelihoods. A typical SHG business plan may not help them as the group may not be able or comfortable to lend the large amount of money required given their poverty. Thus, the Livelihoods Plan of each SHG must be based on proper plans for each household, prepared on the basis of skills and capacities of each household.

3.4 Capacity Building

Capacity building is an important element of any project. In all Bank-assisted projects, capacity building is an ongoing process taking place at different levels from the grassroots community up to the National Mission Management Unit. Some examples of capacity building are given below.

- At the *Community level* training of SHGs and Federations is critical, including on aspects of organizational strengthening, financial management, development of livelihoods plans, social action, accountability and empowerment. BASIX has an elaborate training program for communities including individual awareness building, skill enhancement, and entrepreneurship development as the first step - even before the formation of groups or federations. Once groups are formed, training on functional accounting and book keeping is given to them.[135] Some other key stakeholders for capacity building at the community level are village panchayat members and Community Resource Persons. Enhancing social development would call for capacity building on people's entitlements, rights, social needs and other issues relevant to the community.

- *Project Staff.* The Project Management teams at the Centre and the states need to be sensitized especially to issues of gender, diversity, tribal people, and other aspects of social development.

- *Other Stakeholders.* Capacity building of project partners including banks, MFIs, cooperatives, Government Departments, NGOs, and other stakeholders needs to cover social inclusion, including sensitization to gender, diversity, tribal issues, livelihoods of the poor, etc. Training government departments should help them understand their roles vis a vis the project and livelihoods promotion and help them to provide the relevant technical and advisory services. CASHE, CARE-India's DFID-funded project, had a special component of capacity building for

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[134]. www.kudumsree.org

[135]. Vijay Mahajan and K. Vasumathi, Innovations in Rural Agricultural Finance: Combining Extension Services with Rural Agricultural Credit; Experiences of BASIX India.

partners, different service providers, and other stakeholders, termed "Tier 2" of the project.[136] The project realized that enhancing the capacity of all the stakeholders was important for its success.

Other bilateral and multilateral organizations have also laid emphasis on capacity building. Capacity building strategies are normally contextualized. Assessment of capacity gaps at all levels is an important first step. For example, some critical capacity gaps in *panchayats* include low knowledge of development activities and service delivery and how to manage them, inadequate knowledge and practice of social accountability, and proper governance. Among SHGs capacity gaps include: inability to plan productive investments, inadequate knowledge of bank linkage, inability in maintain regular accounts, exclusion of the poorest and vulnerable, and so on.

The success of capacity building efforts depend importantly on ensuring linkages and a balance at all levels, as well as continuous development and reinforcement of capacities. Even training to include the poorest of the poor requires continuous effort, particularly if inclusion is to be mainstreamed and practiced widely in the project. Methods and contents of capacity building need to be robust and innovative to address these issues.

3.5   *Monitoring, Reporting and Redressing*

3.5.1   Monitoring Systems and Approaches

The Monitoring and Evaluation System of the project is crucial to check on whether inclusion is taking place – and hence to ensure it. All components of the project have to be monitored and viewed through an inclusion lens. Outcomes and process are two important aspects.

- *Outcomes:* In order to achieve inclusive development, the outcomes of each activity are monitored closely, beyond inputs and outputs. For example, instead of tracking only the numbers of people from the poorest of the poor who are included in SHGs, the results of their inclusion are monitored. Some examples of this are: whether SHG membership has increased women's control over their incomes and 'voice' in family decision making; whether there have been improvements in the health of women in SHGs and/or of their family members; and so on. Monitoring Indicators to monitor inclusion can be quantitative or qualitative and goals against which progress is monitored can be laid down clearly.

- *Reporting.* Regular reporting systems of the projects financed by the Bank examine efforts made for inclusion, but more emphasis needs to be laid on the regularity and quality of this dimension.[137] Although indicators to monitor inclusion are given in the Project Implementation Plans of some Bank-supported projects, reporting on them is inadequate. Reports do not adequately reflect the depth of the issue and the problems faced. Projects implemented by NGOs such as CARE also emphasize social aspects. However, reporting is mostly of activities and their completion, and issues of inclusion are not covered adequately. Moreover, as there is always pressure to highlight quantitative achievements such as the number of SHGs formed, number of SHGs linked to banks etc., processes including those of exclusion are not adequately reported. Even the quantitative reporting does not reveal the number of poor who are left out while

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[136]. CASHE, End Of Project Evaluation
[137]. World Bank, Aide Memoirs, TN Women Empowerment Project, MP DPIP, Tripti Orissa, AP Poverty Reduction Project, Jeevika Bihar.

reporting the number of SHGs formed, etc. Quarterly reports similarly only present numbers, but the experience of the projects in including the poorest are not adequately reflected.

- *Process Monitoring:* As social inclusion is achieved through a process, monitoring the process 'concurrently' could be useful. Instead of tracking only the number of times that women in SHGs hold meeting, tracking issues such as the attendance of the poorest women or SC/ST women, whether they speak in meetings or are silent, whether they ask for and get loans, etc. could be useful to assess the quality of their inclusion and participation. Empowerment of an SHG as a whole could be assessed by the activities it undertakes for the benefit of its members and for the community as a whole. In some World Bank assisted projects consultant agencies are engaged to carry out process monitoring. Similarly, the projects of other organizations have elaborate monitoring systems which track both the quantitative achievements and the qualitative aspects of implementation.

- *Thematic Studies.* Apart from regular monitoring and planned evaluations, World Bank supported projects also carry out thematic studies from time to time. One issue that has been studied is that of institutional linkages. These studies have often revealed how the poor have been excluded and what impact the project has made on the issue of exclusion. Qualitative studies on social issues would help to understand the constraints in certain areas as well as identify useful practices, for example, to include the poorest of the poor.

3.5.2   Social Accountability

Due to the danger of 'elite capture' of project benefits, and the low voices of vulnerable people, Bank-assisted projects used various social accountability measures such as social audit, disclosure and approval by *Gram sabhas* as means to amplify the voices of the poor. For example, social accountability systems have been built into the Tamil Nadu Poverty Reduction and Empowerment Project.[138] A Social Accountability Committee (SAC) has been established at the community level to monitor the compliance of project activities with some 'non-negotiable principles' of the project. The SAC consists of five members appointed by the *Gram Sabha,* three of whom are from the target poor population. In order to ensure democracy, the project lays down that members are elected for a period of two years, and that the members are not close relatives of the village panchayat members. Apart from these criteria, a number of other eligibility criteria are laid down. In areas where the percentage of tribal people in the population is high, a separate tribal SAC is appointed.

Some of the tools of social accountability used by other projects and development organizations are: social audits, community score cards, and *Jan sunwais* (public hearings) at the *Gram Sabha* level. DfID also emphasizes social accountability in its projects and has a system of community monitoring and reporting. To inform the poor and ensure transparency in project transactions, it would be useful to display information on inclusion at the village level. In some Bank-assisted projects, communities monitor the performance of project staff including the para-professionals and members of the Project Facilitation Teams.

Experience suggests that there is need for a greater focus on building the capacities of communities, civil society partners and project staff for social accountability, as well as for an increase in commitment

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[138]. World Bank, PAD, TN Women Empowerment Project.

among leaders and greater readiness to follow-up key findings. These are critical dimensions of ensuring the effectiveness of mechanisms for transparency and accountability in projects. Greater emphasis on ensuring regular audits is needed, and the findings of audit reports should be used to make improvements in the project.

3.5.3   Grievance Redressal

Grievances can arise right at any time and at any level in the program. For example, it is mandatory for all projects to prepare a list of beneficiaries identified through the participatory wealth-ranking process. The projects have specific guidelines to display the list at the *Panchayat* Office and other public places for ten days for people to voice their objections and make suggestions. After ten days, in a village meeting specially convened for the purpose, any discrepancies that have been reported or grievances raised must be discussed and the list finalized.

Consequently, grievance redressal and conflict resolution procedures are built in to the projects to enable communities to resolve any disputes that arise, for example, in managing loans within the groups, as well as to redress grievances related to project processes, entitlements, non-compliance with project principles, and so on. This mechanism also gives a project the required transparency to promote equity and inclusion. The Right to Information Act both supports and makes grievance redressal critical. All government departments/programmes have to display and furnish their data, and to handle any queries.

Grievance redressal and complaint handling mechanisms are set up at all levels of the Bank-financed projects. A Participatory Monitoring Committee is formed in the *Gram Panchayat* /Federation level (in AP?).[139] Contact numbers and official addresses are displayed publicly for faster attention to complaints. A hotline number and postal address is also provided so that the community can lodge complaints immediately.

The Community Operations Manual (COM) prepared by each state contains details of the mechanisms for conflict resolution at the village level. The COM also presents some case studies of conflicts and ways to deal with them. Complaint boxes can be installed at *Gram Panchayat* offices and methods of addressing the complaints in a transparent manner laid down. There is little data to show how many people have actually taken advantage of the grievance redressal systems, but it is believed that they have contributed to a shift in the perception of the projects.

3.6   Strategies for the Most Excluded Groups

3.6.1   Women

Different projects supported by the Bank and other organizations have focused on women as the primary stakeholders. To develop the focus on women, however, various approaches are used in different projects, and even stages of a project cycle. Several projects have prepared Gender Action Plans to give attention to working with women.

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[139]. World Bank, PIP, AP Poverty Reduction Project

- *Gender Analysis.* Although overall gender relations are similar, different communities have different gender equations. Often part of project Poverty or Social Assessments, gender analysis looks into the specific work of men and women, an important area to examine before starting a livelihoods programme.

- *Mobilization.* Specific strategies are used to mobilize women. These include tools such as pictorial materials, separate meetings with women at times that are convenient for them, working with men to gain their confidence and allow women to come out, and other similar strategies.

- *Identification.* As women are 'doubly excluded' socially, special efforts are needed to enlist them as program beneficiaries. This may require special home visits, for example, to identify destitute women, sex workers, and others who are socially invisible.

- *Institution Building.* SHG formation has been used as an effective strategy for poverty reduction and women's empowerment in many programmes around the world. Keeping in mind the needs and constraints of women, SHGs must be 'affinity groups,' formed with women who value each other. Similarity of backgrounds or occupations or residential proximity are usually not enough to ensure bonding. In Bank-financed Projects, some institutions formed at the community level such as Monitoring and Evaluation Committees, Producers' Cooperatives, etc. have both women and men members.

- *Livelihoods Promotion.* Promoting livelihoods that women can engage in – beyond the traditional ones is important for success. Although not strictly new, poultry farming has been taken to a new scale for women by PRADAN and other support agencies. A decentralized small holder poultry model has enabled poor families to earn more than Rs. 3,000 per month? [140]Swashakti, a Government of India programme for women's empowerment financed by the Bank and IFAD, was successful in breaking stereotypes and having women undertake activities that were traditionally done by men.[141]

- *Capacity Building.* Gender sensitization and gender sensitive capacity building is an important element of success. At the village level, training for women's groups is held at times and places that are suitable for women. The training modules are also designed to take into account the existing knowledge and skills and literacy levels of women. Project staff and partners as well as some grassroots people involved in the projects (such as *panchayat* members) are sensitized to gender differentials, and trained in gender issues related to livelihoods projects.

3.6.2 Tribal People

The inclusion of tribal people has been a priority of many development projects of the Government, external agencies, and NGOs. In several World Bank assisted projects a Tribal Development Plan or Framework (TDF) was prepared to ensure inclusion of tribal people. The TDFs analyzed the condition of tribal peoples in the state in terms of health, education, employment and livelihoods, and other indicators

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[140]. Pradan Broiler Poultry Rearing, www.pradan.net
[141]. http://eindia2007.blogspot.com/2009/03/evaluation-of-swa-shakti-project-in.html

of social and economic development. They also looked into the legal and policy framework on tribal issues.[142]

- *Institution Building.* As discussed above, several Bank projects have laid down norms for representation in various bodies at the village level in accordance with the proportion of the population that is tribal. Another norm is that if more than 30 percent of the population is tribal, the first SHG formed should be of tribal women.

- *Livelihoods Promotion.*The livelihoods of tribal communities are primarily forest- or natural resource-based. A majority of tribal communities depend on the collection of seasonal forest produce as their only source of livelihood. At other times, they are wage-labourers as a significant proportion are landless. A critical role for the project in the tribal areas is to ensure an environment that helps to develop a symbiotic relationship between tribal people and the local natural resources. Therefore, an important task of the resource team involved in the project is to work closely with tribal communities in the protection, conservation, regeneration and sustainable development of their natural resources. This would greatly help tribal people to improve their natural resource-based livelihoods. Beyond these it is necessary to use innovative approaches to expand their other livelihood options beyond unskilled labour and express their indigenous skills in different activities to reduce their poverty.[143]

3.6.3   People with Disabilities

People with disabilities face immense challenges and both poverty reduction and human rights programs have a great deal to do to address their needs effectively.[144] CDD programs have typically addressed disability through sub-project level interventions that are geared to vulnerable groups such as the disabled, elderly or children/ youth at risk.[145] The APRPRP applied the principles of participation and voice to organizing disabled people into Self-help Groups and Federations. The project links these SHGs to the wider community and other stakeholders. It aims to empower and build the social capital of disabled people so that they can effectively articulate their interests and needs and participate actively in the development of options to address these. In the context of livelihood projects, training programs are a significant step that could help improve their situations. A useful 'package' for people with disabilities would be: vocational guidance and skills training, and entrepreneurship development or employment placement.

Disability accounts for the highest funding amongst all social assistance sub-projects in the Yemen Social Fund for Development Project. The project supports and works directly with the disability union, comprised of NGOs and DPOs, to build the capacities of civil society. It also works with the Government to lobby for better policies and stronger implementation. The Ukraine Social Investment Fund Project aims to develop innovative community-based care as an alternative to the conventional residential care interventions. Implemented by NGOs, the program includes interventions such as community-based rehabilitation, day care centers, foster care services, training families of disabled people and social

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[142]. World Bank, Tribal Development Strategy, Chattisgarh Livelihoods Project, MP DPIP II, TN Women Empowerment Project.
[143]. DFID, WORLP and MPRLP
[144]. Gustava Demarco, Unlocking the Economic Potential of Persons with Disabilities in MNA, World Bank, Quick Series Notes, 51798
[145]. World Bank, Examining Inclusion: Disability and Community Driven Development, Social Development Notes, 33103

workers, minor repairs on buildings, and some educational programs. Disability interventions in the Malawi Social Action Fund Project (MASAF) have been limited to income generation support. MASAF III proposes to facilitate registration of volunteer groups working in rural areas.[146]

In India the Tamil Nadu Women's Empowerment and Livelihoods Project funded by the World Bank has a special mention of people with disabilities. The project lays down activities such as assessment of disabilities in the community and preparing plans to address them.[147] The project calls for mobilization of the disabled and formation of solidarity groups, and participatory planning of their livelihoods and vulnerability reduction. The project also has a dedicated person at the block level as a part of a Project Facilitation Team to look into the issues of the disabled.

3.6.4   Migrants

Migration varies across social groups and economic situations in India. The poorest of the poor often use migration as a strategy to cope at times when they have no source of income in the village.[148] SC and ST people migrate the most, a strong sign of the social and economic exclusion. In some families only the male member(s) migrate in search of jobs; in other cases whole families migrate. In the latter cases in particular, the migrants are often left out of development projects based on beneficiary listing. Hence, a first need in livelihood projects is to ensure their inclusion, and to develop their livelihood plans to address the seasonality and other dimensions of their migration. There are few examples of livelihoods projects involving migrants. However, development organizations have worked on several related issues from which lessons could be learned – such as ensuring education for migrant children. In A.P., DfID has piloted some activities with migrant workers, including building their knowledge of their legal entitlements.[149]

3.6.5   Conflict-Affected People

Community-driven development (CDD) is a 'dual platform' - an efficient mechanism to address community needs and an instrument to empower people. Hence, CDD projects are suited to war-torn environments where both physical and social structures have deteriorated and institutional capacity is weak. Projects can address physical needs through reconstruction and improving the quality of life, offering immediate affirmation of the tangible benefits of peace. However, empowering people and building institutions are important in conflict settings where there have been severe breakdowns in trust and social cohesion. Collective action for the common good can serve to rebuild trust and relationships, provide hope and support social stability. Local ownership engendered through the community processes can help to develop practices of accountability and transparency.[150]

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[146]. Ibid.
[147]. Government of Tamil Nadu, VKP, PIP
[148]. Priya, Deshingkar, Migration, Remote Rural Areas and Chronic Poverty in India, ODI Working Paper 323, CPRC Working Paper 163
[149]. AP NRLP, www.serp.gov
[150]. World Bank, Community Driven Conflict Recovery: From Reconstruction to Development

International experience suggests that projects planned and managed by communities typically have higher returns than those planned and managed by government agencies. The former projects also enhance local ownership as a key factor for sustainability. Moreover, evidence from World Bank financed projects shows that community projects are especially appropriate in post-conflict environments. Experiences from Afghanistan, Sri Lanka and Indonesia are instructive.

In Indonesia the Government has been in conflict with the Free Aceh Movement (GAM) for over 30 years. Although violent incidents are concentrated, the impact of the conflict on human security and perceptions of safety are felt across Aceh province. In almost every district, it affects the daily lives of people. Many are unable to tend to their forest gardens, the center of most village economies, for fear of running into GAM, who have retreated to the foothills. Similarly, tension between those who nominally sympathize with GAM and those who sympathize with the Government is high across the province, regardless of recent incidents. Sympathies for either GAM or the Government vary across households, and therefore differences of opinion and mistrust exist within villages. Although cleavages exist within villages, cleavages along ethnic and religious lines are weak.[151] The World Bank and other development agencies are supporting the peace process, and there is significant scope to develop interventions in following areas: socialization of the peace process, bringing people into the process, reintegrating GAM, providing of a peace dividend, and institution building.

Sri Lanka. The Bank team in Sri Lanka has developed a 'Sri Lanka Reconciliation and Conflict Filter' which helps to develop a 'conflict assessment;' identify the risks and opportunities faced by projects on account of the socio-political situation, stakeholder relationships, project arrangements and project content; and develop indicators to monitor project risks and opportunities.[152] Application of the filter to projects at specific stages of the project cycle enables project teams to facilitate timely and adequate responses, and monitor their implementation. The four main steps in the process are described below.

> *Area 1: Understanding the Project Context.* The purposes are to capture the context relevant to the project and its design features, particularly those that would potentially influence the success of the project, and to identify where the project may create or exacerbate social tensions and inequities. The assessment of the project context should be undertaken at the identification or concept review stage, and should be an internal process to allow a candid discussion of issues, for example, if the project is the right strategic investment and should be prioritized.

> *Area 2: Examining Project Organization and Implementation Arrangements and Understanding Stakeholder Relationships.* Both these assessments should be undertaken at the design stage and feed into the Project Appraisal Document.

> *Area 3: Identifying Issue-based Risks and Opportunities.* The purpose here is to discuss key issues that would present as conflict risks and opportunities for the project. The task team should undertake this assessment and feed findings into the Appraisal document.

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[151]. World Bank, Conflict Prevention and Reconstruction, Social Development Notes, 33593, 2005
[152]. World Bank, Conflict Filter Srilanka: Assessment Guidance

Area 4: Guidance on Monitoring. The task team would develop indicators for the Reconciliation and Conflict Filter, either qualitative or quantitative, which would be monitored as part of regular supervision missions, and be updated as and when necessary.

Afghanistan. Community-driven development is a centerpiece of Afghanistan's development strategy.[153] The National Solidarity Program (NSP) and the National Emergency Employment Program (NEEP) were launched as pilot initiatives in 2002 to provide immediate, tangible benefits to poor and vulnerable Afghans throughout the country, supporting reconstruction from the bottom up. Both programs are proving crucial in establishing mechanisms to harness national assets, guiding the reconstruction process, and (perhaps most critically) confirming the Government's role as a facilitator of progressive reform.

Four factors are emerging as critical to the existing and continued success of the NSP and NEEP. The first is political commitment to the programs. The national development budget has been used to support policy reform, making it possible to channel international financial assistance according to government investment priorities. To that end, the government recently issued a seven-year investment plan that includes the $1.3 billion required for the two programs. Second, innovative arrangements have been crafted to achieve the service delivery and capacity-building objectives of national programs. This is helping to overcome two decades of 'erosion' in public administration caused by the exodus of trained personnel, the collapse of a meaningful payroll system for civil servants, and a lack of exposure to new approaches. The NSP and NEEP have been instrumental in reforming the Government's role as project facilitator, with private and civil society organizations acting as implementers. But the private sector and civil society also have limited capacity, and successful scaling up the two programs will depend on parallel scaling up of complementary support measures ranging from regulatory and legal frameworks to microfinance and other support service delivery mechanisms. For the National Solidarity Program, the establishment of community development councils has been a central component of operations.

Third, as priority national programs, the political pressure to accelerate expansion must be balanced with the need to systematically harness opportunities for ongoing learning and experimentation. Within the NSP, implementation arrangements are highly conducive to sharing experiences among 22 facilitating partners. The most powerful drivers for learning and experimentation often lie within communities. Further efforts are required to strengthen communication between communities and local governments, to promote exchanges and learning among communities, and to establish mechanisms for participatory monitoring and evaluation. In addition, care is needed to ensure a gender-sensitive approach, to promote the equity and empowerment objectives at the core of both programs. Finally, the enormous challenges of Afghanistan's reconstruction agenda show the extent to which crises can generate opportunities for progressive reform and social transformation.

In India, the Planning Commission has identified the need to work in districts affected by Naxalism. Its strategy includes a focus on improving service delivery mechanisms for health care and education, and to strengthen the *panchayati raj* institutions. It also plans to incentivize states to adhere to the Panchayat Raj (Extension to Scheduled Areas) Act, 1996 (PESA) and Forest Rights Act, 2006. The emphasis is to

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[153]. World Bank, Afghanistan: the Role of National Solidarity Programme and National Emergency Employment Programme in Reconstruction.

empower local bodies such as the *Gram sabhas* (village councils) so that these can implement development programmes, and tribal people to actively participate in the development of their districts.[154]

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4 Consultations on The National Rural Livelihoods Strategy

NRLM adopted a consultative approach to arriving at its design and implementation framework. A range of State and National consultations were organized to get perspectives of various stakeholders into designing its strategies and intervention priorities. This section highlights some of the main suggestions that have emerged which NRLP can build on before its roll-out in States. A separate Field Consultations exercise has also been conducted across four states of Jharkhand, Madhya Pradesh, Karnataka and Bihar to hold consultations with the primary, particularly poor (BPL) and poorest of the poor households, women and men from scheduled castes, scheduled tribes, religious minorities and other vulnerable groups in socially, economically and culturally representative geographies of NRLP project. The findings are intended to inform the design and implementation of the NRLP as a socially inclusive and culturally appropriate program and more specifically inputs for preparation of the Social Management Framework for NRLP to focus on and address social development issues and constraints. This chapter will highlight some of the key findings from these field consultations.

4.1 National Consultations: Key Suggestions

A National Consultation was organized on October 8, 2009 in New Delhi by Enable, Ford Foundation, Sa-Dhan and Microfinance Community Solution Exchange, UNDP. In addition views and suggestions were widely sought through the Solution Exchange for the Microfinance Community and Solution Exchange for the Poverty Community. This section is a compilation of suggestions from these two sources.

There is hope that NRLM will be a departure from the previous livelihood and poverty reduction programs of the Government. A clear recommendation is for NRLM to focus on approaches rather than targets, as this was seen to be one of the key factors responsible for programs chasing to reach the poor but ending up as half-hearted efforts in reducing their poverty and vulnerability levels. And while coverage is an important indicator, especially since most poor continue to get left out, the focus must be on quality and sustainability of SHGs and other institutions of the poor if the goal of poverty reduction and inclusive growth needs to be achieved. The following recommendations were made towards this spirit and aim:

- **Multiple Strategies for covering different subsets of poor:** It is important to have a clear segmentation of the target group. At first, it has been suggested to classify those who have been excluded socially and financially in spite of number of government initiatives including SGSY scheme. Then identify the other groups such as STs, SCs, women, minorities, migrants, who join but drop out. This classification is critical as strategies for different subsets of the poor will be different. Naturally, the strategy for the livelihoods of visually, physically or mentally challenged people will be very different from the strategy applied for a normal poor.

- **Developing multifaceted capacities of poor and other micro-entrepreneurs.** It is not enough to mobilize the poor and organize them into groups. Their capacities need to be built not only to start livelihood activities, but on multiple aspects- business management, marketing, advocacy for better trade practices, conflict management and so forth. It was felt that capacity development needs to shift

from "what one can produce" to "what one can sell with profitability and what is in demand in the market" in its content and approach.

- **Specific attention on livelihoods of the poorest:** There is a strong recommendation to understand and promote livelihoods of the poorer groups since they usually miss out on benefits from programs due to a range of constraints. The following emerged as some specific recommendations:

  o **Focus on small lands/small farmers:** Small farms and helping the small and marginal farmers to be more productive is the future of livelihoods. Small farms are known to be more efficient and better yielding than large holding farming. It is also the solution to the huge food insecurity in this country. In some parts of the world, models of **Conservation Agriculture**, which is an effort at developing farming ecosystems, rather than just agriculture, based on all aspects of conservation, including the soil, water, traditional seeds, human labour, animal and mechanical energy, and the micro flora of the farmed region have been tried and can be replicated. It helps that farmers develop composite systems that help them address their food, livelihood, ecological and income generation needs.

  o **Rural youth emerged as a vulnerable group requiring specific attention.** The focus could be on the human development programmes for rural youth with new areas that could make them to adopt new entrepreneurial skills to develop into SMEs thereby developing a linkage with MSMEs or to large scale industries.

  o **Increasing access of poor to land:** The highly skewed land ownership patterns in rural India ensure that huge tracts of land are left fallow and uncultivated. On the other hand, agricultural laborers and small and marginal farmers would benefit from access to land and due to lack of it undertake distress migration to meet their food insecurity needs. Urgency of instituting land reforms and ensuring at least 1 standard acre to every farmer. This should also be accompanied by a law that ensures that all agricultural land is cultivated. Any farmer unable to cultivate his/her land for more than 2 years at a stretch should give up the land to the community for development of permanent plantations by and for the community, preferably managed by the women's group of the village.

  o **Reclaiming commons:** There were reflections on how gradually there has been loss of access of the poor to common property resources. Livelihood efforts under NRLM must help village communities and women's groups reclaim commons in the best interests of the community, especially the poorest and to reduce the drudgery of women. If effectively reclaimed, and wisely used, commons can provide sustainable returns for the whole community, and help the community improve its quality of life by leaps and bounds.

- **Expanding choices for women- no more gender stereotyping in livelihoods:** Women have always played a vital role in agriculture, but have also remained invisible and unrecognized as they don't own the land they work on. Making agriculture women oriented, especially in marketing is the need of the hour and will help a great deal in changing their condition and position in rural economy. The social capital created through SHGs and its federations can play an instrumental role in strengthening the supply chain of many agriculture, horticulture, livestock and forest produce. Bring newer options such as training and development of SHG women on different sectors either on knowledge and communication partners/providing services on financial or insurance or banking sectors/ providing technical skills to support machinery and maintenance of agri machines & tractors. The other options could be mobile technology and repairing/or Health care service providers /hospitality or tourism support services and like.

- **Institutional Capacity Building:** Stressing on importance of ICB, it was also proposed that NGOs spearheading NRLM are required to identify affinity groups and train them in Institutional Capacity Building. It is observed that providing credit to SHGs is not a problem, however bankers have been hesitant to give loans to SGSY groups because they are weak as per the grading norms. Focused institutional capacity building will strengthen SHGs in terms of - creating the habit of thrift and creating empowerment as a result of the dynamics of active participation of members. There should be equal focus on technical skills and 'institutional development'. This can be done through engaging agencies for specific services like training, market linkages etc. on service contracts be designated at state/district level as well as setting up Resource Centres the poor can access.

Going beyond SHG and other Microfinance models to cover poorest and the most marginalized

- **Promote convergence for maximum benefits to the poor:** Focus on facilitating coordination amongst key departments. But, the real convergence will be achieved if the demand is driven by people. This requires a shift of power from Government's delivery systems to people's institutions. These institutions need to be promoted and nurtured so that they are in a position to demand services they require, at the time they require them and of good quality; they must set the agenda and drive convergence. MIS to ensure/ facilitate convergence. Convergence may be made an integral part of reporting (Review committees at various levels should include this aspect in regular monitoring of the program)

- **Focus on empowerment for vibrant institutions of poor:** Creating empowerment for self selection, setting up of institutions, rules and regulations, resolution of problems/conflicts, to take decisions to build a vision and mission and manage their affairs instead of becoming the last link in the delivery chain of Government and NGO programs. Wherever banks are not accessible or not responsive, federations may be prepared to take up financial intermediation

- **Reducing risks the poor struggle to cope with:** Risks to the person (life, accident, health) and the enterprise (asset, technology, markets and incomes) should be managed. The NRLM should work with insurers, banks and others to develop a range of options that reduce /manage the risks.

- **Strategic engagement of NGOs:** Experienced NGOs need to be selected and given the responsibility to identify the poor in villages using PRA methods. Once the poor have been identified, they should be briefly exposed to SHGs and then asked to form their own groups –in other words to self select their members. NGOs should provide institutional capacity building training for SHGs, producer organizations, Federations. NGOs should be engaged for at least 3 years to mentor the SHGs, to ensure they develop a Mission and Vision of their own and to ensure that they are not reduced to implementers of Government or NGO programs

- **Partnership Models**

  Public Private Partnership (PPP): In PPP, it is not as if there is no role of Government. Infact, Government needs to intervene in order to: i) lower the risk of people's investment. For example, as pointed out by Aloysius Fernandes from Myrada, when Myrada's analysis of the purpose of loans taken by members of its 12,000 SHGs showed that a large number of loans are taken for dryland agriculture, it decided to lower the risk of this investment by taking up major watershed management programs; Government. departments funding watershed programs should be integrated with such interventions ii) invest in all round growth including infrastructure and electricity; unless Government and Private Sector invest in the area thus triggering growth, the options of investment by SHG members is limited; iii) Government especially needs to ensure good governance and security

for the SHG movement to flourish. These are areas where convergence among various government departments is essential

Role of 'Development Institutions (DI) such as NGOs/Federations/SHGs/MFIs/ not for profit BDS' should be identified distinctly in the PPP. Representation from the DIs should ensure that there is adequate voice of the marginalized people themselves who often get further marginalized due to their inability to speak English in the larger forums.

- **Incentive systems and subsidies:** A system of incentives for staff, partners and community must be worked out. It is suggested that incentives at least in the form of social recognition through government platforms be planned and introduced in NRLM. Providing performance based incentive package to the NGOs in order to leverage credit from financial institutions could also be introduced. To promote and strengthen likelihoods, subsidy needs to be given as reward and not as a target. Subsidy amount should be converted and used for providing the technical support. Subsidy provided by Government can have two parts – One for the individual members and other for the group as whole so that SHGs can use it for getting higher level of borrowings from banks.

- **Ethical business practices:** NRLM may explore possibilities for partnering with World Fair Trade Organization/Fair Trade Forum of India. A step in this direction will be a viable step to capacity building of not only the marginal entrepreneurs but also the micro and small scale sector as a whole. At the same time, the focus can be on awareness raising around these ethical practices so that they can voice for accountability and adherence to these.

- **Attitudinal change, a key thrust:** It is important for all key stakeholders to feel accountable to providing an enabling environment for the poor. This begins by first believing in the power and capacity of poor to come out of poverty. For instance, orientation of banks is crucial for success of NRLM. The expenditure on this component needs to be considered as investment rather than a 'one-off' good to do strategy. In fact, the key 'takeaway' from National workshop seemed to suggest that attitudes and mindsets about the poor are the 'invisible' stumbling blocks that NRLM should seek to transform.

- **Transparency and Accountability:** NRLM should establish much higher levels of integrity and probity than the past programs. The implementation machinery should be oriented towards developing and upholding values such as transparency, impartiality, promptitude and honesty. Transparent and accountable review, monitoring and evaluation process must be in place. MIS generally is important and it depends on the system to see but, it is important to ensure public access for the same. Use of social audit- learn from NREGS experience/lessons. A well structured grievance redressal mechanism should also be part of the design with external monitors for adjudicating on grievances.

- **Strong 'learning component' for NRLM:** The reflections on NRLM seem to suggest the need for it be learning oriented. Through the Solution Exchange discussions, members suggested for taking up experiences and learning from the following programmes like - Western Orissa Rural Livelihoods Project; Jeevika programme of Govt. of Orissa: Orissa Tribal Empowerment & Livelihoods Programme (OTELP); DFID Supported DelPHE Project on Livestock; Himalayan Action Research Centre (HARC) in Naugaon – Purola area of Uttarkashi (for the value delivery chain management of farm and farm based non-farm products); PRADAN and MYRADA (for micro finance interventions); Sadguru Foundation (for water and irrigation experiments); BAIF (for wadi and animal husbandry sectors); Madhya Pradesh Rural Livelihoods Project and Orissa Rural Livelihoods Project ; Mother Dairy (highlighting the importance of forward linkages for marketing); IFFCO's initiative in Jhansi

(for links with market for the agriculture based women groups);and GEF UNDP Small Grants programme (for Environment theme - Land Development and POPs)

Some good lessons on knowledge management may be learnt from the experience of web-based knowledge sharing communities of practice such as the Solution Exchange set up by the United Nations in India. The set of 14 communities, organised around the Millennium Development Goals (MDGs), have over 14,000 members, from government, non-government, public and private sectors, with interest in various development issues. The good practice example of the community has been followed by government programmes such as NREGA at the national level, and the Tribal Development Programme in Gujarat, which have set up similar knowledge sharing processes among the key officers of these programmes. Such online sharing makes planning easier and response to local needs much faster. The project can have knowledge sharing and learning processes which are both web based and face to face. An annual learning event can be planned on key themes of livelihoods support (such as community mobilization, microfinance, microenterprise, augmenting capital, social protection, social inclusion). In these events, key staff of SGSY should be invited, along with some resource people from outside the programme and the State, to share best practice, challenges, and recent innovations. These would enrich the programme and support planning for the remaining period.

This learning should not be limited to project staff and partners. In fact there needs to be a specific focus on 'knowledge institutions' for the poor, since currently there is dearth of ground-level skill and knowledge institutions. Some institutions do exist and are doing many things to survive, but need to be re-engineered to serve the people.

- **Implementation Mechanism:** One recommendation is that implementation mechanisms may be chalked out for each district depending on the vibrancy/ capacity of PRIs; availability of good NGOs.Wherever both the above does not exist, the NRLM should have provision for implementation through its own structure (May consider deputing 1-2 trained person with each panchayat guided by the DRDA). Program should be engendered with significant representation of women in project positions.

4.2 Field Consultations

The consultations were undertaken in the four states of Bihar, Jharkhand, Karnataka and Madhya Pradesh, which are most representative of socio economic regions of NRLP. The rationale for the selection of states is briefly mentioned below.

Bihar: Bihar is one of the most backward states in India with high poverty ratio and a large population of Scheduled Castes and Maha Dalit. The state has a very high percentage of rural households who are landless or nearly landless (less than one acre) and a high incidence of migration among rural population. The state is also affected by the naxalite movement and is flood prone, situations that increase vulnerability of the poor.

Jharkhand: Dominantly a tribal, underdeveloped state with high poverty ratio and is home to significant population of Primitive Tribal Groups. The 9 PTGs in the state are spread across all the 24 districts; and have abysmal socio economic indicators and reportedly have diminishing population for few PTGs (Tribal Research Institute report). Loss of traditional and cultural identities of few tribes is also reported. Gumla district is a scheduled area with highest percentage of tribal population, while Dumka has one of the highest presence of PTGs and equally high presence of tribals. Both, the districts feature in the 100 most backward district list of the country.

Karnataka: Karnataka has a high regional disparity in development; socio economic indicators of the northern part are comparable to or worse than some of the other backward regions / states in the country.

The state also has a high concentration of minority population. It is one of the three new states for Bank, where there is no Bank supported rural livelihood programme. Bidar and Bijapur districts in northern Karnataka are placed at the bottom end of human development indicators among all districts and has a high concentration of scheduled caste, scheduled tribe (in Bijapur) and minorities. They are also among the most 100 backward districts of the country.

Madhya Pradesh: Madhya Pradesh is equally underdeveloped with high incidence of rural migration in several northern and central districts. In absolute numbers, the state has the highest population of scheduled tribe and scheduled caste. Tikamgarh and Narsinghpur (socially and culturally within Bundelkhand area) are among the 100 most backward districts in the country and are part of Bundelkhand and bordering Central region with is one of the most backward, physically isolated, harsh, dacoity and drought prone regions.

4.2.1 Key Findings

These consultations highlight how geographic, social, economic and financial exclusion impact the livelihoods of the poor. Physical segregation of certain groups such as Scheduled Tribes, especially Primitive Tribal Groups, Scheduled Castes and women results in them missing out on key services and also becomes a basis for social segregation. Economic exclusion severely impacts livelihoods of the poor. For instance poor access to land, poor land productivity and also diminishing access to common property resources all widen the gap between those who own land and the landless. Small farmers also are less able to access and afford irrigation facilities and also improved technology for increasing their produce. The landless groups mostly depend on wage labor, earn poor wages and are exploited.

The institutions that poor rely on also become an important source of exclusion in the way they function and deliver services. For instance, the community expressed severe mistrust on institutions behind preparation of BPL list as these are influenced by middle men who resort to corruption to include beneficiaries. The bureaucratic procedures for service delivery result in high transaction costs for the poor. Running to block offices frequently is difficult for these groups and results in loss of work and daily wage. The case of functioning of Banks illustrates this point quite starkly. The procedures to seek loans are complicated, time-consuming and have requirements such as that of collaterals make it difficult for the poor to access credit when they need it. Moreover, the attitude of bankers towards the poor is also insensitive. SHGs are usually treated rudely and are seen as non-bankable and low priority clients.

Even Community-based organizations exclude the most poor. The consultations point to the poorest groups still being excluded from SHGs. 'Target based approach of SHG formation' results in a tendency to form SHGs approachable villages and with groups who were easier to reach thereby excluding some groups such as those residing in remote villages, detached habitations, migrant and poorest households. The influence of officials in selecting members, rather than self selection of members has also been pointed out. Most of the SHGs promoting institutions have created an impression that group norms are rigid and inflexible among poorer and vulnerable households. Women from poorer households who can save less or save infrequently perceive that they cannot form groups. Rigidity in saving norms was found to be the main reason for exclusion of many from the poor and vulnerable groups. Households who cannot save regularly or cannot attend weekly meetings have largely been excluded from SHGs.

Migrant households and households who are usually absent for longer period from the village find difficulty in joining any groups. Existing SHGs are less than willing to include such households since they cannot save regularly and can contribute little to the functioning of the group. Dropping out of groups due to long absence or migration is common. Others such as Muslim women, physically disabled women and PTGs were also found to be excluded given the cultural barriers to their participation.

People expressed a total lack of transparency and accountability in the functioning of PRIs and view these as open to favoritism and politics from which the poor are excluded. The experiences with regards to Gram Sabhas is also varied since all districts covered in Bihar and Madhya Pradesh, report irregularity in holding of gram sabhas and poor attention to the views of the poor and lower castes.

4.2.2 Suggestions

The suggestions from the community clearly reflect their frustration with development experiences and the institutions that deliver key services they depend on. These suggestions are practical and provide important pointers for the implementation of interventions for very often it is not the problem in the service offered, but how it is implemented.

- **Reach the poor first:** The community felt that remote and inaccessible villages should be reached out first, which is other way round in most of the programs. Distance of tribal villages, naxal problems and appropriate manpower and their safety were also raised as concerns in Jharkhand. The strategy for assessments need to be designed keeping this in mind.

- **Participatory assessments to unravel key poverty aspects:** Participatory assessment should not be limited to identification of poor, but also be used in examining vulnerabilities of households that can be used to decide members of different groups and also in planning livelihood interventions. NGOs and project staff raised the debate on methodology, well-being or wealth ranking to be used during the process. In several groups NGOs were concerned about the timing of the assessment so that everybody is present in the village. Questions were also raised whether the beneficiary lists after participatory assessment would be ratified in Gram Sabha.

- **Group Formation and Norms:** In several consultations the need to have flexibility in group norms with regard to membership, amount and frequency of savings should be ensured under the NRLM so that the poorest can form groups or they should not drop out later. Mixing of non-poor and poor should be avoided at all cost and group norms for saving should be fixed according to the poorest in the group. Meetings should be conducted in rotation at different household level or in a neutral location. Regular savings can be a problem for few groups and such households should form group of their own. Group size should not be fixed and even small groups should be allowed so that people on their saving capacity can decide groups. Groups should have unique identification and members should be uniquely identified.

- **Participation by Poorest and Vulnerable:** Flexibility in norms to enable families engaged in seasonal migration, ultra poor, handicapped and old people are able to participate. Different norms in terms of age of members, number of members per SHG (it may be less for the handicapped), savings amount, frequency of savings and meetings etc. are required for different types of groups, if the existing norms do not allow such people to be part of SHGs and access benefits. Provisions in the programme so that few households who cannot even save the weekly amount, the elderly, widow, disabled get a space in the SHG institution was demanded in Bihar.

- **Universal Sensitization:** Sensitization of authorities at block and district and also the PRI, Gram Sevak and money lenders would help mitigate the resistance by these groups at local level. Sensitization to bank officials and line departments is also required to remove obstacles in the progress of SHGs. Sensitization among the bankers to have improved communication with SHG members where the financial transactions, deductions, additions are appropriately explained should be given special attention under NRLM.

- **Market linkages:** One of the important suggestions during the consultations was that under NRLM improving market access should be given adequate focus since failure to provide good market access may reduce confidence of SHGs / producer groups in the programme. This was highlighted as one of the critical bottlenecks in the SGSY programme. One of the risks visualized during the discussion, was that goal of income generation should not reduce the locals of their access to food grains and other essentials products. Awareness on minimum support price, rules and guidelines of Government procurement policies, Government aided crop production compensation under various schemes and programs like NFSM, RKVY, etc.

- **Insurance:** In majority of the consultations people expressed ignorance about insurance and pensions. They were not very enthusiastic about insurance services if they have to pay for it. However, some people said that it will be good if their assets like livestock, crops and life etc could be insured. However consultations with officials and NGO representatives consider insurance services for health and productive assets as important for the poor. They expect significant change with the financial services proposed by NRLM that provides coverage against variety of risks like health and productive assets that are least popular currently. It is expected to take some time for these services to be sought by the rural poor who need most coverage against any risks.

  Mass campaign to educate the rural poor about the benefits and the role of government in these measures will make it popular among the poor. SHGs could become vehicles for the accessing these services. However, the perspective of the poor on

- **Accountability and monitoring of working of Banks and their staff:** The poor want to hold the project and key stakeholders accountable. In several consultations the suggestion for strict guidelines for the banks and regular monitoring of banks were proposed. Action against erring bank officials must be taking promptly. There was also a suggestion that since the number of NRLM groups will be more, banks should come once a month the people rather than people going to the banks. People also wanted to know that how this program will be different than SGSY and what will be done for changing the attitude of the bankers.

- **Adverse impacts if any on natural resources** as a result of livelihoods enhancement needs to be monitored carefully, when recommending changing farm practices, new verities of seeds, NTFP value additions, etc. under NRLM. Sustainable harvesting practices of forest produce and replacement of organic production systems by modern agriculture systems should be thoughtfully decided and monitored carefully under NRLM.

- **Role of institutions:** People were unanimous in their views that Gram Panchayat should not be given any financial and functional role in the programme because of expected corruption and political influence, which affects several existing development programs. SHGs in most of the places stressed that village Panchayat should not have any role in selection of beneficiaries. This is in contrast to the role PRIs see for themselves in NRLM. They feel since they feel they have the mandate for any development program at the village level.

The recommendations across a wide range of stakeholders need to be given importance since they emerge from experience, lessons and well as hope for greater impact through NRLM. Building on good lessons, and making specific attempts to address constraints that most severely impact the poor seems to be the message. This is possible if the program is open to learning, responding and making corrections as it begins its roll-out. And all along, it is important to adopt a consultative approach.

5 What the NRLP can do

Findings and insights from literature on poverty, rural livelihoods and social exclusion, as well as the various national and field consultations, highlight important priorities for NRLP. These are summarized below.

5.1   State Social and Poverty Assessment

NRLP envisages that each participating state would conduct a State poverty and social assessment, based on which a state poverty plan will be prepared. It is important that States use this exercise to get a holistic assessment of the extent and causes of poverty and social exclusion in the state. The social and poverty dimensions would be:

- *Identification of pockets of high poverty and vulnerability,* such as areas which are geographically isolated, tribal areas, chronically drought prone and flood affected, areas prone to extremism and conflict, areas with poor infrastructure and institutions, areas ranking poorly on human development indicators;
- *Identification of most deprived backward groups.* This should be based on socially, occupationally and regionally disaggregated profiling of poverty incidence, health, education, access to water and sanitation, land holdings, migration, access to finance, disability, forest areas, conflict areas, etc.
- *Social, financial and economic exclusion* among SC/ST population, religious minority groups, women including women-headed households, migrant and agriculture labor, landlessness, people working in hazardous occupations, people with disabilities, and others.
- *Gender analysis* including gender relations at household and community levels, and specific vulnerabilities of women, their livelihoods, current constraints, coping mechanisms and solutions;
- *Institutional aspects* would include functioning of the key institutions of the State governments, their programmes and policies that are of high relevance to the poor such as gram panchayats, development block offices, health and education centres, PDS, NREGA, programmes of tribal department, women and child development, forest department and social justice. It would need to also assess the state of community's own institutions.
- *Situations accentuating exclusion.* Situations that are worsening the situation of vulnerable groups such as conflicts, climate change, development-induced displacement and natural disasters need to be identified. These vulnerabilities need to be understood for differential impacts on the community, especially on women needs.
- *Specific thematic consultations.* Specific, rather than extensive, consultations should be held with rural poor and their institutions along with NGOs, PRIs, state government departments, experts and research agencies. Consultations should be also be along a theme relevant to the state context like forest rights, land access, chronic hunger prone areas, minorities, migration, conflict etc.

The content of these assessments is as critical as the process and methodologies that are adopted to conduct them. The reluctance of the poorest groups to self-identify themselves, of honest reflections on the real barriers they face in participating and benefiting from development efforts are 'real' challenges. Teams for these assessments would need to draw upon expertise in the areas of gender analysis, tribal development, and understanding of religious minorities. Rigorous training would be required to ensure assessments teams are sensitive, transparent and responsive to the issues of the poor.

The poverty assessments would need to conclude with a section on the design and implementation recommendations for the State Perspective and Implementation Plan, and also cover strategies to address the social development issues in the state like illiteracy, child labor, gender and caste based discrimination and violence etc.

5.2   State Perspective and Implementation Plan

State Perspective and Implementation Plan (SPIP) would need to reflect the suggestions from the Poverty Assessments. It should summarize the state context, nature of rural poverty that emerged from poverty assessment and have a description of the strategic priorities in the context of livelihoods of the poor that the State will address. The SPIP would need to prioritise the most marginalized groups and areas. A good practice was seen in the Bank-assisted Jeevika project, which identified *Musahars* as the most deprived social group and initiated work with them. The SPIPs should also include the implementation strategies, and partnerships required for implementation of the social mobilization, institution and capacity building components of the project. It should describe the social accountability processes and mechanisms, along with provision for gender reviews/audits.

The SPIPs need to be consulted with key social development, experts, community institutions, NGOs and government departments and district administration. The State Plans and the poverty assessments would be reviewed by the Social Thematic unit in NMMU. External comments from recognized experts and NGOs should also be taken.

5.3   Social Inclusion Plans (SIPs)

The SIPs prepared as part of the state perspective planning should highlight that social inclusion and mobilization is a crucial ongoing process, and should be a crosscutting lens to assess all project interventions, institutions and benefit flows. The initial Project-Community contacts and the setting up of a dialogue related to project objectives will create a strong foundation for community participation and ownership. Rapport building is important prior to entering the village. It would include meetings with all community members explaining the project, meeting with PRIs and other civil society organizations in the area, meetings with women separately etc. Participatory tools such as transect walks can also be used strategically to cover marginal areas of the villages and to ensure groups residing there are not left out.

NRLP would also encourage community institutions to work against social discriminations and to bring about social empowerment of the backward castes and communities by providing them better opportunities and access to services. The SHGs should be supported to evolve action plans to address gender discrimination, domestic violence, girl child discrimination, etc. This should be done through social development focused CRPs.

A communication strategy for social mobilization process should be based on local language and local formats like folk media. Existing community groups should be used for some of the communication interventions. Sensibility and literacy should be factored for illiterate groups, especially women, tribals and minorities. Audio visual means of communication are effective tools to reach out to the excluded population and creative audio visual techniques should be used. Communication techniques should also take into account the local context, for example in the tribal areas tribal ways of communications should be adopted. Local media like *kala jathas* and other forms of folk art should be used extensively. Since the programme also lays great emphasis on women's participation, the communication materials should be available at places where women have more access like *Anganwadi Centres, health centres* instead of only at Panchayat offices or market places.

Some groups continue to be excluded as they are difficult to contact due to their occupations such as seasonal migrants, brick kiln workers, mine workers due to their timings. Self-isolation is also seen among some groups such as tribals or religious minorities. More intensive mobilization efforts will be required for these groups as they have little faith in development programs and the institutions. Strong communication strategies, house-to-house information prior to community meetings, separate and follow-up meetings in highly isolated pockets are additional efforts that will have to be made. Though the project lays emphasis of working with SHGs of women, special emphasis should be given to working with the men of the poor households. It is often seen that women do not come out because men in their families create hurdles or they are overburdened with domestic work. Hence sensitizing the men is important to have an enabling environment where they would encourage their women to come out and form SHGs. Community leaders and religious leaders are also important to contact to provide all information about the project and interventions supported. Engaging them as leaders and local mobilisers will be helpful.

5.4 *Participatory Identification of the Poorest.*

Putting Poorest First is a non negotiable of the project and hence special effort has to be made in selection of the poorest and the most vulnerable population in the village and not merely go by the BPL list. The strategies to be adopted for this purpose include:

- Participatory wellbeing and vulnerability ranking
- Discussion on local indicators of poverty.
- Endorsement of gram sabha

It is essential to provide prior information on the timing of the identification process, the criteria for selection and grievance mechanism to include those left out from the final beneficiary lists. Emphasis

should be given on people who face social exclusion due to cultural and social reasons. These would include SC and ST population in the area, women headed households, orphans, prostitutes, transsexuals, nomads, people suffering from HIV/AIDS and other infectious diseases like leprosy and others who are socially invisible and hence are often missed out in government programmes. Special emphasis should be made for including women from marginalized families like women headed households,widows, abandoned women, destitute and the like. The identification process needs to conclude with a final list of beneficiaries and the poorest of the poor. The list prepared through this process should be ratified at the Gram Sabha and displayed in Panchayat Bhawans, SHG offices, etc.

5.5   Institution Building

Building Institutions of the Poor is another key strategy of the project. One of the guiding principles of NRLM is to unleash the innate capabilities through strong institutions and higher level federations to provide space, voice and resources for the poor. Formation of SHGs is crucial for the success of the project. The key principles of formation of strong SHGs are: self selection based on pre-existing affinity on gender, identity, location, wellbeing status, occupation, physical ability etc. Formation of quality SHGs is a process intensive exercise and should not be driven by numbers and targets. This will ensure that the vulnerable people do not drop out of SHGs.

The project should upscale the experience of establishing thematic committees for the purpose of inclusive and participatory implementation. These would be on

- **Monitoring and Learning Committee**: For the purpose of continuous process monitoring at the community level, Monitoring and Learning Committee should be established. This should consist of members from target families together with other members of the community who are not direct beneficiaries of the project. At least 50% of the members of the Committee should be women belonging to SC families. In villages where there are more than 30% tribals, the committee should also have 30% of its members from tribal communities.

- **Social Audit Committee**: Learning from the Tamil Nadu project, the Social Audit Committees could be appointed by the members of the Village Organisation. The members would consist of people who are accepted and trusted by everyone in the village and who have demonstrated honesty and commitment. The SAC should have adequate representation from the excluded groups in the village like SC and ST population, and panchayat members.

- **Federations**: Two levels of federations are envisaged in NRLP – village level federation (Village Organisation) and Cluster level Federation.

    o **Village Organisation (VO)**: The office bearers of the Village Organisation should adequately represent members from the vulnerable community including SCs and STs and they should be elected by the SHG members once a year. The VO should also play a

social development role in the village. They should mediate with the Panchayat on issues like getting job cards for needy, selecting shelf of work for NREGA, getting BPL ration cards for the poor and other local issues.

    o **Cluster Level Federations:** Cluster level federations are formed at the Block/cluster level consisting of the office bearers of the VOs in that cluster. The office bearers of the cluster level federation should also adequately be represented by the SC and the ST members of the community in terms of SC/ST population in the area. Apart from financial and livelihoods functions they should also take up social issues in the areas for advocacy at the block or district level.

- **Livelihoods Collectives:** NRLP proposes to set up Livelihoods Collectives for forward and backward linkages and achieving economies of scale as well as act as common interest groups for a particular livelihood. These Livelihoods Collectives should adequately focus on the livelihoods of the SCs and other vulnerable groups. These groups should have adequate representation of the vulnerable people in the area. In the tribal areas more than 50% of the members of these groups should come from the tribal community.

SHGs would need to be strengthened to take up social development issues of the area and advocate with the panchayat and other institutions for getting entitlements of the poor. The SHG grading system which is presently only on financial and organizational norms (panchasutra) should also social development indicators.

5.6   *Social Capacity Building of Community Institutions*

Capacity building is an ongoing process of the project and takes place in different levels of the project starting right from the community to the Project management Unit at the National level. Since the Project will be implemented in phases, it is recommended that the capacity building strategy should be a gradual scaling up process. The social development aspects of capacity building at the community level and the methodology of training are summarized below:

Levels	Areas of Capacity Building	Methodology
SHGs	• Planning of productive investment of the poorest families. • Inadequate credit linkage • Inability to maintain regular accounts. • Exclusion of poorest, vulnerable • Social action, accountability and empowerment • Gender sensitization	• Training sessions with media/visual aids • Handholding helping them with preparing MIPs • Dissemination of information • Exposure trips to other SHGs

	• Schemes and entitlements for the poor	
CRPs	• Gender • Vulnerability and poverty • Preparing MIP • Bank linkage • Linkage with government departments • Schemes and Entitlements • Issues of migration • Issues of PWD	• Training sessions with media/visual aids • Regular dissemination of information • Exposure trips to the banks and government departments
Federations	• Vulnerability and poverty • Gender and diversity issues • Understanding needs of the poor • Livelihoods of the poor • Entitlements of the governments • Social Action, Accountability and Empowerment	• Training sessions with media/visual aids • Dissemination of information • Exposure visits to other federations
Participatory Monitoring Committee	• Issues of poverty and vulnerability • Gender and diversity • Livelihood of the poor • Social Action, accountability and empowerment	• Training sessions with media/visual aids • Information Dissemination • Handholding • Exposure visits
Social Audit Committee	• Principles of transparency and accountability • Gender and diversity • Poverty and vulnerability	• Training sessions with media/visual aids • Handholding • Exposure visits
Livelihoods Collectives	• Understanding of livelihoods of the poor and vulnerable • Gender and diversity • Understanding problems of migrant labourers • Issues of PWDs	• Training sessions with media/visual aids • Lectures • Exposure visits

Since the level of literacy is very low the strategy and tools of training and capacity building should be: Ongoing process rather than one time training; based on training a cadre of trainers and up scaling them; through short training sessions in small and regular interval.

NGOs could be engaged for the social accountability components to ensure that capacities are transferred to the community, rather than NGOs conducting and documenting social audits and others tools on behalf of the community. Dissemination of findings should be done at the community level first to allow for any more perspectives to be included.

5.7   *Supporting Livelihoods of Poor through Community Investments*

Community investment support should be provided to groups which have stabilized and are functioning well, and should target households identified through the participatory wealth ranking process and not merely individuals from the BPL list. The support should come in installments that are released after the group completes a certain milestone linked to "Panchasutra". In disaster and hunger prone areas, the fund should also be used as a vulnerability reduction fund helping families for immediate relief. NRLP provides for individual grants to the ultra poor. For the disbursement of this fund, priority should be given to the most ultra poor, identified in the beneficiary identification process.

The Project envisages universal financial inclusion covering all the poor households with the formal banking system. For the poor and the vulnerable people strategies for financial inclusion would be as follows:

- Strengthening of SHGs in "panchasutra" along the principles of NRLM and NABARD guidelines and field practices of experienced NGOs.
- Engaging with the banks for financial inclusion in districts and blocks
- Mapping of the most financially excluded areas
- Promoting the banking correspondent model

Strengthening livelihoods of the poor and the vulnerable is the prime objective of NRLM. NRLP recommends promotion of livelihoods through three different strategies – skill training and placement, micro enterprises and livelihoods collectives. In all these three strategies it is emphasized that the livelihoods of SC/ST, PWD, Migrant workers, destitute women, rural artisans, people working in mines and other hazardous activities and other vulnerable groups should be given emphasis. SHGs would need to be supported to prepare Livelihoods Plans that respond their household asset, cash flow and capability situation. The technical assistance to the groups would take into account the unique livelihood needs of each family especially the tribals, single women and people with disabilities. For the ultra poor and vulnerable households, direct individual assistance should be made available for their livelihoods enhancement. This should be monitored separately to ensure that the ultra poor are able to move and graduate out of poverty, and become eligible for SHG membership. Special emphasis should be given to the following groups of people for enhancing their livelihoods:

Tribal People. State Social Assessments should include the demographic data of different tribes in the area, their social and economic status in terms of health and education outcomes, land holding pattern, livelihoods options, and migration habits and so on. It should also look into the policy framework at the national and the state level which specifically addresses the tribal issues and welfare entitlements for them. For mobilization of the tribals it is important to have IEC materials which are suitable to tribal culture. Folk art and other form of local communication strategies should be used in local languages (local dialects) to disseminate information among the tribal community about the project. Separate SHGs with tribals should be formed and it is preferable that tribals and non tribals are not a part of the same SHG. In the various committees which are formed during implementation, care should be taken to have

proper representation of tribals in these committees. Similarly capacity building strategies should also keep in mind the local context of the tribals and design capacity building inputs accordingly. Promotion of livelihoods in the tribal areas would be distinct from the non tribal areas. Since the tribals are mostly depend on land and forest for their livelihoods, promotion of land based and forest based livelihoods should be given priority. Another important livelihoods option for tribals is crafts. Special attempt in form of product design and product development should be pursued in areas which are rich in handicrafts. Convergence with various government departments especially the forest department and the tribal welfare department is important in the tribal areas as it would help them to get their entitlements.

Monitoring and evaluation data should also include a separate section on tribal inclusion. The reports generated should reflect the different kinds of strategies used to mobilize the tribals, different kinds of training materials used, income enhancement strategies and so on. Separate thematic studies on tribals should be taken up for states where the project area has more than 20% of tribals.

In the project team at the state level should have a tribal development specialist; similarly the district teams should have tribal development specialists. All the members of the PFT as well as the District and State teams should be sensitized to tribal issues in that state. At the NMMU the Social Development Specialist should look into the tribal issues and he/she should have a person dealing exclusively with tribal affairs.

The Landless. There is no compulsory land acquisition in the project. But in cases where voluntary land donation is required, adequate social screening needs to be undertaken to prevent any adverse Impacts. NRLP would need to promote land access among the landless, the tribals and the land poor. Andhra Pradesh DPIP II has a land component that has been working in two directions. One is Land Purchase i.e. securing the poor access to productive lands through facilitating purchase of good quality irrigated lands and the other is Land Access- facilitating the poor, in convergence with the Revenue Department, to have control over their lands in terms of having secure title, handling their lands locked in courts/disputes, awareness as to the measures taken by the Government to protect the interests of the poor manifested in the form of pro-poor enactments etc.

Introducing sustainable farming for small and marginal farmers will bring down input costs, making them more resilient to markets. Farmers groups should also be supported in livelihood collectives to benefit from economies of scale in inputs and marketing. In areas where there is chronic poverty and hunger, seed banks and grain banks should be set up at the village level which will be administered by the SHGs. In selection of land based livelihoods for the area, there is need to have convergence with other government projects like NREGA, Watershed Mission and so on.

Migrant Workers. Migration to town and cities for four to six months for wage employment is an economic necessity for the poor and the vulnerable. NRLP should work to mitigate distress migration and improve the bargaining power of poor people by giving them information, on legal rights, minimum wages and other entitlements. Skill training for migrant workers should be specially mentioned. NRLP should identify the migrant workers support them through a range of interventions on identification, registration, remittance, banking services etc. the work done by Aajeevika should be scaled up gradually in NRLP project states.

A substantial part of SC and ST people migrate out for a few months in a year in search of livelihoods. NRLM should have specific strategies to address the needs and issues of the seasonal migrants. The state level poverty and social assessment should capture data on the number and percent of families from each block who migrate out each season, number of days they are in the village and other data on their social development indicators. Separate SHGs should be formed for migrant workers whose norms would be different than *panchasutra*. It may not be possible for seasonal migrants to be a part of regular SHGs and have regular savings. Hence separate micro finance products should be developed to suit their needs. It may be possible that these groups would meet only for a specific time of the year and save during that period. Capacity building schedule should also match their migration cycle and separate trainings should be kept for them. As discussed earlier, capacity building of the migrants should aim at increasing their bargaining power and collective strength as it may not be possible for one project to reduce migration totally.

Livelihoods activities should aim at reducing distress migration and help them to find gainful activities in the village. Thus the livelihoods plan of the community as a whole should be able to absorb some of the migrant labour as wage labourers working in land based or forest base activities. Skill training for migrant population would be helpful as it would help them to get better job opportunities rather than working as unskilled labour.

The monitoring and evaluation reports should include a separate section on activities taken up with migrant population and whether it has helped them to reduce the number of days of their migration. Separate thematic studies should be taken up which would look into the issue of migration in the area and in what ways NRLM has helped the migrant workers. At the state and national level of the project team the social development specialist should look into the migration issues. At the district level every member of the team should be aware of the issues of migration in the area.

People with Disabilities. NRLP gives special emphasis on livelihoods promotion of people with disabilities. Hence disabled people from the poor and marginalized families should be identified through a participatory process and their livelihoods needs and priorities should be given due emphasis especially through skill training and placement.

Development projects often miss out people with disabilities and people sufferings from infectious diseases as they are socially invisible and moreover social stigma prevents them from participation in village activities. The Social Assessment that is carried out in each state should capture the percentage of disabled people in the area as well as the level of disability they suffer. Special strategies like home visits etc. should be adopted to include people with disabilities in the project. Since they might not be able to participate in normal SHGs, separate groups of disabled persons should be formed. Though it is recommended that people with disabilities should not be kept away from mainstream population, at the onset, it may be necessary to have separate strategies for them. Venue for training as well as training materials should be selected keeping in mind that disabled persons would be attending them. Care and sensitivity should be taken in selection of livelihoods options of disabled and linking them with the market as they may prefer to work from home. In the livelihoods plan of the village that is aggregated at the level of VO, special focus should be given to livelihood needs and options for PWDs. The project team at the district level should have a person specifically looking into the issues of the disabled in the area. At the state team and at the national team the Social Development specialist should look into the issues of disabilities.

5.8   *Promoting Gendered Institutions and Interventions*

NRLP needs to evolve a comprehensive gender strategy that ensures a strong gender focus to the project. Women's perspectives are most often missed out resulting in little or no impact on their social position and status, in spite of vital roles women play in rural livelihoods. A range of strategies are recommended beginning with specific gender analysis exercises to understand in detail the promoting and constraining factors to women's participation and benefits from development programs.

At the level of community mobilization, special effort should be made to include women especially women from disadvantaged and socially invisible households. The strategies for this would include:

- Gender sensitive communication strategy: Communication strategy should be literacy proof so that women, who are illiterate, can also follow. Communication strategy should target places where women come more frequently.
- Community Meetings: Separate meetings with men and women should be held in the community at the outset. In order to get rid of cultural norms and inhibitions, it may be necessary to work with the men in the community and gain their confidence before women start coming out and participating in the process.
- Working with men: In places where there are taboos on women coming out to public places, it may be necessary to work with men in the village.

Capacity building strategy should be designed keeping focus on women. This will determine not only techniques and tools used for capacity building at the community level but also timings and the training calendar. The capacity building should also include issues which are important for women so that they take interest in attending these trainings and not merely confine to savings and credit. Leadership development among women should be one of the prime focuses of capacity building as it would help in women gaining confidence and take up other social issues that affect them like alcoholism, wife battering, female infanticide etc. At the project level gender training should be provided to every member of the project team both at the national level as well as the states. The training should include issues faced by women and how these affect their participation and functioning of the project.

Gender integration in all stages of project cycle including budgeting will be one of the key efforts. While first there should be a review to see whether interventions under specific stages of the project cycle have a gender focus, what are the likely impacts on women going to be, any adverse impacts expected and finally whether budgets are allocated for gender integration work.

Identifying specific gender issues relevant to NRLP. For instance, if gender-based violence emerges as a critical concern in poverty assessments and gender analysis exercises, in some states and sites, strategies such as having 'vigilance groups' or mapping of 'danger zones for women' in communities which restrict their mobility will be done. Using these findings to sensitize PRIs and relevant Government counterparts can be done to ensure villages adopt goals such as being 'violence free for women'. In fact given the strong evidence for it, gender-based violence, women's health can be selected as advocacy themes for NRLP, along with ensuring engendering of NREGS, which is selected under NRLP for convergence. It is thus recommended to have a set of gender-specific strategies, as well as ensure gender is integrated in all routine mechanisms and processes of the project. Participation of women from most excluded groups needs to become an important priority for NRLP. For such women, specific leadership development strategies are recommended since lessons currently point to rotation between the better-off groups and women from these households.

As recommended under strategy for Convergence, a gender analysis of all critical programs and Departments would be an excellent opportunity to ensure integration of gender in program delivery and implementation.

Expanding choices for women's livelihoods need to be an important priority for NRLP and it should be ensured there is no blatant gender stereotyping in selection of interventions. For instance, SHGs and its federations can play an instrumental role in strengthening the supply chain of many agriculture, horticulture, livestock and forest produce. Bring newer options such as training and development of SHG women on different sectors either on knowledge and communication partners/providing services on financial or insurance or banking sectors/ providing technical skills to support machinery and

maintenance of agri machines & tractors or in preparing them for meaningful employment in hospitality, tourism, etc need to also be explored.

Monitoring schedule should also have gender sensitive data and sex disaggregated data in order to monitor progress made in terms of gender empowerment. The project should also commission thematic studies looking at gender issues in the area which will help in overall learning from the project. Mid-way gender audits/ gender reviews that will review all strategies with a gender perspective are also recommended. This will include a review of design documents, communication material, progress reports, evaluation reports and field exercises with women and men to understand what impact the interventions have had on their household and public interactions and decision making. A comprehensive disclosure of all such audits and reviews need to form an important responsibility of the project team.

In order to ensure a strong gender focus, there should be dedicated staff at all levels of the project to work on gender integration in all project components as well as monitor and track project impact. Institutional policies and mechanisms are recommended such as a specific Gender and Sexual Harassment Policy, constitution of a gender committee which will ensure representation of an independent gender expert are recommended. Commitment to gender and specific efforts on gender integration need to be included in job descriptions of staff to ensure accountability. Also it should be ensured that 33 percent of the staff, including the PFT is women.

5.9   Working in Conflict-affected Areas

NRLP will be working in the conflict affected areas of Chhattisgarh, Jharkhand, Bihar, Orissa and other States. Government of India has identified about sixty districts in India over seven states as affected by *left wing extremism*. These districts with high concentration of SC and STs have high poverty and vulnerability, poor infrastructure, poorly performing public services, weak governance and overall economic backwardness. These factors have compounded the conflict and violence scenario in these States. The GOI is supporting preparation of Integrated Action Plans (IAPs) for such districts to address critical gaps in development and governance. NRLP will consult with the State Governments, district administration, local government departments and elected local representatives and NGOs, and adopt a suitable strategy to work in conflict areas. Some of the options for NRLP would be

- Savings and Thrift groups of SC and STs
- Supporting community-managed interventions in health, education and nutrition
- Community managed food procurement and distribution services in food insecure areas
- producer-market linkages and programs by Tribal Cooperations such as in AP, Orissa
- Special programs on land access, forest rights, forest produce, watershed development, common property resource development

- Improving access to public programs of greatest relevance such as PDS, NREGA;
- Legal literacy and empowerment programmes related to forest rights, panchayats, land access etc.

NMMU and SMMUs will consult with the central and district committees that will formulate and monitor the Integrated Action Plans (IAPs), and Civil Society groups with local credibility to finalize the work plan.

5.10 Convergence

Convergence with other government programmes and departments is one of the main strategies of NRLP. And this is also a critical need of the rural poor as they struggle to access key services and entitlements due to lack of coordination, conflicting priorities, and complete lack of information between various Departments and programs. So convergence has a strong impact and influence social development too. Some of the departments where convergence is important are NREGS, Forest Department for Tribal Areas, Panchayati Raj Department, Health Department and the Social Welfare Department to name a few. It has emerged from the field consultations that for the poor convergence of services at the village level is critical. Thus NRLP need to prioritize this as an area where it uses facilitation and advocacy to advance the cause of the poor.

It will be important to highlight the specific social issues that need to be integrated in the convergence agenda with regards to all critical Government departments and programs. For instance, addressing gender barriers and constraints for women to benefit from NREGS can be a key theme. Sharing field experiences and testimonies of women need to feed into defining convergence agenda and actions. Gender analysis of main programs and departments can even be compiled in a document and would be a very significant contribution of NRLP. Another critical area with regards to ICDS and NRHM can be looking into outreach of health services in Muslim dominated pockets since services such as immunization, reproductive health fail to reach them due to prevailing assumptions that Muslims will not participate in these programs. The realities are changing and services need to respond to these changes.

5.11 Implementation Arrangements

The Project envisages a five layer implementation arrangement:

- NMMU at the centre headed by the Mission Director
- SRLM at the state level headed by the State Mission Director

- DMMU at the districts which is independent but will work with the DRDAs
- PFTs at Block Level.

Given the due importance of social issues the following positions are recommended in the implementation system.

- A Social Development Specialist at the national and state level Missions.
- A Gender specialist in State missions
- A Tribal specialist at the state missions where there are more than 30% tribals
- Among the PFTs there should be knowledgeable about gender issues, tribal issues and issues of social discrimination for SC population.
- At least 30% of the PFTs should be women. In districts where there is more than 50% tribal population, the effort should be to have more tribals.
- One member of PFT should focus into the issues of PWDs

Capacity Building of the Project team is essential for quality delivery. For the social inclusion and development capacity building of the project team in following areas should be done: Social inclusion mechanisms, Gender issues, Tribal issues, Poverty and social exclusion issues etc. Training on specific skills like facilitation skills, reporting skills, analytical skills and others. Apart from regular classroom lectures, capacity building strategies should include exposure visits, workshops. A strong mission culture for NRLP will be a starting point. It is recommended to have a specific strategy on attitudinal change and sensitization for project, partners, stakeholders and community. National consultations and field consultations clearly established that it is the insensitive attitudes and 'patron-like' attitudes and functioning of institutions that deter the poor people's access and faith.

5.12 Partnerships

NRLP need to establish and nurture partnerships and see it as an important strategy for deepening the impact it can have on the livelihoods of the poor. Involvement of NGOs and other specialized agencies to bring in technical skills and assistance should be encouraged throughout the village cycle on areas such as community mobilization, participatory identification of poor, capacity building at the community level and for project staff and institution building. At each state level a mapping process to identify expertise on social development issues- gender integration, tribal development, development and empowerment of minorities. For an empowerment based approach, NRLP can explore partners for introducing a legal literacy and social justice component. The lessons from Bank-assisted APDPIP on partnership with Lawyers Collective can be learned. A specific compendium on most critical laws, schemes can be prepared and a specific legal literacy module be prepared for the community. Beyond trainings, these agencies can also provide legal assistance to the poor. Lawyers Collective, Human Rights Law Network are some potential partners.

In addition with the private sector, the focus should be on changing their attitudes towards the rural poor, exploring options for providing employment on to the poor, especially women, tribals, people with disabilities. Sensitization of Banks is a specific focus area and some compelling modules on how credit can change lives of the poorest groups, especially women can be used to evoke a sense of passion and commitment from them. Working with corporate social responsibility units/personnel in Corporate, Industries to orient them on issues of poor and for instance to establish institutional support mechanisms such as support cells, mentors, English training to recruitment translates into retention and career management. Rural youth, both men and women, may be educated and competent enough to handle jobs, but may be short of confidence if policy and work culture are insensitive to their cultures.

Normally, the attention is in identifying partners and formalizing partnerships and less on nurturing these, learning from the range of partnerships. NRLP must encourage mechanisms such as Partnership Reviews and peer learning among partners to ensure lessons around social development are learned and shared for replication.

5.13   Attitudinal change and sensitization

It is recommended to have a specific strategy on attitudinal change and sensitization for project, partners, stakeholders and community. National consultations and field consultations clearly established that it is the insensitive attitudes and 'patron-like' attitudes and functioning of institutions that deter the poor people's access and faith. A strong internal culture for NRLP should be a starting point for NRLP. Regular trainings, sensitization events, including some innovative practices like 'Reflective Dialogues' for project staff to share their fears, apprehensions, and experiences on working on issues such as gender and social inclusion will be encouraged internally. Inviting experts to such sessions can also be considered. These sessions should be conducted separately rather than part of ongoing routine project meetings to allow safe space for staff to open up and share reflections. Internal staff issues may also emerge how included to district or block level staff feel in the project and its decision making. Clearly, inclusion internally will impact inclusion at community level.

This relates to an important area. Social staff must be empowered and included in all project meetings and efforts to ensure integration of social development issues, especially social inclusion and gender. Regular reports or presentations with them are recommended to ensure NRLP is having the desired impact at the community level and issues which need leadership and management attention. Leadership commitment to social inclusion and gender integration must be ensured and reiterated at all critical meetings and milestones for the project. Strong leadership will act as a strong motivation factor for staff.

5.14 Transparency and Accountability

A strong message from the consultations and field consultations is to correct the lack of faith in development efforts due to poor information, lack of transparency and issues such as corruption. NRLP has a Governance and Accountability Plan to ensure that it is transparent and holds itself accountable to all key stakeholders and primarily the community. For social inclusion, this is a significant priority.

Ongoing information disclosure will be an important priority for NRLP. It is recommended that specific roles and responsibilities for staff on information disclosure be defined, availability of all critical reports

especially State Poverty Assessments, State Perspective Plans, progress reports and evaluation reports be ensured, as well as dissemination events be organized that the community is fully informed about the project and its implementation audits. Strategies such as organizing *jan sunwais* will help the project in social learning during implementation.

At the community level, the Project should appoint a Social Audit Committee whose members would be appointed by the members of the Village Organisation. The members would consist of people who are accepted and trusted by everyone in the village and who have demonstrated honesty and commitment. The SAC should have adequate representation from the excluded groups in the village like SC and ST population. This will act as a strong community based tool for ensuring accountability of the project. A sharp departure should also be independent reviews through teams comprising NGO representatives, activists, media and academicians to help identify a range of good practices as well as areas requiring attention and correction.

5.15 Monitoring, Evaluation and Learning

The monitoring evaluation and learning strategy of the project should look across components and inclusion should be seen as one of the key indicators. In order to achieve inclusive development, the outcomes of each activity should be monitored closely apart from mere outputs. Some of the aspects to be looked in as a part of social inclusion indicators are as follows:

- How many people from the poorest of the poor are included in the SHGs, etc,
- Depth and quality of the interventions like extent of financial inclusiveness,
- Livelihoods promotion and income generation of the poorest of the poor households,
- Social empowerment of women and excluded households in terms of increase participation of SHG members household decisions,
- Improvement in their health outcomes,
- Extent of political inclusion in terms of increased participation in Gram Sabha meetings etc.
- Enhanced control of women in financial decisions of the family.
- Enhanced nutrition level of the woman etc.

Social inclusion is a process oriented and due importance will be given to the process itself. Indicators for process monitoring should look into social inclusion strategies starting from community mobilization, communication materials, institution building, capacity building, financial inclusion, livelihoods promotion and social development. Case studies of successful efforts should be documented by the PFTs. Reporting system of the Project should be developed in such a manner that regular reporting on exclusion and attempts on social inclusion are reported regularly. These reports should be generated at the village level by the PFTs. The reports should include: Strategies and activities pursued at the cluster and Block level to promote inclusion; Special measures taken for inclusion of certain excluded groups; Problems faced

Apart from process monitoring and outcome monitoring, the project should take up thematic studies on inclusion from time to time to see any change in the social inclusion pattern of the area, difficulties faced to include certain groups and even success stories of strategies for inclusion which some block may have carried out. External agencies or individuals with understanding on social development issues should be

commissioned for the purpose. Certain thematic studies across states should be taken up to understand impact of the project.

5.16 Grievance Redress

This should be a strong focus for NRLP. The design of the Grievance Redressal Mechanism needs to be strong and community-focused and ensure confidentiality where grievances are of a sensitive nature or can result in some backlash. Some key suggestions and guidelines are: Grievance redressal committee should be constituted at the national, State and district and block levels. These should be supplemented by community-based grievance mechanisms such as jan sunwais, federation meetings. The role of PFTs, social development staff should include grievance monitoring and redressal. Federations and CRPs should be the first point of contact for community for grievances. There needs to be disclosure on the process, mechanism, timeline and composition of the team which will handle grievances. Contact person(s) name with phone number and email address should be provided on the website, displayed in project offices and in the community.

5.17 Knowledge Management

NRLP need to be a 'learning' project. It is recommended that strong focus be paid on a learning strategy for the project. A clear finding from the wide range of consultations has been the failure of programs to learn from past events. Social learning forums would be organized on an annual basis. It will be ensured that deliberation is on good practices as well as social constraints communities continue to face in participating in the interventions. Thematic papers on social inclusion and gender integration and women's empowerment will be useful and help strengthen the Social Management Framework which should be seen as a 'live' document. It will also be useful to see if there is any change in the social inclusion patterns of project areas, difficulties faced to include certain groups and even success stories of strategies for inclusion which some block may have carried out. External agencies or individuals with understanding on social development issues should be commissioned for the purpose. NRLP can contribute to the knowledge pool on gender and social inclusion dimensions of rural poverty and livelihoods. For instance, there continues to be very little data and evidence on the on what strategies help the poor in addressing social inclusion or women's empowerment.

In addition on specific issues such as conflicts, climate change and its gender impacts and impacts on the poorest groups can be organized from time to time to ensure NRLP is abreast of all new issues and breakthrough strategies for working with the poor and their livelihoods.

This learning should not be limited to project staff and partners. There needs to be a specific focus on 'knowledge institutions' for the poor, since currently there is dearth of ground-level skill and knowledge institutions. Some institutions do exist and are doing many things to survive, but need to be re-engineered to serve the people.

6 Social Management Framework

6.1 The Social Management Framework

6.1.1 Objectives. The objectives of the SMF are:

- To support the objectives of the NRLM to reduce poverty, improve the livelihoods and social and economic empowerment of the rural poor, and make sure that these are fully addressed especially for the poorest and most vulnerable people in the project areas, including Scheduled Tribes, Scheduled Castes, and poor minorities;
- To integrate *social* inclusion, cohesion, accountability, safeguards, risk management and sustainability strategies in the NRLP structures, institutions and interventions;
- To ensure that the NRLP does not support any activities likely to cause significant adverse social impacts and that all activities comply with the laws, regulations and policies of India and the social safeguard policies of the World Bank.

6.1.2 Application and Coverage. This Social Management Framework (SMF) applies to all interventions supported by the National Rural Livelihoods Project. Given the scale, spread and multi-sectoral nature of interventions envisaged under the NRLP, the SMF has been designed as a guidance tool for implementation, monitoring and supervision of interventions that address social issues and risks, including social safeguard risks. It therefore addresses the needs of the World Bank's Operational Policy (O.P. 4.10) on 'Indigenous Peoples' (or Tribal Peoples, as they are known in India), and identifies the procedures to be followed for community projects involving land.

6.1.3 Disclosure. The SMF has been disclosed on the websites of the NRLM and the state Departments of Rural Development and *Panchayati Raj*, and the Bank's InfoShop. A summary of the SMF in the local language should be circulated in project areas. Community disclosure of the SMF should take place as a village entry activity, i.e., the framework and its implementation explained to all adults in a village assembly, and leaflets printed in the local language and distributed. In addition, the state Poverty Assessments, State Perspective and Implementation Plans (SPIPs), and Annual Action Plans, all of which have social analyses and/or actions embedded in them, and state-specific Social Inclusion Plans (SIP) which are to be specifically developed to address social issues should be disclosed on the state website.

6.1.4 Audit and Amendment. The SMF will be reviewed for its responsiveness and effectiveness as part of the NRLP's annual audit by an independent agency. Attention will be paid specifically to consultations with vulnerable groups such as tribal people, their mobilization into community institutions, their access to community investment support, and their access to and utilization of services related to

savings, finance, entitlements and livelihoods. The SMF should be revised on the basis of the audit recommendations, and all revised SMFs should be re-disclosed on the above websites.

6.2 The National Rural Livelihoods Project

6.2.1 Core Values and Strategies. The NRLP and this SMF support the following:

- **Including the poorest first.** Reaching out and mobilizing the poorest, including the poor in leadership positions in community institutions, and ensuring that 80-90 percent of community investments flow to the poorest households are key priorities of the NRLP.
- **Equity.** The project will implement strategies and processes that promote equal opportunity and equitable outcomes for women and vulnerable groups such as SCs, STs, minorities, disabled, etc.
- **Informed consultation and meaningful participation.** The project will ensure full information and meaningful participation of all stakeholders, particularly the poor and most vulnerable. Decision-making should be based on participatory processes, without imposition at any level.
- **Facilitation.** Project staff will play a catalytic role and hand over responsibilities to communities to the maximum extent possible. There will be faith in the poor's capacity to undertake, decide and control the activities of the project.
- **Transparency.** All project interventions and community processes will be transparent and accessible to all stakeholders, especially to members of community institutions.
- **Accountability.** Project staff as well as community institutions will be accountable for funds and interventions.

6.2.2 Primary Beneficiaries and Benefits. The NRLP targets an estimated 4.8 million rural poor households in 12 project states (about 24 million people). The rural poor households would be from Scheduled Tribes (STs), Scheduled Castes (SC), Other Backward Classes (OBC), religious minorities, and other vulnerable social groups such as people with disability, landless, marginal farmers, migrant/agricultural labor, women-headed households, households with child labor, forest-dwellers, etc. At least 70 percent of the identified poor households are expected to access and utilize project-supported services related to savings, entitlements and livelihoods through their SHGs/Federations, and obtain the following benefits:

- increases in household livelihood assets and investments;
- improved access to credit to expand/diversify livelihood investments;
- better market linkages to scale up livelihood activities;
- improved access to health and food security funds and community health, education and nutrition centres; and
- enhanced skills and employment opportunities (for rural youth).

The average income of the identified poor households in the project villages is expected to increase by 50 percent.

6.2.3 Project Investments. The NRLP would be implemented in 400 selected blocks in the 12 states, including five that have implemented previous Bank-assisted livelihood projects: Bihar, Madhya Pradesh, Orissa, Rajasthan and Tamil Nadu, The others are Uttar Pradesh, that has a very large number of rural

poor, Jharkhand and Chhattisgarh with significant tribal populations, and Karnataka, Maharashtra, West Bengal and Gujarat that have 'deep pockets of poverty'. The project would invest in:

- Engaging professional human resources, training and capacity building, and technical assistance to national, state and district management units;
- Formation, facilitation and capacity building of SHGs, their Federations and resource persons at village, cluster, block and district levels;
- Livelihood microplans of SHG members/Federations (such as agriculture, purchase of livestock, dairy, trading, etc.), producer-to -market value chains, food security and health risk funds for the poorest, assistance to ultra-poor and vulnerable households;
- Special pilot programs for 'last mile' service delivery, use of technology for financial inclusion, community-established health, education and nutrition centres, and interventions in conflict-affected areas; and
- 'Development marketplace' type forums and pilots, setting up a social entrepreneurship network and website, start-up funds and capacity-building to expand social enterprises.

6.3 Social Safeguards and Risks

6.3.1 Tribal Peoples. Several of the project states have significant tribal populations, particularly Madhya Pradesh, Orissa, Jharkhand and Chhattisgarh. Many project districts and blocks would be Schedule V areas (Constitutionally-designated tribal areas with special development and administrative provisions). As Scheduled Tribes (STs) are among the poorest groups, and tribal states and districts among the poorest regions in the country, both tribal areas and people would be targeted for special efforts. In all states there are also significant numbers of Scheduled Caste people who are often as poor as tribal poor. Although SCs and STs are only 16.2 and 8.1 percent, respectively, of India's total population, they accounted for 80 percent of the rural poor in 2005. States with large proportions of SCs and STs in their populations have lower human development attainments and higher rural poverty. SCs and STs have higher levels of illiteracy and poorer health indicators when compared with non-SC/ST people. Women in SC and ST households are 'doubly deprived' as they have worse health and education levels than men. Annex 1 provides some state level data on rural poverty and SC and ST groups.

To respond to the Bank's O.P. 4.10, the project should ensure informed consultations with tribal people, their consent to and broad community support of its activities. It should aim to provide equitable and culturally compatible benefits to tribal people and the other socially disadvantaged groups identified. Social development staff in the SMMUs, DMMUs and BMMUs/PFTs should be trained in socially- and culturally-sensitive ways of working with tribal people and others.

6.3.2 OP 4.12 (Involuntary Resettlement) is not applicable to the project as involuntary land acquisition and land purchase will not be done for any project activity, and are included in the project's negative list. Enforcement of this is the responsibility of the DMMUs and SMMUs.

Any community project that involves *voluntary* land donation should follow consultative and transparent procedures that substantiate the voluntariness of the donation and informed consent of the donor. The steps to be followed are:

- Identify the land to be donated and check that it is free of encumbrances (meaning structures, assets, residents/squatters, and use for livelihoods).
- Identify and consult the land donor, check that s/he is the legal owner of the land, and ensure that the land being donated is not more than 10 percent of her/his land-holding. Document her/his socio-economic status to establish that s/he is not vulnerable and that the donation would not result in impoverishment of the donor household.
- Post a notice at a central point in the village, the *gram panchayat* and block offices about the proposed land donation including a clear map of the site being donated. The notice should give at least 30 days for any objections to be raised and specify that any objection should be raised with the *Gram Panchayat* and BMMU/PFT or DMMU.
- If no objections are raised, develop an MOU between the land donor and the SHG/Federation including the site map and the period for which the land is being donated; and have the MOU signed by the land donor and the President and Secretary of the SHG/Federation in the presence of two witnesses from the PFT/BMMU.
- Record the land donation in the minutes of the next meeting of the SHG/Federation.

This procedure should be facilitated and overseen by the PFT/BMMUs. Any grievance regarding the land donation (before or after it) should be addressed to and resolved by the head of the DMMU. Information about each grievance is to be shared with the relevant SHG and Federation and reported to the SMMU.

All special programs, innovation pilots, start-up schemes, value chains, social and rural enterprises should be screened by the BMMUs/PFTs for any adverse social impacts using the criteria given in Annex 2. These persons should be trained to use this checklist and to understand and detect the potential adverse social impacts of sub-projects. The screening should be enforced by the DMMUs and monitored by the state Social Coordinator.

6.3.3 Non-safeguard Social Risks. The NRLP may face other social risks including (i) exclusion of the poorest areas (especially remote rural habitations) and groups; (ii) elite capture of project processes and benefits; (iii) social and political conflicts or violence; and (iv) caste- or religion-based discrimination. These risks should be reduced significantly through the following processes.

- Identification and mapping of pockets of poverty and vulnerability during the state poverty assessment;
- Consultations with the rural poor and key stakeholders from government and civil society;
- Prioritization of the poorest areas in State Perspective and Implementation Plans and Annual Work Plans at state and district levels;
- Engagement, rapport building, and consultations with leaders from all key social and occupational groups and PRI members during village entry;
- Participatory identification of ALL poor households and consent to the list by *Gram Sabhas;*
- Mobilization of ALL poor households and their organization into SHGs;
- Promotion of social capital formation and cohesion in each village by the PFTs and Community Resource Persons (CRPs);
- Social sensitization of project staff, CRPs and community institutions and building their capacity to resolve local conflicts.

The project will engage with research and training institutions working on social inclusion to help reduce caste-based exclusion. Pilots will be undertaken to reduce social discrimination and to develop legal literacy.

6.4 Social Preparedness at the State level

6.4.1 Social Readiness Criteria. The Project has established minimum 'readiness criteria' for each of the 12 states to receive any project funds. The *social* criteria that should be met are:

1. Completion of a State Poverty Assessment (SPA) report that includes a full social assessment including identification of social issues in the proposed project areas, especially issues of the disadvantaged groups (STs, SCs, minorities, landless, vulnerable occupation groups, etc.), women and youth;
2. Consultations held with the rural poor (including tribal communities) in representative geographies of the state, and summarized in the social assessment report with dates, places and lists of attendees;
3. State-specific Social Inclusion Plan (SIP) prepared giving the key strategies and mechanisms and a time line for identifying, mobilizing and assisting the most deprived in the project areas. The SPA and SIP will be reviewed by NMMU for responsiveness to and compliance with this SMF, and revised as needed.
4. Availability of social development staff in the SMMU, DMMUs and BMMUs/PFTs who have completed the core social development training module.

Further details of these requirements are given below.

6.4.2 Readiness Criterion 1: State Poverty Assessments. Each state would conduct a Poverty Assessment including a Social Assessment, based on which a Social Inclusion Plan should be prepared. The social assessment should include (i) a situation analysis to identify areas and social groups with high poverty and vulnerability, their specific social (including gender) issues and possible responses; and (ii) field consultations with the different social groups in representative geographies, NGOs, research agencies, government departments, and specialized agencies relevant to the NRLP. Some details of these are given below.

The situation analysis should:

- *Identify pockets of high poverty and vulnerability* such as areas that are geographically isolated, chronically drought-prone or flood-affected, prone to conflict, have poor infrastructure and institutions, rank poorly on human development indicators and tribal areas;
- *Identify the most deprived groups* based on social, economic, occupational and regional disaggregation of data on poverty, health, education, access to water and sanitation, land holdings, natural resources, finance, migration, disability, conflict, etc.;

- *Identify social, financial and economic exclusion* among SC/ST people, poor minorities, women (including women-headed households, widows, etc.), migrant and agricultural labour, landless people, people working in hazardous occupations, people with disabilities, forest-dwellers, etc.;
- *Carry out a gender analysis,* including gender relations at the household and community levels, and identifying the specific vulnerabilities of women, their livelihoods, constraints, coping mechanisms, and solutions;
- *Examine institutional aspects* including the functioning of the key relevant institutions of the state government, including PRIs, development offices, health and education centres, forest department, and programmes and policies relevant to the poor such as PDS, NREGA, tribal development/welfare programmes, women and child development programmes, and social justice. It should also assess existing community institutions;
- *Identify situations accentuating exclusion* or worsening the situation of vulnerable groups, including conflicts, climate change, development-induced displacement and natural disasters. The differential impacts of these situations on the poor and on women need to be identified;

6.4.3 Criterion 2: Consultations. The following consultations with a focus on social aspects of rural livelihoods should be done as part of the social assessment for the State Poverty Assessment, and summarized in the social assessment report with dates, places and lists of attendees.

a) *Community-level consultations* with the rural poor (including tribal communities) and community institutions in representative geographies of the state;
b) *District and state level consultations* with DRDAs, government departments of forests, tribal development/welfare/social justice, women and child development, NGOs, PRIs, training and resource agencies.

Further consultations should be held during project implementation as follows:

a) *Community-level consultations* during (i) village entry and 'participatory identification of the poor' processes; (ii) social mobilization and institution-building processes; (iii) preparation of plans for microcredit, livelihoods and rural enterprises; (iv) establishment of community-managed health and food security centres and Funds; and (v)design and implementation of innovative and special programs;
b) *Block and District level consultations* during the regular reviews of implementation;
c) *State-level consultations* during the Annual Action Plan preparation, six-monthly project reviews, learning events and other stakeholder interactions;
d) *National level consultations* with members of NRLM Committees, SMMUs, independent social development experts, and NGO/community representatives during six-monthly project reviews, national workshops and learning events.

6.4.4 Criterion 3: Social Inclusion Plans (SIPs) should be prepared by the SMMUs following the social assessment process. The SMMU (or NMMU on behalf of the state/s) should engage technical assistance agencies to prepare the SIPs. The SIPs should include state-specific and differentiated strategies for tribal people as well as for the other socially disadvantaged groups of poor. The introduction to the SIP should contain: (a) details of the poor and socially excluded groups identified through the social assessment, and (b) findings from the consultations with tribal and other groups, their community institutions, government departments, research agencies, NGOs, etc. Thereafter, the Social Inclusion Plan should cover:

(i)	information and communication activities, including mechanisms for continuous consultations with tribal and non-tribal people, community institutions, women, government staff, etc., and community disclosure of the SMF;
(ii)	specific strategies to mobilize and empower women, STs, SCs, other vulnerable social and occupational groups and youth;
(iii)	the key social development issues in the project villages and how they would be addressed (e.g., through Social Action Committees, thematic CRPs, empowerment-focused training programmes);
(iv)	group formation and representation of the poor and socially excluded in community institutions (SHGs, Federations, Livelihood Collectives, etc.), committees and executive positions;
(v)	locally-adapted project norms and mechanisms to ensure inclusion and equity in social, financial and economic processes and livelihood assistance;
(vi)	how gender barriers are being addressed in village cycle activities such as social mobilization, institution and capacity building, livelihood planning, etc.;
(vii)	capacity building of SHGs/Federations to address social issues and empowerment;
(viii)	social screening process and mechanisms;
(ix)	participatory monitoring and community feedback, and other social accountability efforts;
(x)	grievance redress mechanisms (including traditional mechanisms being supported by the project);
(xi)	sequencing and scale of interventions;
(xii)	institutional arrangements; and
(xiii)	budget.

A few more details of the efforts necessary for some of the above items are given below, and further information will be provided in the SMF Guide. Annex 3 provides some examples of projects that have good practices in various social interventions.

6.4.5 Readiness Criterion 4: Social Development Staff. The NMMU and SMMUs should have a Social Coordinator with the qualifications and experience to oversee the scope and scale of implementation of social activities assigned to her/him, and to supervise, implement and monitor the SMF. Sample TORs for engaging these and other project staff and their job responsibilities would be given in the SMF Guide. These social development professionals should have knowledge and expertise in social inclusion, tribal and vulnerable groups/areas, gender, participatory techniques and community mobilization. They should also be willing and able to travel extensively in their assigned area.

6.4.6 Other Social Development Staff. The DMMUs and BMMUs/PFTs should also have similar Social Coordinators. At the village level, the states should develop and train a cadre of community resource persons (CRPs) who can work on gender and youth issues, tribal development, special vulnerable groups (e.g., disabled, migrants) and where relevant in conflict-affected areas.

The NMMU, SMMUs, DMMUs, and BMMUs/PFTs can also utilize the expertise of partners, adopt the innovative models of NGOs, the private sector and specialized agencies, and engage experts to assist in developing and implementing the responses to social issues. They can also be engaged in monitoring the social aspects of the project.

The Key Actions table in Annex 4 provides a synopsis of the actions needed for Social Readiness (above) as well as the rest of this SMF (below).

6.5 Social Inclusion in the Village Development Cycle

6.5.1 Village Entry Activities. Implementation at the village level would follow the process laid out in the Social Inclusion Plan (SIP). Social inclusion should start with village entry activities, such as ensuring that all households are contacted, provided information, assessed and listed among the poor and disadvantaged groups if eligible, and consulted (and the consultations documented). Participatory identification of poor beneficiary households would be a key activity during the village entry process, and should also identify key local social issues to be addressed by the project. Following the village entry activities, the process of social mobilization, institution and capacity building should begin.

Screening for the presence of tribal people. The village entry and participatory assessments should include recording of all ST households in the project villages. The village consultations and participatory assessments at village entry, and the social mobilization process should confirm the presence of ST households in the village or the collective attachment of tribal peoples to the area. This could be done by the PFTs and CRPs. The information should be recorded in the village profile prepared during the assessment.

Free, prior and informed consent of tribal people. Consultations with tribal groups, their intermediary organizations, *Gram sabhas*, NGOs, tribal development/welfare departments, research institutions and other agencies are a key part of the State Poverty Assessment. The SMMU should hold these consultations, with advance notification through the DMMUs, NGOs working with tribal communities, tribal development departments and, most importantly, through tribal representatives. The consent of the tribal people to the project and specific findings of the consultations should be documented in the social assessment report. During the social mobilization process at the community level, the PFTs should hold hamlet-level consultations with tribal groups and active participation of tribal representatives, and document the free, prior and informed consent of the tribal people. This should continue as a core activity during the other stages of the village project intervention cycle (institution building, livelihood planning, community investment support, etc.)

6.5.2 Social Mobilization and Group Formation. All identified poor households should be mobilized and formed into self-help groups of their choosing in order to participate in the project's processes and interventions. Among other important dimension, the SHGs thus formed should be based on affinity among members, or agreed common objectives, and should include a social and economic cross-section of members. Where there are sufficient numbers of SCs, STs, or other social or economic groups, they may form their own groups, but they too could be encouraged to include others. SHGs are expected to function in democratic ways, and they would be trained in group management, preparing livelihood plans, helping the poorest members, negotiating their rights and entitlements, social accountability, etc. SHGs are to be supported by CRPs and PFTs as well as local agencies hired for special purposes.

6.5.3 Community Investment Support. The BMMUs/PFTs should provide training, facilitation and support to identified poor households (especially STs and SCs) in preparing household livelihood plans. They should screen the SHG Livelihood Plans, pro-poor value chains, large rural enterprises and community projects involving land, using the criteria set out in Annex 2. Targeted individual assistance would be provided to extremely poor and vulnerable households identified in participatory assessments. Poverty, food insecurity and other vulnerability criteria should be applied to identify villages or groups for (i) community food, health and nutrition centers; (ii) community-managed food credit and distribution systems; (iii) health risk mitigation funds; and (iv) small grants for destitute, old, infirm and disabled households for emergency food and health purchases. Block and district level reviews of project interventions should be undertaken with the participation of NGOs and community institutions, especially in tribal areas.

6.5.4 Screening and Evaluation of Subprojects. The NRLP would support livelihood plans that are based on the priority needs, demands and capacities of poor households. All households should prepare their own plans with the support of CRPs, and these should be aggregated at the SHG and Federation levels. The livelihood plans should be screened by the CRPs and evaluated by the Federations/Village Organizations with the assistance of the BMMU/PFTs. Large scale programs for livelihoods or public services, interventions in conflict areas, and innovative pilots should be based on consultations with the targeted beneficiaries, particularly women, tribal people and youth. Large projects or pilots, especially those for rural enterprises/value chains should be screened and evaluated by the DMMU and SMMU for adverse social impacts using the checklist provided in Annex 2.

6.5.5 Social Accountability. The SIPs should identify the social accountability mechanism(s) that would be implemented in the state. These could be: social audits, performance reports/scorecards, and so on (examples are provided in the SMF Guide). NGOs and resource agencies should be engaged to develop the social accountability activities at the village level and they should ensure that capacities are transferred to the communities within a year (rather than continuously conduct social audits, etc. themselves). Dissemination of findings should be done at the community level first to allow for feedback to be included.

6.5.6 Grievance Redress. The Governance and Accountability Framework of the project calls for grievance redress mechanisms at the national, state and community levels. At the community level, the grievance redress system should include (i) information provision to all people on the mechanism for grievance redress: who should be contacted, what the process is, what the service standards are, etc. (see SMF Guide); (ii) community notice displays for transparency; (iii) recording by Federations of the grievances raised by individuals or SHGs to track the grievances and ensure they are addressed; and recording of the support received from BMMU/PFTs (or higher levels when required) to resolve the grievances; (iii) periodic discussion between the BMMU/PFT and the Federations/SHGs on the subjects of grievances in order to prevent further grievances as well as to improve the redress system. Social coordinators in the management units should monitor grievances in their assigned areas through CRPs, project staff and/or NGOs. Training on grievance handling should be part of the core curriculum for staff.

6.6 Special Project Areas

6.6.1 Conflict-affected Areas. The Government of India has identified about 60 districts in seven states of India that are affected by left-wing extremism. These districts have high concentrations of ST and/or SC people, high poverty and vulnerability, poor infrastructure, poorly performing public services, weak governance and overall economic backwardness, problems that underlie the conflict and violence. The GOI is supporting preparation of Integrated Action Plans (IAPs) for such districts to address critical gaps in development and governance.

The NRLP would be implemented in some conflict-affected blocks of Chhattisgarh, Jharkhand, Bihar, Orissa and other states.   The NMMU (and SMMUs) would consult with the central and district committees that will formulate and monitor the Integrated Action Plans (IAPs), state governments, district administrations, local government departments, elected local representatives, civil society groups that have local credibility, and communities to develop and adopt a suitable strategy for the NRLP to work in conflict areas. Some options are:

- Savings and credit groups among STs and SCs
- Special programs for access to land, forest rights, access, value addition and marketing of forest produce, watershed development, and common property resource development
- Community-managed food procurement and/or distribution services in food insecure areas
- Community-managed interventions in health, education and nutrition
- Producer-to- market linkages and programs for tribal cooperatives (as in AP, Orissa)
- Improving access to most needed/wanted and relevant public programs such as PDS, NREGA
- Legal literacy and empowerment programmes related to forest rights, *panchayats*, land, etc.

6.7 Capacity Development and Monitoring for Social Development

6.7.1 Technical Assistance, Training and Capacity Building. Development of social development capacity to implement the SMF at the NMMU, SMMU, DMMUs and BMMUs/PFTs, and in the community institutions (SHGs/Federations) is an integral part of the NRLP. The NMMU will provide technical assistance (TA) to the states to support conduct of the State Poverty Assessments, and many other areas which will be identified continuously through project discussions, workshops, etc. The knowledge management and communication unit at NMMU would provide inputs for information, education and communication (IEC) strategies and materials that have to be implemented by the states.

Capacity building is an ongoing process in the project and takes place at different levels from the community to the NMMU. The SMF requires social development capacity to be built in the Mission Management Units, community institutions and CRPs. Some key areas and methods for capacity building at different levels are summarized in the table below. The SMF Guide will include other levels, topics and approaches. The SMMUs should develop training plans for all levels (except the NMMU) and finalize them in consultation with the NMMU. Training modules and materials prepared by these agencies should be made available on the state and national project websites for use by other states, as appropriate.

The SMMUs and NMMU would implement most of the capacity-building activities through national and state-level partnerships with suitably experienced training or technical resource agencies. The NMMU will prepare a roster of experienced and well-reputed training agencies in consultation with the states, and the states should select agencies from the roster and engage them to design, develop and deliver training modules, guidelines and practical resource books. Within the states, establishment of resource centres, community learning academies, and capacity-building of institutes such as the SIRDs (e.g., on social inclusion and community mobilization) would be facilitated to support project staff, community professionals and trainers.

Level	Social Areas for Capacity Building	Methods
SHGs	• Pro-poor and socially inclusive functioning • Social action and empowerment (including legal) • Gender sensitization • Schemes and entitlements for the poor • Planning of productive investments for the poorest families • Social accountability	• Training sessions with audio-visual aids • Handholding to prepare Livelihood Plans, for social accountability and other areas Handholding • Dissemination of information • Exposure trips to other SHGs
CRPs	• Social mobilization and community facilitation • Holding and documenting informed consultations • Participatory assessments such as wealth ranking, social mapping, transect walks • Preparation and social screening of livelihood plans and ensuring mitigation measures • Schemes and entitlements for the poor	• Training sessions with audio-visual aids, role plays, etc. • Regular dissemination of information • Exposure trips to field areas and projects, banks, government departments, etc.

	• Working with migrant labor, disability, landless and tribal people (and highly vulnerable others) • Social action and empowerment (including legal) • Social accountability • Voluntary donation of land	
Federations and Livelihood Collectives	• Holding informed consultations • Planning productive investments for the poorest • Pro-poor and socially-inclusive functioning • Accountability and empowerment • Gender sensitization • Schemes and entitlements for the poor • Social action, accountability and empowerment	• Training sessions with audio-visual aids, role plays, etc. • Handholding e.g., for social accountability • Regular dissemination of information • Exposure trips to other federations, field projects, banks, govt departments, etc.
PFTs/ BMMUs DMMUs SMMUs NMMU	• Pro-poor attitudes and behaviors • Holding and documenting free, prior and informed consultations • Community mobilization and facilitation skills • Social inclusion mechanisms and strategies • Participatory teaching-learning methods • Government and World Bank policies for social inclusion, social justice, rights, empowerment • How to carry out (or facilitate) a Social Assessment (in the State Poverty Assessment) including special modules on gender and tribal issues, and social analysis • Preparation and implementation of SIPs • Working with vulnerable groups • Working in conflict-affected areas • Social screening of livelihoods plans, rural and social enterprise subprojects • Monitoring and reporting	• Training sessions with audio-visual aids, tests, etc. • Field exposure visits, hands-on training, and immersions • Special topic and team-building workshops

6.7.2 Innovation and Partnership. All Innovation Pilots, Social Enterprises and Community Partnerships should be evaluated and selected only if they directly target and address the livelihood or social service needs of large numbers of the poorest households, women, tribal people, people with disability, landless, migrant labor or other highly vulnerable groups. They should be based on consultations with the targeted beneficiaries during design and implementation, and promote community capacity to negotiate with service delivery agencies and markets.

6.7.3 Monitoring and Evaluation. Two indicators of social mobilization and inclusion are included as Project Development Objective, PDO-indicators in the Project's Results Framework. They are:

(i) 70% of the identified poor households directly benefitting from the project by Year 5; benefitting means that poor households are not only part of SHGs but have also accessed and utilized the services related to savings, finance, entitlements and livelihoods; and

(ii) 80% of the excluded SC, ST and Muslim households directly access Community Investment Support through SHGs/Federations. Project results would be monitored on an annual basis through the MIS.

Concurrent monitoring will be adopted to guide the social performance and impact of the project, with inputs from community institutions. Community institutions will be trained to use participatory monitoring methods such as user satisfaction ratings, community scorecards, report cards, etc.

Inclusion of the identified poor households in the institutions, interventions and partnerships should be monitored by the SMMUs. The monitoring and evaluation system should include socially-disaggregated data collecting and reporting of beneficiary participation, capacity building, livelihood assistance, partnerships and other interventions, with a particular focus on tribal and other disadvantaged social groups and areas. Quarterly monitoring should be carried out to assess the social progress of the project using relevant indicators from the list below. Data on these items should be collected by the PFTs/CRPs at the village level and aggregated at district and state levels. Special qualitative and quantitative household surveys should also be undertaken to assess social, economic and financial changes among project beneficiaries. Social learning forums will be organized on an annual basis.

At the state level the SMMU Social Coordinator is responsible for consolidated reporting on the social indicators. Some key social monitoring indicators are indicated in the table below.

Social Mobilization

- Clusters of SCs, STs, poor minorities, and other vulnerable groups identified through participatory assessments; and their social issues identified (including gender issues)
- Information campaign using local, rural folk media conducted in tribal and non-tribal hamlets
- Free, prior and informed consultations including community briefing on SMF held in tribal and non-tribal hamlets and documented
- All poor households identified through participatory assessments
- Number of left-out SC, ST, minority and other poor and vulnerable households identified
- Habitation and village baseline data on SC, ST, minority and other poor and vulnerable households compiled
- Number of left-out SC, ST households mobilized into SHGs

Institution and Capacity Building

- Number of Social CRPs trained and deployed
- Number of women, SC, ST and other CRPs trained and deployed
- Number of SHGs formed with >50 percent SC, ST memberships
- Number of all-ST, all-SC SHGs and Federations
- Number of SC, ST members in Federations
- Number of SCs and STs who are office bearers and in executive committees
- Number of SHGs/federations that have completed capacity building events on social inclusion and pro-poor functioning, social and legal empowerment themes
- Number of SHG/Federations with subcommittees on social audit, participatory monitoring and social action
- Number of district level workshops held on tribal development and other inclusion topics
- Number of capacity building events on social development and empowerment themes

Community Investment Support

- Number of left-out ST and SC households receiving community investment support
- Number of sub-projects by ST and SC groups financed
- Number of SC, ST and women benefiting from employment interventions
- Number of special programs for SC and ST women supported

- Number of SC, ST, minority and other vulnerable households served by food security and health risk funds
- Number of Tribal and non-tribal livelihood plans financed
- Number of SHGs receiving technical support for livelihood plans
- Number of SC, ST households accessing public services and entitlements
- Number of grievances received and resolved at community level

Special Programs

- Number of SC, ST, minority households in conflict-affected districts receiving community investment support
- Number of SC, ST, minority and other vulnerable households served by community-managed centres on health, nutrition and education
- Number of other special programs on tribal inclusion, scheduled castes, women's empowerment and social development themes supported

Annex 1. Poverty and Human Development Data

Table 1: Population below Poverty Line in the project states in 2004-05 (based on Uniform Recall Period; population in millions)

States	Rural Persons		Urban Persons		All Persons	
	Percent	Number	Percent	Number	Percent	Number
Andhra Pradesh	11.2	6.47	28.0	6.14	15.8	12.61
Bihar	42.1	33.67	34.6	3.24	41.4	36.91
Chhattisgarh	40.8	7.15	41.2	1.94	40.9	9.09
Gujarat	19.1	6.34	13.0	2.71	16.8	9.06
Jharkhand	46.3	10.31	20.2	1.32	40.3	11.63
Karnataka	20.8	7.50	32.6	6.38	25.0	13.88
Madhya Pradesh	36.9	17.56	42.1	7.40	38.3	24.96
Maharashtra	29.6	17.11	32.2	14.62	30.7	31.73
Orissa	46.8	15.17	44.3	2.67	46.4	17.85
Rajasthan	18.7	8.73	32.9	4.75	22.1	13.48
Tamil Nadu	22.8	7.65	22.2	6.91	22.5	14.56
Uttar Pradesh	33.4	47.30	30.6	11.70	32.8	59.00
West Bengal	28.6	17.32	14.8	0.35	24.7	20.84
All-India	28.3	220.93	25.7	80.79	27.5	301.72

Based on URP consumption in which consumer expenditure data for all items are collected for a 30-day recall period. *Source: Planning Commission, Government of India.*

Table 2: Population below Poverty Line in different states of India in 2004-05 based on Mixed Recall Period (population in millions)

States	Rural Persons		Urban Persons		All Persons	
	Percent	Number	Percent	Number	Percent	Number
Andhra Pradesh	7.5	4.32	20.7	4.55	11.1	8.87
Bihar	32.9	26.29	28.9	2.71	32.5	29.00
Chhattisgarh	31.2	5.47	34.7	1.64	32.0	7.11
Gujarat	13.9	4.62	10.1	2.11	12.5	6.74
Jharkhand	40.2	8.97	16.3	1.06	34.8	10.03
Karnataka	12.0	4.33	27.2	5.32	17.4	9.66
Madhya Pradesh	29.8	14.20	39.3	6.90	32.4	21.09
Maharashtra	22.2	12.84	29.0	13.14	25.2	25.98
Orissa	39.8	12.93	40.3	2.43	39.9	15.36
Rajasthan	14.3	6.67	28.1	4.05	17.5	10.71
Tamil Nadu	16.9	5.65	18.8	5.86	17.8	11.51
Uttar Pradesh	25.3	35.76	26.3	1.04	25.5	45.81
West Bengal	24.2	14.66	11.2	2.66	20.6	17.32
All-India	21.8	170.30	21.7	68.20	21.8	238.50

Based on MRP in which consumer expenditure data for five non-food items, namely, clothing, footwear, durable goods, education and institutional medical expenses are collected for a 365-day recall period and consumption data for the remaining items are for a 30-day recall period. *Source: Planning Commission, Government of India.*

Table 3. Statewise SC and ST population and Poverty Head Count Ratio, India 2004-05

NRLP States	Total SC Pop	Percent SC Pop	Total ST Pop	Percent ST Pop	Total Pop of the State	Poverty Head Count Ratio (%) 2004-2005
Andhra Pradesh	12339496	16.2	5024104	6.6	76210007	44.6
Bihar	13048608	15.7	758351	0.9	82996509	60.5
Chattisgarh	2418722	11.6	6616596	31.8	20833803	50.9
Gujarat	3592715	7.1	7481160	14.8	50671017	37.8
Jharkhand	3189320	11.8	7087068	26.3	26945829	60.7
Karnataka	8563930	16.2	3463986	6.6	52850562	49.5
Maharashtra	9881656	10.2	8577276	8.9	96878627	47.8
Madhya Pradesh	9155177	15.2	12233474	20.3	60348023	44.6
Orissa	6082063	16.5	8145081	22.1	36804660	59.1
Rajasthan	9694462	17.2	7097706	12.6	56507188	38.3
Tamil Nadu	11857504	19.0	651321	1.0	62405679	44.6
Uttar Pradesh	35148377	21.1	107963	0.1	166197921	48.4
West Bengal	18452555	23.0	4406794	5.5	80176197	39.4

HCR estimated by Tendulkar Committee where the indicators used are more extensive than the Universal Recall Period or the Mixed Recall Period used by NSSO.

Source: Population data Census of India 2001; HCR Data: Report of the Expert Group to Review the Methodology for Estimation of Poverty, GoI, Planning Commission 2004-2005

Table 4. Project States grouped according to Human Development Indices (HDI)

	SC	ST	Non SC/ST	All Groups
High HDI	Maharashtra	Tamil Nadu	Maharashtra	Maharashtra
	Tamil Nadu	Gujarat	Tamil Nadu	Tamil Nadu
	Gujarat	Maharashtra	West Bengal	West Bengal
	West Bengal	Karnataka	Gujarat	Gujarat
	Karnataka		Karnataka	Karnataka
Low HDI	Madhya Pradesh-Chhattisgarh	Rajasthan	Madhya Pradesh-Chhattisgarh	Rajasthan
	Rajasthan	West Bengal	Rajasthan	Madhya Pradesh-Chhattisgarh
	Orissa	Uttar Pradesh	Orissa	Orissa
	Uttar Pradesh	Madhya Pradesh-Chhattisgarh	Assam	Uttar Pradesh
	Bihar-Jharkhand	Orissa	Uttar Pradesh	Bihar-Jharkhand
		Bihar-Jharkhand	Bihar-Jharkhand	

Source: Human Poverty and Socially Disadvantaged Groups in India, Human Development Research Centre, UNDP, 2007.

Annex 2. Social Screening Guide for Sub-Projects

The following subprojects are <u>not eligible</u> under the NRLP:

- Subprojects involving land acquisition, land purchase, forcible eviction or physical displacement of residence or livelihoods
- Subprojects involving involuntary restrictions on access to or use by people of legally designated parks or protected areas
- Subprojects undermining the rights and special provisions of vulnerable groups such as scheduled tribes, scheduled castes, poor minorities, people with disability, etc.
- Subprojects which are incompatible with the society and culture of scheduled tribes
- Subprojects with the potential to create conflict, violence and inequalities between any groups including castes and tribes
- Subprojects violating the Constitutional rights of any person
- Subprojects causing adverse effects on local communities, sacred sites or other cultural heritage
- Subprojects involving child or bonded labor
- Subprojects restricting any person's rights, freedom, voice, choice or mobility
- Subprojects without broad community support.

Eligible subprojects should be screened for potential adverse social impacts using the following checklist and, where required, appropriate mitigation measures designed as part of the sub-project plan.

Scheduled tribes

- Are there scheduled tribes living within the subproject area?
- Are there scheduled tribe households among the beneficiaries of the subproject?

Land

- Would the subproject require use of *panchayat/* common land?
- Would the subproject require any donation of private land?
- Would the subproject use land that is currently occupied or regularly used for productive purposes (e.g. gardening, horticulture, farming, pasture, fishing locations, forests)?

Health, Safety and Child labor

- Would the subproject interfere with the normal health and safety of workers/employees or others?
- Would the subproject reduce employment opportunities for the surrounding communities?
- Would the sub-project reduce income for others in the local communities?
- Would the sub-project increase insecurity in the area?
- Would the subproject increase drudgery for women or increase their work load significantly?

Annex 3. Good Examples for the NRLP of Social Interventions in Previous Projects

Strategy	Some Details	Project
State Social And Poverty Assessments	Assessment of poverty and livelihoods, with gender and social exclusion analysis and tribal development content	All World Bank-supported livelihoods projects
Area identification	Using BPL, Human Development Index, Gender and Empowerment indices	All World Bank projects
State Perspective Planning	Based on findings of the state poverty assessments and consultations	All World Bank projects
Social preparation of communities (pre-mobilization)	Rapport building, hamlet-level consultations, participatory mapping, information and education campaigns, folk media	All livelihoods Project of WB; DFID- supported MPRLP, APRLP, Projects supported by CARE India, GTZ, Oxfam, GOI Swashakti Project
Participatory identification of the poor	Participatory wealth and well-being ranking using locally-articulated and other criteria and *Gram Sabha* endorsement	MP DPIP II, BRLP, TRIPTI, APDPIP II, TN Empowerment and Poverty Reduction Project (TNEPRP)
Thematic committees	Monitoring and Learning Committee Social Audit Committee Tribal Subcommittee	TNEPRP, APDPIP
Social capacity building	Social action and empowerment Gender Social accountability	Rajasthan DPIP II, TNEPRP, AP DPIP II
Health risk and food security funds	Community managed funds to meet health emergencies and food-related shocks	BRLP, APRPRP, RRLP
Community-managed health, nutrition centers	Community managed centres to provide food to those in need and health care	APRPRP

Support to migrant labor	Support to migrant families with remittance services and others	MPDPIP
Social audit committees	Social Audit, Community Score Cards, *Jan sunwais* at the *Gram Sabha* level, etc	TNEPRP
Land access	Settlement of land ownership issues and disputes	APRPRP
Poorest of the poor strategy	Focused on SC/ST households through dedicated CRPs	APRPRP
Community food grain centers	Community managed food grain procurement and distribution centers	APRPRP

Annex 1. Key Actions in the Social Management Framework

Project Components	Subcomponents	Key Actions	Monitoring Indicators
Component 1 INSTITUTIONAL AND HUMAN CAPACITY DEVELOPMENT	Technical Assistance	Technical Assistance to states for Social Readiness: social assessment (SA), informed consultations with STs, SCs and other groups, preparation of SIPs; prioritization of poorest areas and most excluded groups in SPIPs/AAPs; completion of core social development training module by state teams Appraisal and approval of SA, SIPs, SPIPs and IAPs Pilots and exposure visits on social inclusion and mobilization for new states Delivery of core social development module for SMMU and DMMU staff Partnerships with specialized agency to deliver TA	Number of states completing SAs, preparing SIPs and meeting social readiness criteria Number of states with trained social staff at state and district levels Number of new states initiating pilot interventions for social mobilisation Partnerships with specialized agencies to deliver social development TA
	Human Resource Development	Development of SMF implementation guidelines, training modules, resource books and practitioner toolkits for state teams, community resource persons and community institutions Regular immersion and exposure programs for SMMU staff on social inclusion in best practice locations across India Partnerships with training institutions and resource agencies for capacity building activities	Development of implementation guidelines for SMF implementation Core Social Development Training Module prepared and delivered to the states Partnerships with training institutions and resource agencies for capacity building activities established
Component 2 STATE LIVELIHOOD SUPPORT	State Rural Livelihood Missions	Availability of trained Social Development Coordinators/staff in SMMUs, DMMUs, BMMUs/PFTs Development of cadre of professional trainers, master trainers and community resource persons on social mobilization/development	Number of trained social staff available at state and district levels Cadres of social development trainers and CRPs developed
	Institution-building And Capacity-building	Identification of clusters of SCs, STs, minorities and other social and occupational groups. Identification of key social issues of women, STs, SCs, minorities and other vulnerable groups in blocks Identification, training and mobilisation of CRPs (social) Informed consultations, community briefings and information campaigns	Blocks and clusters of high poverty and vulnerability identified in each state Block/PFT area reports Number of blocks/clusters with social CRPs

		targeting women and men from ST, SC, poor minority and other vulnerable groups in project villages; community disclosure of SMF and gender, social and tribal inclusion strategies	Number of project villages where informed consultations and communication campaigns completed
		Participatory identification of poor ST, SC, minorities and other vulnerable households, including identification of left out households	Number of project villages where participatory identification of poor is completed
		Saturation coverage and universal social mobilization of identified poor households in SHGs and federations	Number of habitations with universal social mobilisation of identified poor households
		Inclusion of identified poor households in leadership positions of community institutions	Number of SHGs/Federations with 50 percent or more leadership positions in community institutions are held by ST, SC or poor minority households
		Socially inclusive, poverty-sensitive and accountable functioning of community institutions through thematic committees on scheduled tribes, social audit, participatory monitoring, and social action	Number of SHGs/Federations with thematic subcommittees on scheduled tribes, social audit, participatory monitoring and social action
		Capacity building of community institutions on social inclusion and pro-poor functioning, social and legal empowerment etc.	Number of SHGs/Federations completing social capacity building module
	Community Investment Support	Targeted training, facilitation and support to identified poor households (specially STs and SCs) in preparing household livelihood plans	Number of SHGs accessing livelihood assistance
		Social screening of SHG Livelihood Plans, pro-poor value chains, large rural enterprises and community projects involving land	Number of extremely poor and vulnerable households accessing direct individual assistance
		Targeted individual assistance to extremely poor and vulnerable households identified in participatory assessments	Number of identified poor households linked with government social programmes
		Identified poor households linked with government social programmes	
		Vulnerability-based targeting and coverage with community-managed food security and health risk funds	
		Consultations and interactions with SHG members on key social development issues and follow-up action planning with the support of CRPs	
		Block and District level reviews of project interventions with participation of	

		NGOs and community institutions, especially in tribal areas	
	Special Programs	Poorest and most vulnerable tribal and nontribal households access and manage interventions in health, nutrition and education	Number of beneficiaries served by community-managed interventions
		Project interventions in conflict-affected districts designed and implemented through NGOs/CBOs in close consultation with targeted communities	Number of NGO/CBO partnerships in conflict-affected areas
		Social development interventions with wider replication potential piloted	
Component 3 INNOVATION AND PARTNERSHIP SUPPORT	Innovation Forums and Action Pilots	Poverty and social impact screening and evaluation of action pilots	Number of innovation pilots improved through social screening and evaluation
	Social Entrepreneurship Development	Documenting and disseminating social impacts and strategies of social enterprises	Number of social enterprises supported
		Start-up funds for scaling up replicable models addressing social service and livelihood needs of excluded areas and groups	
	Public-Private Community Partnerships	Partnership guidelines prioritize interventions promoting social, financial and economic inclusion among the most excluded groups of rural poor	Number of partnerships promoting social, financial and economic inclusion of most excluded groups
Component 4 PROJECT IMPLEMENTATION SUPPORT	National Mission Management Unit	Engagement of Social Development Coordinators, Associates and Consultants; establishment of Social Development Thematic Unit;	Engagement of Social Development Coordinators, Associates and Consultants in NMMU
		Systematic partnership between Social Development thematic unit and TA units	Half-yearly reporting on SMF
		Implementation, monitoring and revision of SMF	Participation of CSO and other experts in advisory group meetings
		Representatives/experts from civil society, training and academic agencies, and community institutions are part of Advisory Committee	
	Monitoring and Evaluation	Reporting on PDO indicators on coverage of rural poor and socially-differentiated access to community investment support	Results Monitoring Report
		Consolidated reporting on SMF implementation	Report on SMF implementation, including social performance reports from SMMU
		Reporting on social performance of NRLP from state reports on monitoring	

		of progress, process, quality, participation and household welfare changes External audit of implementation of SMF Social development learning forums	Report of SMF audit Organization of social development workshops and learning forum
	Governance and Accountability Framework	Support to community-level mechanisms on social accountability, participatory monitoring and grievance redress	Functioning of social audit, participatory monitoring and grievance systems at community level
	Knowledge Management and Communication	Annual Social Inclusion learning event Documentation on social dimensions of NRLP, particularly lessons from SMF implementation, and dissemination	Conduct of Social Inclusion learning forum