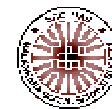


IS MICRO CREDIT
AN EFFECTIVE TOOL FOR
POVERTY ERADICATION?



Malankara Social Service Society
SROTHAS
Community Development and Research Centre
Archdiocese of Trivandrum



Is micro credit
an effective tool for
poverty eradication?

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Preface

This booklet is prepared based on the experiences of the Self-Help Groups which are formed and functioned under the auspices of the Malankara Social Service Society. It contains the insights and experiential knowledge of the Sangham (Self Help Groups - SHGs) members as articulated in their discussions. Due importance is also given in using different methods of study including questionnaire survey to understand various facets of poverty and its manifestations. The objective of the study was not to make an appraisal and assessment of the Self-Help Groups. This is an attempt to gain a deep understanding about the capabilities of the Self-Help Groups for poverty eradication. This may be viewed as the beginning of an enquiry towards the relevance of the Self-Help Groups in addressing poverty and marginalization.

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This booklet is a learning outcome of the project, “Capacity Building for CBOs and their sustainable Development” supported by the Italian Bishops conference. This project has helped MSSS to get more insight into the poverty situation and peoples’ capabilities for addressing the same. MSSS could also acquire capacity for documenting and initiating dialogue on the issues of poverty and empowerment of the poor.

We are extremely grateful to the Italian Bishops Conference for supporting this action-learning process and building the capacity of the poor for addressing poverty and marginalisation.



Historical background of the self-help groups

Mutuality and co-operation are as old as the origin of life itself. This is also the rule of nature. This is the foundation for the existence of life. At the same time, apart from its basic function as a mere process of transaction for existence, the commitment subduing to the wisdom of nature is its central core. There is no place here for suppression, striking out or elimination. Instead, the truth of the nature is that there is no separate existence for human beings in isolation with the environment. Hence it is important that each organic link should gain strength through mutual empowerment and sharing.

History shows us that this picture is changing along with the human superiority which has gained the upper hand. We see that many of those links which bind the sublime culture of mutuality are affected by wear and tear, or they are even broken. The rule of the Theory of Evolution is "survival of the fittest". When it took the shape of the social law, many weaker sections which have been unable to withstand the pressure of the situations have reached the brink of total destruction. Those subjects who were toiling, and who were not receiving the proportionate protection had become the victims of this change.

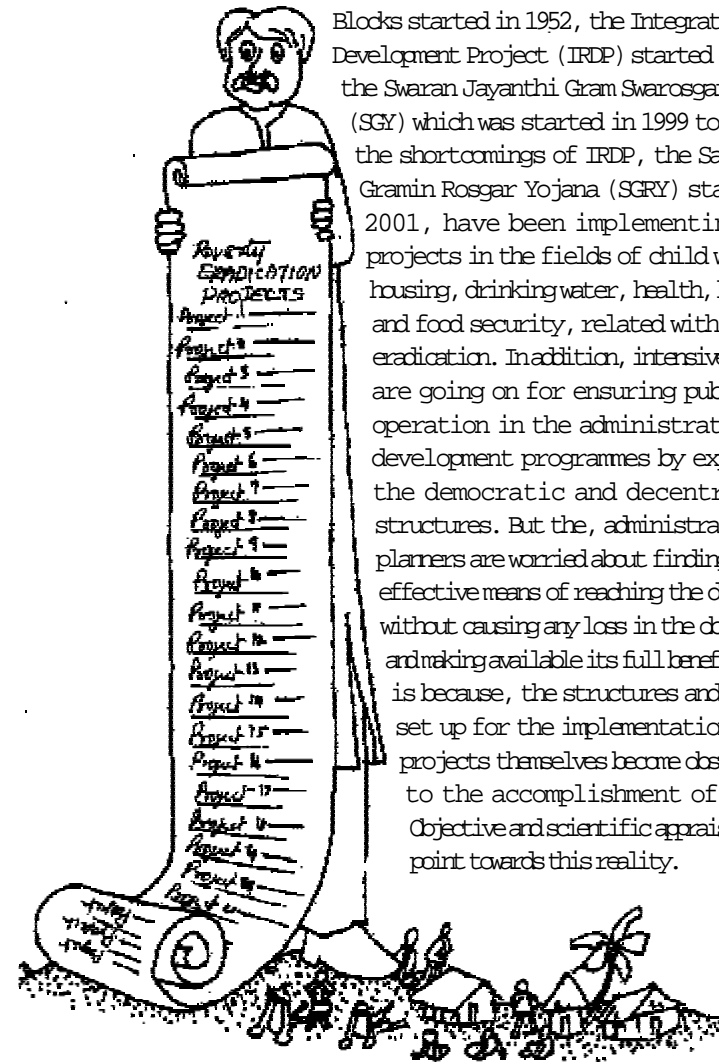


The environmentally damaging production, marketing, conservation policies and unhealthy relations between factors of production have become the typical characteristics in the systems. As a result, the toiling masses had to succumb to further exploitation. Their concerns came to be unimportant. Though very slowly, this led to the onset of poverty. The real face of poverty is still unknown to science. The condition which exists today is that the catastrophe of poverty which haunts humanity for millennia cannot be justified.

The plans and policies formulated by the countries for the alleviation and eradication of poverty itself paved the way for complicating the poverty situations and its spread.

Another noteworthy contradiction is that there exists a condition that the agencies working in the field cannot but develop parallel policies which worsen the poverty situation and its spread also along with those for poverty eradication. These trends are only on the increase. Many of the interventions which aim at progress such as wars, terrorism, large scale projects causing excessive exploitation of natural resources and environmental degradation, modern cultivation methods, liquor industry, liberalization of production, marketing etc., complicate poverty situation and its spread.

Though, many plans for poverty eradication had been implemented in independent India, statistics show that they have not produced any fruitful results. The Community Development

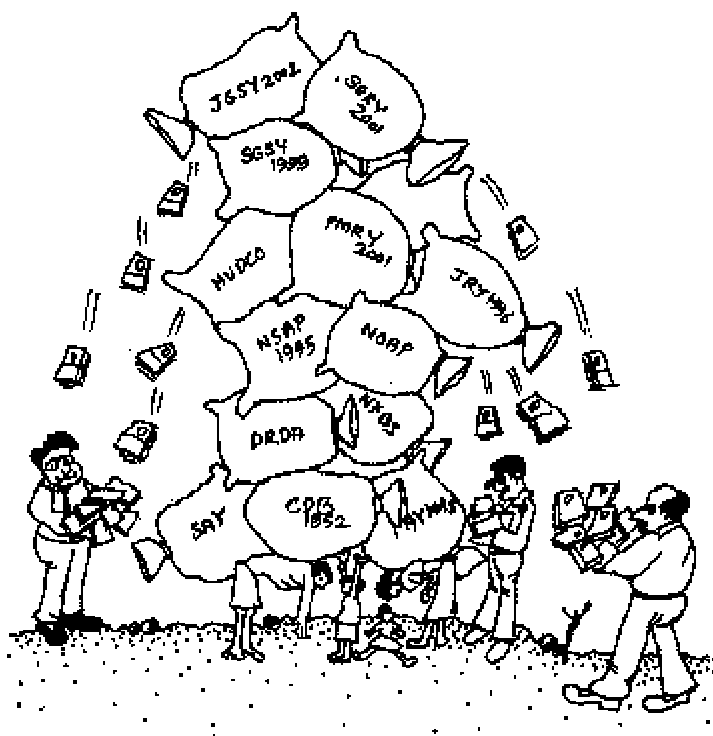


Blocks started in 1952, the Integrated Rural Development Project (IRDP) started in 1980, the Swarnajayanti Gram Swarozgar Yojana (SGY) which was started in 1999 to rectify the shortcomings of IRDP, the Sampoorna Gramin Rozgar Yojana (SGRY) started in 2001, have been implementing many projects in the fields of child welfare, housing, drinking water, health, hygiene, and food security, related with poverty eradication. In addition, intensive efforts are going on for ensuring public co-operation in the administrative and development programmes by expanding the democratic and decentralized structures. But the administrators and planners are worried about finding out the effective means of reaching the deserving without causing any loss in the objectives and making available its full benefits. This is because, the structures and systems set up for the implementation of the projects themselves become obstructive to the accomplishment of goals. Objective and scientific appraisals also point towards this reality.

Poverty eradication projects,
In spite of all the projects the poor become poorer



Even at this complicated and confusing juncture, many voluntary organizations have tried numerous methods, and those which were found to be successful were extended to more places. The models originated in this way are the micro credit/ micro finance groups which are other wise known as the Self-Help Groups (SHGs).



Who gains the benefit of the projects

In 1976 Prof. Mohammed Yunus in Bangladesh lent his own money to some extremely poor women and from his own experience he could realize that women are highly capable of utilizing the loans and in paying back the debts. Afterwards, deriving motivation from this, he organized poor women into self-help groups and took efforts to find out its shape and nature. Thus, in 1983, the Bangladesh Grameen Bank came into being. The concept, approach and methodology of Grameen bank spread out to many countries in the world such as Jamaica (1981), Dominican Republic (1983), Indonesia (1984), Kenya (1984), Senegal (1986), Honduras (1992), and Bolivia (1992). Apart from this, in the mean time, similar activities were initiated in Mexico, Sri Lanka and in many other countries. In almost all countries, these advancements grew in to the national level as the network of Grameen Bank. In 1997 a summit on micro-credit was held in Washington. Resolutions were passed at the summit to the effect that the micro-credit facility shall be made available to 10 crores (100 million) of poor families (about 50 crores of people) for engaging in self-employment through women.

In 1904, the Co-operative Societies Act came in to force and this created a favorable condition for the origin of formal rural credit systems in India. The All India Credit Survey Committee constituted by the Reserve Bank of India in 1951 conducted a study on the systems for rural credit facilities and the report of the study was submitted in 1954. As per the report, only 7.3% of the rural credit is being



made available through formal (legitimate) financial institutions. Rest of the 92.7% of the credits is availed by the people through informal channels. Even now in villages, two third of the credits are availed through informal sources known as 'blade' which charge very high rates of interests. In 1969, through the nationalization of banks, and in 1975 taking decision for the establishment of local village banks (Gramin Banks), efforts were taken to extend the services of the banks to those who are socially backward like small and marginal farmers, skilled craftsmen, and small scale industrial entrepreneurs. In 1981, the NABARD (National Bank for Agriculture and Rural Development) was established and the rural credit schemes were given top priority. In 1972, SEWA (Self Employed Women's Association) which was originated as a trade union, started micro - credit systems much before the model of Bangladesh Grameen Bank became available. Subsequently, in south India, voluntary agencies like 'Mirada', 'Pradan' and 'Malar' developed activities of self-help groups to suit to local conditions. Along with this, the activities of the self-help groups were linked with formal financial establishments through Rastriya Mahila Khosh (RMK), bank linkage programme of NABARD and extended to newer dimensions.

In Kerala, in the 1980's the voluntary organizations organized micro-credit systems in the model of 'credit union' and started functioning in the villages. With the advent of the year 1996, their attention was turned to the formation of the Self-



Help Groups. In 1994, the 'Kudumbashree' programme came into being as the Kerala Government's poverty reduction mission in the model Neighborhood Groups (NHGs) and it was extended to all the Panchayaths in the state. In the 1980's the 'Ayalkootam', (the group of the neighborhoods) a movement initiated by the late Mr. K. Pankajakshakurupu, was formed in Ambalappuzha. It had a vision which opened a new vista of emancipation for the poor by attaining self sufficiency through co-operation and mutual sharing. The vision named 'Ayalkootam' has helped a lot in the formation and functioning of the Self-Help Groups in the Kerala context. The Self-Help Groups are spreading out today to new areas and new sectors through voluntary organizations, government projects, Panchayat Raj Institutions and Social and Political Institutions. 🌐



Lessons from the Self Help Groups

The Malankara Social Service Society (MSSS) stepped into the activities of the Self Help Groups in the year 2000. The Self Help Groups took their origin by revamping the two hundred and odd credit unions which were started in 1990 and by starting new unions, where the credit unions did not reach. The Credit Unions were informal co-operative societies with not more than 250 members, the activities of which were centered on thrift, small savings, and micro-credit. At present, 2100 Self-Help Groups are functioning in 110 villages in the districts of Pathananhitta, Alappuzha, Kollam and Thiruvananthapuram.

In each village, there are federations of Self Help Groups and considering the geographical features one Regional Federation for every 15 Self Help-Groups is functioning which co-ordinates their functions. Now it has a membership of more than forty thousand families. The following is a discussion on the lessons and understanding based on the working experiences of the last four years.

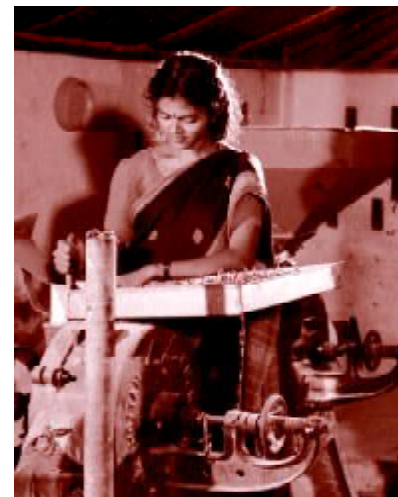
Responsiveness to the location specific situations

Experiences prove that the Self-Help Groups can adopt a wide variety of style of functioning to suit to



the type of activities of the local people, social relations and resources bases. Based on the collective decisions, the extent of weekly savings are promoted. There are many Groups which make diversities in the savings amounts depending upon the occupational avenues in each season and earning sources. This arrangement is helpful to the members to save more during seasons of higher earnings and to reduce burden when earnings are low. Even those who are unable to save or pay back debts do not stay back from the weekly group discussions. Majority of the Groups give more importance to discussions and learning processes in the meetings and the fellowship of the members than that they are giving to the monetary matters like savings and loans.

Ownership and responsibility in the savings and credit processes



Meetings are conducted in a manner that all members get a clear idea about the savings and credits of each member. The savings and credit details are presented at the meetings by using visual drawings to make it clear to the members. Discussions are conducted and joint decisions are taken for the ownership of resource collections and credits sanctioned. The members in all the groups have the freedom to withdraw their savings at any time. The member who avails the credit and the other members sit together and discuss



the purpose of the credit, the spending nature and the arrangements for paying back and take decisions to the effect that one who avails credit should not suffer any hardship. Instead of refunding a fixed amount every week or for a specific period, refunds are arranged in accordance with the income fluctuations. Penal interest is not collected from defaulters. The members do not believe that responsibility can be developed in the members by imposing penal interest. Instead of this, the reasons for default are discussed in detail and they find out the errors in their planning. Subsequent refund arrangements will be made with suitable provisions for rectifying the shortcomings if any. The clear understanding about and analysis on the credit repayment and savings is the matter that helps the paying back and collection of savings regularly.

Linking with Banks

The MSSS does not agree with the approach of receiving of micro-credits in bulk from banks and its distribution among its members. The MSSS firmly believes that it is the community which has to establish relations with the local financial institutions and other development institutions and make available the services. Therefore, a different outlook has come up about the mission of MSSS. Apart from its function as an institution that approves projects and grants loans the realization that it is the duty on the SHGs to develop a society that can understand the problems objectively, and articulate responses collectively as a group is gaining strength. As a result of the activities of this kind, all the existing



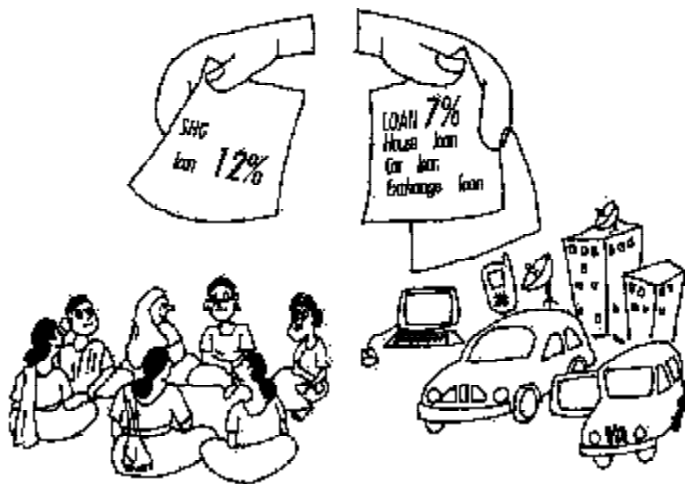
Groups have by the time developed bank linkages at their levels. In the last one year itself micro-credit amounts ranging from Rs. 20,000 to Rs. 2,50,000 had been availed and activities were conducted. So far, the Groups are able to secure twelve crores of rupees from the different local banks. The Groups have taken up the complete responsibility of the credits function as totally independent institutions by maintaining necessary accounts, records and essential documents. Beyond the volume of the amounts that could be collected, the self-confidence and administrative efficiencies gained by the Groups in the above process is of great value. More than 6000 women who are working in the administrative bodies now prepare projects in direct contact with the banks and raise resources and simultaneously take part in the planning and execution of the projects. The direct benefits of this are reaching more than 30,000 families.

There is an anxiety in all Groups that the high rates of interests on the amounts made available from the banks towards micro-credits cannot be justified on any account. These banks are sanctioning loans at low rates of interest for the construction of huge buildings, purchase of electronic equipments and vehicles. But, the relevant questions remain why they do not fix low rates of interest for the poverty eradication projects also. Is it another method of exploitation? Is it a trap for pushing poor people into an exploitative market? Is it a stratagem to carry those drops which trickle down from large - scale deposits also to the exploiters? This is an area which requires special contemplation.



Decentralized Planning and Project Implementation

The confidence of the members has increased and now they can make long-term contributions through the groups in the field of local development. All Groups are taking a creative role in the implementation of projects managed by the Panchayaths and various departments. Women's development schemes, self-employment schemes and loan-related subsidy schemes are implemented through the Groups. But it is the experience of the Groups that none of these receive necessary continuing services. Therefore, the expected results are not often obtained and by implementing the non-productive projects, the confidence of the Groups and the motivation for taking efforts for poverty eradication also diminishes.



High rate of interest for reducing poverty

As a result of collective learning on the life situation of the people, the Group members are gaining insight into sustainable development, their role in achieving self-reliance and critical reflections on the role and responsibilities of government institutions and offices triggering sustainable development. The Group members have made many findings to the effect that policies and administration do not synchronize with each other. The members are now realizing that the plans and projects are the means for simply spending the funds before the expiry of a financial year and they are not able to solve problems and these are in inanimate and inflexible frameworks. It is only the absolute experience of members that participatory planning in





Table showing the information collected from the Groups
The appraisal by the Groups on the local Governance and development

Sl. No	Statements	Fully Agree %	Partially Agree %
1	In Local level planning, priority should be given to the needs of the people	95	5
2	The people should assess the PRI projects	70	30
3	The people should be communicated of the inability of the PRIS to carry out the plans on a time-bound basis	78	22
4	Corruption is prevalent at the Panchayat level Governance	63	37
5	The people are to be entrusted with the responsibility of local development	78	22
6	The Panchayat and different departments are not able to find out long standing solutions for the problems of the people	58	42
7	Local development is not possible without participation of the people	74	26
8	The Panchayaths and the various Department of the Government formulate plans without clearly studying the problems of the Locality	55	45
9	The people do not have the awareness on their rights	65	35
10.	The Government is deliberately isolating the civic group from the local development affairs	78	22

Nobody has expressed disagreement with the above statement

democratic decentralization means preparation of lists of needs and signing the certificates. But, for the groups, because of their own style of functioning, the process that is taking place at the group levels are the creation of insights, and novel ideas by unveiling the various faces of life. Many findings which show light for activities take their shape through discussions in which wisdom of experience and scientific knowledge is integrated. Above that, a variety of developmental ideas are evolved and they are put to practice. The capacity of the groups to put into practice these ideas is a speciality worth mentioning. The SHGs take sincere efforts to reduce sectarianism and communalism, create awareness on environmental protection, spreading messages on equality of women and empowerment of the weak, anti-dowry activities, enhancing social commitment in the matter of children, the old, and the physically handicapped and to respond to the negative impacts of crippled policies of the government like the liquor policy. The dedication in realizing the scourges in life, initiating activities beyond the rigid and conventional mode operations brings hope into the life in the villages and among the poor.

Strengthening of Social Capital

In the society in which the social fellowship is disintegrating and human values are crumbling down because of the intrusion of markets, new hopes and aspirations are coming into being through the SHGs. Experiences testify that the social capital resource is playing a major role in poverty reduction. Poverty



structure can be relieved to a certain extent with the help of social capital that goes beyond the money and other material resources. The individual needs met or realized through mutual help, cooperation, collective activity, acquiring new knowledge and improving institutional relations are all the result of Self Help Approaches.

Gaining a reduction in the cost of products through purchasing them from wholesalers by the members as a group, attending a patient in hospital by one from each family by turn to enable the bread-earner of the patient's family to go for work, to render voluntary services for house construction, collecting materials like chairs utensils etc. for marriage ceremonies, collecting drinking water from taps during scarcity by allowing others to go for work, consoling the bereaved family of a deceased through taking up rites after death, engaging young men and women for taking tuitions for children to improve their studies, by pooling the small savings taking up construction/labour activities on contract basis, conducting discussions on Government programmes, market fluctuations, new job avenues etc. by the SHGs are all examples of social capital. In developing the invaluable capital of social fellowship which nurtures the survival of the poor, the role played by the Groups is the noblest.

Women's Empowerment

The real understanding and insight about the power of women and the determination for growing in more power are experiences which raise the




status of the SHGs far above that of micro-credit facility. Women are always in the front line in finding out the causes of problems on a practical and fundamental basis and in implementing the solution for them.

By involving in collective actions women get opportunities to have an understanding about their own abilities which help them to take up leadership role in bringing about changes in the social and economic spheres. In places where the SHGs are functioning, at the time of a general decisionmaking, now a situation has come in which the participation of women in the leadership lines of the Groups





cannot be ignored. Activities which were once set aside under the impression that they were impossible for implementation were taken up by women and they have executed them. The members have many incidents to be shared in which women stood in the front to solve many disputes and frictions occurred at local level. The trend of women moving out from the set patterns of functions to more creative and development oriented ones is on the increase. The sacrifices and endurance shown by women to escape from the chasm of poverty are far beyond expectations. Even at this juncture, when the poorest of the poor women have started making concerted efforts to come up in life, the doubt remains whether there will be a permanent relief from poverty. 



Sensitivity to Poverty Disasters

The disasters related to poverty have been hunting the members one after another. They face diseases, premature deaths, dowry-related issues, shortage of drinking water, damages to cultivation and price-hike on provisions. The experiences enumerated below are those revealing the poverty of the members.

Lack of steady income

There are local variations in the number of occupational days available to the members; the study shows that this does not exceed an average of 195 days per year. About 60% of the members depend on three or more types of occupations at different seasons. Those who are engaging in about eight occupations constitute 22%.

Dependency on single individual for the family income

31% of the families depend on a single individual for family income. Out of this, 17% are solely depending on the income of women. Income of a family is affected due to the illness of the bread-earner. There are many families which have to be content with one or two meals a day.



The poor are not able to undergo complete medical treatment

Undergoing provisional treatment when an ailment becomes severe, and stopping the treatment on a minimal relief is the tendency among the poor. Lack of financial capacity and interruption of income which compel them to go for work are the main reasons for stopping treatment before completion. Better medical services are inaccessible to them.

Increasing liabilities lead to selling out assets

78% of the loans on high interest availed are for requirements like treatment, marriages and education. The only way out left before the poor to clear the debt is to dispose of their land property. Jewels, cattle, trees, furniture etc, are the other items being sold out to clear the debts. Sometimes items of ten-fold value are alienated in the event they are unable to clear the debts.

The needs are not met

Many families are remaining in tension since they are not able to fulfill even such inevitable requirements as treatment, marriage and higher education of their children.

The projects are not implemented

Many families had to leave the construction of houses latrines, self-employment and poverty eradication programmes halfway. The default in raising self-contributions, the inability to influence the officials and unexpected tragedies are some of the reasons for this.



Lack of livable houses and sanitary latrines

There are 16% of families in the Groups who live in unhealthy environment. Since they are unable to make necessary investments they pull on their life towards a future of uncertainty.

Shortage of drinking water

Drinking water shortage is acute during summer season in more than half of the Group areas. On account of this, the hardships the women have to suffer are beyond description. When more amount is to be given for one litre of water than milk, more strain has to be taken to fetch water than producing a litre of milk through rearing a cow.

The ever increasing communicable diseases

The communicable diseases are attacking 65% of the families. Water - borne diseases are found during summer, and early rainy seasons. The studies conducted in the Groups show that 15% of the families are spending half of their annual income on disease treatment.

Price increase on provisions

The life of the poor is dependent on the market. All essential items including essential food commodities are to be purchased from the market. With the annual increase in coolie work and price fluctuations of agricultural products, every poor family is forced to make 13% of additional income every year. This increase is unavoidable to stabilize



the present state of poverty. Moreover, when the expenses for education, treatments etc. are considered, it is very difficult to maintain even the present state of affairs.

The inhuman behavior of officials

The Group members have experienced how the poor are incapable of earning the favours and services best deserved by them. The poor are incapable of impressing about their eligibilities to the service-providers. Here also, their backwardness is hunting them as a vicious circle.

Lack of job-security

Many occupations are now extinct because of resources shortages and changes in the market. New job avenues are not opened to the poor. The Group members came to realize that job security is basic to everything in life.

Inability to take care of the old and the disabled

The matter that they are unable to give the necessary care and attention to their parents and handicapped relatives is always worrying them.

Ceremonies Given up

The modernization consumerism and heavy expenses, keep the poor away from ceremonies. It develops in them a kind of alienation.



Bare Spectators of sweeping changes

The drying-up of drinking water sources, demanding more money for basic services, the extinction of the occupations they were engaged till the date, are all affecting their lives; but they remain silent witnesses. The situation that the poor have no control over the policies and programmes and these changes alienate them from the society and gap between rich and the poor further widens.

What is said above are the diversified experience of poverty. The experience of poverty by each family is unique and relative. History has proved that centralized activities only aggravate poverty and does not remove it. They are doing their best to ease the blows inflicted on them by the decentralized Self-Help-Groups. Many activities such as consoling those who are afflicted by mental pain due to poverty, rendering temporary relief to the poor through rendering physical labour, supply of money and properties are carried and at the Group level. The Groups are extending productive contributions to meet many needs like education, treatment, rites after death, house-construction, and marriage. Every Group raises Rs.5000 to Rs.2,50,000 every year and conduct relief activities in their areas. To what extent the SHGs will be able to find out permanent situation for poverty?. How shall the Groups gain the strength to remove the highly complicated issue of poverty? With whom shall the hand be held? Answers are to be found out for these questions.



The future of Self-Help Groups

The SHGs which have taken shape as an approach or method for the eradication of poverty are really the minute level structures with the capacity to eradicate poverty. Or, are they the shortcuts for compromising with poverty rather than touching the root-causes of poverty and to overcome poverty through temporary arrangement? While a reformation is required in the socio-political structure to remove the poverty which is the creation of the local, national and global system



The loans obtained for reducing poverty are repaid by reducing expenses on food and other basic needs.



rooted in exploitation, inequality and injustice, to what extent will the SHGs be able to exert its influence in this direction?.

Through the inquiries for finding out answers for the questions raised above were not scientific and systematic, they are becoming explicit from the experience of the Groups. The study related with the above reveal that the activities of the Groups are centered on three areas. These three areas are evolved from the survival strategies the people adopted based on the wisdom of experiences in their efforts for overcoming poverty.

Dimension of Micro-Credits

This is an area for helping the poor to attain financial security. They are advised on thrift, savings, micro-credits, enhancing self-employment and production endeavors at micro-levels. On the basis of accelerated efforts to establish linkages and





relations with financial institutions, securing additional capital through bank-linkages are carried out. Subject to the strict arrangements, the members are making deposits and pay back of debts. All the Groups are making the pay back of debts with 95% accuracy. The contribution made by the Groups in helping the members to meet the expenses during emergencies is praiseworthy. But for additional money and to secure sustainable assets whether the micro-credit system is practical or not is a matter yet to be proved.

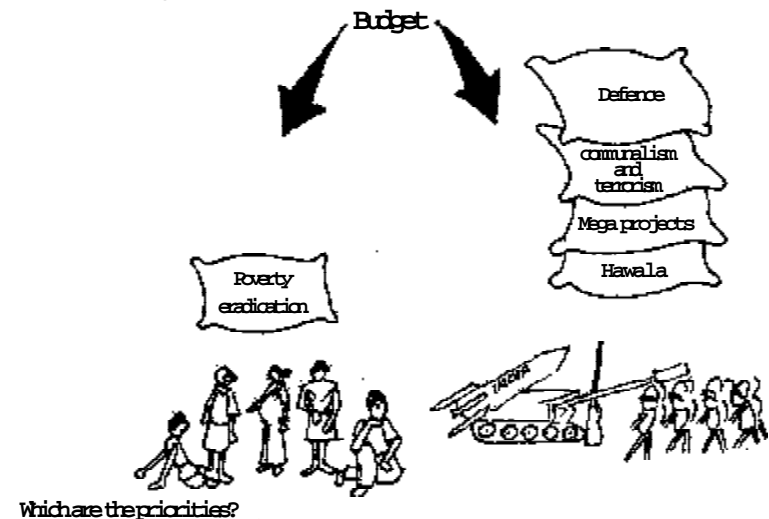
Dimension of Project implementing channels

The SHGs are designed as the basic units for the effective execution of projects run by the Central and State Government, the Panchayat Raj institutions and different developmental agencies. The Groups are being made use to find out the deserving beneficiaries and carry the benefits of the projects (without any loss) to the deserving. Moreover it is now well understood that the Groups are the most capable machinery to raise local resources. It is a fact that the influence of the systems which are decayed due to corruption and inefficiency are creating obstructions before the Groups in taking up these missions.

Empowerment Dimension

Over and above its role as structures for micro-credit systems and project execution, the signs of long-term efforts for finding out the structural base of poverty have begun to be formed in the Groups.


With the objective of developing backward areas, and poverty eradication the groups often come to the stage as a fellowship which interact with problems without prejudice. With the realization that if restricted to micro-credits and project execution alone even the very symptoms of poverty cannot be addressed by remaining within the framework of time and space, Thousands of women are critically aware of their life situations and are coming to the leadership. This can be considered a favorable situation for a fundamental change. The sectarianism and organizational processes with the characteristics of party politics are not the ones which happen on the formation and functioning of the Groups. Women's leadership at the grass root level is a strength of this movement. These experiences show that it is possible for the





thousands to weave the fabric of a new revolutionary political movement.

The decisions, policies and plans, priorities and deposits at the international, national, state, and local levels themselves create poverty and make it complicated. Because of this itself, the coordinated activities planning and sharing and the coordinated functioning of many Groups are absolutely essential for poverty eradication. By this time, for the purpose of micro-credits network of groups are coming up and are functioning efficiently. So it is high time that with this as background a wide fellowship is brought up.

It is important that radical steps are to be taken against any decisions and policies which complicate the situation of poverty. The poor have to distinguish the initiatives and decisions which hamper the reach of the poor people to the basic natural resources and means of livelihoods. They have to gain ownership and control over the natural resources and means of livelihoods. 



Quest for Security

This is the time of many studies and planning on how the socio-economic, health, and water security can be ensured. The activities of the Groups show that the people are making their own arrangements and taking efforts for this security. From practising such habits in their lives as thrift, savings etc., to responding and struggling against policies and programmes which threaten their life, occupation, rights, ownership of the properties and approach of basic resources of the poor can all be considered as efforts for security.

Most of the programmes conducted at the official level for ensuring security are with contradictions and without farsightedness. For example, take the matter of water security. Many of the projects are based on harnessing the water sources. The food, water, economic, and environmental projects are all planned depended on harnessing of basic natural resources which give long-term protection to mankind. This will be clear to us in the final analysis. The job-offering exercise which root out the conventional labour sector, the liquor policy which considers only the economic side, the health care efforts which are centered around super specialty hospitals are all typical examples of this. The centralized water supply which causes destruction of traditional water sources and promoting water pollution, and which are launched in the name of



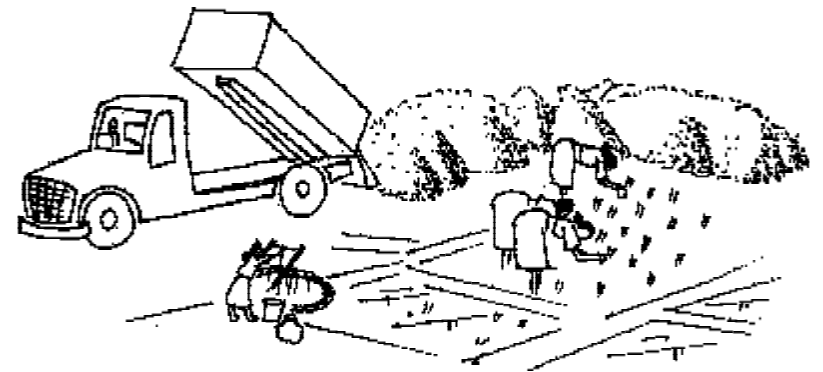
the noble objective of providing drinking water, the new marketing concept which destroys the indigenous products through the total opening of the market for the strangers, the attack on nature for raising the standard of living, pollution, exploitation, plunder are the instances of contradiction—are not decreasing, but are only on the increase. These approaches are not giving us protection, but fling us off to total penury. Safety can be ensured only in universal dimensions. The efforts for the security of a few individuals or the state will not be fruit ful. The security of mankind originates from the security of all living beings and the basic natural resources. We learn from history that if the security of one becomes a threat to the other, both will be in danger.

It is foolishness to believe that we are secure if the water required for many years is reserved in a big jar. We will be secure at least to a little extent if



Depletion of natural resources
are threats to the traditional means of livelihoods.

only we are able to ensure the water security of soil under our feet and the living beings around us. There is no security for anybody isolated from our environment. There should be rains. The rain water must percolate in the soil and it should regenerate our water-sources. Then only we will have enough water to be reserved. Otherwise, the security will last only until the water reserve is exhausted. Experiences show that the power and capacity do not provide a security for them. It can be seen that people in countries where all kinds of security is provided have been living without the sense of security, hunger deaths are also occurring while there is plenty which is, also is because of this. ☹

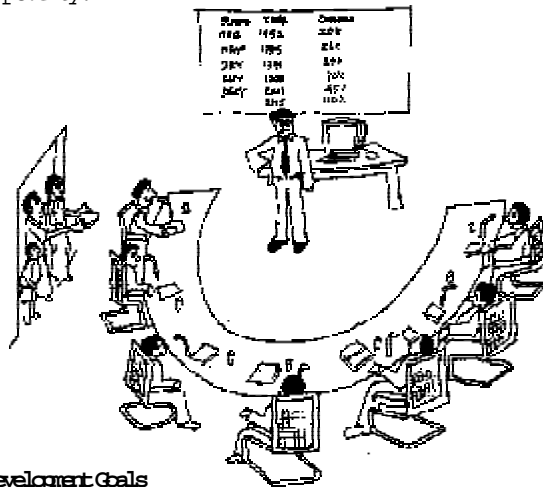


Destroying nature's gifts



No Panacea for Poverty Eradication

The poor people subsist by engaging in different kinds of occupations according to seasonal variations, and depending on different sources for drinking water. Poverty eradication depending on varied kinds of sources and occupational opportunities alone will give the expected results. Unlike the 'single window' services, poverty eradication is not possible depending on a single source. Poverty eradication efforts conserving the traditional occupational sectors and restoration of natural resources are much desirable for our country. The destruction of natural resources and restricting access to natural resources are the core reasons for poverty.



Millennium Development Goals

The Fundamental Reasons for Poverty are the following

- ✓ Destruction of resource base which is the livelihood base of the poor.
- ✓ Loss of ownership and accessibility of the poor over the resource base.
- ✓ Loss of assets for meeting basic needs.
- ✓ Loss of the social capital base which provides social and economic security and the loss of self-reliance and physical facilities.
- ✓ Lack of value added skills which help to increase the value of occupation by raising its efficiency.
- ✓ The condition which prevents to continue in occupation due to the increasing occupational diseases.
- ✓ The policies and projects which make poverty situation highly complex.
- ✓ Lack of human resource development, initiatives for the poor.
- ✓ The clutches of consumer culture which has extended over to the whole of the society.
- ✓ The political and social systems losing concerns and sensitivity for the poor.



Democratic Decentralization and Poverty Eradication

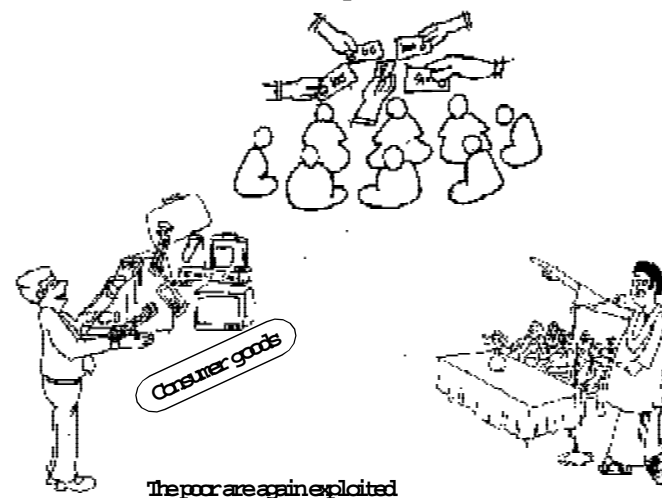
The most suitable approach towards reducing poverty is decentralization. Poverty is multidimensional, unique, location specific; it will not be possible to understand the dynamics of poverty in a uniform manner. Poverty can be eradicated at least to a little extent, only if the outlooks and methodologies are developed locally. Though the agenda is proposed for reducing poverty to its half by the year, 2015, as a part of Millennium Development Goals, unless a relaxation is made in the yardsticks and norms in the rating of poverty is made, it will not be possible to attain this declared objective. The below-poverty-line groups can be identified after raising or lowering the daily income by one dollar. But, the state of the helplessness of the poor in which the survival ability to meet the basic requirements is lost, is unique and different in each area.

Because of this, there are a lot of limitations in implementing poverty eradication as a national agenda. Poverty can be eradicated only through long-term plans based on the micro-level frameworks and policies. The power and outlook necessary for this kind is to be developed primarily at the micro-levels. The policy-formulations and administrative reforms in social, economic and political spheres favouring the poor are the matters to take place



immediately at the three-tier Panchayats. The self-help groups are equipped to provide knowledge and power for the process of their kinds. Beyond its role as the pipelines for distributing the plan allocations, the understanding is to be still developed that the groups are the unions capable of weaving the fabric of democracy at the basic levels. The Self-Help Groups are the concrete forms which regenerate the democratic and human values in the families and all over the village through silent exercise of democratic values. The Groups are the platforms for this practice of democracy.

There cannot be any substitute for those rural women who line up under the banner of the SHGs for giving shape to the poverty eradication strategies and make them active, and to lead them with the potential of the value conscience and with the wealth of experience. The administrators have the



Consumer goods

The poor are again exploited



moral obligation to entrust power in the hands of the women who are committed to bringing about changes that lead to prosperity. Poverty eradication is possible only with the full help of the society which is prone to adverse effects of poverty. If party politics and power greed are creating obstructions in the way of giving power to the really deserving, then it is equivalent to nipping in the bud the boundless possibilities of the power of the SHGs which have developed with discipline and value consciousness all over Kerala. Only by converting these tasks initiated by voluntary organizations and poverty alleviation programmes such as 'Kudumbasree' into the foundation stone of the democratic process, and ensuring the participation of the poor in the formulation of policies and plan implementation levels will poverty eradication become a reality.

