

## **Reaching the Poorest Tribals**

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Bolliguda is an obscure tribal village in the remote Boipariguda block of Koraput District in Odisha where aboriginal tribal communities live from the soil and forests in the land of their ancestors.

The people can barely survive and their children suffer as their parents struggle for basic amenities in the biologically wealthy forests where they live. The location is rich in its resources, but is poorly connected and ignored by formal services such as schools, hospitals or banks, so is ripe for development interventions. But a fifth of the children under five are malnourished and 70% of children are anaemic. The poorest tribal people have no time to develop income generating enterprises since their immediate challenge is to find a second meal for as many days in the week as possible.

A natural stream in the village irrigates some small plots where peanuts are cultivated for sale in the *haats* or local weekly markets. In the absence of any source of formal credit for crop production the people borrow from “Double Company”, a rogue micro finance entity which charges what is effectively 100% interest for the three months period from sowing to harvest. The community’s livelihoods go up and down, and they move in and out of extreme poverty in constant risk of hunger.

Dalima Nayak, a destitute ultra poor tribal woman, heads a family of six. She regularly harvests a good peanut crop but after servicing the debt from Double Company, she has hardly any surplus to finance the next cycle of her family’s livelihood, let alone to afford better food for family. She is a typical victim of entrenched poverty, right at the lowest end of the poverty spectrum. Dalima is a divorcee with nothing to fall back on except wage labour and one tenth of a hectare of land. She and many like her need opportunity and not charity to attain sustainable livelihoods and a dignified life.

“One size fits all” is usually the approach in anti-poverty schemes in India. The poor are identified in general, with no recognition of their heterogeneity. They are below the statistical poverty line, but this generalised approach does not turn programme inputs into quality

outcomes. The extreme poor are condemned to remain on the outer limits of the mainstream economy for generations. This generalization of poverty results in programmes that benefit the poor, the not-so-poor and the non-poor, but they miss the ultra poor, who need them the most.

Targeting the people who really are the ultra poor is the first step towards success. Targeting should also be cost effective and replicable to allow scalability, objectivity and uniformity.

The core value of the Ultra Poor Programme is that no eligible ultra-poor household should be left out by the targeting process. A 'Discriminatory Net Approach' is used, and the poor communities themselves participate in the identification process to list the poorest households in a tribal habitation.

The SKS Ultra Poor Graduation Pilot identified 130 tribal settlements encompassing 1000 systematically targeted tribal extreme poor families in an Ultra Poverty tribal district of India. Eventually 887 families were kept in the programme.

Swayam Krishi Sangam is a large and well-known Indian microfinance company, usually known as 'SKS'. They have set up the SKS Foundation to work for people who are too poor to benefit from microfinance on its own, and the Foundation implements the Ultra Poor Graduation Pilot as part of global network of ten nations supported by the Ford Foundation, the BRAC Development Institute from Bangladesh and CGAP, the micro-finance arm of the World Bank. The CGAP-Ford Foundation Graduation Programme is a global effort to understand how safety nets, livelihoods, and microfinance can be sequenced to enable the poorest people to graduate out of extreme poverty, adapting a methodology used by BRAC in Bangladesh.

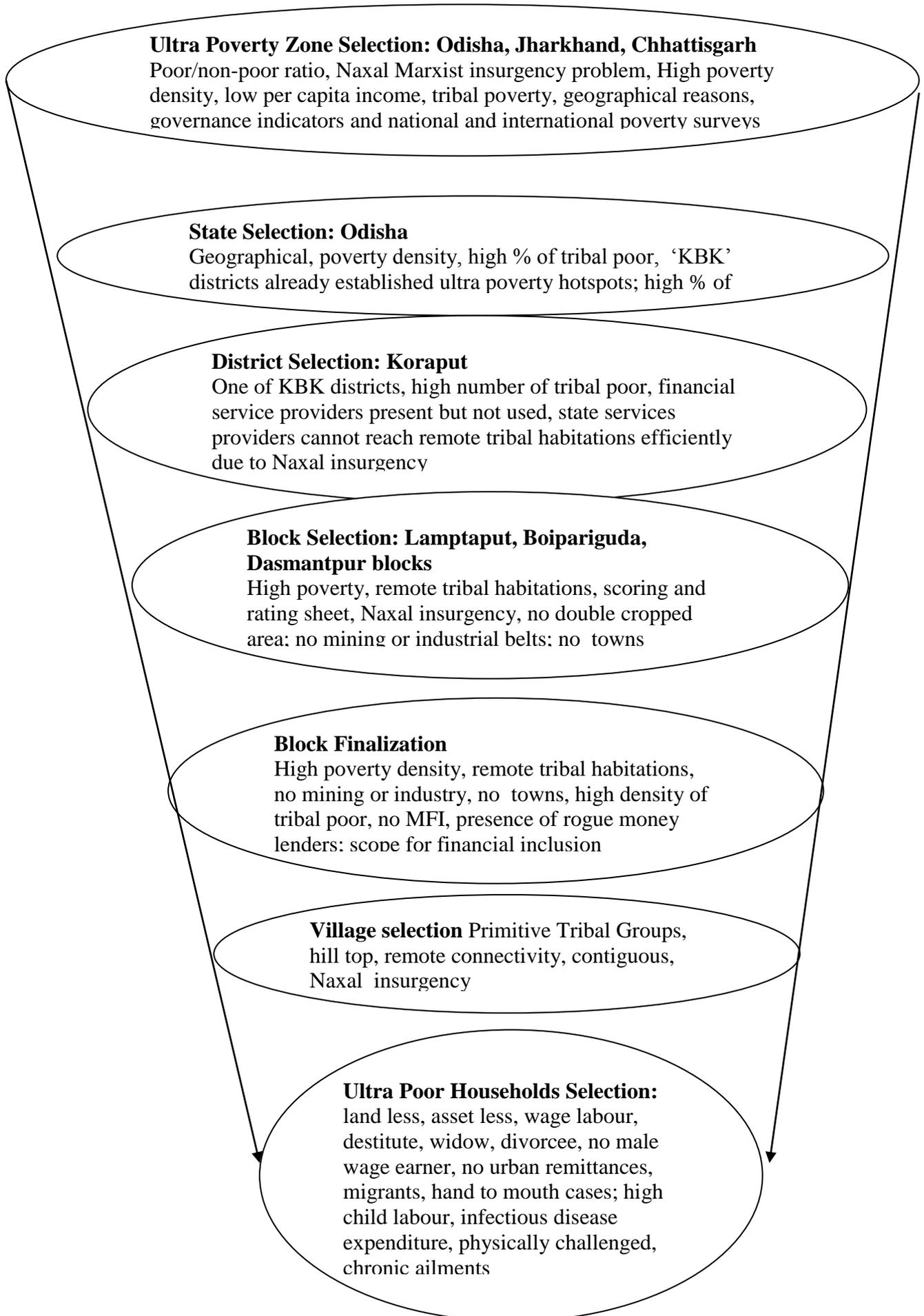
SKS quickly realized that India is different from many poor countries because it has a wide range of government safety net programmes but they are ridden with delivery challenges. In Bangladesh and the other network nations NGO partners either run their own programmes or deliver them on behalf of governments, but in India NGOs play the role of facilitators who try to empower communities to access state programmes. SKS has tried to do this by creating multiple opportunities for the tribal ultra poor. The existing solutions for the ultra poor seemed to be unviable. The following table lists some of these solutions, and shows what they can and cannot achieve.

<b>Programme</b>	<b>Effective</b>	<b>Ineffective</b>
Food Aid	Short term relief	Cannot build sustainable building blocks for change
Training Programmes	Valuable for income generation	Cannot meet immediate health and food needs
Social Programmes	Viable for empowerment	Fail to meet pressing subsistence and survival living needs
Cash transfers such as widow' pensions	Gives partial relief	Very small, cannot cover all ultra poor and drives dependence for ever
NREGA (guaranteed rural work for all programme)	Rights-based and good in the short term	Highly discontinuous, ridden with bottlenecks in implementation and does not create sustainable livelihoods at the household level

SKS started the graduation pilot by identifying “ultra poverty hotspots” in India with the help of secondary data such as the poverty indicators of each State. Extreme poverty varies widely in India. East and Central India have many ultra poverty spots, but there are few in Kerala and Punjab. The secondary data and scoping studies establish definite indicators of which were the most unreached poverty hotspots.

SKS studied both Odisha and Jharkhand to identify a geographical location for the pilot, but opted for Odisha due to its contiguity to Andhra Pradesh where SKS had already implemented an Ultra Poor Graduation Pilot. The following diagram shows how the scoping study was done to zero down on the poorest deserving tribal cluster.

## Matrix of State, District and Ultra Poor Graduation Pilot Area selection



Boipariguda block was finally chosen because its the tribal people live in remote hill top settlements, they have no basic infrastructure such as hospitals, electricity, schools or connecting roads, the people are trapped between the insurgents and the army, malaria, goitre and malnutrition are endemic, there is no assured irrigation or industrialization in the vicinity and there is a high rate of stress migration. State programme deliveries suffer from numerous bottlenecks, the people are mostly illiterate and easily exploited by small traders, and there is a very poor network of bank or other formal financial institutions. There is no double crop farming and no nearby mines or industry, there are no nearby large towns and 70% of the population are poor tribal people who live at a subsistence level

There are many formidable challenges to dealing with tribal poverty; nature can provide food for immediate needs but the people have no time to plan sustainable livelihoods. The state and other safety net programmes are short-lived and erratic in their delivery, and the people are reluctant to change. Their long history of being oppressed has given them an stoic and fatalistic mind set.

Such livelihoods options that are available do not fit into the official view of the hill tribal economy which is based on forests, land and water. Moving from tradition to trade requires training that is very difficult because of people's illiteracy and limited ability to take risks.

It is hard to harmonise forest-based lives and livelihoods with modern approaches in a market driven economy, and deforestation leaves little scope for forest based livelihoods. The Marxist 'Naxal' insurgency is a barrier to any form of intervention, and communication of any kind is in any case very difficult. Migration or subsistence living seem to be the only options for destitute tribal women headed families.

Traditional poverty programmes look at poverty as if it is homogeneous, so that the better off people monopolise the benefits and the neediest do not get them. The poorest people are inarticulate and have negligible agency; they cannot compete with those who are more active, and they cannot afford to miss their daily labour while trying to get benefits from existing programmes.

In the process the most deserving poor either chose not to try to get help from such programmes as are directed to them, or the programme implementing agencies bypass them, as they are too risky and are unlikely to be useful as showcases for impact. SKS adapted a different approach through participatory poverty appraisal to target the lowest layer of the

poor. They worked with opinion leaders from the villages themselves, such as teachers, post masters, child-care workers, community health workers, village council members and so on who know very well who the bottom poor are in their villages.

Targeting is not a linear process but includes a concentric ring of exclusion and inclusion. The SKS field organizer cross-checks the list of ultra poor households after the participatory appraisal process. Then a master list of targeted households is collated. This ensures that no eligible ultra poor household is left out. The criteria are fool-proof and relate to local conditions. It took six weeks to complete the list of 1000 extreme poor households in the tribal hamlets around four villages. The nearest village was 3 km and the farthest was 40 km away from the centre point, and the average selection cost per poor household was on average under fifty US cents.

The communities themselves defined the criteria for inclusion in the ultra-poor. They were defined as households living in destitution well beneath the statistical poverty line, single women or men who are supported by village doles, people whose only livelihood is wage labour and gathering forest products, those who are unable to migrate to cities work because they have to take care of children or have nobody to accompany them for work in cities, people who have no land and no productive assets, disabled and chronically unhealthy individuals, and families with less than three days worth of food in their houses.

They decided to exclude families with the support of a male able-bodied wage earner, families with more than half an acre of double cropped land and families who receive remittances from people working in cities. Families which had any members with government jobs or definite source of other income were also excluded. After this process, the ultra-poor turned out to be widows, single mothers, destitute and divorcees, landless and asset-less families, whose houses had thatched roofs, those who suffered from acute food insecurity, the handicapped who had no government assistance and no bank linkages.

They also included the illiterate, migrant labourers, those with children who do not go to school and may be child labourers, people with bad health, such as serious anaemia, and who were not members of any formal or informal social institutions

Thanks to the SKS ultra-poor programme the Bolliguda Ultra Poor Centre with 18 ultra poor women members like Dalima was transformed into a SHG according to bank guidelines, and were thus qualified for bank savings and loan services. The process of hand-holding and

sequenced support from subsistence to sustainable livelihoods took two years, and Dalima's new SHG, the "Maa Thakurani Group", has received a Rs.20, 000 or about \$300 loan from the Boipariguda Branch of State Bank of India, for their next cycle of livelihoods investment.

After they had been identified, the members of the group benefited from a number of livelihoods interventions to ensure that they graduated out of poverty. SKS felt that the interventions had to satisfy certain critical conditions. They had to allow the members to continue with their daily wage labour, and the cost had to be below the official livelihoods grant support limit of Rs.9000 or about \$140, 65% of which had to be for livelihoods. It had to satisfy their immediate food needs in order to achieve any sustainable long term income generation, and it had to generate cash throughout the year to overcome seasonal fluctuations such as the slack season and uncertain work demand.

Land-based livelihoods were obviously not suitable because the people have no land, and they needed diversity to cover the risks of failure. Each of the selected households had a specific livelihood action plan which was designed to re-connect ultra poor households to the opportunities they were missing. The plans were household-specific and were drawn up in a participatory way in consultation with the family members which was consistent with the household's existing sources of wage earnings. The plans were built on people's existing skills and linkages, and included scope for supplementary income generating activities.

The main livelihoods options that emerged were as follows:

Sheep and goat Rearing	Poultry
Cattle rearing	Candle making
Sheep and goats along with pigs and chickens	Fuel Briquettes making
'Micro-land' agriculture	Smokeless stoves manufacture
Curry powder	Detergent manufacture
Small shops and petty trade	Bamboo weaving
Traditional tribal crafts	Pottery
Mushroom cultivation	Nursery
Small tribal hotels and food shops	Dry fish selling in local markets

SKS realised that livelihoods are not linear but are cyclical. They depend on seasons, days and skills. A single livelihood can fail. So some new skill-based livelihoods activities were introduced for the more enterprising ultra poor.

Livelihoods asset investment without working capital is guaranteed to fail. For the first six months the members were given Rs.100 per month or about \$1.50 in cash. The timing of this was flexible for specific cases, such as purchase of fodder during the harvest season. The working capital stipend prevented the people from taking dangerous loans to run businesses or from migrating from home.

The ultra poor have a fragile social space, which is even more difficult for women. The struggles of their daily lives and gender discrimination trap them and this confined social space has to be transformed. The women were therefore helped with support for their group solidarity and their awareness of gender and social issues. They were helped with ideas for conflict resolution, family development and raising children, and efforts were made to build their self confidence and their ability to solve their own problems

After identifying the ultra poor, SKS started to mobilise all the ultra poor members in a village to form an Ultra Poor Centre. The Centre is the platform for socio-economic transformation. It may also be transformed into a self help group or SHG which is eligible to open a bank account and to access bank loans. It seemed to a good idea since the poor need confidence building and collective strength.

The members of the Centre meet once a week at a designated place and time. The meetings are initially facilitated by a Field Organizer from SKS. They last 60 minutes, and start with a group pledge, and then move on to taking their savings, using the rice bank and training in the use of loans, along with health or social messages

At first the members were shy and thought the meetings took too much time, but slowly they realized its relevance. Those who lacked self-confidence due to acute poverty and desolation started to be confident when they came together with their peers. They became more vocal and open about expressing themselves, which was a first step towards initiating dialogue with formal financial institutions. The weekly Centre meeting enables them to articulate their feelings and problems. It is also a vehicle for social change with experience sharing and peer to peer learning. The Field Organizers visit each individual ultra-poor household at least once

a month. The visits helped them to check their own livelihoods and gave them more self confidence.

Real poverty arises not just because poor people have limited resources, but because they lack the financial tools to squeeze all they can from what they have. Financial literacy gives them skills to stave off income shocks, and helps to insulate their fragile household economies from the caprice of money lenders. It also helps them to identify unproductive expenditures and how to reduce them.

The ultra poor only have their "sweat equity". They have to manage their finances carefully, to forecast problems that may arise, and be ready for whatever may happen

The financial literacy training includes cash flow analysis, which shows the people how to map their income and expenses. They learn how to make a budget and how important it is to save in order to cope with unforeseen expenses. The participants also learn to set their own financial goals and how to use cash flow and budgeting to achieve them, and helps them to differentiate wasteful from productive expenditure.

They learn about good and bad ways of borrowing money and cash management, and the training is fully participatory. SKS has devised tools such as snakes and ladder games; the snakes are wasteful and ladders are good practices. The game is played with dice and the members show great interest in preparing weekly budgets to understand their own household portfolios. The training is carried out by locally hired low-cost 'para-professionals', each of whom works with ten ultra-poor people. SKS has found that this intensive and low-cost approach is highly effective.

Ill-health is the single most critical factor that drives the ultra poor into extreme poverty, and SKS believes that no ultra poor person can graduate from poverty without first graduating from malnutrition and ill health. Their health and nutrition interventions include health messages in centre meetings, household visits by the health field organizer referrals to medical services and health information sessions. SKS has introduced barefoot doctors for the last mile delivery of immediate health services. The barefoot doctor is chosen from among the ultra poor members and is given basic health training and a medical kit with remedies for common ailments such as malaria and diarrhoea along with nutrition

supplements and oral rehydration packets. The people pay for this service and the barefoot doctors' stock is replenished by SKS through a market tie up with local pharmacy.

SKS also provides 'training loans' which are a unique product developed by SKS to ease the ultra poor into financial inclusion. These loans are interest free, there are no penalty clauses and the whole transaction is designed to introduce the new borrowers to loan and repayment processes.

SKS has provided these training loans to 230 members for a total of Rs.240300/- or about \$3500 in total. Over 90% of the amount has been repaid on time; this shows bankers that the tribal poor are bankable.

During the programme, SKS found that food reserves in the homes of the ultra poor were insufficient for contingencies such as bad weather, sickness or visiting guests. SKS motivated the members to save a fistful of rice every day in a polythene bag and to pool the collection at their centre meeting.

SKS provided a rat-proof tin with lock and key that can hold up to 50 kg of rice, at a cost of Rs.500 per box. This 'rice bank' enables needy members to borrow in emergencies; they use a tumbler as a measure and members repay in rice itself when they can, with no interest.

Ninety seven rice banks were started, and they saved almost 1000 kg of rice during the programme. This helped the members to have a 30 day food reserve by the end of the programme. It also provided a rallying point around which members could build social solidarity. If there was any excess rice it was sold to create an emergency health fund. This fund amounted to over Rs 60000, after two years. or around a thousand dollars.

The success of the graduation process rests on six pillars: it must be correctly targeted, food security must be ensured, additional employment has to be created, on and off-farm skills need to be provided, the people must learn to save, of their own free will, and they must enjoy secure health and nutrition. Graduation can be defined as "having the confidence and capability to generate income and begin a new initiative buoyed with increased social and health awareness".

SKS worked from January 2010 to December 2011, in a very challenging environment, and 96 of the ultra-poor people graduated to sustainable livelihoods, enjoying food security and better awareness about health, entitlements and social development.

Thanks to this low cost ultra poor graduation pilot, Dalima is now a satisfied member of the Maa Thakurani Group, one of the 81 Ultra Poor Centres which have been linked to the State's Mission Shakti programme. Their SHGs have accessed loans from State Bank of India (SBI), and are among the first tribal women to be clients of SBI. They are no longer in debt to the Double Lending Company and they have an assured net surplus of Rs.5000 to invest for the next season's vegetable crop, as well as food security and a better quality of life. Dalima says that it has been a life-changing transition for her.

SKS spent a net sum of \$150 US in the two year period on each targeted ultra poor household, in order to ensure their transition out of extreme poverty to sustainable livelihoods, linked to the existing State safety net .

SKS organized a graduation meeting where all the graduates could gather and share their transition stories. They are given a certificate of graduation and a souvenir umbrella. Local bankers, state government officials and other stake holders are invited to the meeting and introduced to one another. After the meeting SKS withdraws but continues to monitor the regularity of meetings, progress with bank loans and so on with the help of some of the field organisers whose services are retained for this purpose.

SKS uses specially developed tools to track the transition process and also to measure its impact. These tools emphasise 'soft indicators' and less visible changes in addition to concrete indicators or visible changes. They monitored the number of ultra poor members who wear shoes or sandals, for instance, and found a significant increase.

When SKS built the base line of each household with socio-economic indicators, they also bench-marked the blood haemoglobin count and Body Mass Index of each member. The haemoglobin count was a critical indicator of tribal poverty because anaemia is found to be a common cause and consequence of poverty.

The Household Progress Index is a composite socio-economic tracking tool and it was applied every six months to gauge the performance regularly. It tracks twenty indicators; five are concrete economic measures, five are more general economic measures, five track concrete social indicators and five cover less tangible social indicators.

SKS also uses the Grameen Foundation's Progress out Of Poverty tool to measure progress.

The overall results of the pilot ultra poor graduation programme for Boipriguda Block of Koraput district in Odisha state are summarised below.

	Asset Transferred to Members	887
GENDER	FEMALE	855
	MALE	32
Livelihoods	Vegetable Cultivation	6
	Vegetable Vending	86
	Goat/Sheep	672
	Cattle/Buffalo/cow	6
	Blacksmith	3
	Rice flake making	2
	Dry fish	8
	Grocery shop/tea shop/general store	47
	Incense stick making	7
	Poultry	50
	Total worth of livelihoods assets transferred	Costs include all assets
Stipend	Monthly stipend for 887 members @ 100/- each for 3 to 5 months	Rs. 5,51,900/-Average Rs.620 per member
Socio-Economic Progress		
	Assets Multiplied - Livestock Birth of Kids	1014 (75% net worth added)
	Individual Asset worth increased Example Dry fish diversified to Bamboo basket sales: Dohana Harijan of Dalbhatta village	Initial investment Rs.3000/- Current worth- Rs.16000/-
	Women Members able to sign their names	Beginning- 50 out of 887 Now- 481 out of 887

	No. of Members wearing shoes or sandals	Beginning- 79 out of 887, Now- 745 out of 887
Bank and State Linkages	81 Ultra Poor Centers' SHGs involved in state n Mission Shakti	Beginning - nil 74 groups opened Bank accounts, 68 groups got first bank loans, 3 groups got second bank loans  45 groups each received revolving fund grants of Rs.5000 from government
Group Savings	Beginning	Rs. 0/-
	Graduation point	Rs. 13,32,667/- (Average. Rs.1502/- per member)
	Highest Individual Savings	Rs.4900/-
	Lowest individual savings	Rs. 205/-
Rice Bank	Total No. of Rice banks functioning	97
	Rice Stock	944 kgs in 97 centres
	Emergency health fund from rice	Rs.625,77/-
Health Initiatives		
	Haemoglobin Tests done	900 members – indicators show that 90% who were anaemic are now healthy
	Height & weight of the members measured	900 members
	Malaria tests done	10 patients
	Iron Tablets distributed	887 members
	Drinking boiled water	80% of the members
	Using mosquito nets	30% of the members
	Herbal medicinal plants supplied	20 families
	Health para-professionals trained	91 para-professionals
	First –aid box maintained	86 villages
	Iron reinforced food beverages	887 members for 4 times each
	Surgery Camps for Disabled and other patients	21 surgeries already completed and continuing.

<b>NEW LIVELIHOODS INITIATIVES</b>		
	Bamboo Crafts	Koraput village group
	Poultry feed preparation	Mathapoda group
	Agarbati sticks	Mathapoda group
	Banaraja poultry	50 units
	Organic fertilizer (SANJEEVANI)	2 villages
	Washing Powder	7 groups
	Mushroom cultivation	3 villages
	Candle Making	2 villages
	Veg. curry powder making	1 village
Training Loans	230 members Rs.2.43 lakhs and repaid Rs.2.21 lakhs	91% recovery. Main reason for delinquency – death of animals

This is definitely not merely another general poverty alleviation programme or women empowerment project which breeds dependency; it is unique in many ways. Only the extreme poor and not the general poor are targeted and the criteria for extreme poverty are defined by the villagers and their peers themselves. It is not targeted on estimates of income. It is complementary and not competitive with on-going state programmes, and is a one-off intervention which proceeds from hand-holding to hand-in-hand to shaking hands over two years without creating long-term dependency.

It shows that an ultra poor tribal household can graduate out of extreme poverty with 150 US\$ investment in 24 months, and it is multi-dimensional, encompassing food security, bio-diversity led livelihoods, health, gender, social and financial quality indicators.

It employs several existing participatory tracking tools and some new and unique extreme poverty indicators such as periodical check of blood haemoglobin content, Bio Mass Index, Progress out of Poverty Index and Household Progress Index which measure both abstract and concrete indicators of quality of life. It includes participatory and innovative products such as the rice line scheme, training loans, barefoot doctors, a health fund and locally recruited livelihoods animators. The health fund provides money which is readily available round the clock, under the control of the ultra-poor people themselves to meet emergency

health needs. Separate “elective surgeries” are also held in local hospitals with highly qualified US surgeons for terminally ill and disabled members.

The Pilot is designed to leverage local talent, including tribal animator book keepers, bare foot health professionals, para-vets and medical para-professionals.

This transition from extreme poverty and chronic hunger to sustainable graduation is not without serious challenges. This part of Odisha is prone to insurgency and poor tribal communities are often caught in the cross fire. There are no roads to connect them to markets and the schools do not have teachers. In the absence of any medical facility, the people have to walk long distances through the forests , even for common drugs like paracetamol. The Odisha State safety net programmes are sporadic and ridden with delivery challenges since the State staff cannot operate freely in the Naxal strongholds. Livestock cannot be insured as insurance companies regard tribal people as high-risk clients..

SKS successfully graduates households out of severe poverty. They have an average of five members and the total cost is \$150 , or \$30 per person. . This is far below the Government of India’s NREGA programme’s annual cost of \$500 per family. Moreover this wage employment only provides temporary relief and is not a base for a sustainable livelihood.

The game changing ultra-poor graduation pilot of SKS is unique in that it touches the lives of the unreached tribal poor and achieves measurable results with a low investment. The model is proven and firmly in place, with a standard package of inputs. It is against charity thinking, and its long term results and coordination with State sponsored safety net programmes can be the basis for the evolution of a standardised approach. The SKS Ultra Poor Programme genuinely has the potential to transform the lives of the ultra-poor.