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Parched lands to white gold

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Empower the poor with sustainable livelihoods

Dr. Marcella D’Souza | Pune, Maharashtra

The concept of sustainable livelihoods, as an approach to understanding the livelihoods of the poor, became popular in the 1990s. A number of institutions in the development sector like Oxfam and the Department for International Development have designed frameworks to develop a better understanding of this concept.

These frameworks have been used by institutions across the world while implementing poverty reduction programmes. In the Indian context, the establishment of the National Rural Livelihoods Mission (NRLM) and respective state-level livelihoods missions shows the government’s belief in the potential of sustainable livelihoods to reduce poverty.

It is worth noting that WOTR, since its inception in 1993, has focused on making the livelihoods of rural communities more sustainable. In particular, we have focused on agriculture as it employs about 60 percent of the country’s workforce. It is our firm conviction that one cannot reduce poverty without promoting sustainable agrarian livelihoods; not only because agriculture is the primary occupation in the drylands of our country, but also because it is the means of survival for many of the poor in our country.

However, in the context of sustainable agricultural livelihoods, the availability of water becomes the central issue. We felt that watershed development was the answer. Watershed development reduces drudgery of rural communities by addressing the issue of water availability, but also boosting the agri-allied activities, like dairy, sheep and goat rearing and poultry. In times of agrarian crisis, such activities act as a safety net for the small and marginal farmers.

Nevertheless, there are limitations to interventions in the sustainable livelihoods space. A major challenge for the micro-enterprises of rural India is to be able to successfully crack the market. It is plausible that many may fail, owing to challenges like marketing and competition. Consequently, these entrepreneurs may be forced to re-enter the job market at a later time.

This, in turn, would increase the pressure on the highly competitive job market of our country where 1 million people enter the workforce every month. Thus, the burning question is—how do we create sustainable livelihoods for all in the country? Unfortunately, there are no easy answers to this.

The current issue of Ecologic brings forth six stories from across our project areas in India which highlight our consistent efforts in making the livelihoods of rural communities more sustainable. These interventions have not just supported the communities with monetary benefits but have also helped them in becoming more resilient to external stresses and shocks.

These efforts have been born out of our mission of empowering the poor to live in dignity in sustainable ecosystems. We hope that the stories in this newsletter will not just be read and appreciated, but will also inspire others to take up similar endeavors wherever possible, both in India and elsewhere in the world.
Sustainable Livelihoods

A sustainable livelihood gives households access to five assets or capitals. Simply put, these capitals or assets are the resources which enable a person to attain positive livelihood outcomes like more income, improved well-being and increased food security. All these capitals can be of great help in times of emergencies like floods and droughts, or seasonal shifts like those in market prices of farm produce, and hence, are equally important. Sustainability cannot be attained at the cost of any of them. While one capital can be transformed into another, it must be restored to maintain the equilibrium.

The Livelihoods Pentagon

**Human Capital**
Health, nutrition, education, knowledge and skills, capacity to work, capacity to adapt

**Social Capital**
Networks and connections, relations of trust and mutual understanding and support, formal and informal groups, shared values and behaviours, common rules and sanctions, collective representation, mechanisms for participation in decision-making, leadership

**Physical Capital**
Infrastructure (transport, roads, vehicles, secure shelter and buildings, water supply and sanitation, energy, communications), tools and technology (tools and equipment for production, seed, fertiliser, pesticides, traditional technology)

**Natural Capital**
Land and produce, water and aquatic resources, trees and forest products, wildlife, wild foods and fibres, biodiversity, environmental services

**Financial Capital**
Savings, credit and debt (formal, informal), remittances, pensions, wages

Source: Department for International Development (1998) and Olivier Serrat (2008)

The current issue of Ecologic contains six stories from across our project areas in India. Each of these stories focus on a specific capital that has not just provided monetary benefits to people but has reduced their vulnerability to shocks and stresses, thus making the means of livelihood more sustainable.
Fishing in troubled waters
For Siayabai, inland fishing proves to be a gamechanger

Praveen Bain | Mandla, Madhya Pradesh

O
ver the last 100 years, the human population on the planet has increased from 1.6 billion in 1900 to approximately 7.6 billion in 2017. This exponential increase in population has put immense pressure on the world’s resources, and has given rise to a debate on the issue of carrying capacity, which refers to the capacity of a given ecosystem to support any population. When the population goes beyond the ecosystem’s carrying capacity, it affects the resources and eventually the population itself. The debate gets even more intense in the case of various nature-based livelihoods. Here, it not only concerns the sustainability of an ecosystem, but also the livelihoods of people. In such cases, striking a balance between the two sides becomes a challenge. The story of Siayabai Barman, a fisherwoman from the Mukhas village of Madhya Pradesh, highlights how this village addressed the issue.

Mukhas village houses around 150 families, the majority of whom belongs to tribal communities. Most of them depend on agriculture. Siayabai belongs to the Barman community whose traditional occupation is fishing. She used to work as an agricultural labourer, but has a little experience in fishing. Explaining her situation, she said, “I did fishing occasionally to supplement our income and diet. However, with a small net, my catch was limited to 1-2 kilograms. Having a monthly income of Rs. 1,500 to Rs.2,000, I could not afford to buy a larger fishing net, called the Mahajal net, which would cost at least Rs. 10,000. Thus, I had to depend on agricultural labour to meet the daily...
needs of my family. We could only afford to eat dal and rice; vegetables were a luxury.” Moreover, the family often had to migrate to the nearby towns of Jabalpur and Mandla during summer months in search of employment opportunities.

In 2015, WOTR with the support from Royal Bank of Scotland Foundation (RBSF) initiated the Climate Change Adaptation (CCA) project in the region. As part of this, the locals were given assistance to take up livelihoods like tailoring, running grocery shops, fishing etc. Siayabai came forward with her proposal of buying a new fishing net. The Village Development Committee (VDC) took her request to the project team who then sanctioned her Rs. 5,000. To complete the amount required for buying the Mahajal net, she borrowed Rs. 5,000 from her sister, which she later repaid.

In December 2015, she started fishing in the waters of the Mukhas dam. She says, “Owing to the new net, my catch has now gone up to 8 to 10 kg a day. I sell most of it on a daily basis in the Mukhas village itself, or in the neighboring villages. After paying Rs. 50 per kilogram as the fees of the contractor who owns the rights to the dam, I manage to earn a profit of roughly Rs 50 a kilogram. In the last three years, our monthly income has increased to about Rs. 8,000.”

The increase in income helped Siayabai’s family to improve their living conditions. They no longer have to migrate to neighboring towns in search of work. Siayabai says, “Now, our diet has become varied. We can afford to eat cabbage, potatoes, and cauliflower. My son no longer does manual labour, instead he helps me with fishing.” While they were able to spend Rs. 60,000 on the son’s wedding, they have also managed to save Rs. 17,000 for times of emergencies.

Siayabai’s success inspired several others in the village to take up fishing. As a result, the number of families pursuing fishing as their primary occupation gradually rose to 13 from a mere six. With this, the existing fish stock in the dam faced a threat of depletion. In order to ensure the sustainability of fisheries in the village, the 13 families involved in fishing arrived at a unanimous decision that no more families would be allowed to take up that occupation for the next three years, starting from July 2017. Giving a legal sanction to this decision, the Government of Madhya Pradesh provided the thirteen families with the registration for inland fishing effectively barring others from entering the sector. While the decision might ostensibly be a reasonable and practical one, it highlights the issue of ‘carrying capacity’ mentioned earlier.

It is undeniable that with more and more people entering the fishing sector in Mukhas village, inland fisheries would become unsustainable. The capacity of any ecosystem has certain limits. But at the same time, it impacts the livelihoods opportunities of many others who might be interested to take up fishing.

This raises a larger question—who, ultimately, has the authority to determine the carrying capacity of a given ecosystem? It is not merely a matter of sustainable livelihoods, but is also deeply entangled with the ideas of justice and equal opportunity. So who decides who wins and who loses? Unfortunately, to these thorny issues, there is no simple answer.
Indigenous poultry – a recipe for success

Unlike commercial chicken breeds, indigenous varieties are cheaper and more sustainable

In India, backyard poultry (BYP) has traditionally been a supplementary source of income and nutrition for rural households. BYP mainly relies on indigenous, or desi, varieties that do not require large investment, space or water. The cost of feed for BYP is minimal as the indigenous breeds can subsist on broken grains, and left over feed. It not only makes small and marginal farmers more resilient to drought by giving them access to a liquid asset which can be sold in times of emergencies, but is also a valuable source of food through eggs and meat, a source of manure and plays a valuable role in pest control.

Despite these numerous advantages, BYP in India faces a number of challenges. BYP relies on indigenous poultry that tend to have lower levels of productivity in terms of eggs and meat when compared to commercial poultry. Due to lack of awareness and education among rural population, they often do not vaccinate the poultry resulting in frequent disease outbreaks. Some other challenges of BYP are high mortality and poor hatchability rates of chickens.

In order to address this issue, WOTR in 2013, promoted modified management practices in BYP in two districts of Mahabubnagar and Kurnool of the undivided Andhra Pradesh under a project funded by the Swiss Development Corporation and Watershed Development Fund (WDF) of National Bank for Agriculture and Rural Development (NABARD). As part of the intervention, 250 families were given training on the improved BYP practices like providing nutritious feed and clean water, effective pest control mechanisms, regular vaccination, and the use of...
night shelter to protect the birds from attacks by predators.

One family chosen under this intervention was Yadaiah and Jayasree Goud from the Jangareddypalli village of Mahabubnagar district in Telangana state, who saw considerable benefits from it. Describing the situation prior to the intervention, Yadaiah says, “We practised BYP even before the initiative but it wasn’t very profitable. The birds were susceptible to diseases, infections and predatory attacks from dogs, cats and snakes. We could hardly earn Rs. 2,000 in a year. This was inadequate for us. This intervention was our need.” He also mentions that biggest challenge was to change the mindset of the BYP rearers, for whom BYP was not a primary source of income. Besides, the birds took time getting used to confined spaces in the night shelters.

Gradually, the intervention started showing positive effects, thus winning over the villagers. Through this intervention, there was a fourfold increase in the flock of the birds. Starting from 10 birds in 2013, Yadaiah’s flock has now grown to around 40 birds. The night shelters in particular proved to be highly effective as it prevented predatory attacks. Yadaiah adds that on an average, each bird lays around 20 eggs in a period of 3 weeks. Out of these, 15 eggs are used for hatching, while five of them are used for consumption at home.

In a year, the hens lay eggs in two cycles; in each cycle they lay around 20 eggs. Hence, on an average each hen lays 40 eggs in a year. Yadaiah also said “The annual income for the household from poultry has now risen to Rs 6,000 with the sale of meat, compared to Rs.2,000 earlier. Thus, the intervention has made BYP more profitable for us.” He adds that as the family now consumes more protein, the family’s health has improved which has also minimized medical expenditure. Yadaiah explains that indigenous birds are quite adaptable to local weather conditions and that there is a high demand in the rural market for them. Thus, indigenous or desi breeds hold better scope to support rural households in the dryland regions, especially in times of agrarian distress.

Most importantly, the intervention has been able to change the mindset of people towards BYP. Earlier, it was seen merely as a source of meat and eggs or extra cash. As a result, BYP rearers often neglected it.

“The intervention has helped the villagers to realise that with some extra efforts and good care, BYP can boost their income as well. It is not just more sustainable, but also more affordable and profitable, particularly, in case of small farmers in rain-fed regions of India like Telangana,” concludes Yadaiah.
A new beginning

Income from a small village store puts lives back on track

Vikas Prakash Joshi | Ganjam, Odisha

“What is Ganjam district in Odisha famous for?”—I put this question to my fellow passengers in the Konark Express. I heard one saying “Pickles and papad.” After a long pause, another co-passenger, Lokenath, a native of Ganjam, said with a sigh, “The district is known for exporting manpower across the country. Currently, around 6 lakh people from the district work in the textile mills of Surat in Gujarat. The lack of employment opportunities is perhaps the biggest challenge in the place.” I was not surprised to find that Lokenath himself ran two canteens in Mumbai; his words set the tone for my visit to Ganjam.

Later, Sibaprasad Sahu, senior social officer at WOTR’s Odisha Regional Resource Centre, confirmed that the lack of employment opportunities in the region often compels people to migrate to other states. Thus, in 2016, WOTR started its work in the region with an aim to provide livelihood opportunities. Under the Holistic Rural Development Program (HRDP), supported by the HDFC Bank, 16 beneficiaries have been provided financial assistance till date. One of these beneficiaries is Kamalakola Nayak, a widow from Luduludi village, who now owns a small grocery shop on the village main road.

Introducing herself, she says, “My husband used to work in a textile mill in Surat, while I worked here as an agricultural laborer or sold firewood. In 2005, he died of malaria. After that, I had to struggle to make both ends meet with a monthly income of Rs. 2,000.” The villagers, who were well-aware of Kamalakola’s plight, recommended her to receive support under HRDP. Following this, she was provided a grant of Rs.45,000 to set up a grocery shop in the village. Currently, she earns a daily profit of around Rs. 200, which is substantially more than her earnings in the past.

Sugyani Nayak, Kamalakola’s daughter beams when I ask her about how the new earnings have impacted her life. She says, “I was afraid that I would be forced to discontinue schooling after class 10. But now that I have enrolled in class 11, I can dream of becoming a lecturer or an engineer.” Besides these impacts the intervention has also helped Kamalakola learn valuable skills.

She says, “Earlier, I did not know how to maintain the accounts of a shop or manage its inventory, nor could I negotiate well with suppliers for the best deals. I have now learnt these skills with the help of WOTR’s field staff. Now, I am confident that I can manage the shop successfully in future.”

Sibaprasad Sahu explains that the financial assistance will be provided only for the ongoing year; after this, follow-up meetings will be arranged to monitor the progress of the beneficiaries. “We expect that stories of these beneficiaries will motivate others to set up enterprises with their resources,” he signs off.

With its red-lidded plastic jars of sweets and toffees, this small shop looks like any other village store, but it hides a saga of struggle and hope. Kamalakola’s story will be an inspiration to anyone.
Daakubai Kharadi who belongs to the Gamiti tribe live is the Bagdunda village of Udaipur district in Rajasthan. For several years, she and her husband, Chamanlal, who is a tailor in the village, have reared buffaloes. Despite that, the couple had to buy milk for 4 to 5 months in a year when the buffaloes did not give milk. Moreover, the increasing prices of cattle feed added to their burden and made buffalo-rearing unviable. Lack of medical facilities in the village also meant that they had to travel to a nearby town when the cattle would fall sick. Indeed, rearing of buffaloes required much time and effort which the old couple could not afford to give.

Given the situation, the family was looking for a way out. Goat-farming came as a viable option to them as the goats are hardy and can easily survive on naturally growing bushes and shrubs in rough terrains. The couple knew that unlike the buffaloes, goats would not require much care and attention. Thus, in 2013, Daakubai decided to buy a pair of goats of the Sirohi breed as a part of the WOTR’s Wasundhara Village Development programme that was initiated in the village with support from Andheri Hilfe Bonn, a Germany-based non-profit organisation. While she contributed Rs.2,000, WOTR provided her a grant of Rs.12,000 for buying two goats.

Thereafter, she provided the cattle with healthy feed and a clean space to live. With all the love and care of Daakubai, the goats have raised a family of ten kids in a span of three years. She says, “The buffaloes would give 4 litres of milk a day for nearly 7 to 8 months in a year. On the other hand, the two goats give us around 3 litres of milk every day for almost 11 months in a year. Thus, we are now able to consume milk and milk products on a regular basis.”

Besides, the couple have earned a total of Rs.17,000 from the sale of two young goats, of which Rs.7,000 have been used for their niece’s wedding, while the rest was kept as savings. She continues, “If we didn’t take up goat farming we would have ended up spending Rs. 30,000 in three years just to purchase milk. On the other hand, the goats have helped us save money. Goat farming has given us financial security.” Moreover, the couple have been able to gift kid goats to their relatives.

With an exultant tone she concludes that, “Until a few years ago, we would never have enough milk in the house. And thus, we felt embarrassed to serve our guests black tea. But today, we feel proud to be able to offer them tea with milk.”
The Vidarbha region of Maharashtra, which was once famous for its white gold i.e., cotton, is now referred to as the farmer suicide capital of India. Veteran journalist P. Sainath had once called the region as “the worst place in India to be a farmer.” There are a number of reasons for the thousands of farmer suicides that have occurred since 1995 in Vidarbha such as erratic rainfall, prolonged dry spells, inadequate irrigation facilities and lack of formal credit. While this scenario is indeed tragic, there is a silver lining. In order to redress the crisis, the governments, at state and central level, have taken measures like farm loan waivers, raising minimum support price for cotton, and promoting irrigation projects.

However, the plight of thousands of widows did not attract much attention from the government, media and the general public. They continued to struggle with issues like lack of compensation due to land deeds not being in their names, challenging insurance claims, harassment from moneylenders, etc. Nevertheless, there exists a story of hope in this bleak scenario—the story of Chanda Thune and Ramkala Thune, two sisters-in-law from Baradgaon village of Yavatmal district.

Each couple owned 2.5 acres of land which was registered in the name of the men of the family. While the couples themselves worked as agricultural laborers, the land was leased to another farmer at a yearly amount of Rs. 1,000 per acre. With an annual income of Rs. 12,000 from
all possible sources, they struggled hard to make both the ends meet.

Succumbing to the hardships, Ramkala’s husband killed himself in 2013, while Chanda’s husband took his life in 2014. With this, the widows had to fend for themselves. They underwent severe emotional and financial distress. The children too were devastated and eventually dropped out of school.

Given the situation, the family needed some hand-holding to get back on their feet. It was at the same time that WOTR, along with its sister organization Sampada Trust, initiated a project ‘Empowering Women and Children in Distress’ in the Yavatmal district with the support of a Germany based NGO, Andheri Hilfe Bonn.

The initial phase of the project focused on inner healing where widows were encouraged to express their feelings, concerns and dreams. The second phase aimed at promoting their livelihoods.

Even though Chanda and Ramkala owned fertile agricultural lands with a water canal flowing through it, they did not have the means to lift the water from this canal for irrigation. To address this, they were provided with assistance of Rs. 10,000 each, as a revolving loan by Sampada Trust. This helped the women purchase a second-hand diesel pump for Rs.13,000; the rest Rs.7,000 was kept as working capital. Besides, the women were given training by the field team on combating pests and practising organic agriculture.

In 2016-17, Chanda and Ramkala together harvested 20 quintals of cotton and 10 quintals of tur. They earned Rs. 1.1 lakh which included a profit of Rs. 45,000. The women are expecting a similar profit from the ongoing season.

The benefits are not just monetary in nature. Chanda’s son has now completed his schooling and owns a small eatery in Ralegaon taluka of Yavatmal. Ramkala’s children are back in school. The women were able to get their land deeds transferred to their names. They have built a pucca house for themselves. But perhaps the biggest takeaway of the project has been that the widows were able to gain confidence in themselves and self-reliance, helping them pave the way to a better future.

Ramakala Thune, from Baradgaon village of Yavatmal district

PHOTO: MOHAN DULDHAR
The villages in Murhu block of Jharkhand are mainly occupied by members of the Munda tribe. Traditionally, these small-landholding farmers cultivate paddy and lac—a natural resin secreted by the lac insect. However, in the recent years they have also adapted to cultivation of tomatoes, watermelon and potatoes.

For small and marginal farmers, like those in Murhu, getting a fair price for their produce has always been a challenge. Following the Agricultural Produce Marketing Corporation (APMC) act of 1963, farmers are to sell their produce to licensed wholesale traders at nearby mandis or agriculture markets. This, in turn, gave rise to a long chain of intermediaries. The cartels of these middlemen obtain the farm produce at low prices and later, sell them at considerably higher rates to the next person in the chain. Thus, in the process the poor farmer ends up receiving only a small part of the final price paid by the consumers. In order to tackle this challenge, the Department of Agriculture and Cooperation (Government of India) in 2003 identified a new institutional form called ‘Producer Organisation (PO)’ under the provision of the Companies Act of 1956.

In simple words, this is a collective of primary producers, like farmers, milkmen or fishermen, who participate at multiple stages of a market chain to ensure that they get a fair price for their inputs and outputs. As per media reports, over 3,000 Farmer Producer Organisations...
(FPOs) had been registered across the country by March 2017.

WOTR helped the villagers of Murhu to register the Birsa Farmers Producer Company in March 2016, in the support of the Producers’ Organization Development and Upliftment Corpus (PRODUCE) of the National Bank for Agriculture and Rural Development (NABARD). Ten members were elected to the board of directors of the company, while the membership was opened to local farmers after paying a token amount of Rs.500.

The producer company would procure lac from individual farmers at the market price. This collected raw lac, which is estimated to be 30 tonnes for the ongoing season, would then be processed collectively at the company’s processing unit in Murhu block. Following this, it would be sold directly to an industrial or a wholesale buyer at a relatively better price. In future, a similar model will be planned for the sale of paddy crops. Moreover, the company has also set up an input-procurement shop in Bamni village where they sell seeds, fertilizers, pesticides, and animal feed. These are bought at a wholesale price from the nearest city i.e. Ranchi and are made available to the villagers at a shop in Bamni that is collectively managed by all the members.

Notably, the farmers are already benefiting from the shop, informs Vipin Kumar Singh, the chief executive officer of the company. He explains,”The market price for tomato seeds ranges from Rs. 400 to Rs. 600 per 10 grams. However, the company buys them at a wholesale price of say Rs. 360 per 10 grams, and sells it to the members at Rs. 390. The non-member customers can buy the same at Rs. 396. This earns the organisation a profit of approximately 8-10 percent, and also helps farmers save some money.”

Currently, the earnings from the shop are being used to support only its the operational costs which include buying stocks, logistics costs, and salary of the shopkeeper. However, after the break-even is achieved, the profits will be distributed among the members of the company.

Till date the input procurement shop has made a turnover of about Rs. 4 lakh. Estimates suggests that the company would be able to achieve the breakeven by early 2018. Moreover, the initiative that started with 51 members has now grown to 325 members. These numbers by themselves speak for the success and impact of the initiative. It has not just helped the farmers to efficiently deal with the cartels of middlemen, but have also supplemented their livelihoods with an additional source of income.

Most importantly, the initiative has helped the tribal community to establish a link with the larger market across the country, while strengthening the relation of trust among the community members.
Businesses, not projects

*Village-level enterprises should be a key part of any development strategy that aims to promote livelihoods*

Liby Johnson | Bhubaneshwar, Odisha

Traditionally, the non-farm sector has been a favourite for poverty reduction projects. It provides an alternative to the crowded, sub-optimal farm sector. Moreover, it holds enough scope for innovation. If successful in the initial stages, there lies a scope for wider replication. Besides, it was realized that the non-farm sector can supplement the livelihoods of poor families by providing options for secondary sources of income.

Despite the importance, one finds it difficult to actually name more than a handful of successful non-farm sector interventions that have contributed to the economic betterment of the poor. The Lijjat self-employment movement and the SEWA in Gujarat are some obvious examples of such interventions. These are built on the power of collectivization, just like the milk cooperatives in Gujarat. Moreover, they have been successful in specific product categories, like milk, papad and embroidery.

In order to impact a larger number of people, the interventions of the non-farm sector should be able to support several types of enterprises across functions such as, production, services and trading. In the past, the attempts to do this have been on a project mode with specific targets, rigid norms of participation and the type of support that was mainly limited to financial aid. However, promotion of non-farm enterprises in project mode tends to lead to sub-optimal business choices being made by the entrepreneurs, while in case of the other livelihood sources, the choice is often made by default (crops cultivated, frequency of cropping, type of animal raised, type of wage labour obtained etc.) Thus, the non-farm enterprises allow a poor family to exercise a choice within the constraints set by the larger market.

The project-syndrome can be seen across government and non-government interventions. The Swarna Jayanti Gramin Swarojgar Yojana (SGSY) is one of the earliest large-scale interventions that aimed to promote non-farm livelihoods through enterprises. But the SGSY approach to enterprise promotion, which later became the template for most government interventions, contains several design flaws.

- The trigger for the intervention was a subsidy with little, or no other, motivating factors. This implied that selection was externally driven and not based on merit or business logic.
- The associated credit model was faulty with financial assistance available only for setting up businesses and seldom covering the needs of working capital. As a result, the entrepreneur had to often resort to alternate means which would be costlier. Bank loans had to be repaid on an EMI basis, while the incomes from the businesses were not steady.
- The self-help groups (SHGs) were viewed as business entities. But it is seldom possible for a business to be handled simultaneously by multiple owners. Even in the cases where SHG was meant to be a conduit for loans, the norms of SHG-based lending meant higher cost of credit for a business to become viable.
- With lack of any hand-holding and technical support mechanism, the entrepreneurs had to often look for solutions themselves. As most of the beneficiaries
were women from the disadvantaged social groups, it was difficult for them to master the vagaries of market in the absence of sensitive technical support.

The micro-enterprise development activity promoted by Kudumbashree, the State Poverty Eradication Mission of the Government of Kerala, has attempted to overcome some of these lacunae. Being a government programme, not many changes could be made to the financing model. However, with realization of these gaps, Kudumbashree made two key amendments to the intervention design in 2004.

The Micro Enterprise Activity Groups, which later got wider acceptance as Joint Liability Groups, were initially recognized as business entities. The Micro Enterprise Consultant (MEC) system was created to provide relevant hand-holding for entrepreneurs. The MEC comprised of women and men from the local communities who were trained to be barefoot business managers. Over the past decade, these professionals have been able to promote a large number of viable businesses. The MEC model became popular and has been replicated as pilot projects in Bihar, Jharkhand, Karnataka, Maharashtra, and Rajasthan under the National Rural Livelihoods Mission (NRLM).

Indeed, village-level enterprise is a key element of any development strategy that is meant for poverty reduction, livelihoods development or overall rural development. Whatever be the objective—increasing incomes of farmers through value-addition of farm produce, reducing underemployment in the primary sector, creating opportunities for youth to engage in productive activities or enabling women to step out of their traditional roles—village enterprises are probably the most cost-effective approach. Learning from past experiences and having a clear understanding of the challenges, constraints and opportunities is important if these goals are to be realized.

Liby Johnson is the Executive Director of Gram Vikas, Odisha. He has worked with United Nations Development Programme (UNDP) and Kudumbashree for enterprise development.
Watershed Organisation Trust (WOTR) is a globally recognized organization dedicated to transforming the lives of millions across India through participatory watershed development and eco-systems restoration, adaptive sustainable agriculture, integrated and efficient water management and climate change adaptation, with a special emphasis on building resilience of vulnerable communities, farmers and women. It was established in 1993 and is headquartered in Pune, Maharashtra India. WOTR's mandate is to reduce poverty through community mobilization for sustainable watershed development and integrated rural development. Since its inception, it has carried out rural development works in 4,122 villages in 7 states of the country, directly and indirectly benefiting 2.7 million people.