

Hand in Hand

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Hand in Hand is an NGO working in ten districts of Tamil Nadu, India, dedicated to the development of disadvantaged groups, especially rural and tribal women and men, through grassroots action, research and education.

The organisation follows an integrated approach to address the challenges of poverty and underdevelopment. It aims to build self-reliance of disadvantaged groups by alleviating poverty through sustained income generation programmes. The organisation complements income generation interventions by building and disseminating knowledge about development context, issues and approaches through research and documentation. It also focuses on capacity building of practitioners.

Hand in Hand's activities are focused in the following areas:

- Eradication of child and bonded labour by mainstreaming these children into regular schools.
- Empowering rural women by organising them into Self-Help Groups, providing credit, assisting in establishment of micro enterprises and facilitating forward and backward linkages.
- Establishment of Citizen Centres/Information Kiosks to strengthen grassroots democracy and facilitate linkages for the poor.
- Conducting regular health, education and medical camps in partnership with local government institutions.
- Environmental protection via watershed projects and solid waste management interventions

By April 2006, Hand in Hand had covered 2036 village panchayats in 5 districts of Tamil Nadu. The number of total group members has risen to 1.5 million. Savings of the group members were Rs.4.25 million and the amount of total credit disbursements was Rs 26.3 million. At the end of April 2006, the rate of loan recovery is 99.95% and Hand in Hand has 350 staff members for implementation of its credit program.

Hand in Hand receives support from its support organisation, Hand in Hand Sweden, the Confederation of Indian Industry (CII), the Government of India and Tamil Nadu, M V Foundation Hyderabad, NABARD, Foundation of Women's Forum and Gender Management Institute, Sweden, and other donors in India and abroad. It has tie-ups with two leading garment factories: Intimate Fashions and Celebrity Fashions for placement of trained candidates.



The Hand in Hand approach has adopted the best features of both the Grameen Bank and the SHG approaches to ensure that benefits of both reach the poor. The role of Hand in Hand is

- i) Promotional,
- ii) Organisational and
- iii) Technical to enhance knowledge, wisdom, confidence and initiative of SHGs and to make them realise their own capabilities for their socio-economic improvement, self-reliance and empowerment.

Hand in Hand focuses its attention on a) the source of funds, b) covering all direct and indirect costs, c) sustainability in the long run and d) reaching the hard-core poor in particular in the poverty-hit developing and least developed districts. Hand in Hand's operational cost is a mere 3.4%.

Support goes through 4 Stages as indicated in Diagram 1.

Stage 1: Identification of potential members and poverty targeting:

Keeping the cluster approach in view, groups of villages with high level of poor households are targeted first. Within the village/hamlet potential beneficiary groups are identified through regular visits to the villages, informal discussions adopting PRA Techniques/processes (Housing Index/ Wealth ranking/Social mapping) which provide a clear social spectrum of the village and the community's perception of the really poor households.

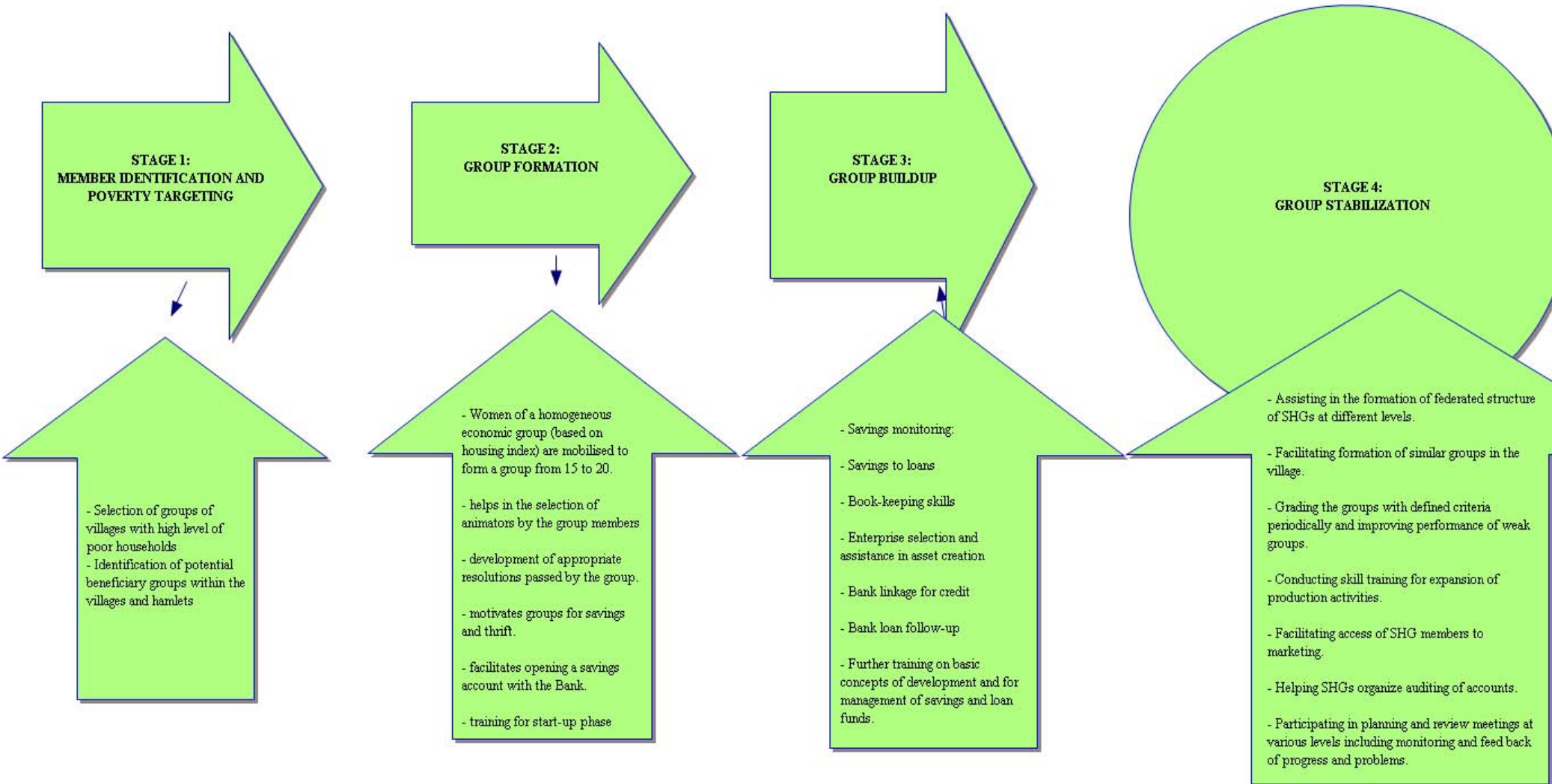
Stage 2: Self-Help Group Formation:

The formation of cohesive women's Self-Help Groups is the core of the Hand in Hand SHG and Microfinance Project. Through use of the PRA techniques/processes women of a homogeneous economic group (based on housing index) are mobilised to form a group so as to avoid domination by the economically stronger women. The group size varies from 15 to 20.

Once the groups have been formed Hand in Hand:

- helps in the **selection of animators** by the group members
- **development of appropriate resolutions** passed by the group.
- **motivates groups for savings and thrift.** Women are encouraged to pool their savings on a regular basis, however small they may be, into a group common fund. This common fund grows not only through individual contributions, but also by rotation of the money among group members through internal loans. This activity also teaches the members interest calculation and the importance of repayment, thus contributing to financial discipline. Even without institutional loans, this has contributed to considerable relief from local moneylenders.
- facilitates **opening a savings account** with the Bank. They contribute regularly to a savings fund managed by the groups. Opening a bank account for the SHG with a bank is the first milestone.
- provides **training for start-up phase** in participatory processes on group formation, group dynamics, gender sensitization, bookkeeping and accounts. Training is directed towards capacity building and attitudinal change. This process helps poor women to get motivated and become a member of Self Help Group to achieve their self enhancement/advancement through group processes, participatory democratic decision making, attitudinal changes, team work, access to resources and enterprise creation.





Stage 3: Build Up

During this phase, Hand in Hand works continuously with the groups to make them strong, cohesive and sustainable with a focus on enterprise creation and employment generation. At this stage activities include:

- **Savings monitoring:** Assistance in preparing guidelines for usage and monitoring of savings.
- **Savings to loans:** Within three to six months of group formation, Hand in Hand extends credit to individuals (through the groups) for setting up family based enterprises. The focus in this approach is to facilitate generation of income through micro enterprises. There are systems in place to ensure that members do not squander their loans on trivial consumption needs. Credit within one or two months of group formation provides immediate relief as bank linkage takes time ranging from six months to more than a year after group formation and the initial momentum built up after training may be lost in this delay.

Once a group has saved a reasonable amount, it is encouraged to start providing petty loans to the members from their savings fund. These are generally for urgent, short-term needs and the group decides who should get the loans and at what rate of interest. Rates tend to be around Rs.2-3/100 per month (i.e. 24-36% per annum), which may seem high but is significantly less than the rates charged by the local moneylenders. The money circulates rapidly and is promptly repaid, and in many cases the total amount loaned could be three to four times greater than the amount saved.
- **Book-keeping skills:** Guiding animator, representatives and group members in proper book keeping and record maintenance.
- **Enterprise selection and assistance in asset creation:** Assisting group members in selecting suitable individual economic activity or group activity for additional income generation. Helping in identification of innovative activities. Assisting in the preparation of project profiles for bank loans for group based enterprises. The project assists rural women in improvement of skills and pursuit of economic activities through participatory dialogue, feasibility study and Entrepreneurship Development Training. Soon they acquire sufficient self-confidence to become regular bank clients and entrepreneurs, thereby increasing their self-reliance and raising their status in the family and the community.
- **Bank linkage for credit:** After one or two doses of credit, when the SHG members have reached subsistence level, they succeed in obtaining loans from banks for higher investment. This inculcates financial discipline and permits enlargement of the scope of the family businesses. Many illiterate SHG members have started discussing about using low cost technology to improve their business for better profits and avoiding middlemen.
- **Bank loan follow-up:** Following up in getting the loan sanctioned and disbursed to the SHG. Ensuring prompt repayment of bank loans.
- **Further training** on basic concepts of development and for management of savings and loan funds.

Easy loan documentation procedures, timely disbursal of credit and multiple doses of credit are the key success factors of Hand in Hand's SHG and Microfinance Project. Although Hand in Hand realizes that SHG-bank linkage is the most sustainable model, in reality there is a huge time lag between group formation and credit linkages for enterprise creation. The time-period varies from bank to bank and SHGs in remote villages generally take a longer time to get credit. The credit guidelines for bank credit to Self Help Groups stipulate six months of effective functioning as the pre-requisite for a bank loan. Practically, based on the information available with Hand in Hand with 7000 groups with different age groups, it varies from eight months to eighteen months and the momentum built up in the SHG after initial rounds of training is lost. Further, the first dose of credit received from the bank varies from Rs 15000 to Rs 25000. It is inadequate for enterprise creation for all the members. Hence, Hand in Hand tries to bridge the gap and provides timely cheap credit for enterprise creation. Thus, credit flow towards enterprise creation for Hand in Hand SHG members is three fold:

- Through Banks
- Through Hand in Hand
- Through their own savings – SHG members avail credit for consumption, education of their children and medical reasons from their savings available with the group



Stage 4: Stabilization

During this phase, Hand in Hand focuses on the following:

Assisting in the formation of federated structure of SHGs at different levels.

Facilitating formation of similar groups in the village.

Grading the groups with defined criteria periodically and improving performance of weak groups.

Conducting skill training for expansion of production activities.

- Facilitating access of SHG members to marketing.

- Helping SHGs organize auditing of accounts.
- Participating in planning and review meetings at various levels including monitoring and feed back of progress and problems.

Federation is a beyond-village, wider forum for SHGs to step up development of women members taking advantage of the **collective effort** of members SHGs, enabling holistic and need based economic and social development. Primary Groups (SHGs) promote Cluster Development Association (CDA) and Federation (legal entity that is normally registered under Indian Trust Act) for the following purposes:

1. **Co-learning:** Primary groups (SHGs) learn effectively when they share their experiences periodically among themselves. It is one among the best capacity building methods of SHGs. Best SHGs teach the low performing groups through their performance in the same situation.
2. **Sharing the leadership capacity:** An SHG may not have adequate leadership within itself. If adjacent SHGs (normally 15 to 20 SHGs put together) form a cluster Development Association (CDA), they could share the capacity of other group leaders for vision building, conflict resolution, etc...
3. **Sharing the local worker:** An SHG cannot afford to engage a local worker exclusively for guidance, accounts keeping, Audit of accounts, facilitating linkage with Banks, initiating new programs, etc. Hence, an Association of adjacent SHGs can afford to engage a cluster Associate by sharing the cost and avail expertise for best performance of SHGs.
4. **'Scale' advantage:** Because of cluster Development Association and federation, SHGs could have the following "Scale" advantage. They are
 - Secondary Institutions **could represent their demands** with the local government, Banks and other mainstream institutions.
 - **Mobilizing Resources on behalf of SHGs** from Banks, Government,
 - Secondary Institutions **could initiate many new scale related activities** e.g. Public Distribution systems for a village or a group of Villages; activity groups.
5. **Solidarity and Sustainability:** When SHGs are federated, **they acquire a new power and identity because of their solidarity. They derive strength and excitement from the collectiveness.** Besides solidarity, SHGs would be sustainable only when they are federated at cluster and block levels because they could scale new heights with united strength.
6. **Self-governance and own development programs:** SHGs allocate a part of their surplus for training, health, education and other relevant programs. These allocations are pooled at CDA and federation to run

their 'own' development programs. They **share the cost of their self-governance** at CDA and federation. They could pay staff at secondary institutions after a period of 2 to 3 years of promotion.

ENTERPRISE CREATION

For Hand in Hand microfinance is a means to enterprise and livelihood development and ultimately empowerment, not an end in itself. Hand in Hand aims at reducing poverty by raising average income levels through promotion of micro enterprises. The organisation's aim is to direct 50% of loans towards promoting agriculture/livestock activities and 25% of loans towards investment in handicrafts and small-scale trading. This provides landless women or women with small land-holdings an opportunity to earn a daily income.

At the same time savings and credit has a key role to play. Annual income in a rural poor household faces fluctuations in income during any given year and poverty can also be defined as vulnerability to such crisis, which is relatively predictable such as seasonal decline in employment for agricultural workers or a shortage of income and trading opportunities. An unexpected shock such as crop failure, illness, funeral expenses or loss of an asset such as livestock through theft or death or a natural disaster such as a cyclone also affects their lives. Hand in Hand believes that giving timely credit to needy women for enterprises facilitates increased leadership, mobility, confidence levels, decision-making capacity and an overall improvement in gender relations over time.

Hand in Hand facilitates two types of enterprises.

- **Family based individual enterprises** - 85% of the women take up family based enterprises. The loan size varies from Rs 3000 to Rs 12,000 per individual depending upon their monthly family income and capacity to repay. The money is mostly used for small-scale micro-enterprises or purchasing land on lease as most of the rural poor are agri-labourers. Women take up non-farm family enterprises (self employment) like weaving, sewing, paper cup making, milk cows, food vending, pot making, poultry, spice grinding, fruit juice vending, bicycle repair, etc. for income generation.
- **Group based enterprises:** The other focus area of support offered by Hand in Hand is for creation of medium-sized enterprises, which require an investment of Rs 2 lakh to Rs 5 lakh on an average. Based on its experience with smaller enterprises, Hand in Hand believes that only medium size enterprises can provide appreciable increase in income and provide sustainable employment to the rural poor. They are capable of standing up to the market forces and maintain higher quality standards to develop and retain market shares. The key strategy for this intervention is dependent in each case on the requirement of the enterprises be it credit at reasonable rates of interest, credit on time, skill training, quality up gradation, packaging, marketing interventions, raw material procurement and so on. The idea is to concentrate on the weakest link in the chain of enterprise creation and analyze each activity to ensure maximum value addition. This requires a clear understanding of the market dynamics of each line of activity and considerable capacity building of the various stakeholders of the program.

Hand In Hand focuses strongly on agriculture and allied enterprises as it can make a sufficient impact on rural livelihoods for their sustainable development. The main interventions are as follows:

- Generating employment opportunity to the small, marginal and landless farming families.
- Value addition of agriculture commodities and strengthening of marketing channels.
- Promoting viable farm economy by adding productive assets like milch animal and poultry.
- Watershed management
- Rehabilitation of water bodies like lakes and ponds
- Afforestation

Some cases of Hand in Hand development of non-agricultural group based enterprises are given in Box 2.

BOX 2: GROUP-BASED ENTERPRISES

EMBROIDERY BUSINESS: KUNNAVAKAM

Kunnavakkam village is 28 Kms away Kanchipuram, a pilgrimage centre and centre for production of high quality silk sarees. Women in the village had learned embroidery skills for saris. However although they had employable and marketable skills they lacked proper places to work - lack of capital to repair their huts meant they had to stop regular work during rainy seasons, lack of working capital for purchase of raw materials meant they were dependent on intermediaries.

Empowering rural women through Self Help Group formation, training, capacity building & facilitating access to credit through banks is one of the main objectives of the organization. Hand in Hand organized 6 SHGs with nearly 100 women and gave training in savings and credit and group formation. The women then approached the organization for funds to purchase wooden structures, repair the existing work shed and some working capital for the purchase of embroidery inputs. They obtained a Grameen loan of Rs.60,000/- for 12 members - Rs.5000/- each. The organization spent some money for repairing of the existing work shed. Through the support received from Hand in Hand the members were able to purchase a wooden structure for doing the embroidery work, required raw materials such as designs, needles, threads, etc. Moreover, they repaired their huts put in front of their houses for doing the work.

The earnings per member is Rs.100/- to 150/- per day (much higher than seasonal agricultural daily rates of Rs40-60 for men and Rs20-40 for women) Depending on the designs the earnings will be more. During festival seasons like Ramjan, Deevali and Pongal they also get more sarrees orders and earn higher incomes. Approximately, a member earns Rs.1500/- to 2000/- per month, in addition to the money the husband contributes to the household. Members of Grama Pengal SHG & Vannathupuchi SHG respectively, said that the purchase of additional wooden structure enabled them to double their income from Rs.100/- to 200/- through designing two sarrees per day. Even young girls, who have completed 10th standard support the family through the skills.

Group members are now looking to expand their business through taking up more work for which they need further help from Hand in Hand.

BAKERY: KANCHEEPURAM

Mahalakshmi SHG in Periyar Nagar 6kms away from Kanchipuram has established a Bakery unit with 8 out of 12 members in December 2004. The major occupation of the members are either weaver or house wives from households with average annual income of Rs.15-20,000 (ie below the poverty line of Rs21,000).

Based on the guidance and support from Hand in Hand the SHG members prepared a project proposal and submitted to a Bank at Kanchipuram. In view of their capacity of running the business and the scope for marketing of their products the bank sanctioned Rs.230,000/- to the Self Help Group. In addition Hand in Hand gave financial Rs.135,000/- towards purchase of machinery. In order to compensate their losses in the business the organisation temporarily provides support to meet out their expenses like building rent, electricity and machine maintenance cost. Once the group started earning profits, then the organization will withdraw its support. The members were also trained in production of buns, bread, varieties of cookies, etc by engaging qualified and experienced professionals in Bakery skills., quality maintenance, book keeping and marketing.

They also got support from Hand in Hand at various stages. An initial market study by the group failed to identify ways of improving the market and so production was low Hand in Hand suggested developing contacts in Chennai, 70 km away with many big to medium companies and garments factories. Hand in Hand established a tie up arrangement between the group and one of the ready made garments companies. Now the group has taken an order for the supply of sweet bun to the employees of the company and supplying 1150 buns daily.

Now the members have confident that they can run the unit independently. Stock book, daily production,

delivery, sales, etc are being maintained regularly. The unit produces buns and different varieties of cookies such as coconut biscuits, plum cakes, butter biscuits, etc. The produce are sold in the local market where the members of the group buy the items in bulk and sell it elsewhere in the places like residents, schools, sandy, etc.

Intervention has helped 8 members in the group for regular employment. 6 SHG members are employed in the unit as workers and two in marketing buying the products at cheaper price and selling them with a marginal profit with a income of Rs.50/- per day.

The members employed in the unit were paid Rs.750/- for three months in the beginning. Presently, they get Rs.1000/- as their wages every month from their profit. The members expressed that they use their earnings for the expenses like milk, cooking gas and other small domestic needs. Moreover, these members do savings in the form investing on small chits @ Rs.200/- 300/- per month.

Now the group feels that one company support alone will not solve their problem and will not provide any increased income. Hence, still they are in search of customers. The members say that they would like to strengthen the business through identification of regular marketing outlets, diversifying products, preparation of phamlets and advertisement through different media and setting up a sales outlet in the city.

The enterprise has a loan repayment period for 3 years. The monthly income is in addition to repaying the bank loan of rs 8000 per month)

NGO-CORPORATE PARTNERSHIP: AINA TAILORING UNIT CHINNA KANCHEEPURAM

The Industrial power machine-tailoring centre was set up initially as a training centre with 15 power machines to provide jobs for young girls in garment industry. It was started in the year August 2004 with an investment of Rs 2.75 lakhs. Hand in Hand designed a training curriculum for one month to suit the requirements of the industry. A minimum fee of Rs 50 per participant was collected to take care of establishment costs. The candidates were from rural areas and Hand in Hand managed to get employment for the trained candidates at Intimate Fashions, a leading garment factory in the outskirts of Chennai. The women get a decent pay package of Rs 2000 plus subsidized food and transportation. The rural girls could not cope up with the demands of an export factory and the staff turnover of the initial batches was as high as 50%. We corrected the mistake and even before training, we started counseling the parents and candidates for subsequent batches. We also helped them with tips on food and water intake for working long hours and to cope with stress and the demands of the export unit. The counseling of parents and family members had a tremendous impact and the turnover dropped drastically.

We also formed an informal association of trained candidates who had regular meetings to counsel the juniors. In this process, we realized that widows and destitute women who were over-aged and who did not have the minimum requirement of 8th class pass certificate could not get placement in garment factories. We are combining the strengths of NGOs and Corporate in reaching out to the target groups. As NGOs, due to the closeness of the target group we are able to identify the potential candidates and prepare them to meet the demands of the industry. Girls have a forum for representing their grievances and concerns and Hand in Hand functions as an umbrella organization to protect the interests of the girls and at the same time making them realize the concerns raised by the Corporates.

We, therefore, started a production unit and the unit is providing jobs to 20 girls and 5 senior tailors for supervision and quality control. The unit has started earning profits and it has become self-sustaining. They have expanded their operations and are functioning as a satellite unit producing shirts. They have regular orders and the day they will start exporting is not far off. We run three shifts for training and in the last eighteen months, we have provided jobs to 434 young girls. It is a win-win situation even for the corporates as they are able to save money and time on recruitment and training. The unit proves to be an excellent model of NGO-Corporate partnership as the unit has started repaying the initial investment in machinery.

- Training is a very important component in both group establishment and enterprise development. Training covers micro finance, institution building, income generating activities and programme support enterprises, project identification, formulation and screening. The emphasis is on capacity building and awareness generation on a sustained basis. All the training programmes are designed after a training needs assessment is completed. Hand in Hand uses a participatory, peer supported and multi-sectoral strategy to offer poor rural women the skills and opportunity to achieve sustainable improvement in their livelihoods, and attain dignity and self-reliance.

SHG members face competition at both the national and international levels. They need skills training to enable them to be productive enough to meet the challenges of changing technology and the globalization of the economy. This requires an increased knowledge base, multiple skills compatible with emerging technologies and changing processes. The development of new technologies will require greater generic skills, which are normally acquired through a higher level of formal education. To ensure employment opportunities to young girls, especially those belonging to the backward communities, Hand in Hand offers:

- A free 6 months certificate course in tailoring at its Tailoring Centre which is equipped with the most advanced power machines. Hand in Hand's most supportive partner, the Confederation of Indian Industry (CII), helps students get placement with leading garment industries in Tamil Nadu on completion of the course. Hand in Hand has regular tie-ups with two major garment units for offering placements.

Computer literacy programs to young boys and girls to enable them to get jobs, which require computer skills. Hand in Hand offers short term and long-term courses and the courses accredited to Indira Gandhi National Open University for better job prospects.

- Hand in Hand with support from Weavers' Centre, affiliated to Ministry of Textiles, Government of India has set up a training centre to bridge the design gap, technological gap to upgrade and add value to the weaving sector.
- Further Hand in Hand provides working capital to enable them to make a decent profit margin. Banks offer loans to SHGs after 12-18 months only. In order to sustain the momentum of the SHG members immediately after training, Hand in Hand provides bridge loans at the same interest as banks within 3 months. All the members who want to invest in enterprises avail loan. Subsequently for the second dose they are linked to banks for providing continuous access to credit.

CITIZEN CENTRES

The Right to Information Act, which came into force 12 October 2005, has as major objective to provide for the right of access to information to the citizens of the state. In order to take part in the democratic system, each citizen needs basic information about the political system, fundamental citizen rights, and the powers and responsibilities of elected representatives and officials in government departments.

As a means to facilitate for poor and illiterate people to access information, Hand in Hand has opened Citizens' Centres in several panchayats¹ in Kancheepuran District. In 2006 of 3629 members 41% were women. Each centre is run by an instructor who has received training in the various services offered. All services cost a small fee in order to cover for maintenance costs and the instructor's salary. Although all Citizens' Centres offer a standard service package, each centre has been equipped depending on the need of the specific community in which it operates. A typical centre has an "IT-kiosk" with one to three computers, Internet connection, and facilities for printing, copying, scanning, and faxing, as well as a small library with books and dailies to encourage reading habits among children and adults. The centres offer basic and very popular computer courses that aim at making the younger generation computer literate.

¹ a panchayat is a cluster of villages.



Apart from these facilities, the centres are meant to encourage democratic participation and increase the villagers' awareness of, and engagement in, various socio-political issues. This Centre is used to promote transparent procedures and give voice to the villagers by addressing unmet needs of the poor. The centres serve as :

- A democratic resource providing basic information for villagers on how to vote, how to apply for welfare programmes, how to register for government schemes. For example, helping them to get to know of the Government schemes in areas of their concern, enable them to fill out forms regarding the same, registering them for voting, writing petitions etc.

- A forum for debates, gathering villagers and

speakers from various fields of specialisation, for example government officials, retired senior officers, business people, agriculturalists, and headmasters.

- Assistance in obtaining a passport, birth certificate, and driver's license
- Since the centres have 24-hour electricity, children who fail to keep pace with studies at school (for example former child labourers and first-generation learners) are provided tuition and help with homework.
- Providing newspapers, library and computer facilities to the villagers.
- They will also provide the basis for a literacy programme (See Box 4).
- The centres also serve as monitoring units; e.g. they control that student-teacher ratios are kept healthy, that ration shops are functioning according to government regulations, and that village health centres are properly run.
- The centres also give information and support about, for instance, livestock and organic farming.
- A comprehensive information- and accounting-system for Self Help Group members has recently been installed.
- Finally, in order to strengthen grassroots level democracy and raise awareness about rights, Hand in Hand is organising village volunteers into Good Governance Rights Protection Committees (GGRPC).

These Citizens' Centres will be a boon to Self Help Groups and 219 SHGs have started using the service of ten such centers for maintenance of their accounts. Further, through proper training, these citizens' centers can guide the SHG members on fixing the prices of their commodities based on nearby market prices and putting up their products for sale on the web based portal to be designed by Microsoft.

Currently 70 centres are functional and 20 are functioning in Government buildings. Microsoft is keen on a partnership with Hand in Hand for upscaling the Citizens' Centre project to 3900 villages in the five districts where Hand in Hand is currently operating. These centers will be used for providing tele-medicine services and adult literacy training programs.

BOX 4: SHG LITERACY PROGRAM THROUGH CITIZEN CENTRES**OBJECTIVES**

- To teach literacy and numeracy skills to 20 000 illiterate women in SHGs.
- To encourage them to practice these acquired skills in their life and in SHG Project.

STRATEGY

- All the illiterate women in SHGs will be identified and motivated to attend the literacy classes.
- In each literacy center, there are about 25 women learning together.
- In each literacy center, a trained teacher/volunteer will teach literacy and numeracy skills to the women.
- Literacy classes will be conducted for 1½ hours everyday in the evening in the respective centers at the village itself. (100 days) Tamil (local language), maths and environmental science subjects will be covered.
- TOT will be conducted to the selected staff by the faculty from the Block Resource Center of the Education for All program of the Government.
- Selected literacy teacher/volunteer will be trained for 2 days in teaching methodologies and in turn, they conduct literacy classes every day in their village itself to the women
- Rs 200 will be paid as honorarium per month to the volunteers, out of which, Rs 100 is from the project and the balance Rs 100 will be borne by the community.
- To monitor the literacy centers, 2 supervisors will be appointed by Hand in Hand.
- Simple primer books on maths, Tamil and environmental science will be given to each woman free of cost. Qualified trainers will train the women on basic accounting and computer skills including gathering information through the Internet at the Citizen Centre. This would be useful for them on a day-to-day basis.
- To make the training more effective and easy for elders, classes are conducted through computers in Citizen centers 2 days in a week by using audio-visual aids to learn alphabets.
- In addition, each citizen centre is equipped with newspapers and books. Linking SHG women with citizen centers enables continuous access to books and newspapers and helps them to continue with their reading habit without relapsing.

IMPACT OF THE PROGRAMME

An impact assessment on how the poor are benefiting by taking Hand in Hand's credit was conducted through a questionnaire during 2006. The responses were collected from 40 groups. The 40 groups of Hand in Hand covered 3 blocks and 300 borrowers.

The assessment found very positive impacts.

Type of Impact		Number	Yes (%)	No (%)
1	Capital Increased	320	80.42	19.58
2	Income Increased	320	90.88	9.12
3	Awareness Increased	320	95.46	4.54
4	Food Intake Increased	320	89.12	10.88
5	Literacy Rate Increased	540	66.89	33.11
6	Family Assets Increased			
	• Land	320	34.56	65.44
	• Live-stocks	320	49.66	50.34
	• Ornaments	320	20.32	79.68
7	Savings Increased	320	95.47	4.53
8	Access to Government subsidies	320	35.5	64.5
9	Linkages with Government programs	320	95.45	4.55

With an increase in income, the ability of women members to establish their rights and negotiate within the family and participate in the decision making process in various types of family affairs is becoming a regular event in their lives. Older groups do not depend on moneylenders who charge usurious rate of interest.

The assessment reveals that in most of the cases, the borrowed money is invested in small enterprises giving immediate returns e.g., vegetable cultivation, paddy husking, grocery business, sewing, petty shops, tea-stall, mat & net-making, etc. Though the repayment of credit was almost 100%, various constraints like selling to the middlemen for low profits, poor knowledge of vaccination for poultry, misuse of credit by the family, illiteracy, lack of proper motivation worked as constraints for the borrowers in handling the amount properly.

Unemployment problems at the family level found earlier are now being solved by various family based income-generating activities. Reduction of dependency on local moneylenders accelerated the increase in family income. A tendency towards self-reliance through savings and income generating activities has developed among the group members.

Involvement of women group members in income generating activities has made them an earning member in the family, which has created a positive environment within the family by reducing dependency and has opened up alternative livelihoods.

As the women group members engaged themselves in enterprises and in leasing of land for agriculture, they get elevated as self-employed from wage-employed. Access to land and resources to hitherto marginalized groups have enhanced their status in family and society. The participation of women in income generating activities has added to the family income. In some cases, the group members have started earning regular income and are able to meet their basic needs by investing in better food intake, clothing, housing, medicine and specially education for their children. The nutritional status of the children of group members has increased because they are getting nutritious food regularly. Awareness on health and hygiene of the group members has increased and they have started to realize the importance of sanitation and cleanliness.

Because of increase in income and assets, the purchasing power of the rural poor has tremendously enhanced. As a result, they are able to demand better services from the public distribution system run by the Government and have adequate food stock ensuring the food security of the families of SHG members. Most of the group members are able to afford regular meals with their increased income.

CONTINUING CHALLENGES

Overall job creation and Microfinance Programs of Hand in Hand have clearly demonstrated that the income and standard of living of the poor have been positively impacted. But the focus is still needed in many areas, such as employment, nutrition, housing, access to education and health facilities.

The State has an important role to play in the alleviation of poverty by providing a policy and legal framework to create an enabling environment within which both the Governments and MFIs can work together on a cooperative and coordinated basis for eradicating poverty. For instance, within the framework of macro policies and strategies, the MFIs can complement government efforts, especially at the meso and micro level. Creation of wealth for the poor is an important aspect of development. Strategies for job creation include micro finance, creation of infrastructure, promoting enterprises and entrepreneurs, improving market linkages and so on. A major gap in this basket of interventions is promotion of group enterprises or cooperatives. The need for cooperatives in wealth creation arises solely due to one reason – the cooperative can create more value or surplus than the individual can. Conceptually, if a cooperative is well run, it will bring more benefits to its members. On the other hand, the organization and management of a cooperative might be more complex. Commodity cooperatives focused on the poor person's crops would fill this gap in the development efforts and Hand in Hand plans to take up the endeavor in the future.