

# Time to Think Fresh: Innovative Models; Mass Impact Solutions

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**Abstract** The passing of the CSR mandate in the Companies Act, 2013 has brought about a unique opportunity before organizations in India to innovate on models that can impact at scale, yet be frugal in terms of costs and yet bring about speed and rigour in implementation. Some of the opportunities include but not limit to enrolling children from financially deprived families in private schools by making use of the 25 % quota under the Right of children to Free and Compulsory Education (RTE) Act, 2010; improving the learning levels in the government schools by making the government system the principal stakeholder in the intervention or; by empowering Women Federations in rural India to make them self-sustaining. This paper seeks to critically analyze and explain these unique opportunities for the Indian corporations through high impact, high return innovative models, that can successfully unleash the true potential of India. These same models can be replicated in other sectors like health, nutrition and so on.

**Keywords** Self-sustainable • Women federations • Right of Children to Free and Compulsory Education (RTE) Act 2010 • Improving learning • Government schools

## 1 Introduction

The implementation of Section 135 of the Companies Act, 2013 is expected to contribute nearly Indian Rupees (INR) 200 to INR 250 billion (*approximately 2.6–3.2 billion euros @ 1 INR = 0.013 euros; as on February 12, 2016*) per year by Indian companies. This can be a potent force multiplier if companies choose to deploy it in areas where the government has not been as effective and more importantly, contribute not only money, but also bring in their expertise in implementation. Infact, that has been one of the most important agendas of introducing the Corporate Social Responsibility (CSR) mandate in the Companies Act, 2013. The CSR spends being only a fraction of what the central and state governments

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spend on various social initiatives, organizations, also need to inject fresh and out of the box thinking into the sector. Conventional solutions, beyond a feel good factor will not help to make even a small impact. Therefore, there is a pressing need for models that are:

- a) Low cost but ensures quality
- b) Replicable at scale
- c) Have a rigid frame for implementation
- d) Self-sustainable

Keeping these parameters in mind, let us take the Case Study of the projects supported by the Ernst & Young Foundation (EY(F)). Established in December 2004, EY(F) is a not-for-profit organization engaged in community oriented initiatives. It seeks to provide financial and management support to community projects to benefit the underprivileged. EY India contributes 0.5 % of the firm's revenues to the EY(F)/Charities. While, the focus areas include empowering entrepreneurs, supporting education and commitment to environment; the Foundation is also committed to providing aid and relief during times of natural calamities.

## 2 Models of EY(F)

A few models that the EY(F) has been supporting or has initiated support are as follows. Each of the models have been broken down into the description of the situation, the intervention and finally, the analysis of the impact to provide deep insight into the above-mentioned parameters of each of the models.

### ***2.1 Enrolling Children from the EWS in Private Schools by Making Use of the 25 % Quota Under the Right of Children to Free and Compulsory Education Act (RTE) Act, 2010 (Appendix G)***

**The Situation** The Annual Status of Education Report (ASER), 2014 (ASER Report, 2014) states:

- i) Of all children enrolled in Class 5, about half cannot read at Class 2 level.
- ii) Half of all children in Class 5 have not yet learned basic skills like subtraction that they should have learned by Class 2.

Without being able to read well, it is clear that a child cannot progress in the education system. Moreover, the percentage of children enrolled in private school in rural India has risen from 18.7 % in 2006 to 30.8 % by 2014 and has shown a continuing rising trend (ASER Report, 2014). This is indeed a situation of great concern.

Though the reading levels in Class 5 in private schools too are also not high, the gap in reading levels between children enrolled in government schools and private schools seems to be growing over time (ASER Report, 2014). If one analyses, the shift from government schools to the private school system, are primarily two:

- the perception that government schools are not conducive for learning with many schools facing teacher shortages which in turn prompts parents to enrol children in private schools the moment there is a rise in household income;
- the perception that proficiency in English is the magic wand to help pull their families out of poverty. Since most government primary schools i.e. from Class 1 to Class 5 have the state language as the primary medium of instruction, parents prefer to enrol their children in private schools which have English as the primary medium of instruction from Class 1 itself.

As per the RTE, every private school has to reserve 25 % of the new admissions in Class 1 for children from the economically weaker sections (EWS) of society. The concerned state governments are responsible for reimbursing the private schools the fees payable for every child enrolled under this 25 % quota. The reimbursement would be the lesser of the actual school fees or per child expenditure incurred by the state. This reimbursement would be available for 8 years i.e. from Class 1 to Class 8.

As per the State of the Nation Report, 2015 there is an opportunity to enrol nearly 2 million children in private schools each year, or 16 million over the next 8 years. This means that at the end of 8 years, there would be a perpetual cycle of 16 million children enrolled in private schools taking advantage of the 25 % quota provided under RTE with 2 million children passing out of Class 8 being replaced by a fresh batch of 2 million being enrolled in Class 1. This estimate of 160 million children does not factor the potential to enrol a higher number of students since the rising trend of private schools would automatically translate into higher number of seats available under the RTE quota.

The report goes on to state that in 2013–2014, roughly 0.6 million seats were filled out of approximately 2.11 million seats available nationally under Section 12 (1)(c) (Appendix G) (State of the Nation Report, 2015), resulting in a fill rate of 29 %.

In 2013–2014, out of 206 thousand private unaided schools with Class I, approximately 45 thousand schools had reported at least one admission under Section 12 (1)(c) i.e. only 22 % of the private unaided schools have participated in this process (State of the Nation Report, 2015).

**Intervention** An effort in this direction was initiated in 2013 in Delhi by Indus Action Initiative (Indus Action), a not-for-profit (NFP). Indus Action expects to help enrol close to 6 thousand students for the academic year starting 2016, admission forms for which have already been submitted. They are also planning to expand this program to three more cities in 2016 and seven more in 2017. The initial costs in a new city tend to be higher in the first 2 years primarily because the

biggest cost are team costs which are more or less fixed while the initial enrolment numbers would be lower due to lack of awareness among the financially deprived.

The model now ensures a cost of not more than INR 2500 (*approximately 32.5 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) per child enrolled by year 3 of initiation of a fresh location. This cost includes not only the enrolment costs but also the costs of a school readiness program. The modus operandi of such a model has been detailed below:

### **Modus Operandi of the Indus Action Model:**

#### **Step 1**

- a) *Helpline Support* which address the queries that families have regarding eligibility, rules, regulations and procedures, deadlines, documentation process, schools seats' details, etc.
- b) *Distribution of Pamphlets* to disseminate information. Anganwadi<sup>1</sup> workers and local people (friends and relatives) are next best channels of information dissemination. Though, television (TV) is a mass channel and has been an effective source of identification of eligible families, it has the tendency to reach out to ineligible families as well and hence slows down the process at the organization's end (Anganwadi 2011).
- c) Have access to a *compiled/access of database* of schools clearly listing all schools along with their seats availability information. This could help strategize the campaign and tracking very effectively.

#### **Step 2**

- a) **Advocacy for End-to-End Management Information System:** The current model of decentralized admission process is extremely time and cost intensive. It is also very vulnerable to eligible families being denied participation in admission process in various ways.
- b) **Decoding Grievance Redressal Mechanism:** Indus Action receives thousands of grievances during admission cycle. These include denial of admission forms, lack of transparency in Lottery (for giving away of forms; or interview calls) and even the harassment of the children and their parents. Therefore, a robust grievance redressal mechanism needs to be put in place to handle these instances effectively which restores faith of

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<sup>1</sup>'Anganwadi' meaning "courtyard shelter" in Hindi, is a government sponsored child-care and mother-care centre in India, catering to children in the 0–6 age group. They were started by the Indian government in 1975 as part of the Integrated Child Development Services (ICDS) program to combat child hunger and malnutrition. The Anganwadi system is mainly managed by the Anganwadi worker. She is a health worker chosen from the community and given 4 months training in health, nutrition and child-care. She is in-charge of an Anganwadi which covers a population of 1000.

the common man in the public institutions and acts as a deterrence for subsequent violations.

- c) **Coalition Building:** a combination of Direct Beneficiaries, Community Outreach Organizations, Media Partners, School Based Organizations and Volunteer Based Organizations plus collectives of potential beneficiaries, be they ‘*safaikaramcharis*’ (sweepers) union, auto drivers’ union and Anganwadi workers.

### Step 3

**Setting up of summer camps:** to ensure that both the parents and children are sensitized on what they would need to adapt to the new environment where the children would mingle with children from well to do families as also the faster pace of learning in private schools. Enrolling a child in a school only for the child dropping out a little later due to its inability to cope with the new environment is counterproductive.

**Analysis** *This one time investment of INR 2500 per child (approximately 32.5 euros @ 1 INR = 0.013 euros; as on February 12, 2016) can result in a saving of up to INR 128,000 (approximately 1664 euros @ 1 INR = 0.013 euros; as on February 12, 2016) for a family over a period of 8 years (INR 16,000 × 8 years) as the fees would be reimbursed directly to the school by the respective state government. This translates into a return of upto 51.2 times the original investment of INR 2500 on the child.*

*Therefore, by investing INR 5 billion (approximately 65 million euros @ 1 INR = 0.013 euros; as on February 12, 2016) or 2.5 % of expected annual CSR spends consistently over 8 years, there is an opportunity to tap INR 256 billion (approximately 3.3 billion euros @ 1 INR = 0.013 euros; as on February 12, 2016) of government funding support on an annual basis (128 % of expected gross annual CSR spends by corporates) and at the same time ensuring that 16 million children from economically weaker sections of society have a chance to access relatively better education, as explained in Table 1.*

This could be a unique opportunity for companies to replicate and/or fund the model in the cities/towns where they have a strong presence and help faster scaling up of the model.

**Table 1** The mathematics of sending children from economically challenged backgrounds to private schools

No. of children enrolled in private schools under the 25 % RTE quota	Total cost @ INR 2500 per child (INR <sup>a</sup> )	Potential reimbursement by government per year @ INR 16,000 per child per annum (INR <sup>a</sup> )	Potential reimbursement by government over 8 years (INR <sup>a</sup> )
1	2500	16,000	128,000
2 million	5 billion	32 billion	256 billion
16 million	5 billion per year (over 8 years)	256 billion	–

<sup>a</sup>@ 1 INR = 0.013 euros; as on February 12, 2016

## 2.2 *Improving the Learning Levels in the Government Schools by Making the Government System the Principal Stakeholder in the Intervention*

**The Situation** With more than 100 million children studying in government schools, where learning levels are dismal per ASER reports, many NFPs/corporate foundations have tried to intervene in the government schools. However, while many of these interventions have been very beneficial, they have mostly remained as pilot projects as the NFPs/corporate foundations fail to embed them into the government system. It is only through the government systems that one can achieve sustainable development in India.

*So is there an opportunity to make a model work where government is the primary implementing agency and NFPs/corporate foundations come in to do a gap filling?*

**Interventions** An attempt to address this critical gap has been made by Sampark Foundation with their intervention in the states of Chhattisgarh and Uttaranchal.

While the intervention begins on the same lines as any other NFP i.e. by signing a formal Memorandum of Understanding (MoU) with the government, the process is taken forward with a focus on embedding the model in the school system, as explained below.

- i) With this objective, the project in Chhattisgarh is under the monitoring of the Chief Secretary (most powerful bureaucrat in the state) of the state of Chhattisgarh, the Principal Secretary (administrative heads of the all the departments of a state government)—Education and the State Project Director—Sarva Shiksha Abhiyan (SSA)<sup>2</sup> in Chhattisgarh (Sarva Shiksha Abhiyan 2007).

<sup>2</sup>SSA is Government of India's flagship programme for achievement of Universalization of Elementary Education (UEE) in a time bound manner, as mandated by the 86th Amendment to the Constitution of India making free and compulsory Education to the Children of 6–14 years age group, a Fundamental Right. SSA is being implemented in partnership with State Governments to cover the entire country and address the needs of 192 million children in 1.1 million habitations.

- ii) At the district level, the District Collectors who are de facto Chief Executive Officers (CEOs) of the district have also been involved in the process with many conducting monthly meetings to review the progress.
- iii) While Sampark would have a small team to monitor the project, the primary responsibility of the project monitoring would be with the Cluster Co-ordinators of the education department, each of whom would have oversight over 12–15 schools), which then is consolidated at the Block level (the middle level of the 3-tier Panchayati Raj Administrative system of India) for further consolidation to the District (the top level of the 3-tier Panchayati Raj Administrative system of India) and finally at a state-wide level.
- iv) While the approach of monitoring by the government Cluster Coordinators is something that many other organizations have attempted, the key differentiator is that Sampark has developed an online portal which requires the report by each Cluster Coordinator to be fed into the system which the system then automatically consolidates at different levels.
- v) There is also a call centre which follows up with Coordinators who have not submitted their report. The report that the Cluster Coordinator has to provide is very simple in terms of the initial feedback, comprising of: a) kit is not being used, b) kit is being used intermittently and c) kit is used regularly. In the second phase, the Coordinators will also input the consolidated learning levels in a school which can be derived from the chart that has been provided to each school wherein the teachers would input the names of the students and ticks off each competency when the concerned child achieves the said competency.
- vi) A mail is sent out on a regular basis by the Chief Secretary to the district collectors of poorly performing districts for follow up to ensure effective implementation.
- vii) To ensure that the Cluster Coordinators provide correct feedback, the Sampark team make random visits. If the findings of the Sampark team is at variance from that provided by the Cluster Coordinators, the same is discussed during the monthly meetings with the District Collector and Block and District Education Heads for corrective action. Constant feedback ensures that the feedback updated by the Cluster Coordinators is reasonably accurate. In poorly performing schools, the call centre calls up to check if it is a training issue and whether the teachers would like a refresher training to be conducted by Sampark. The approach is therefore not just a reprimand, but also an attempt to understand the problems being faced at the school level and how the same could be suitably addressed.
- viii) Sampark Foundation's primary role is that of a content provider cum facilitator i.e. provide the child friendly kits to enable the government teacher to transact Mathematics and English in the classrooms, conduct training for the teachers and also provide monitoring tools to the system.
- ix) Sampark has also created training videos which the teachers could use to refresh their memory in case they have forgotten how the kit has to be used to

explain a particular concept. These videos are also loaded onto the phones of the teachers when they attend the training workshop.

- x) For English, considering that most government school teachers, especially in rural parts, themselves are not fluent in English, Sampark would be providing an audio set which has all the lessons pre-loaded. The teachers can play the recordings for the concerned chapter and then encourage the children to participate.
- xi) As a project goal, this intervention has set out to ensure that Chhattisgarh government schools figure in the top 10 states in terms of learning outcomes by 2018, something which is fairly refreshing in the sector which do not have clearly defined accountability targets.

In the state of Chhattisgarh, Sampark began with a demonstration of the Mathematics kit in 450 schools in 2014, which was scaled up to 3200 schools using a cluster model school (a group of over 12–15 schools) concept in 2015 and will cover the entire 30,000+ government schools in 2016.

For English, the plan was to roll it out a year after the Mathematics implementation. With this objective, the English program was rolled out in 150 schools in 2015 which will be scaled to 3200 schools using the cluster model school concept in 2016 and finally covering the entire 30,000+ government schools in 2017.

**Analysis** *The additional cost per child is expected to be less than 1 euro or INR 65 per child. If this is compared to the per child spend estimated at Dongre, Kapur, and Tewary, (2014) INR 12,000 (approximately 156 euros @ 1 INR = 0.013 euros; as on February 12, 2016) p.a. by the government system, an incremental INR 6.5 billion (approximately 84.5 million euros @ 1 INR = 0.013 euros; as on February 12, 2016) (3.25% of CSR spends of 200 billion) can help make the government spending of around INR 1200 billion (approximately 1.56 billion euros @ 1 INR = 0.013 euros; as on February 12, 2016) each year more productive.*

### 2.3 Self Sustaining Women Federations

**The Situation** The Rangarajan Committee, 2014 estimates the poverty ratio at an all India level for 2011–2012 at 29.5% applying a monthly per capita consumption expenditure of INR 972 (approximately 13 euros @ 1 INR = 0.013 euros; as on February 12, 2016) in rural areas and INR 1407 (approximately 18 euros @ 1 INR = 0.013 euros; as on February 12, 2016) in urban areas. This implies that more than 360 million people in India are below the poverty line.

The INR 200 billion (approximately 2.6 billion euros @ 1 INR = 0.013 euros; as on February 12, 2016) CSR spend by companies works out to INR 555 (approximately 7.2 euros @ 1 INR = 0.013 euros; as on February 12, 2016) per capita for 360 million people below the poverty line. If we consider people slightly above the poverty line (who too would be in need of help) the per capita expenditure will shrink even further.



It is therefore imperative that models that focus on the poor participating in their own progress are also actively promoted. One such possibility is the Self Help Group (SHG; a village-based informal grouping of women to promote thrift and extend micro-credit to its women members) model, implemented differently.

The Central Government has a strong focus of creating women SHGs under the National Rural Livelihood Mission (NRLM)<sup>3</sup> and the State Rural Livelihood Mission (SRLM) (NRLM 2016). The intent is to use these women collectives to access credit from formal sources at significantly lower rates of interest (cost of accessing credit from informal sources range from 60 % to 120 % p.a.) as also use these women collectives as a platform for ensuring better governance at the village level. Representatives from each SHG are then encouraged to become a part of a Village Level Committee (VLC) with the intention of ensuring that the VLC will then act as a pressure group to ensure implementation of government programs in the village as also a platform for cross learning. Representatives from each VLC are then encouraged to come together to form a Women's Federation either at the Panchayat (the lowest level of the 3-tier Panchayati Raj Administrative system of India) or at the Block level.

While the intent is laudable, the track record of the government has been dismal while that of the NFPs too leaves much to be desired.

So why has such a good concept not delivered results?

- a) The key reason for such effort not being effective is that the task is usually given to a village worker who forms the group and then quickly loses interest in managing the group post formation. The requisite training to be imparted to the women members as also the constant follow ups required till the women start to own the concept is missing which results in most groups turning defunct after a few months or years.
- b) On the other hand, the SHGs formed by the NFPs tend to be better run in the initial years, but the NFPs depend on donor funding to sustain the intervention into perpetuity; therefore they miss the opportunity of creating self-sustaining women collectives before donor funding dries up. Once the donor withdraws the funding, the SHGs slowly and steadily turn defunct.

In this process the opportunity to make women partners in the journey rather than mere recipients is lost.

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<sup>3</sup>Aajeevika—National Rural Livelihoods Mission (NRLM) was launched by the Ministry of Rural Development (MoRD), Government of India in June 2011. Aided in part through investment support by the World Bank, the Mission aims at creating efficient and effective institutional platforms of the rural poor enabling them to increase household income through sustainable livelihood enhancements and improved access to financial services. NRLM has set out with an agenda to cover 70 million rural poor households, across 600 Districts, 6000 Blocks, 250 thousand Gram Panchayats and 600 thousand villages in the country through self-managed Self Help Groups (SHGs) and federated institutions and support them for livelihoods collectives in a period of 8–10 years.

**Intervention** A Madurai based NFP, Kalanjiam Foundation (KF), has successfully created a template for ensuring sustainability. The EY Foundation is currently partnering KF across different parts of the country to take the model to the next level. The Modus Operandi of the KF model has been detailed below:

### **The Modus Operandi of the KF Model**

#### Phase 1—Financial Sustainability

- i) Under this model, a group of 3300 women are encouraged to become members of 220–240 SHGs (each SHG having around 13–15 members). These 3300 women are drawn from 30 to 40 villages and are expected to be from the poorer families in the villages.
- ii) The team managing this project comprises of one Block Coordinator, one Accountant and eight Associates who are recruited from the target villages. Each Associate is expected to manage around 30 SHGs.
- iii) One representative from each SHG is expected to be a part of a Cluster Federation, each cluster federation comprising of representatives from 30 SHGs handled by an Associate i.e. one cluster federation per Associate. Ideally this Cluster should cover members from the same Panchayat.
- iv) Subsequently one or two representatives from each Cluster Federation are elected to become a part of the Block Level Federation (BLF) which is a registered body. So effectively about 11–15 members represent the entire group of 3300 women.
- v) Once the BLF is registered (2 years from the inception of the project), the entire implementation team of the Block Coordinator, Accountant and eight Associates become employees of the BLF. The yearly operational costs of a BLF works out to around INR 700 thousand–900 thousand (*approximately 9100–11,700 euros @ 1 INR = 0.013 euros; as on February 12, 2016*).
- vi) The issue of the Women Federation becoming self-sustaining is discussed with the women leaders. If the issue is placed before the women leaders in the right perspective, it is more or less certain that the women leaders will express their desire not to be dependent on any donor for support which can be uncertain over a period of time. The opportunity of each SHG contributing INR 3750 (*approximately 49 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) to the Federation to meet its annual expenses of INR 700 thousand–900 thousand is discussed with the women leaders. The willingness of the group depends on how effectively the groups have been serviced and on whether the bank linkages have been managed for a large number of groups. If this has been done well, a significant number of groups (if not all) would agree to payment of the service charge to their Federation. It is easier if the concept is seeded early and the service charge is staggered in a manner, where, say a group in existence for 1 year pays a service charge of INR 1200 (*approximately 16 euros @ 1 INR = 0.013 euros; as on February 12, 2016*). A group in existence for 2 years pays INR 2400 (*approximately 31 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) and a group in existence for 3 years INR 3600 (*approximately 47 euros @ 1 INR = 0.013 euros; as on February 12, 2016*).

So how does one go about seeding this concept of service charge?

- i) Assuming that a group of 15 women members save on an average INR 100 (*approximately 1.3 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) per month (p.m.) that would translate into a saving of INR 18 thousand (*approximately 234 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) p.a. or INR 36 thousand (*approximately 468 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) in 2 years.
- ii) Couple this with interest @ 2 % p.m. (a norm across most SHGs across different parts of India), the SHG corpus would be excess of INR 45 thousand (*approximately 585 euros @ 1 INR = 0.013 euros; as on February 12, 2016*).
- iii) Add to this a minimum bank loan of INR 50 thousand (*approximately 650 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) which can be obtained at anything between 12 and 14 % p.a.
- iv) The SHG members are paid 9 % on their balance, the same as that they would have received on a fixed deposit with the bank. There is a clear distinction made between the SHG and the SHG members.
- v) Once this is done, this would leave the SHG with a gross interest earning of INR 22.8 thousand (*approximately 296 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) (24 % on INR 95 thousand). Of this the SHG will pay the members INR 4050 (*approximately 53 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) (9 % on INR 45 thousand) and the Bank INR 6500 (*approximately 84.5 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) (13 % on INR 50 thousand). That would leave the SHG with a net surplus of INR 12,250 (*approximately 159 euros @ 1 INR = 0.013 euros; as on February 12, 2016*).
- vi) The average cost of a team would work out to anywhere between INR 700 thousand and INR 900 thousand (*approximately 9100–11,700 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) p.a. INR 900 thousand over 240 groups would work out to INR 3750 (*approximately 49 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) per group. Therefore, the group can easily meet its share of the annual operational expense from its surplus.

It is critical that the services provided by the Federation (through the team) is explained clearly to each SHG group. The basic services would be:

- a) Helping conduct SHG group meetings,
- b) Helping with the SHG accounting,
- c) Helping with SHG annual audit,
- d) Helping process the loan documents for each SHG,
- e) Helping SHG members aware of the various entitlements (at stage one the service would be limited to only dissemination of information about the various government schemes and not actually getting them the entitlements. That will happen once the SHG women are united).

Most SHGs will see value in paying this charge if the above services are provided in a timely manner. It is also critical to make the women members

aware that the service charge is not paid by them individually but from the SHG surplus out of interest that would otherwise have been payable to the moneylender. Here the individual members save INR 34,200 (*approximately 445 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) (60% on INR 95 thousand (interest charged by the moneylender) less 24% on INR 95 thousand (interest charged by the SHG)) and it is out of the group surplus that the service charge is paid.

It is also critical to explain to the SHGs that the service charge is paid to their own Federation and not to any external agency and that the income and expenditure of the Federation too would be subject to an annual audit which would be placed before the women directors.

This has successfully been demonstrated over the past several years by KF across its nine locations with more than 35,000 women members in Salem (in the state of Tamil Nadu) and many other different locations in the states of Tamil Nadu, Karnataka and others. A similar exercise is currently going on with EY(F) support across 24 locations in the state of Maharashtra.

Education is a great tool in empowering women and it can be the single biggest change agent towards building a *New India*. Empowering a poor woman is one of the best ways to eradicate poverty. The biggest challenge, today, is to bring about a change in women's thought process in making her self-sustainable. There is a great opportunity to work on this front too.

For example, one common problem that has been experienced in women SHG is the low level of savings. In many parts of the country, including at one of EY(F)'s project location, the women members were saving INR 10 (*approximately 0.13 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) a week or INR 40 (*approximately 0.52 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) a month. It is fairly simple to motivate the women to save more through the following reflective model:

- i) During the federation and cluster meetings of the women leaders, the women should be asked if they thought that the savings of INR 40 p.m. was adequate.
- ii) The prompt answer by the women would be that they were poor and hence cannot save more.
- iii) The moment the women give this response immediately the team members should not shy away from confronting the issue. The women should then be asked whether they believe that at least any of the following three situations could be encountered over the next 10 years i.e.
  - a. a serious illness where a family member may require to be hospitalized,
  - b. a child has to go to college for further studies (it may be noted that education is free pan India in government schools up to Class 10) and
  - c. Marriage of a daughter (which can lead a family towards bankruptcy).
- iv) There will not be a single woman who will raise her hands and say that she is confident that none of the three situations would occur in her family. Every woman will agree that she would have to face at least one of the situations, if not more.

- v) The women are then quizzed further on what they felt was the bare minimum expenditure that they believed would be required if even one of the situations was encountered. Post discussion, a consensual amount can be arrived at. In one of the EY funded project location where the monthly saving was INR 40 the consensus was a figure of INR 30,000 (*approximately 390 euros @ 1 INR = 0.013 euros; as on February 12, 2016*).
- vi) The women should then be taken through a calculation wherein it is explained that a saving of INR 10 a week results in a saving of INR 520 (*approximately 7 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) a year and INR 5200 (*approximately 68 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) in 10 years. Even with interest saving, the cumulative savings of a woman will be less than INR 8000 (*approximately 104 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) in 10 years.
- vii) The women should then be asked that with a requirement of INR 30,000 (*approximately 390 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) according to their own estimates and a maximum saving of INR 8–10,000 (*approximately 104–130 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) in 10 years, what would their funding source be for the balance INR 20–22,000 (*approximately 260–286 euros @ 1 INR = 0.013 euros; as on February 12, 2016*)?
- viii) The answer by the women will normally be that in all probability the funding source would be the moneylender (since by past experience the SHGs in EY funded location never had enough money to disburse a loan of INR 20,000 to a single member).
- ix) It should then be explained that an interest rate of 5 % p.m. (60 % p.a.), would itself amount to an interest p.m. to INR 1000 (*approximately 13 euros @ 1 INR = 0.013 euros; as on February 12, 2016*). They should be questioned on the fact that if they found it difficult to save more than INR 40 (*approximately 0.52 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) each month, how are they expected to pay an interest of INR 1000 (*approximately 13 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) each month? Would this not mean that they would have to sell a productive asset be it land or an animal which in turn will ensure that they become poorer?
- x) The women immediately realize the folly in their thinking, post which they can be motivated to increase their savings.
- xi) With another round of facilitation in the groups, within 6 months, 50 % of the groups in the EY funded location have now begun to save INR 100 (*approximately 1.3 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) per month. The plan is to ensure a saving of INR 2500 (*approximately 32.5 euros @ 1 INR = 0.013 euros; as on February 12, 2016*) p.a. per member i.e a nearly five fold increase in savings.
- xii) This would help achieve two objectives;
  - a. the risk of the women moving into a debt trap to address the situations mentioned above will hopefully be mitigated and

- b. the higher amount of savings by each member will ensure a large group saving (say, INR 37,500 per year in a 15 member group) which in turn will ensure that the women can borrow from the group to undertake some meaningful income generating activity thereby helping them raise the standard of living. In the earlier format, all the SHGs were ensuring lower interest costs for small borrowings and nothing more.

This higher saving band will help create a virtuous cycle of prosperity.

## Phase 2

- i) Once the structure is formalized, the Federation would be the interface agency for all government entitlements. Initially the attempt should be to interface with line departments with whom the primary requirement would be service and not entitlements say the agricultural line extension departments who would be more than happy to conduct trainings and distribute pamphlets on agricultural best practices. Similarly, it would be possible to persuade the veterinary department to carry out vaccination for animals if the federation is able to assure the veterinary department that all the animals in a village are brought by their members to a particular point which will save the veterinary team the trouble of carrying out a door to door visit.
- ii) The Cluster meetings are used as a platform for sharing best practices between various SHG groups as also acting as a pressure group. For example, if in the Federation meeting, a decision is taken that all women will have to learn to sign their own name, this decision is then cascaded to the clusters and onward to the SHGs for implementation. In the monthly cluster meetings the progress of each SHG can be discussed which would automatically put pressure on the SHGs that have not managed to make progress on this front. Similarly, if there are groups which are not able to make progress the progressive groups that have managed to ensure that each member in their groups have learnt to sign can be encouraged to help the weaker groups. This practice of the stronger groups coming forward to help the weaker groups can be extended for all initiatives that the federation chooses to work on.
- iii) Once there is a strong unity and bonding among the cluster/SHG members, other interventions with the government departments can be initiated (say) with the Anganwadi workers.
  - a. The attempt should be to ensure that the entire approach is collaborative and not confrontational.
  - b. If there is an Anganwadi where the Anganwadi worker is not feeding the children on a regular basis, the first attempt should be to understand the operational issues that the Anganwadi worker faces and how at least some of the issues can be resolved with the support of the women.
  - c. If the approach is to first ensure that all the children in the village come regularly to the Anganwadi and immediately post that each mother is

- encouraged to come as a mother volunteer and to help the Anganwadi worker once a month, the approach will start yielding results fairly quickly.
- d. While some Anganwadi workers may be tempted to feed lesser quantities to the children, the mother who helps the Anganwadi worker cook and feed the children will automatically ensure that the right quantities are given to the children thereby plugging the issue of provisions being siphoned off and this is achieved without any confrontation.
  - e. Once the Anganwadi worker sees the level of support that she is receiving from the village women, in all probability, there will be a change in her mind set and she will perform her duties with greater commitment and passion.
  - f. The hypothesis of the approach is that there is inherent goodness in most human beings which may be suppressed due to circumstances.
    - i. With the Anganwadi worker, stifling rules in the government with apathetic support from superiors to the operational issues, faced by the Anganwadi worker on a daily basis, makes her indifferent.
    - ii. Similarly lack of meaningful supervision and the opportunity of making easy money in the form of diverting provisions is another temptation that the Anganwadi worker may succumb to.

If both these issues are addressed, that is—helping with operational issues, as well as mother volunteers are involved, a significant portion of the Anganwadi workers themselves turn to become efficient and model workers.

- g. On the other hand, taking a confrontational approach ensures that all the Anganwadi workers unite and then it becomes a tussle between the women in the village and the Anganwadi worker, which turns out to be counterproductive. Sure, there can be temporary gains by way of complaining to the supervisor, but it fails to create a healthy environment in the longer term.
- h. Similarly, with the case of entitlements, before accusing the ration shop (Fair price shops through the Public Distribution System a Government-sponsored chain of shops entrusted with the work of distributing basic food and non-food commodities to the needy sections of the society at very cheap prices) owner of siphoning off the entitlements, it is prudent for select women representatives to have a dialogue with the ration shop owner on the quantities that he/she may be receiving on a regular basis and compare this with the total quantity required to be disbursed to the various ration card holders.
  - i. This discussion will make it clear if the problem is at the end of the ration shop owner or at the level of the disbursing authority.
  - j. Similarly, even if the ration shop owner has received the appropriate quantity, it is imperative to find out if the ration shop owner is deliberately suppressing supplies or is it a case where many ration card holders have not updated their records. If it is a case of updating of ration cards, then the women members can facilitate for all the groups in the village or across all villages on a campaign mode.

Once the issues of credit and entitlements are addressed, the federation could then take up social issues, be it education, domestic violence and so on. Each intervention should be analyzed on the parameters given below in Table 2 (dummy examples have also been given to illustrate on how any intervention proposed could be analyzed):

- iv) The groups are then encouraged to take an active role in the ‘Gram Sabha’ (village meeting of all adults who live in the area covered by a Gram Panchayat, local self-government organisation in India of the Panchayati Raj system at the village or small town level) or the meetings that each Panchayat has to organize to take feedback from the residents of the village. Groups are encouraged to discuss various problems being faced by the women in the village and then each issue could be debated on the number of beneficiaries, probability of success versus importance of the issue and then all women agreeing to speak in a united voice on a maximum of one or two issues that the groups are unanimous about. This helps act as a more effective pressure group since the women will not be raising multiple issues in a single meeting, rather will have a structured approach in resolving village issues, one issue at a time. This also ensures that the Panchayat too is able to focus on addressing a single issue at a time rather than trying to figure out which demand of which group should be addressed first resulting in politicization of a village level issue which in turn may drive a wedge between the women members and weaken their unity.
- v) In the earlier phases, the focus was on ensuring benefits for the women members. In the final phase, the women members will be motivated to undertake activities which will require them to spend money (say) on the education of their children. Investing in the well-being of the family—be it health, nutrition or education, will be the final phase of intervention in each Federation.

**Analysis** *The process of self-sustainable federations can easily be done over a period of 5 years with a donor support of a maximum of INR 10 million (approximately 130 thousand euros @ 1 INR = 0.013 euros; as on February 12, 2016) over the entire grant period to support 3300 families or INR 3 thousand (approximately 39 euros @ 1 INR = 0.013 euros; as on February 12, 2016) per family or an average grant of INR 600 (approximately 8 euros @ 1 INR = 0.013 euros; as on February 12, 2016) p.a. per family.*

*360 million people living below the poverty line translates into 72 million families (assuming an average family size of five members). A focused support of INR 43.20 billion (approximately 561 million euros @ 1 INR = 0.013 euros; as on February 12, 2016) (21.6% of annual corporate CSR spends) for a period of 5 years can ensure that these 72 million families become part of self-sustaining women federations post which they continue to work on the second phase of development without the constant fear of donor funding drying and the entire effort coming to a standstill.*



**Table 2** Parameters for Analysing Various Social Interventions

Proposed Intervention	Expected number of beneficiaries	Expected benefit per beneficiary - in INR <sup>a</sup>	Benefit to Federation	Implementation Costs in INR <sup>a</sup>	Risk - Low / High	Risk - Implementation	Risks - Political
1) Veterinary services	2,000 out of 3,000 families	INR 3,000 p.m. assuming mortality drops from 50 percent to 10 percent and each family has two goats	Will make service charge collection easier	It will be a paid service. Initial costs of 200,000	Low	Low	
2) Integrated Child Development Services (ICDS) <sup>b</sup>	2,000 out of 3,000 families	Meals at Anganwadi, supplementary nutrition for lactating mothers and malnourished children	Women will be able to identify with the federation	NIL	High	May result in friction between women and government system. Women may be disillusioned if intervention fails to yield benefit	ICDS workers may be politically affiliated

<sup>a</sup>@ 1 INR = 0.013 Euro; as on February 12, 2016

<sup>b</sup>The ICDS comes under the purview of the Ministry of Women and Child Development (MWCD), which was launched in 1975 to eliminate hazards to child health and development. The scheme aims at providing an integrated package of services, that include supplementary nutrition, immunization, medical check-ups, recommendation services, pre-school non-formal education and nutrition and health awareness. The purpose of providing these services as a package is because each of these issues is dependent on the other. In order to ensure that the overall care and education of the child is addressed the MWCD envisions the scheme as a complete parcel of provisions

### 3 Way Forward

Similar approaches can be implemented in areas of health and nutrition and so on. Indian corporates, now, with the CSR mandate coming into force, have a unique opportunity to bring in the spirit of innovation, coupled with rigorous implementation and unleash the true potential of India. Or, in other words, to contribute to nation building by transforming the disadvantaged communities into the human capital that yields for the country, named India.<sup>4</sup>

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<sup>4</sup>Views expressed in this article are personal.