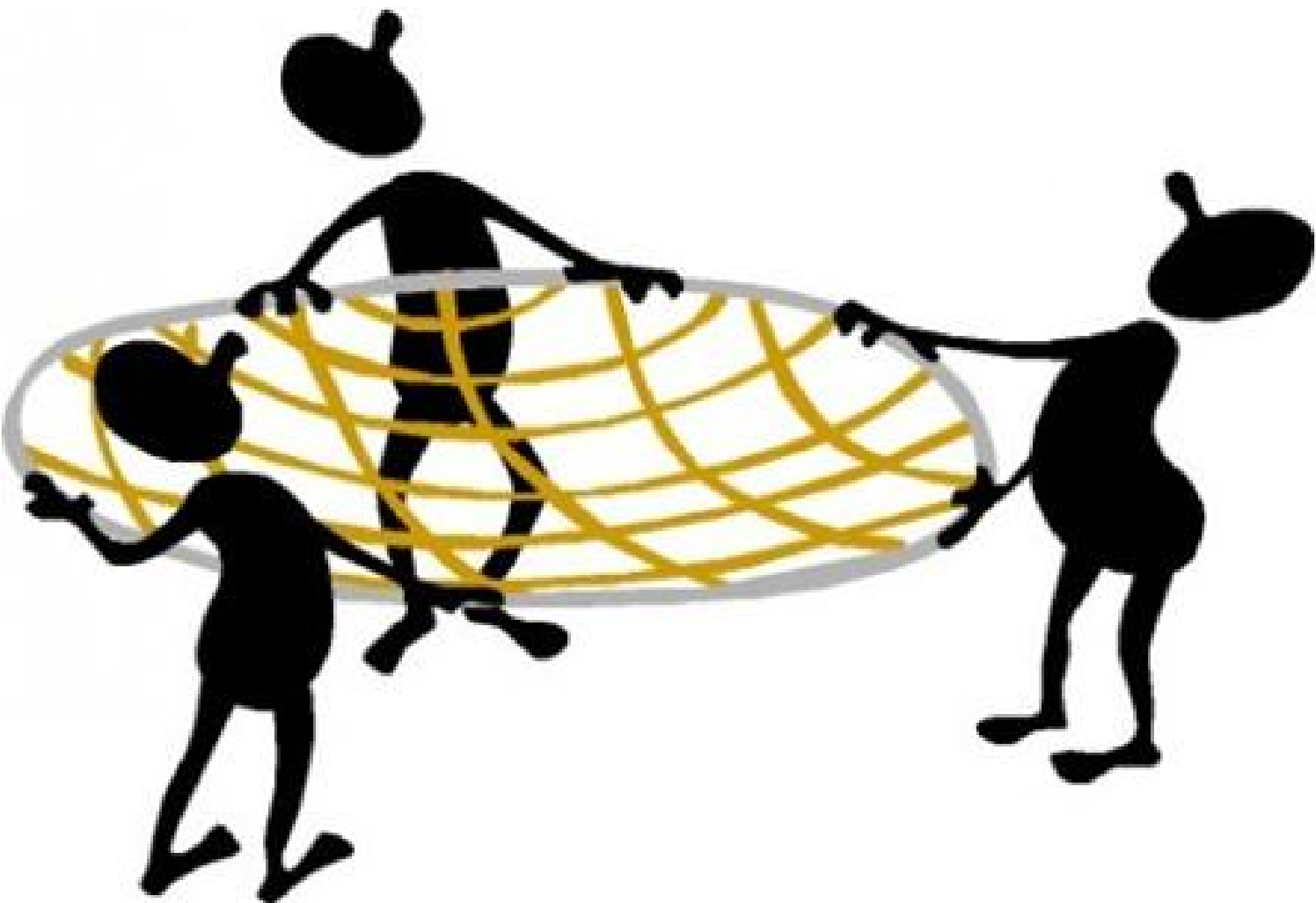


livelihoods

today and tomorrow

December 2010

Managing Risk



Another 10,000 Hours!-9

Handloom-18

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Merry Christmas and Happy and Fulfilling New Year!

Let us celebrate Sachin's Fifty Hundreds in Tests! Let us appreciate the lunar eclipse on a winter solstice day after 372 years!

Let the Parliament rule. Let the scamsters be punished. Let Human Rights prevail.

Let us cope with transition(s). Let us get ready for Telangana. Let us welcome more direct democracy. Let us have smaller administrative units.

Let us incentivise farmers to give the food to us and weavers to cloth us. Let us compensate for their losses so that they do not have to die. As we talk food security to all and rights of fisherfolk, can we ignore the farmers, weavers and other producers and service providers?

Let us hope Cancun is better than Kyoto.

Let us hope Government(s) succeeds in giving Rs. one lakh income to the poor. Through NREGA, through sustainable agriculture, through value-addition of their produce, and wage/job/self-employment! One animator works with 100 families each.

The risks of the poor include life (human beings and animals), accident, ill-health/disease, loss of income, uncertainties in production, demand and prices, increases in costs of production and consumption, likelihood of not getting work and wages commensurate with work etc. Some of these are idiosyncratic and some covariant. Mitigating and managing these risks is not similar. Some need to be anticipated and prevented with appropriate intelligence systems. Some need to be reduced. Some need to be worked on to reduce the impact. Some need to be coped with. Some require preparation for coping, relief and rehabilitation. Some require counselling. Some require reconstruction. Some take the proportion of disasters and calamities and some let them push and stay back in poverty for a long time to come. Insurance coverage may help some of these. Some require mutual support. Some require multiple livelihoods and sources of incomes. In any case, first the poor need to become aware of these risks, reasons for such risks and ways of mitigation. The action may require increasing information, knowledge, skills and resources. Dry-land hinterlands, flood-prone plains, coastal communities etc., need to have their own plans for managing risks and disasters. They need to have capacities and resources for them. They need to be ready to roll-out the plan as soon as they realize the trigger for risk mitigation has to be pressed. Of course, in all these, the communities have to be together as collectives. Some of the existing institutions can take these responsibilities. It is also possible that collectives to manage the risks can also come up. In this context, 'livelihoods' explored 'managing risks' of the poor.

Stephen Hawking, arguably the brightest human being, is contributing to the understanding of the universe and inspiring us to move towards our innate potential. Livestock mutual support shows the economies of scale(s) in insuring the cattle. The same can be seen in health too. Ubiquitous photocopy plus centre is an improved information enterprise all across. AKRSP is an integrated natural resource management and other rural development support organization in Gujarat. Rajeev Kahndelwal leads Aajeevika Bureau that works on migration in/out of Rajasthan. 'Fish! Omnibus – A Remarkable Way to Boost Morale and Improve Results' by Stephen Lundin et al introduces FISH principles for us to practice.

With the understanding that managing the risks is the key to remain out of poverty and we need risk management endeavours including individuals and institutions, I remain thinking of ways to managing risks and being useful.

A handwritten signature in black ink, appearing to read 'G. Muralidhar', with a horizontal line underneath.

G. Muralidhar

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‘livelihoods’ team

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Response



Please accept our compliments on the latest issue of Akshara. It has really grown in size and content. Keep it up.

Harsh Bhargav

This is to state that I have greatly enjoyed reading your "Livelihoods" for November 2010. I think there is a lot to learn from the two issues of "Livelihoods" that I have read, especially its practical orientation and style. I hope you keep up your good work in future months. More field- oriented case studies on livelihoods will be useful.

Neela Mukherjee

I read through the November edition of Livelihood. I was fascinated by the perspective, moved by the narration of experiences leading to self-help and financial recovery...and not to say the least..amazed at the incredible work and energy of your team as they seem to cover their expertise in areas that need it the most. Thanks Murali and team for showing us that intention+dedication results in incredible results.

Hari Pothukuchi

"Keeping the promise: Mainstreaming disability in the Millennium Development Goals towards 2015 and beyond"

3 December



2010
International Day of
People with Disability

Modernization of Employment Exchanges Under Finalization:

Upgradation and modernization of the employment exchanges (EEMMP), which has been taken up as one of the Mission Mode Projects (MMP) under National e-Governance Plan (NeGP) of Government of India, is under its completion phase. Under the project, a national web portal is proposed to be developed which will work like a virtual job market. This will contain all the data regarding availability of skilled persons on the one hand and requirement of skilled persons by the industry on the other. It will help youth in getting suitable placement and enable industry to procure required skills on real time basis.

NDTV Announces Winners of 'Greenies Eco Awards':

After a huge success of the NDTV-Toyota environment campaign Greenathon I & II, NDTV in partnership with Toyota had announced the 'Greenies Eco Awards'. The winners of India's first national environment awards- 'Greenies Eco Awards' were announced at an award ceremony in New Delhi recently graced by the President of India, Smt. Pratibha Devisingh Patil. A first of its kind in India, the 'NDTV-Toyota Greenies Eco Awards' are aimed at encouraging, acknowledging and awarding the champions of the Earth for environmental leadership. It showcased examples of excellence and best practices in finding innovative solutions to the environmental. The nominations of NDTV-Toyota Greenies Eco Awards' were selected from all over the world. The winners this year were as follows: Green Hero-HH 12th Gyalwang , Drukpa - Ritwick Dutta, - Railway Patrolling Force, Rajaji - Ranjan Panda, Orissa - Mukul Tamuli; Green Hospitality-ITC Gardenia, Bengaluru; Green Event-350.org; Green

Company (Sector)-Aircel; Green Company (PSU's)-ONGC; Green Design (Architecture)-Development World Headquarters Alternatives World Headquarters; Green Advertisement-Nokia & JWT; Jury Special Mention- Jairam Ramesh (Environment Minister), John Abraham (Bollywood Actor); Green Legend- Chandi Prasad Bhatt & Sunder Lal Bahuguna (For Chipko Movement); Lifetime Achievement Award: Veer Bhadra Mishra (For Ganga cleaning campaign); Special Jury Award: Late Amit Jethwa. The awardees received a cash prize of Rs. 100,000, a certificate and the Greenies Trophy.

New Food Security Report for Asia Launched in Mumbai:

A new food security report for Asia has been launched in Mumbai by The International Rice Research Institute (IRRI) and the Asia Society, calling for increased investment in rice research. The report, "Never an empty bowl: sustaining food security in Asia", emphasizes the importance of rice as the primary staple food in Asia and a major source of income for Asian farmers. It also recommends more research on: climate change mitigation for farming, farming infrastructure, and market price stability. The report suggests that through greater investment and by growing more and healthier rice in an environmentally sustainable way rice prices will be stabilized and poverty in Asia can be reduced by approximately 15 percent by 2030.

ADB Invests in Fund to Expand Microfinance, Small Business Lending:

The Asian Development Bank (ADB) will provide up to \$10 million for a private equity fund that aims to expand microfinance and small bank lending to poor, underserved groups across the region. The fund - which will be

managed by Equator Capital Partners, an independent fund management company registered in the US - will take equity stakes in regulated, small lenders with high growth potential who can reach neglected groups such as women entrepreneurs and rural microenterprises. Key target markets will include Bangladesh, the People's Republic of China, India, Indonesia, Pakistan, the Philippines, Sri Lanka, Thailand and Viet Nam. The goal is to take minority stakes in companies with investments of \$2 million to \$10 million each, and to exit holdings over an average of five years, with Asian investments making up about half the fund's total portfolio. ADB's participation will allow the fund to reach its target size of \$75 million, help leverage more investment from the commercial market, and provide a model for other private equity funds to follow in the small lenders market. It also continues ADB's push to scale up investments in the microfinance sector, in order to spur private sector-led economic growth and reduce poverty.

Six Indians Get UN Online Volunteering Award:

Six Indians have been chosen for the United Nations Volunteers (UNV) online volunteering award for their articles which helped spread awareness on the Millennium Development Goals (MDG). The MDGs are eight international development goals that all 192 United Nations member states and at least 23 international organisations have agreed to achieve by the year 2015. They include eradicating extreme poverty, reducing child mortality rates, fighting disease epidemics such as AIDS, and developing a global partnership for development. The six award winners who are among the total ten selected are Ritika Verma, Priyanka Ohri, Samarpita Mukherjee Sharma, Akanksha Gulia, Tarun Chawla and

Radha Taralekar. The volunteers, through their online work, focussed on the marginalised and disadvantaged, particularly through supporting local government efforts to address social exclusion in planning processes, mobilizing people to recognise the importance of the MDGs. They also initiated a Right to Information campaign in Orissa which aimed to raise awareness on MDGs. The awards are hosted by the German Positive Nett-Works Association.

ADB Signs JV to Develop Renewable Energy in India: The Asian Development Bank (ADB) signed a joint venture agreement with India's NTPC Ltd. and Kyushu Electric Power Company of Japan to develop and operate 500 megawatts of renewable energy projects in India in the next three years. India is the third largest electricity consumer in Asia, after the People's Republic of China and Japan, and demand has grown at an average of 8% a year since 1995. However, supply falls well below demand, leading to regular blackouts and chronic shortages which are undermining the country's economic and social development. Moreover, much of the electricity is generated from increasingly uncertain domestic sources of coal or from ever-more-costly imported coal. The new joint venture company will help India achieve its goal of reducing the country's dependence on fossil fuels, will cut greenhouse gas emissions and improve its energy security.

ICRISAT Launches a New Strategy to Help End Poverty in the Drylands: Poverty must be ended, not only alleviated. This is the goal of a strategy launched by the India-based International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) to finally shatter the pessimism towards the drylands of developing countries which are usually propped up by external aid for

economic growth. Anchored on the concept of "Inclusive Market Oriented Development" (IMOD), the new strategy will help the dryland poor to grow their way out of poverty for good through agricultural innovations and better access to markets and other support services. IMOD is a dynamic progression from subsistence to market-oriented agriculture through the generation of surpluses by farm communities by applying agricultural innovations. These surpluses provide food security to farm families and enable them to participate in markets to earn more income. Being inclusive, IMOD puts everybody - men, women, the youth and children in the mainstream of development. Guided by a vision of a "prosperous, food-secure and resilient dryland tropics," the new strategy has four research thrusts, which are: resilient dryland systems; markets, institutions and policies; grain legumes; and dryland cereals. With these thrusts, ICRISAT and its partners aim to help halve global poverty, hunger and malnutrition and increase the resilience of dryland farming communities by 2020.

Two Indian NGOs Win \$100,000 Each: Two Indian NGOs have been honoured with cash prizes of USD 100,000 each for improving the lives of disadvantaged children in India. UK-based charity the Stars Foundation's Impact Awards were won by Pragya, Gurgaon, for focusing on education, healthcare, energy, sustainable livelihoods and human rights projects in the Himalayan region and Seva, Gorakhpur which works for the socio-economic development of disadvantaged communities, with an emphasis on women and children.

Punjab's Business Clusters to Create 5 lakh Jobs: In a bid to ensure inclusive growth and increase employment opportunities, the

Associated Chambers of Commerce and Industry of India (Assocham) will develop 15 business clusters in different parts of Punjab. Currently, 20 such clusters are operational in Punjab which are providing employment to lakhs of people. These proposed clusters will be established at a budget of around Rs.500 crore and will provide direct or indirect employment to nearly 5 lakh people of Punjab.

Indian Researcher Bags UK Award for Arsenic-Free Water Purification: A research project near Kolkata tackling the world's worst case of ongoing mass poisoning and creating the first low-cost chemical free arsenic removal plant has won a prestigious UK award for Dr Bhaskar Sengupta, academic ambassador and senior lecturer in environmental engineering at Queen's University in Belfast. Dr Sengupta's team's work on protecting the lives and livelihoods of some of the poorest, received the outstanding engineering research team of the year title at the the Times Higher Education awards. Leading an international research team and his team in the school of planning, architecture and civil engineering, Queen's University, Dr Sengupta implemented an innovative method of removing arsenic from groundwater without using chemicals. Currently over 70 million people in Eastern India and Bangladesh experience involuntary arsenic exposure from consuming water and rice; the main staple food in the region. This includes farmers who have to use contaminated groundwater from minor irrigation schemes. It is estimated that for every random sample of hundred people in the Bengal Delta, at least one person will be near death as a result of arsenic poisoning, while five in hundred will be experiencing other symptoms.

World Genius-Stephen Hawking

Stephen Hawking is a great scientist and a mathematician of unique personality who takes his disability as a challenge and has done miracles in the discovery of universe.

Stephen Hawking was born on 8 January 1942 to Dr. Frank Hawking, a research biologist, and Isobel Hawking. Though Hawking's parents lived in North London, they moved to Oxford while his mother was pregnant with Stephen, with the desire for a safer location for the birth of their first child. He attended St Albans High School for



Girls from 1950 to 1953. (At that time, boys could attend the Girls' school until the age of ten.) Hawking was always interested in science. Inspired by his mathematics teacher, he originally wanted to study

the subject at university. However, Hawking's father wanted him to apply to University College, Oxford, where his father attended. As University College did not have a mathematics professor at that time, it did not accept applications from students who wished to study that discipline. Hawking therefore applied to read natural sciences, for which he gained a scholarship. Once at University College, Hawking specialised in physics. His interests during this time were in thermodynamics, relativity, and quantum mechanics. Hawking did not need to study books and know about the people who achieved something. He had his own ideas to implement. His teachers also knew that he was much more intelligent than them.

After receiving his B.A. degree at Oxford in 1962, he stayed to study astronomy. He decided to opt out when he found that studying sunspots, which the entire observatory was equipped for, did not appeal to him. He was more interested in theory than in observation. He left Oxford for Trinity Hall, Cambridge, where he engaged himself in the study of theoretical astronomy and cosmology.

Almost as soon as he arrived at Cambridge, he started developing symptoms of amyotrophic lateral sclerosis (ALS, known colloquially in the United States as Lou Gehrig's disease), a type of motor neurone disease which would cost him almost all neuromuscular control. During his first two years at Cambridge, he did not distinguish himself, but, after the disease had stabilised and with the help of his doctoral tutor, Dennis William Sciama, he returned to working on his Ph.D. Hawking, who was elected as one of the youngest people of the Royal Society in 1974, was created a Commander of the Order of the British Empire in 1982, and became a Companion of

Honour in 1989. Hawking is a member of the Board of Sponsors of the Bulletin of the Atomic Scientists.

Hawking's achievements were made despite the increasing paralysis caused by the ALS. By 1974, he was unable to feed himself or get out of bed. His speech became slurred so that he could be understood only by people who knew him well. In 1985, he caught pneumonia and had to have a tracheotomy, which made him unable to speak at all. A Cambridge scientist built a device that enables Hawking to write onto a computer with small movements of his body, and then have a voice synthesizer speak what he has typed.

Hawking never had any complaints for his disability. He took it for granted and with small movements of fingers he discovered many things in theoretical cosmology and quantum gravity. In the late 1960s, he and his Cambridge friend and colleague, Roger Penrose, applied a new, complex mathematical model that they created from Albert Einstein's theory of general relativity. Hawking also suggested upon analysis of gamma ray emissions that after the Big Bang, that primordial mini black holes were formed. With Bardeen and Carter, he proposed the four laws of black hole mechanics, drawing an analogy with thermodynamics. In 1974, he calculated that black holes could thermally create and emit subatomic particles.

Hawking's many other scientific investigations include the study of quantum cosmology, cosmic inflation, helium production in anisotropic Big Bang universes, large N cosmology and many more. Stephen Hawking's zero-gravity flight in a "Vomit Comet" of Zero Gravity Corporation, during which he experienced weightlessness eight times, took place on 26 April 2007. He became the first quadriplegic to float in zero-gravity. This was the first time in forty years that he moved freely, without his wheelchair.

Hawking is the first person who introduced the existence of aliens in other parts of the universe using a mathematical basis for his assumptions. He believes alien life not only certainly exists on planets but perhaps even in other places, like within stars or even floating in outer space. He also warns that a few of these species might be intelligent and threaten Earth. Contact with such species might be devastating for humanity. He advocated that, rather than try to establish contact, man should try to avoid contact with alien life forms.

Stephen wrote several books and also delivered speeches about the universe. "A brief history of time" became a best seller book in the world. His ability in fighting with the disability made him a unique and respected personality in the world. ❖

Cattle Insurance

India has the largest livestock population in the world and millions of poor in the country are depending on livestock rearing for their livelihood. These poor livestock farmers face many risks related to their livelihood which include non availability of inputs such as dry and green fodder for animals, diseases causing stoppage of milk production, cattle mortality, natural calamities, and fluctuations in the prices of live stock. Occurrence of these risks may lead to heavy financial losses. Insurance against these risks can help the livestock farmers to cope with these risks to some extent. However, the livestock insurance products in the country are generally expensive and their reach to the poor is negligible, except when linked to government schemes. Even after many years of government efforts, only 7% of cattle in India are covered under insurance. Of late, even though new insurers have entered the market, most are unwilling to offer livestock insurance due to its high risk perception.

The major challenge in the livestock insurance business is the incidence of moral hazard (fraud), and insurers estimate that more than 25% of the claims settled are fraudulent in nature. In this scenario, the Community Based Model (CBM) can make a difference. CBM helps to reduce moral hazard and transaction costs. CBM helps reduce false claims, documentation, and costs of insurance including transaction and time cost, and potential risks. One such example is the Loan Protection Scheme (LPS) by the Vizianagaram District Poverty Initiatives Project (DPIP) in Andhra Pradesh (AP), India. The Loan Protection Scheme for livestock is run by the community, which has an incidence rate of 2% compared to the country average of 4%.

Livestock rearing is central to the livelihood and survival of thousands of small and marginal farmers, and landless agricultural labourers in the dry regions of Vizianagaram. Animals are raised as part of mixed farming systems. However, water scarcity plays an important role in their choice of livestock. Cattle owners have a distinct preference for cows over buffaloes since they require less water and can survive without wallowing in ponds during the hot summer season. Due to this factor, more than 80% of animals in the Vizianagaram region are cows. So this scheme is preferred to be implemented here.

The main objective of the scheme is to protect the loan financed assets by assuring compensation to the farmer for the dead animal by providing insurance cover to livestock assets purchased by them. It empowers and enables them to manage their own assets and to mitigate their risk. The main attribute of the programme is the collaboration of different stakeholders such as the community (for governance, management and pooling of money), government (the state government and District

Rural Development Agency for initial fund and implementation assistance) and the World Bank (for technical knowledge). It has helped empower the rural poor by developing and strengthening self-managed grassroots organisations such as the Self Help Groups. The programme provides access to technical and financial resources and methods to mitigate risks faced by the rural poor. During the Zilla Samakhya (District level federation of SHGs), Mandal Samakhya (Mandal/Block level federation of SHGs), Village Organization (Village level federation of SHGs), and SHG meetings, the members are briefed about the functioning of the scheme, moralities, enrolment, and claim settlement. The ZS informs members about new policies and products at these meetings. Pamphlets and flip charts are also used as communication aids to appraise the members. Field staff, i.e., Assistant project managers (APMs), community co-ordinators (CCs) and the community members including community resource persons (CRPs), Village Organisation (VO) office bearers and in addition to Bima Mitras (Staff specially dedicated for the implementation of this program) are trained to conduct the program.

The household which wants to insure its animal should give application to ZS by the recommendation of MS and VO. Applications are taken along with an amount equivalent to 2% of the estimated value of the animal. The ZS will estimate the cost of the animal with help of the Animal Husbandry (AH) Department. Once the premium is paid for milch cattle (cows & buffaloes), it will not be returned, nor is it transferable. The ZS approves the insurance and issues policy bonds. On the death of the insured animal the information should be given to nearer data centre. The call centre directs the Bima Mitra to visit the village. The Bima Mitra verifies the claim on visiting the village. The Bima Mitra, along with the VO conducts a local enquiry, takes photographs and submits the documents to the LPS sub-committee. After discussion, the LPS sub-committee will either settle or reject the claim as per the recommendations of the Bima Mitra and VO. The settled claim amount is disbursed through a cheque to the VO. The VO will then settle the claim with the member, through cash or cheque as decided by member/SHG.

The experience of the Vizianagaram ZS with the Loan Protection Scheme has demonstrated that CBOs can successfully run livestock insurance schemes on a fairly large scale. The ZS is now the largest agency with 90,035 animals covered, which is much more than the coverage of all other livestock insurance schemes in Vizianagaram combined. Further, it is able to provide coverage to many poor SHG members. This community-based livestock insurance scheme is perhaps the first of its kind in the country and is a direct response of the community towards fulfilling its needs. ❖

Another 10,000 Hours!

Merry Christmas! Happy New Year!

Two Days - Human Rights and Farmers. Dr Binayak Sen is sentenced for life-term. Farmers continue to die.

We have some functions for World AIDS Day (1 December) and International Day of Persons with Disabilities (3 December). But many a other day of importance and international observance went by - International Volunteer Day (5 December), International Day against Corruption (9 December), Human Rights Day (10 December), International Migrants Day (18 December), UN Day for South-South Cooperation (19 December), International Human Solidarity Day (20 December), Kisan Day (24 December)! The month that went by continued to explore finding ways to improve livelihoods of the poor in various contexts across the length and breadth of the country including coasts, hills, deserts and dry hinterlands. Social Mobilization, access to credit, collectivization and intervention across the employment continuum are the main elements in any solution that emerges.

In the context of access to credit, Sivakumar [Shiv's Third Eye] listed various plausible factors for the likely 'death' of MFIs – not innovated enough to reduce the interest rate; losing sight of collective action of the poor; not building the political capital; absence of social capital that benefit from long-term engagement with MFIs; short on regulations; distorted MF market with Government as competitor and regulator; scaling models with requisite capabilities funds before the sector is ready; not enough manpower, manpower with quality; loaning by group leaders; and grants and soft loans for private gain. We still need robust pro-poor social MFIs. Hope some of them survive and new ones come in with more robust business processes and models! Surely, they need to be MF+ Institutions that realize surpluses form the economic services because of scale and run the credit operations on clear no profit basis.

12th Five Year Plan Approach is talking about 12 Key Challenges –

- * Enhancing the Capacity for Growth including Reform of the Subsidy Regime, Public Private Partnerships;
- * Enhancing Skills and Faster Generation of Employment including Expanding Education and Skills, Sustainable Livelihoods for Alleviation of Poverty;
- * Managing the Environment including Land, Mining and Forest Rights, Sustainable Management of Water Resources, Mitigation Strategies for Climate Change, Waste Management and Pollution Abatement, Forestry and Wildlife;
- * Markets for Efficiency and Inclusion including Making Markets Accessible;

- * Decentralization, Empowerment and Information including Capacity Building for Decentralized Planning, Using Media for Development, *Social Justice for All*;
- * Technology and Innovation; Securing the Energy Future for India including Increase the share of Renewable Energy;
- * Accelerated Development of Transport Infrastructure including Universal Connectivity through Greater Investment in Rural Roads Network;
- * Rural Transformation and Sustained Growth of Agriculture including Drinking Water, Food Security, Rural Poverty Alleviation; Managing Urbanization including Urban Poverty Alleviation;
- * Improved Access to Quality Education including Universal Primary Education with Better Quality, Expansion of Secondary Education with Vocational Alternatives; and Better Preventive and Curative Health Care.

Perspectives

G. Muralidhar

Let us contribute to the evolution of a more robust five year plan. NREGA, Food Security, Social Security and NRLM/ JNNURM would take the lion's share of the Plan Funds. Already in NRLM agenda, States are working on developing their initial action plans, poverty profiling and perspective plans.

The community collectives and the civil society support institutions need leaders, professionals, community professionals, investors, enablers, mentors, trainers, volunteers and supporters. In large numbers! Bright and talented youth have to move in. Let us build an orchestrated campaign to identify, build and support these people in large numbers. Double quick! Let us spend our 10,000 hours to begin with for Getting More (Performance) for Less (Cost) for More (People) [Mashelkar calls it 'Gandhian Engineering'].

Let us work on the things we have control over - ourselves, our emotions, our thoughts, our actions and our 3Rs – Reading, Writing and Arithmetic. Let us remember to write with hand as often as possible. It helps in enhancing our learning and therefore, usefulness. Let us spend our energy in the creation process, and on people deserve our attention and love. While doing so, let us not waste our time in the **Don'ts** - Trying to do everything; Responding to all and sundry (calls/emails/letters etc.); Thinking we have to do everything immediately; Putting important tasks off; Trying to get things perfect the first time round; Being hung up over details; Not having clear goals; Not taking short breaks; and Trying to please everyone.

Let each one of us add second 10,000 hours to work on individuals to give 10,000 hours. Then we have a movement of 10,000 hours spreading all across. ❖

Managing Risk

Risk is intrinsic to every livelihood practiced. The degree of risk may vary but it's always there. The element of risk is for the most part grossly understated in development/ livelihood studies/initiatives thus far. Efforts if any in the sphere of risk, are more focused on post-risk reactive methods. However, times have changed and so should the approach to risk in development. Increase in natural disasters and erratic rainfall globalization and volatile and rapidly changing markets are influencing the realm of livelihoods of the poor on a wider scale. While some risks have morphed many new risks have emerged. In this context, 'livelihoods' attempts to understand the risks associated with the livelihoods of the poor and the mechanisms to manage those risks..



Risk is intrinsic to every livelihood practiced. The degree of risk may vary but it's always there. While some risks are tangible others remain in intangible forms. The element of risk is for the most part grossly understated in development/ livelihood studies/initiatives thus far. Efforts if any in the sphere of risk, are more focused on post-risk reactive methods. However, times have changed and so should the approach to risk in development. Increase in natural disasters and erratic rainfall - thanks to global warming; globalization and volatile and rapidly changing markets are influencing the realm of livelihoods of the poor on a wider scale. While some risks have morphed many new risks have emerged. These trends force us to understand risk as a structured process starting from risk identification and analysis to risk coping with several stages in between. Any attempt to understand and analyze livelihoods of the poor without risk element in the framework is futile.

Livelihoods include all activities and decisions which the family takes that result in the family acquiring the four characteristics: Income, Expenditure, Employment and Risk - and enabling the family to live on. Livelihoods improvement would mean changes in these characteristics in appropriate directions i.e. increase in income, decrease in expenditure, increase in employment and decrease in risk. The livelihoods are sustainable when the family is able to continue with at least at the existing level in these characteristics even when things outside its control have changed adversely, i.e., the family is able to learn and adapt to new situation, acquire required capacity to practice new learning to continue at least at the existing level.

Many development/ livelihood interventions majorly focus on the income and employment aspects of the livelihoods. There are certain interventions that are focused on reducing the expenditure of the households related to production and consumption. However, there are very few interventions that address the risk aspect of livelihoods. Unless the risk is addressed there are greater chances that the households again fall back into poverty.

Vulnerability is closely related to the concept of risk. A person with high risk exposure is expected to have greater income variance; hence he or she will be more vulnerable to poverty. But there is also a reverse effect –poverty brings more exposure to risk. Most of poor people live in unhealthy and unsafe environments, which expose them to a greater risk of health and security.

Risk, as defined by the UNISDR (2003), is “the probability of harmful consequences, or expected losses (deaths, injuries, property, livelihoods, economic activity disrupted or environment damaged) resulting from interactions between natural or human induced hazards and vulnerable conditions. Beyond expressing a possibility of physical



harm, it is essential to appreciate that risks are always created or exist within social systems”. It is important to consider the social contexts in which risks occur and that people therefore do not necessarily share the same perceptions of risks and their underlying causes. Jaeger et al. (2001) have therefore defined risk as “a situation or event in which something of human values (including the humans themselves) has been put at stake and where the outcome is uncertain.”

The risks can be grouped in several ways. One is grouping the risks based on the place of their occurrence. Certain risks such as vehicle accidents occur in public places where as risks due to fire accidents etc happen inside the house (private spaces). Risks can also be categorized into idiosyncratic and covariant risks, the former refers to the risks that are specific to an individual person/ family where as the later refers to the risks that are common to all people living in a particular area or practicing a particular livelihood.

Some risks can be anticipated and certain measures can be taken up to mitigate their impact or effect, while other risks could be beyond the comprehension of common people and therefore unexpected. Certain risks such as risk of death, risk of ill-health/ accident, risk of theft are common to all sections of the people irrespective of the livelihood they practice. But it is critical to appreciate that even among the common risks, the degree of risk varies from livelihood to livelihood and more often the livelihoods of the poor are associated with higher degree of risk.

However certain risks are specific to the individual/ household that practices a particular livelihood. For example dry land farmers who depend on rain for cultivation always face the risk of crop failure. If we look at a toddy tapper, honey collector or coal mine worker they have their life at risk. A daily wage labourer has a risk of not finding a work on any particular day. A dairy farmer faces the risk of disease to the cattle, risk of increase in the price of the fodder etc. All these cases refer to the individual/ household risks and thus are called idiosyncratic risks. There are other risks that are called covariant risks which affect the entire community in a particular area or large sections of people. We all have seen the impact of tsunami that severely affected the livelihoods of the entire first line fishing community and also some non-fishing communities in the coastal regions.

It is important for any development worker to plan for certain interventions that can reduce the risk in the livelihoods of the poor or plan for certain mechanisms that help the poor to cope with the risks associated with their livelihoods. There are various dimensions that need to be analyzed to understand the risks in the livelihoods of the poor.

Both the idiosyncratic and covariant risks that are associated with the poor households need to be analyzed. Other dimensions of risk for analysis are: The preparedness of the community and household to face the risk, to reduce the chances of the risk happening, to improve risk bearing capacity, the options of relief in the case of risk happening and the flexibility to re-evolve after the risk happening (rehabilitation) etc. This analysis can be the basis for planning proper intervention to help the household towards four arrows i.e. in increasing their incomes, reducing expenditures, increasing the number of days of employment and decreasing the risk.

There are certain sources of risks to households' livelihood security. Some the sources of risks identified are the high prevalence of diseases, declining quality of services of public health and education institutions, natural resource degradation, price shocks, food shortage, seasonal and climatic fluctuation in employment opportunities.

Livelihoods/ Enterprise risks are varied in nature. These include the possibility of the skill becoming irrelevant, obsolete technology, staff turnover, enterprise itself becoming irrelevant, reduction in the demand for the produce/ service, shortage of raw material, increase in input prices etc.

Though risks exist in each and every livelihood, the nature of risk varies depending on the livelihood itself. While some have life at risk, some have bread at risk and some have income at risk. Some livelihoods can cause temporary to permanent disability. For example continuously weaving on the loom for years together can harm the eye sight of weavers. So is the case with goldsmiths. Small vendors of perishable items such as fruits, vegetables etc. have their income at risk because of the perishable nature of their produce.

Risk also varies depending on the ability of the individual or the household to cope up with the risk. For instance a rich farmer may afford a crop loss one year but small farmers can easily fall into debt trap. Similarly people with adequate savings can cope with risk of losing a job relatively more easily than wage or casual labourer depending on their daily wages for living.

Whether they are wealthy or poor, people cannot avoid risk. But people can manage risk. Risk management can be classified into risk mitigation (*ex-ante*) and risk coping (*ex-post*). The main difference between the rich and poor people in managing risk is the latter have more limited access to formal mechanisms of risk management. Formal risk management mechanisms include those that are available in the market or publicly provided. Private insurance, bank credits and pension funds are example of market-based formal mechanisms. Examples of publicly provided mechanisms are public health care or social security systems. The lack of access to these formal mechanisms makes poor people rely mostly on informal mechanisms of risk management.

Poor individuals or households mitigate the effects of income shocks by diversifying their sources of income. In rural agricultural areas farmers often diversify their crops and use multiple seed varieties. In some cases they also diversify their occupations. For example, in addition to work in farms, rural agricultural people tend to work as part-time workers in the nearby towns.

If a shock occurs, the poor cope with falling income by adjusting their expenditure. Usually, adjusting expenditure means spending less for non-basic needs, eating less or making dietary changes, like consuming less meat and other side dishes. This also may mean abrupt end to education of children particularly of the girl child, distress migration for work leaving the women folks and old behind and other forms of social disruptions. In some cases we

Though risks exist in each and every livelihood, the nature of risk varies depending on the livelihood itself. While some have life at risk, some have bread at risk and some have income at risk. Some livelihoods can cause temporary to permanent disability.



see people resorting to extreme steps like suicides.

Another way of coping is work for longer hours. If there is not too many alternatives to work more in their village, they usually move to the other places seasonally or temporary. Income shocks also create the needs for the other family members who were previously not working to search for a job. This in turn creates the increased number of child labor or school drop-out rate during economic shocks.

Even though income fluctuates, people would try to smooth consumption level over time. People smooth their consumption by saving some of the current income instead of consuming everything they earn today. During bad times, they eat up some or all of what they have saved. Or, they may borrow from someone else and repay it back later in the future.

Wealthier people have access to the saving, credit and insurance do their consumption smoothing through financial market. They save some of their wealth into bank deposits or other financial assets. Then during periods of low income they use their savings or ask for credits. However, poor people generally lack access to formal

financial system. As the result, they cannot save in modern financial assets or instruments. Instead, they try to save their wealth in terms of land, cattle or durable goods and other valuables assets like jewelries. They will sell their assets or consume their cattle when bad time comes.

The above illustrations are examples of how poor people manage risk individually. Though poor people manage the risk individually to some extent, in most cases they rely on the others in the group or community in managing their risk. In the most common case, poor people borrow from their extended family members, distant relatives or neighbors when facing financial hardships. Apart from that, there are also social institutions that serve as community-based risk management arrangements. The World Bank's World Development Report 2000/2001 lists some examples of informal mechanisms of risk management which are common in developing societies which are presented in the table below.

One example of informal risk managing arrangement is agricultural contracting like sharecropping or land tenancy. In many agricultural societies, sharecropping or land tenancy is a means of sharing risk between landlords and tenants. Contracting is also popular among agricultural communities because it is often interlinked with credit provision – landlords are also suppliers of credit to share tenants. It is a mutual arrangement, because when tenants receive credits, they can be wealthier and more productive. This means higher income for the landlords as well. Another form of interlinking in agricultural contracts is marketing by landlords. Landlords are the exclusive buyers of tenants' output on a given price. Usually, but not always, the price is set lower than the market price. The landlords would then sell the output in the market. This scheme benefits both – tenants have the certainty and landlords get the profit margin.

	Individuals and Households	Group-based
Mitigating risks		
Diversification	Crop and plot diversification Income source diversification Investment in physical and human capital	Occupational associations Rotating savings and credit associations
Insurance	Marriage and extended family Sharecropper tenancy Buffer stocks	Investment in social capital (Networks, as- sociations, rituals, reciprocal gift giving)
Coping with shocks	Sale of assets Loans from money lenders Child labour Reduced food consumption Seasonal or temporary migration	Transfers from networks or mutual support



There are certain interventions that are implemented by both the government and non-government agencies that are aimed at reducing the risks involved in the life and livelihoods of the poor. Crop insurance, cattle insurance, providing safety kits for the people who are in hazardous occupations, providing trainings on the precautionary measures that need to be taken during the work, disaster preparedness etc are some of the examples of such interventions. However, many of these interventions are implemented only on a limited scale and hence most of the poor still depend on informal mechanisms for managing their risks.

Though these informal mechanisms serve as important tools for managing risks for the poor they have many limitations. They may protect the poor in small income shocks, but not in big or persistence shocks. Since poor people by definition own only a few amount of assets, the ability to maintain the level of consumption is close to nothing if the income shock is substantially large. Furthermore, if a shock persists for more than one period, assets they have might not last beyond the first period so the poor are left with no protection against income fluctuation in the latter periods. Another limitation of informal mechanisms is that they often imply a trade-off between risk mitigation and efficient production. Mitigating risk through crop diversification typically lowers the expected profits. Farmers grow some crops which are less risky but yield lower profits. Expected profits are also lower because poor farmers tend to be reluctant in adopting new technologies and taking advantage of new economic opportunities.

Community-based informal mechanisms are also limited. They are ineffective to protect against covariate shocks such as big natural disaster or economic crisis that affect everybody in the community. Moreover, since informal mechanisms are based on local rules which are sometimes unwritten, enforcement sometimes becomes the problem.

All these limitations give the room for interventions. There is

a wide range of possible policy interventions. Policies can improve risk management indirectly. Prudent monetary and fiscal policy helps controlling inflation, which reduces the risk of falling real income. Education policy improves human capital, which then brings poor people to a wider range of job options. Public health quality improvement helps reducing the risk of illness. But policies should also directly improve the ability of the poor to manage risk.

Three main areas of policy intervention in helping poor people managing risk are providing mechanisms for saving, access to credit and insurance. The roles of saving are serving as the means for accumulation of asset and precautionary purpose. Asset accumulation is important for an individual or household to provide income security during the old age or to finance children's education etc. Precautionary motive is driven by the needs to smooth consumption when a shock occurs. The importance of credit is quite obvious. Production credit relaxes the liquidity constraint that prevents the poor to be productive. Consumption credit serves as an external source of consumption smoothing when there is an income shock. Meanwhile, the presence of insurance maintains a degree of income certainty over a period of time. When access to insurance exists, agents do not need to sacrifice more productive and profitable economic activities for the more certain income.

Since access to the markets of saving, credit and insurance are generally not available for the poor, they rely on the informal mechanisms of risk management, which are built on the community's social capital. Two important components of social capital are networks and trust. The above examples of community credit association, contracting and marriage reflect the importance of social networks and trust for the poor people in providing protection against risk. Networks provide the basis of building the institutions, and trust is what makes the institutions sustained. A good and effective intervention should be built on the existing social capital.

Further, the other major intervention that is required is providing information to the communities regarding the risks and mechanisms to address them. This information plays a key role in preparing the individuals/communities to address the risks involved in their livelihoods.

Globalization, increasing pace of life, climate changes etc are posing newer risks to the traditional livelihoods as well as emerging livelihoods. Thus, managing risks as a science and as a concept is gaining momentum and it needs greater attention from all the stakeholders of development. Providing information related to risks and the ways to address those risks play a key role in the efforts of poverty reduction and livelihoods enhancement. ❖

Xerox Shop

Narasimhulu runs a small Xerox shop in a busy market centre beneath a building's stairs. In the same place a couple years ago, his grandfather had been running a magazine shop. He used to sell newspapers, along with monthly and weekly magazines. Narasimhulu also worked in the shop as a helping hand to his grandfather. But gradually, with the increased exposure to Television and internet, the number of book readers reduced drastically. So the sales of the magazines also decreased. Earnings fell to 2-3 thousand rupees per month. Narasimhulu passed out of high school and he had no interest in studying higher education. He had no option other than running his grandfather's shop when his grandfather became old. Looking at the adverse situation, he considered that replacing the magazine store with a Xerox shop would be more beneficial as the surrounding area was filled with colleges, schools, bus stops, and hospitals. Before starting on own, he thought to gain some experience in this work. He joined a xerox shop as a worker. He worked there for 2 years. During this time, his grandfather looked after his shop, whether he was gaining any profit or not. When Narasimhulu got confidence to start on his own, he invested his savings in this business.

He has been running the shop for 4 years. The works done in the shop are Xerox, colour Xerox, spiral binding for books, and lamination. According to him, the average daily customers are 200. 75% of them come for Xerox, 10% for lamination and 15% of them for spiral binding. The charge for Xerox for one side of the page is 50 paisa. The charge of one book spiral binding is 15/- and the charge for lamination is 15/-.

Particulars	Details	Amount
Fixed capital		
Xerox machine+ Lamination machine, printer, spiral binding machine, lamination whets, spiral binding sheets, white papers		60000/-
Recurring expenditure		
Heater roller (once in six months it has to be replaced)+ Toner(monthly replacing)+ Pressure roller (once in six months)		3200/-
Expenditure on spiral sheets, white papers, lamination sheets per month		5000/-
His brother stays in the shop. He pays nothing to him but the estimating his time value+ Shop rent+ Current bill+ Petrol expenditure+ Other expenditure		2000/+4000/-
Annual depreciation on machine		6000/-
Total expenditure in month		11,600/-
Income		
For Xerox in average per person average 4 sidesx50 paisa = 2 rupees 75% of 200 = 150 personsx2 rupees		300/-
For spiral binding 15% of 200 is 30 persons x 2 books x 15/-		900/-
For lamination 10% of 200 is 20 personsx1 laminationx15/-		300/-
Total income in month	Total a day income in average=300+900+300=1500/- 25daysx1500/-	30000/-
Total profit	30000-11600	18,400/-

Though Narasimhulu's business is doing well now, he is facing severe competition from other Xerox shops that are coming around. With the increased competition, they are forced to reduce their prices which is reducing their profits. Ill health, strikes and bandhs etc also reduce his profit margins sometimes. However, adopting to the latest technology that come into the market as early as possible along with being available to the customers for more hours than others and his ability to please customers with his polite behavior keeping Narasimhulu competitive in the market. ❖

Aga Khan Rural Support Program

The Aga Khan Rural Support Programme, the rural development partner of the Aga Khan Foundation (AKF), is an internationally recognized, community-based, non-denominational, non-government development organization, based in Gujarat. AKRSP began its field operations in 1985 in select and environmentally degraded areas of Andhra Pradesh, Gujarat, Madhya Pradesh and Rajasthan. AKRSP promotes institutions of poor and implement different programs related to rural livelihoods through these institutions that lead to Income growth, Asset building, Mobilizing local capital, Technical innovations, Human skills development and Social development.

A central strategy of the rural livelihoods approach of AKRSP is to put people at the centre of development, thereby increasing the effectiveness of development assistance and therefore improving performance in poverty reduction. Involving the poor results in local empowerment, which in turn leads to opportunities for local leadership, including that of women, to emerge. These leaders play a critical role in bringing about and sustaining development and consequent social change such as pluralism, public participation and democratic principles. Village institutions form the basis of community organization and function through 'Village Development Committees,' comprising of representatives of all communities in the village (including at least 30 percent women's representation). These Committees develop village development plans and work closely with the Panchayat.

Other community organizations such as farmers' federations and women's self-help groups also facilitate the process of community driven development. Federations of farmers groups have considerably reduced agriculture input costs (seeds, fertilizers and pesticides) through bulk purchases based on demand from member institutions, simultaneously ensuring the quality of inputs supplied. These organizations have also contributed to improved cropping techniques, rational use of fertilizers and the adoption of appropriate low-cost technologies. The federations also serve as agriculture extension agents, and transfer information from agriculture institutes related to cropping practices, thereby ensuring that information reaches farmers in remote areas. Farmers' federations and the women's federations have also led social campaigns in the regions such as reducing unnecessary expenditure on social customs, promoting the education of girls, anti-liquor campaigns, and the promotion of organic farming.

In addition to institution building, AKRSP activities also

include human resource development including skills development to build up the skills base of villagers, especially women. For example, in the Netrang programme area of Bharuch district, women have been trained to repair and maintain hand-pumps. In another area women have been trained as masons. Communities receive organization and financial management training to support the effectiveness and sustainability of village-level institutions, and key resource people are provided with technical skills to plan, implement and maintain the development activities.

The community institutions promoted by AKRSP are also actively involved in the management of Common Property Resources. These efforts include the construction of small scale infrastructure, such as check-dams, irrigation canals and water harvesting structures or agricultural storage facilities. Over 400 structures have been created for harvesting and storage of rainwater that is directly lifted for irrigation, or recharging the groundwater aquifers for more rational extraction through wells. These have led to an additional 4000 hectares of irrigated croplands in the programme areas. Income growth is promoted by increasing agricultural productivity through improved farming methods such as using drip-irrigation, provision of better seeds, creation and improvement of markets, land development, micro-credit, increasing off-farm incomes and supporting enterprise development. Local capital is mobilized by promoting savings and developing financial services to enable broad access to credit.

Assets created by AKRSP often result in more than just increased income generation. AKRSP's rural development programmes have benefited over 300,000 households in over 1,000 villages in western and central India since 1983. With over 10,000 households now accessing assured sources of safe drinking water, women have benefited significantly.

Health improvements due to improved diets and access to safe drinking water also lead to a reduction in the costs of medicines and trips to the doctor. Simultaneously, literacy levels have risen by 10 percent (8 percent in the case of women). Impact studies conducted in some areas reveal an average increase of beneficiary incomes by about 60 percent, going up to 80 percent in some cases.

The ultimate goal of AKRSP's programs is for communities to have the confidence and competence to make informed choices from a range of appropriate options for sustainable and equitable development. AKRSP is moving on the right track in achieving this goal. ❖



How Does Age Matter?

Working for about 10 hours a day, that too in the cold winter nights, is not an easy job for any person. For Pochaiah, an 80 year old man, it is the daily routine and he unknowingly inspiring many young people to work hard including a research scholar Venkatesh. He interviews this old man to know about his struggle for survival.



Q: What is your name and age?

A: My name is Pochaiah. I am 80 years old.

Q: Can you tell about your family?

A: I have 4 daughters and one son. Now I am living with my wife, son, daughter-in-law and grandchildren.

Q: Where do you reside?

A: Just besides the railway track in Narsimha basti (slum) of Hyderabad.

Q: What do your son does?

A: My son is Rajeshwar. He does painting works.

Q: What do you do?

A: I do many works. From 11'o clock in the night till 5'o clock in the morning, I pull the garbage rickshaw. I load the garbage which is gathered by sweeping the roads in my rickshaw and I dump it in the municipality van.

Q: How much do you get from this work?

A: My contractor gives four thousand rupees a month.

Q: What do you do in the day time?

A: I do the work of puncturing the bicycle and other motor vehicle tyres.

Q: How many hours you do this work?

A: I do this work from 7'o clock to 11'o clock in the morning hours. Then I go to home to have my lunch and then take rest up to 3'o clock. From then I again work till 5'o clock or till I get a minimum of Rs 100.

Q: Before this, what do you used to do?

A: Up to 50 years of my age, I used to take children to school in rickshaw. With the increased competition from auto rickshaw, many of our rickshaw pullers including me lost our livelihood. Then I shifted to this work of puncturing bicycle tyres.

Q: When did you learn this work?

A: As a rickshaw puller, many times I used to depend on others for puncturing the damaged tyres and after sometime I thought of learning it on my own so that I can reduce the expenditure on the maintenance of rickshaw. This skill has helped me when I thought of shifting the livelihood.

Q: Don't you feel it difficult to work so hard at this age?

A: There is no one to feed us. We have to work and fill our stomach.

Q: What about your son? Can't he feed you?

A: Whatever he earns is enough for him. Forget about feeding me, sometimes he comes and asks me for financial help.

Q: What do you do with your earnings?

A: Recently I spent all my savings money for my younger daughter's marriage. Further, I have taken one lakh rupees as loan. Now I am repaying that loan amount. I pay an interest of Rs 1500 per month for that.

Q: After repaying the loan what are your plans?

Q: I won't stay in the city after I repay the entire loan amount. Here the cost of living is more.

Q: Then where do you go?

A: Siddhipet of Medak district of AP is my native place. I have 2 acres of land there. I will go back and do agriculture.

Q: In this age?

A: Yes, how does age matter? I am also planning to start cycle puncturing shop in my village along with agriculture. There will be more demand for my shop.

Q: How are you able to work in the night in this winter where even the younger people fear to work?

A: I am stronger than many young people. You don't believe, once you should come to my work place and see how I work. I work better and faster than many of my younger colleagues and my contractor always praises me as strong old man. ❖

Handloom

The Charkha acted as a symbol of national regeneration, as propagated by Mahatma Gandhi. Weaving in India has a



very long tradition, predating the coming of the Aryans. People wore woven cloth during the Indus Valley Civilization in the 2nd millennium B.C. Skip a few thousand years, and Indian weaving skills reached their pinnacle during the Mughal era. Indian weavers excelled with both silk and cotton. Varieties of weaves – intricate brocade (use of silver and gold thread- “zari”), ikkat (tie-and dye of the yarn before weaving), and zardozi

embellishment (embroidery using zari with precious and semi-precious stones) were churned out by Indian weavers.

Handloom contributes to 23% of the total cloth produced in the country. An NGO survey states that there are more than 38, 00,000 handlooms in the country. There are approximately 15, 00,000 domestic handlooms in the north-eastern states. The major handloom states in India are West Bengal, Tamil Nadu, Uttar Pradesh, Andhra Pradesh, Assam and Manipur. These 6 states account for 75% of handloom weaving in the country. Almost all handloom production in India is for domestic markets. According to the Directorate General of Handlooms, only 1.3% of working looms produce for export markets.

Handloom weaving in India is still largely a household enterprise, as well as being predominantly a rural activity providing employment to the largest number of people next only to agriculture. Estimates of number of people employed in the Indian handloom sector employ vary from 6.5 million (Census of Handlooms 1987-88) to 12.5 million people (Census of Handlooms, 1995-96). According to the Directorate General of Handlooms, of the 2.3 million full-time weavers, slightly less than half are independent weavers, about 340,000 work under a master weaver and 450,000 are members of co-operatives. Outside the northeastern states of India, it is men mainly that do full-time weaving. However women are involved in post-loom operations such as bleaching, dyeing, finishing, and embroidery.

Handloom products from India enjoy international reputation and have a good demand in the global market, contributing a significant portion of the nation's GDP. Apart

from this, there are many other sectors like financial, marketing, maintenance, and transportation services that benefit from the handloom sector. Handloom centres also serve as tourist spots attracting a large amount of foreigners. Thus tourism industry is also indirectly benefited.

Kinds of weaving: Types of Weaving Traditions in India can be largely grouped into:

Rural: This weaving portrays the images of a rural life with figures of plants, flowers, people and animals. Designs are simple and sober.

Classical: The theme revolves around the royal life which symbolizes the patronage of the kings and other royal people. Designs are created with elegance and style.

Tribal: This weaving is mostly made from simple bamboo looms, and is used by tribal people. Designs exhibit bold geometric patterns and are in strong, vibrant colors.

Range of handloom products: There is considerable amount of regional variations in the conditions of the handloom sector in India. In certain states, such as Andhra Pradesh, weaving is primarily an artisan and home-based rural activity, while Tamil Nadu at the other end has a relatively high number of non-household units. Another regional variation is in the productivity per loom, which is much higher in West Bengal and Uttar Pradesh and much lower in Andhra Pradesh and Tamil Nadu. Apart from these the weave and designs are unique to the place from where they are produced.

Silk weaving is unique to India. India is the only country in the world producing all four commercially known silks - mulberry, tasar (tussore), eri and muga. States of Kashmir and Karnataka are known for their mulberry silk, tasar is found in the remote forests of Bihar, Madhya Pradesh, Orissa West Bengal, Andhra Pradesh and Uttar Pradesh. Both eri and Muga silk are found in Assam.

The handloom industry operates over a broad spectrum of product mix, ranging from conventional sarees, bed sheets, long cloth, lungis, napkins, towels, etc., at one end to ornamental fabrics like Madras muslin, brocades, chintizs, phulkari, embroidery etc., at the other end. The yarn used by this sector is mainly cotton yarn, of counts ranging from coarse count of 10s to superfine count of 100s. In the centres which are famous for producing decorative ornamental fabrics, pure silk, and jari yarns of gold and silver are also utilized in large quantities.

Handloom weavers: In India, traditionally weaving is done



by the people from certain communities. The weavers in the handloom industry work under the master weaving system, or work for cooperative societies, or operate their handlooms independently. Since handloom weaving is traditional cottage industry, nearly all members of a weaver's family are involved at different stages of weaving activity. It has been reported by the Kanungo Committee that only 55.7 percent of weaver's family are gainfully employed. The extent of under employment in a weaver's household is of the order of 37.5 percent. Female and child members of a weaver's household are engaged in pre-weaving operations and work 20-21 days in a month and 5-6 hours a day. Male members are engaged in weaving operations and they work 24 days in a month and 19 days in slack periods.

Process of production: There are several stages involved in the process of production of handloom cloth starting from the stage of purchase of yarn. They are dyeing, loosening, twisting, winding, warping, dressing, sizing, piecing and fixing the warp with the loom for weaving. Yarn is usually purchased either from the local market or from the co-operative market or directly from spinning mills. It may be classified either as mill made yarn or hand-spun yarn and either dyed yarn or undyed yarn. If the yarn is undyed it has to be processed before it goes to warp and weft. The counts of yarn used for weaving may differ from cloth to cloth and the size of the cloth is based on the reeds of loom.

The warp and weft yarn may be obtained either from dyed yarn or from undyed yarn. If it is undyed, it has to be dyed locally. In the non co-operative sector, few master weavers have dye-houses within their own establishment. The independent master weavers make dyeing process from the local dye-houses. But, in the case of co-operative sector, a few active co-operative societies have their own dye-houses. Most of the co-operative societies make dyeing yarn either from cooperative dye-houses or from government approved dye-houses.

Dye houses are run by different classes of people who specialize in it. The cost and the process of dyeing are based on the weight of yarn and dye & chemicals used. There are two types of dyeing-direct colour dyeing and fast mixing colour dyeing.

The third stage covers loosening, twisting, rewinding and warping of the yarn. Loosening and twisting are based on

the counts of yarn; rewinding of yarn is done on reels and hands. Rewinding is done in the case of weft yarn or breadth wise yarn. This is done with the help of charka wheels by women and children workers. Wages are paid on piece rate basis and the rate of wage varies according to counts and weight of yarn. After rewinding, the yarn has to be warped. The warp yarn is usually warped on round wooden frame. The processes of loosening, twisting, rewinding and warping are usually done by the family members of the co-operative weavers in the co-operative sector and by job workers in the non-co-operative sector.

After warping, the warp is given a dressing by stretching it in the open street. For this purpose, cross-wise bamboo rods are used. Dust and dirt are removed from the threads and finally the broken ends of the threads are joined. After these processes, the warp is removed from one end of the bamboo and is wound on a hank till it reaches the other end. Now, the new warp is ready for the next process of piecing.

Piecing refers to the joining of the thread ends Of the old warp with the thread ends of the new warp. The wage rates for this work are usually fixed based on the sizes of reeds, length of warp and design of the cloth.

After piecing, warp yarn is divided by many segments and is fixed into the loom for weaving. A large variety of handlooms are used in different centres of the handloom industry from the oldest throw-shuttle loom to semiautomatic and automatic handlooms. Throw shuttle pit loom is the most primitive loom in which head shafts are operated by the weavers with his legs and shuttle is picked through shed by his hands. Frame loom is a modification of a fly shuttle loom, in which shedding and picking operations have been modified to relieve the weaver from the strain of manual shedding and picking. The pedal loom is a modification of a frame loom, and either dobby or jacquard attachment has been adopted on the pedal loom to weave shirtings, towels, gauze and bandage cloth. The weavers are usually getting wage for their work on the basis of the variety and length of the cloth.

Several auxiliary mechanisms are used in the handloom industry for producing ornamental fabrics. Some of the important mechanisms are multi-treadles, dobbies and jacquards.

Weaving of synthetic fabrics has been identified as a major thrust area for the development of handloom industry in



Major Handloom centers in India:

Banaras, Machlipattanam, Kanchipuram, Salem, Nagpur, Tanda, Hyderabad, Jaipur, Jodhpur, Kota, Gwalior, Indore, Ami, Madurai, Tanjore, Surat, Bhopal, Lucknow, Delhi, Murshidabad, Tiruchirapalii, Aurangabad, Baroda, Mehasana, Sambar, Amristar, Ahmedabad, etc.

Major designs, sarees and their place of origin:

Madras checks from Tamil Nadu, ikats from Andhra and Orissa, tie and dye from Gujarat and Rajasthan; brocades from Banaras, jacquards from Uttar Pradesh, Daccai from West Bengal, and phulkari from Punjab, Banarasi saree from Banaras, Chanderi from Madhya Pradesh, Paithani saree from Maharashtra, Patola sarees from Gujarath, Kanjeevaram, Chettinadu sarees from Tamilnadu, Gadwal, Pochampally, Kottakota, Mangalagiri, Venkatagiri sarees from Andhra Pradesh, Mysore silk from Karnataka, Jamdani from Bangladesh, Sambalpuri from Orissa, Bulchari from Mushirabad, Muga from Assam, Kota doria from Rajasthan.

Schemes of Government of India to promote handloom industry:

Deen Dayal Hathkargha Protsahan Yojna, Marketing Promotion Programme, Handloom Export Schemes, Weavers Welfare Scheme, Integrated Handloom Cluster Development Scheme, Mahatma Gandhi Bunkar Bima Yojna, Handloom mark Scheme, Technology Upgradation Fund Scheme

Some major institutions working in handloom sector:

Handloom Export Promotion Council (HEPC), Development Commissioner for Handlooms (DCH), National Bank for Agriculture and Rural Development (NABARD), Khadi and Village Industries Commission (KVIC), Man-made Textile Research Association (MANTRA), National Handloom Design Center, National Handloom Museum, National Institute of Fashion Technology, Textile and Allied Industries Research Organization (TAIRO), The Bombay Textile Research Association, South India Textile Research Association (SITRA), Indian Jute Industries Research Association, Central Silk Board and Handloom Cooperatives

India in the present century. Although technology of synthetic weaving is well established in the mill sector, the handloom industry has still to develop its own appropriate technology.

Earlier handloom sector was based on local resources, local craftsmanship and catering primarily for local markets. In the first decades following India's independence, all national policies emphasized this. Today the Indian handloom industry is export orient, mainly exporting fabrics, bed spreads and covers, quilts, shams, pillow covers, curtains, towels, table linen, cushions and pads, tapestries and upholsteries, carpets, etc, the whole lot needed in making a house a home.

Handloom market: The market for handloom products is four-tiered:

- * The self-consumption sector where handlooms are made for household requirements and not for sale, as in the northeast of India.
- * The rural market where weavers do the marketing themselves.
- * The distant domestic market, largely urban, and which is beyond the reach of weavers.
- * Export markets.

Master weavers and private traders market 90% of handloom products. The traders either retail these products through their own outlets or act as intermediaries supplying wholesalers or retailers. The bulk of exports are handled through merchant exporters and manufacturer-exporters, the former getting their supplies from manufacturers and master weavers, while the latter having their own production facilities.

Problems/risks: Prior to industrial exports 4-5 million persons all over India were engaged in the hand spinning industry. From 1820, machine made yarn and cloth began to reach Indian markets. The changed context of textile industry, increasing competition from the power loom and mill sectors posed challenges to the handlooms. As a result domestic textile industries which were largely dependent on hand running machines were at the verge of destruction. They took into part time spinning which gave them very small income. This income loss was less of a concern to them when compared to the employment loss. The situation worsened because of adverse government policies, globalisation and changing socio-economic conditions.

Lack of information to weavers regarding various policies and schemes is no less a significant cause for the dwindling fortunes of the weaver community. Due to lack of information and fast paced changes, practices in handloom sector became static and apparently redundant.

The evolution of master weavers and the other middlemen created a gulf between the weaver and the consumer, thereby both of them were exploited. The industry mostly depends upon the traditional buyers belonging to lower income groups for the purpose of marketing.

Handlooms workers also suffer from many occupational health hazards and injuries. It is far too common for weavers to suffer from a variety of occupational health hazards including respiratory ailments from breathing in particulate dust in poorly ventilated workspaces and repetitive motion injuries that leave many weavers disabled.

Today powerlooms dominate textile production in India and have encroached upon the handloom sector's traditional market. If many handloom weavers do not have enough raw materials, it is probably because the raw material is being diverted to powerlooms. The steep rise in cotton yarn prices without a corresponding increase in handloom product prices has meant that production in some places has had to be suspended, destroying the livelihoods of handloom weavers and laying off handloom wage workers.

Possible interventions: Access to raw materials such as yarn, dyes and dyestuffs has become a major problem for the weavers because of their increased cost and other infrastructural constraints. These need to be addressed in order to reduce the dependency of handloom weavers on middlemen and other credit providers.

Investment in handloom sector has thus far been limited to input supply costs. There is no investment on sectoral growth. There has been no thinking on basic requirements of the producer. Facilities such as land, water and electricity need to be provided in many places that are a harbour for handloom manufacturing.

Handloom sector should increase its design in response to changes in the market. Measures should be taken towards bringing awareness in all the stakeholders regarding these changing market preferences. Handloom products require more visibility. This means better and wider market network. One-off exhibitions organised with the support of government do not suffice.

Handloom designs are not protected. As a result, investors are not interested lest they end up with the risk and those who copy the benefits. Protection measures such as development of handloom/silk/jute marks and registration under Geographical Indications Act need to be undertaken.

While cooperatives do help in maximising the benefits for weavers in the entire chain of production, their present condition is a cause of concern. The handloom cooperative system is riddled with corruption and political interference. Cooperatives have to become independent in terms of management and decision-making. ❖

National Fibre Policy-Impact on Handloom Sector

Dr. D. Narasimha Reddy, a known analyst in Handlooms and Textiles and advocate for pro-poor policies in the sector, is presenting his opinion on the adverse impacts of the provisions of National Fiber Policy on the handloom sector particularly on the weavers.

National Fibre Policy is a necessity for India. It is necessary because of the ongoing conflict and competition between different segments of Indian fiber and textile sectors. The competition between cotton and man-made fiber producers is reflected in the market shares and prices. Cotton farmers have been looking for fair returns for their investment in production from the markets. Ginners and spinners would like to export cotton and cotton yarn, to reap more profits. Weaving industry, consisting of handloom, powerloom and mills, are competing with each other in increasing their market shares. Crucial in this competition is the cost of yarn in their overall cost of production. Garment makers would like to reduce the cost of procurement of their primary raw material, i.e., fabric, to respond to price competition and to increase their returns from the markets. Thus, a fibre policy which has influence and mechanism to balance between these various interests is required.

Handloom Sector-Vulnerability on the rise: Handloom sector has a turnover of Rs.60,000 crore per year. Handloom products have a market demand of Rs.100,000 crore per year. Handloom exports have reached Rs.4000 crores per year. More than 3 crore people are dependent on this sector. It is eco-friendly production, which has all the technological capacities within the country. No royalty needs to be paid to Western countries in this period of concern over carbon emissions and climate change.

Handloom sector invests more than Rs.25,000 crores on accessing cotton yarn, and Rs.9,500 crores on dyes and chemicals every year. Handloom production is dependent on private money lending to the tune of Rs.35,000 crores, and pays interests between 18 to 24 percent. Handloom sector gets a paltry budget allocation of Rs.328 crores. Given the employment potential and its contribution to GDP, government has to increase the budget allocation to atleast Rs.5,000 crores, and ask NABARD to increase the credit availability for handloom sector from the current Rs.75 crores to Rs.10,000 crores.

Handloom budget is a mere 0.03 percent of the national budget 2010-11. It was 0.3 and 0.4 percent in the past two years. Thus, there is continuous decline in real terms. Investment on handloom sector per metre is a mere 48 paise in 2008-09, while for the non-handloom 62 paise. Other than budget allocations, government provides tax breaks, subsidies and incentives of MAITI (modern, automated Indian Textile Industry). This exceeds Rs.1,00,000 crore in the last nine years. In the last 13

years, budget allocation for handloom has been decreasing gradually and continuously. It does not get even the normal, automatic inflationary increase of 10 percent, year on year. While there is continuous reduction in the allocations for handlooms, utilization of the allocation is also not proper. Though the average downsize revision is 6.4 percent for eleven years, per year the variation ranges from 4.0 percent to 23.5 percent. The downsize revision in more for handlooms than for non-handloom sector. In a span of ten years, the growth rate of handloom allocations was a mere 18.4 percent. In the same period, the growth rate for total textile budget was whopping 313.3 percent. Per capita allocation of the government on handloom weavers is very low, compared to any other sector.

Handloom weavers are facing severe livelihood crisis because of adverse government policies, globalization and changing socio-economic conditions. Suicides are on the rise. Ineffective implementation of the schemes, increasing unfair competition from the powerloom and mill sectors are responsible for the crisis.

Handloom Sector requires some Rs.20-25,000 crore cotton yarn for its requirement, every year, on an annual basis. In comparison, the allocation for Mill Gate Price Scheme is Rs.25 crores in 2009-10, and Rs.54 crores in 2010-11.

This Scheme has no influence on the rising hank yarn prices and in reducing the cost of production for handloom weavers. This Scheme has never been able to provide yarn at mill gate prices (even at the scale of allocation), because of structural problems. It pertains to only certain counts of yarn – only upto 60 count. NHDC, the Lucknow-based agency, implements this scheme through various NHDC centres. The Scheme has limited scope in reducing the current problems before handloom weavers, especially in accessing hank yarn, quality and reasonably priced yarn at an appropriate time suitable for handloom production.

Working Group on 11th Five year Plan has recommended a financial bailout package of Rs.1295 crores. It did not see the light of the day, so far.

On other hand, handloom market shares are seriously affected by 'imitation and fake' products. Protection for handloom products is possible through enactment of Textile Products Identification and Labeling Act (for non-handloom textile products). This would enable the consumer to choose between handloom and non-handloom products.

Adverse Impacts: Government has released a Draft National Fibre Policy (DNFP) in June, 2010, based on the deliberations of eight sub-groups and a 72-member Working Group. However, pre-policy development process was not representative, while post-draft policy consultations so far are not wide enough. Farmers and handloom weavers have been kept out of the development of this policy process.

This draft fails to chart new frontiers and new directions. Sectoral strategies are absent. There is no balanced integration of the concerns of various sub-sectors of Indian textile sector. It is at loggerheads with the climate change goals of Indian government. There is an over emphasis in this policy to change the ratio between cotton and Man-made fibre (MMF) consumption.

Handloom sector and its expectations did not matter in the fibre policy. On this important sector, DNFP merely reiterates the past positions and schemes of the government. There is no innovation in ideas, imagination in understanding the issues and adequate response to serious life and death issues of handloom weavers.

It does not even attempt to understand the conditions of handloom weavers. It has nothing to say about enhancing competitiveness of handloom weavers. There is no acknowledgement of the more than 150 percent growth in hank yarn prices, which renders them uncompetitive.

There are various implications with the contemplated changes, and content of National Fibre Policy. Eventually, genuine and fine cotton fibre would be accessible only to rich classes, and poor people have to fend with MMF fibre. There is a possibility that the structure of the industry would change.

There will be two kinds of environmental implications – on environmental geography and on human beings. Increased production of MMF would increase energy and chemical consumption leading to natural resource degradation and pollution. Consumers of MMF products would have serious health problems.

This policy, if implemented, as it is, would influence the market shares of man-made fibres and natural fibres. In comparison, cotton product costs would be higher and polyester clothes would be lower. Most Indian consumers would opt for lower priced MMF products, thus decreasing the demand for cotton products. This would adversely affect the production and sustenance of livelihoods based on handloom weaving.

Cotton yarn would be inaccessible for handloom sector, as the cotton and polyester blends would increase. Procurement of cotton yarn by the big companies (with expanded production capacities) to be used in blends would increasingly make hank yarn a difficult proposition for handloom weavers.

This policy would also open Indian markets for cheap foreign imports of fabric, clothes and garments. Market saturation with imports, machine-made products and MMF products would devour the domestic markets of handloom weavers.

As it is the vulnerability of handloom weavers has been increasing every year due to lack of increase in wages over the past 15 years, increasing living costs, increasing debts and increasing inputs prices. With a declining market demand, they would succumb easily.

Incentives and subsidies to man-made fibre would increase the cost of cotton and other natural fibre based products in the market. Thus, the market demand for cotton and other natural fibre-based products would decrease and increase for synthetic fibre products. As a result, the market shares get defined, and lead to declining work orders and loss of income for handloom weavers who are wholly based on natural fibre-based textile products.

This policy would lead to loss of work and displacement of handloom weavers. Being used to this kind of work for years, and having supreme skills in weaving the finest fabric, this displacement would increase poverty among handloom weavers and would push them into further penury and miserable life. They would not be able to feed and educate their children, take care of their old and destitute relatives, their nutritional intake would reduce putting them at health risks and would further weaken their family economics.

Work and wage displacement of more than 3 crore people dependent on handloom sector would have significant influence on employment and economy of India. Their displacement would also increase the dumping of cheap foreign imports in India. Thus, the Indian textile sector would be shaken at its foundations.

What needs to be done?: To improve this policy, natural fibre sector should be given special attention, especially cotton, silk, jute, wool and other non-conventional fibres including banana.

There has to be a long-term vision and a structured approach to the fibre sector. Finding an equitable balance between growth of different fibres, and an assessment of how such a growth would impact on the user industry are important steps that need to be followed.

National Fibre Policy should include strategies on reduction in cost of production, promotion of natural fibre growth, enactment of Textile Fiber Products Identification Act, establishment of a Natural Fibre Fund and establishment of fibre /yarn price stability mechanisms.

Finally, a wider consultative process has to be delineated for the draft policy document developed by the Working Group, to make it more effective. ❖

Micro-insurance in India

What happens....

When a poor family's breadwinner dies,

When a child in a disadvantaged household is hospitalized,

The home of a vulnerable family is destroyed by fire or natural disaster?

Every serious illness, every accident and every natural disaster threatens the very existence of poor people and usually leads to deeper poverty.

Micro-insurance is specifically designed for the protection of low - income people, with affordable insurance products to help them cope with and recover from common risks. It is a market-based mechanism that promises to support sustainable livelihoods by empowering people to adapt and withstand stress. Two-thirds of human beings suffering in the most extreme poverty are women. Often living within \$1 per day, they are the most vulnerable.

Micro-insurance is a useful tool in economic development. As many low-income people do not have access to adequate risk-management tools, they are vulnerable to fall back into poverty in times of hardship, for example when the head of the family dies, or when high hospital bills force families to take out loans against high interest rates. Furthermore, micro-insurance makes it possible for people to take more risks. When farmers are insured against a bad harvest (resulting from drought), they are in a better position to equip themselves to absorb the financial loss arising out of investment in the crop.

The poor by definition own very few assets. In contrast to the urban poor, many of the rural poor own their dwelling and the land that it is constructed on. Income generation for the landless poor is largely a function of daily agricultural labor rates and the number of days such work is available.

The insurable perils would be:

Loss of life: Most household members contribute to household income, except those too old, young or infirm to work. Any loss in the family member would alter the

economic profile of the family.

Critical illness: This has the dual impact of loss of earnings/household labor as well as treatment expenses. This could lead to excessive borrowing for medical reasons and many a times lead to debt trap.

Illness: that reduces the working days and also creates expenses though at a smaller level than critical illness;

Old age: because there are few income options during old age. In addition, there is some evidence of emerging social trends in which the obligation of the young to take care of the old is weakening;

Risk of **lowered agricultural productivity** or returns, e.g., through low levels of rainfall or natural catastrophes;

Asset loss especially those assets used to generate income;

Occupational Hazards (e.g., construction workers) - Accident at the Workplace and disability.

Several micro-insurance products are existing now in the market. Some of them are Health insurance, Agriculture insurance, Life and disability insurance, Asset Insurance (Insurance for theft or fire), Livestock Insurance, Weather Insurance and Crop Insurance.

Health insurance can be defined in very narrow sense where individual

or group purchases in advance health coverage by paying a fee called "premium". But it can be also defined broadly by including all financing arrangements where consumers can avoid or reduce their expenditures at time of use of services. There are various types of health coverage in India. Based on ownership the existing health insurance schemes can be broadly divided into categories such as:

- * Government or state-based systems: It includes Central Government Health Schemes (CGHS) and Employees State Insurance Scheme (ESIS)
- * Market-based systems (private and voluntary): General Insurance Corporation (GIC) and its four subsidiary companies and Life Insurance Corporation (LIC) of India have various health insurance products
- * Employer provided insurance schemes: Under the ES



Act, 1948 ESI Scheme provides protection to employees against loss of wages due to inability to work due to sickness, maternity, disability and death due to employment injury. It also provides medical care to employees and their family members without fee for service.



level. There are no existing studies on the demand for asset insurance. Typically, asset micro insurance covering huts and personal possessions is sold bundled up together with other types of insurance (usually added to life insurance). This is mainly because the amount of cover potential clients are willing to buy (and hence the premium

- * Member organization (NGO or cooperative)-based systems: SEWA's Health Insurance and Social Security Schemes for the Poor, ACCORD in Karnataka, Tribhuvandas foundation, Aga Khan Health Services, India (AKHSI) and Nav-sarjan in Gujarat, and Sewagram medical college Maharashtra.

India has limited experience of health insurance. Given that government has liberalized the insurance industry, health insurance is going to develop rapidly in future. The challenge is to see that it benefits the poor and the weak in terms of better coverage and health services at lower costs without the negative aspects of cost increase and over use of procedures and technology in provision of health care.

As we know most of India's poor population is engaged in agriculture. **Agricultural insurance** has always been a social priority for the Indian Government, and in theory there should be demand for additional commercial cover. In addition to insurance sold together with agricultural equipment, e.g., water pumps, agricultural insurance tends to cover crops and livestock.

Life insurance is the most obvious choice for micro insurance. The consequences of death are always significant for poor households so there is a constant demand. The exclusion of suicide reduces moral hazard problems. By selling to groups that are involved in some activity adverse selection can be reduced. Mortality rates are often easier to obtain than, for example, rates of different types of illnesses. A death certificate or identification of corpse makes that claims verification easy. With a one-time payout the system is relatively easy to administrate. For this reason, the vast majority of all micro insurance products, in India and worldwide, are life products. Because poor people are frequently involved in hazardous jobs, there is a significant demand in India for disability insurance. Although termed disability insurance, in practice it is often dismemberment insurance because the latter is easier to verify than general disability.

There are three broad categories of **asset micro-insurance**: hut, livestock and cattle. A few policies also cover goods within a hut, usually to a certain maximum

they are willing to spend on hut cover) does not make separate cover commercially viable. An insurer reported that adding hut insurance to life policy made good marketing sense because damage to households (especially by fire) was a dramatic event witnessed by many potential clients who would then also often get to hear about the associated cover.

Insurance on livestock is also useful to rural people as still there is no proper veterinary services in rural areas but livestock insurance has fared a bit better in India. Usually livestock micro insurance is not very successful. Because livestock is easily slaughtered, problems of fraud abound: i.e., the farmer kills the animal, or gets a friend to remove and slaughter it; the farmer then claims it was stolen. In India this is less of a problem, at least in predominantly Hindu areas, because of social issues surrounding the slaughter of animals.

Perhaps the most significant innovation in India is the introduction of weather insurance by ICICI Lombard in collaboration with BASIX, a Hyderabad-based MFI. This is also known as **index-based insurance**, in this case using rainfall levels as a claims trigger. Because clients cannot affect rainfall levels there is no moral hazard problem. There could be fraud problems, however, if clients can affect the reported levels of rainfall. Claims are processed as soon as the rainfall levels are known, and clients do not need to send in claims forms. HDFC-Chubb is now also experimenting with **weather insurance**. Although this is an interesting innovation, and worthy of further investigation, national roll-out of weather based insurance would not be immediately possible because only part of India has reliable weather stations.

Since Independence, successive Indian governments have grappled with crop insurance. But the outcome of government attempts has not been very positive. *The Times of India* (Premsingh and Venkatraghvan, 2004) reported that during 14 years of operation the first nationwide crop insurance scheme, Comprehensive Crop Insurance Scheme (CCIS), only managed to insure a total sum equal to 1.1 percent of the agriculture GDP over the

period. A new scheme, the National Agriculture Insurance Scheme (NAIS), was launched in 1999/2000 in place of the CCIS, with a newly-formed Agriculture Insurance Company of India (AIC) as its implementing agency. Though an improvement, the average yearly sum insured is still only equal to about 3 percent of income generated by agriculture in a year.

Micro-insurance is a low-value, high-volume business. The following approaches have emerged in India to provide insurance to low-income populations (only regulated channels are included here, not in-house schemes):

1. Partnership model: As the name implies this model involves a partnership between an insurer and an agent that provides some kind of financial service to large numbers of low-income people. This could be a microfinance organization, an NGO, or a business that supplies products to large numbers of low-income people, such as a fertilizer supplier. This party is an agent, selling insurance policies to the clients on behalf of the insurance provider (usually) in exchange for a commission or fee.

The insurance provider utilizes the established distribution channels of this agent and its financial transactions with low-income groups that would otherwise be too costly to set up. The partnership model uses the comparative advantage of each partner so that each can focus on its core business: the insurance provider is responsible for designing and pricing the product, the final claims management, and the investment of reserves, and absorbs all the insurance risks. In addition to selling the policies, the agent offers its infrastructure for product servicing such as marketing the product, premium collection, and assists in claims management.

2. Agency model: In this model the insurer uses its normal agency office and sells micro insurance products directly. The client comes to the agency office for sales and servicing of the product.

3. Micro-agent model: While the partnership model is relatively common, the micro-agent model described below is unique. It is the invention of Tata-AIG, specifically an employee of Tata-AIG, Vijay Artherye. The central building blocks of the model are Rural Community Insurance Groups (CRIGs) supervised by rural organizations such as churches, NGOs or MFIs.

CRIGs are a partnership firm formed of five women from a self-help group (SHG). The leader of the CRIG is licensed as an agent. The CRIG is a *de facto* brokerage firm (in the technical, not the legal sense of the term). All CRIGs in the same geographic area meet in a single centre, usually organized with the assistance of the rural organization, and receive training and assistance from Tata-AIG. This practice reduces training costs.

Governments and insurance companies are playing an important role, in making insurance reach the very households.

Most of the insurance Companies try to provide to the rural market to fulfill their social obligations. But they face some problems which are facing formal banking sector like high cost of reaching out to the clients, Lack of rural network, Low demand among the people, Small size of premium and ensured amount etc.

Micro-insurance products can be channelize through corporate and micro-insurance agents, cooperatives, SHGs & Federations, NGOs/MFIs/CBP, Formal Banks and RRBs, Post Offices, Internet & Rural Kiosks.

Though corporate agents can sell all kinds of insurance products (life and non life) to rural as well as urban areas, micro-insurance agents are only licensed to sell micro-insurance products because the micro-insurance agents are mostly local people who have good rapport in their community, e.g. school teachers, shopkeepers, local leaders, and gram sevaks. Cooperatives/SHGs/NGOs etc are insuring their members by tying up with a suitable insurer of an insurance provider. The role of other stakeholders like Regulatory Bodies, Government, Insurance companies etc are also playing very important role to reach rural poor.

The insurance sector in India is regulated by an independent regulatory body, Insurance Regulatory and Development Authority (IRDA). This regulatory body was created following the recommendations of the Governor R.N. Malhotra committee, set to evaluate the Indian Insurance Industry. IRDA ensures that relevant policies are formulated to support the growth of the insurance sector in India. Micro-insurance is of recent origin and IRDA has tried to ensure its reach to the BoP (Bottom of the Pyramid) through the Micro-insurance regulation Act, 2005.

The Act was officially passed by IRDA on 30th November 2005. It clearly defines the micro insurance products covering life and general insurance. It promotes the use of several intermediaries in the distribution/selling of the micro insurance products, the impact of which still needs to be studied. Apart from brokers, agents and corporate agents, IRDA also introduced the concept of micro insurance agents who were exclusively responsible for selling micro insurance product.

Micro insurance sector is in evolving phase. Innovations are required at all stages for products, pricing & delivery. Success of marketing micro-insurance depends on understanding the social-economic need of the target population. ❖

Vara Prasad Chaganti

In 2010..

Veteran CPM leader Comrade **Jyoti Basu** Passed away in the month of January. Jyoti Basu was a prominent figure in Indian politics for over fifty years, first as a young communist party leader and legislator, then as a leader of opposition in West Bengal legislature and finally as a Chief Minister of West Bengal for an unprecedented five terms from 1977 onwards.

Eminent Bhodan leader and social worker **Biswanath Patnaik**, 94, passed away at Baliguda in Orissa's Kandhamal district on 29 March, 2010. A close associate of Vinoba Bhave, Patnaik was popularly known as the "Koraputia Gandhi" for his outstanding socio-economic work in southern Orissa during the last 50 years. He died of age-related ailments at the Banabasi Seba Samity, a leading NGO.

The recent demise of **SR Sankaran** on 7th October, 2010 came as a shock to all his friends in the civil service and the civil liberties movement. SR Sankaran was a very fine human being and an outstanding civil servant. His commitment to public service and to the disadvantaged sections of the society was deep and unwavering. His life and work, the very high moral standards he lived by and his simplicity will continue to inspire not only civil servants in the future but the people in different walks of life.

Well-known Gandhian and Magsaysay Award winner **L.C. Jain** passed away on 14th November following prolonged illness. He was 85. An economist, organizer, commentator and activist, Mr. Jain spent more than six decades of his life as an impassioned crusader for what Mahatma Gandhi called India's second freedom struggle — the fight against socioeconomic oppression.



Right to Education Act that makes elementary education a fundamental right of every child; **Women Reservation Bill** which provides 33 percent reservation to women in all legislative bodies; **National Green Tribunal Bill** to set up special omnibus tribunals that would become the sole adjudicators on all green laws were passed this year.

India launched its new 2011 **bio-metric census**, the largest census in the world on April 1.

The Magistrate court in Bhopal convicts eight people, one post-humously, for their role in the **Bhopal disaster** industrial catastrophe 25 years ago in 1984.

2010 also seen the damage caused to the human lives and livelihoods by the Laila and Jal cyclones and due to the heavy rains and floods across the country. Laila cyclone alone caused a huge damage which is estimated at about Rs 500 crore in the state of AP apart from taking the lives of many people and livestock.



Social worker **Ela Bhatt** has been chosen for the Niwano Peace Prize this year for her contribution to the upliftment of poor women in India. Ms. Bhatt, a follower of Mahatma Gandhi's teachings recognized as one of the pioneers in the development of the most oppressed and poorest women of India for more than three decades.

Rajiv Khandelwal, Executive Director of Aajeevika Bureau, has got the Social Entrepreneur of the Year award for 2010.

Deep Joshi of PRADAN; **Anu Aga**, Ex-Chair person of Thermax Limited and a social worker; **Kranthi Shah** of Yuvak Biradari; **Dr. Kurian John Melamparambil** of Melam Charities are some of the prominent social workers who received Padmasri Award for 2010.

Eminent journalist **Sanjoy Hazarika** has been awarded the Dr. Jean Mayer Award for Global Citizenship by the U.S. - based Tufts University for his contribution to the north-east of India, initiatives in health and governance, besides advocacy of issues. The award is given annually to scholars and practitioners who make significant contributions to improving the lives of people in their areas of work and impacting both research and policy. ❖

IRDA (Micro-insurance) Regulations, 2005

Micro-insurance is specifically designed for the protection of low-income people, with affordable insurance products to help them cope with and recover from common risks. It is a market-based mechanism that promises to support sustainable livelihoods by empowering people to adapt and withstand stress. Liberalization of the economy and the insurance sector has created new opportunities for insurance to reach the vast majority of the poor, including those working in the informal sector. Even so, market penetration is largely driven by supply, not demand. Micro-insurance in India has valuable lessons for rest of the world, particularly in the regulation of the industry. The Micro-insurance sector in the country is regulated by the Insurance Regulatory and Development Authority (IRDA) (Micro-Insurance) Regulations, 2005. The salient features of the Regulations are given below:

Tie-up between life insurer and non-life insurer: Where an insurer carrying on life insurance business offers any general micro-insurance product, he shall have a tie-up with an insurer carrying on general insurance business for this purpose, and subject to the provisions of section 64VB of the Act, the premium attributable to the general micro insurance product may be collected from the prospect (proposer) by the insurer carrying on life insurance business, either directly or through any of the distributing entities of micro-insurance products as Specified in these regulations and made over to the insurer carrying on general insurance business. In the event of any claim in regard to general micro-insurance products, the insurer carrying on life insurance business or the distributing entities of micro-insurance products, as the case may be, as may be specific in the tie-up, shall forward the claim to the insurer carrying on general insurance business and offer all assistance for the expeditious disposal of the claim.

Appointment of Micro Insurance Agents: The Regulations provide for the appointment of micro insurance agents for distribution of micro insurance products. As per these regulations, any Non-Government Organization, Self Help Group or Micro Finance Institution, who is appointed by an insurer, can act as an insurance agent for distribution of micro insurance products. A code of conduct has also been laid down for micro insurance agents. Further, a micro-insurance agent shall not work for more than one insurer carrying on life insurance business and one insurer carrying on general insurance business. A deed of agreement clearly specifying the terms and conditions of appointment, including the duties and

responsibilities of both the micro-insurance agent and the insurer, should be executed. Every insurer shall impart at least twenty-five hours of training at its expense and through its designated officer (s) in the local vernacular language to all micro-insurance agents and their specified persons in the areas of insurance selling, policy holder servicing and claims administration. A micro insurance agent may be paid, remuneration for all the functions rendered as outlined in regulation 5 and including commission, by an insurer, and that the same shall not exceed the limits mentioned in the regulations.

Obligations of Insurer: Every insurer shall ensure that all transactions in connection with micro-insurance business are in accordance with the provisions of the Act, the insurance Regulatory and Development Act and the rules and regulations made there under. Further, every insurer is required to furnish information in respect of micro-insurance business in such form and manner and containing such particulars, as may be required by the Authority from time to time.

Handling of complaints: It shall be the responsibility of the insurer to handle and dispose of complaints against a micro-insurance agent with speed and promptitude. Further, every insurer shall send a quarterly report to the Authority regarding the handling of complaints/grievances against the micro-insurance agents.

Issuance of micro-insurance policy contracts: Every insurer shall issue insurance contracts to the individual micro-insurance policy holders in the vernacular language which is simple and easily understood by policy holders. Provided that where issuance of policy contracts in the vernacular language is not possible, the insurer shall as far as possible a detailed write-up about the policy details in the vernacular language. Every insurer shall issue insurance contracts to the group micro-insurance policyholder in an unalterable form along with a schedule showing the details of individuals covered under the group, and also issue a separate certificate, to each such individual evidencing proof of insurance, containing details of validity period of cover, name of the nominee, and address of the underwriting office and the servicing office.

Though various measures have been taken by government, micro-insurance products are still failing in reaching the poor and marginalized who are vulnerable to different kinds of risks. This needs to be addressed in order to achieve the goal of poverty eradication as poverty and risks are interrelated. ❖

Investment in Right Skills Pays

Anjaneyulu is 52 years old and lives with his wife, son and daughter in-law. He used to have 5 acres of dry land where he used to do farming. But erratic rains used to cheat him every year and many times he did not even get his investment back. When his survival became difficult, he and his family decided to migrate to Hyderabad. Anjaneyulu's

Name: Anjaneyulu

Age: 52 years

Education: Nil

Occupation: Small farmer

daughter-in-law has stayed back in the village to look after the land while Anjaneyulu, his wife and son migrated to Hyderabad.

The first problem they encountered after reaching Hyderabad was a place to live. They did not have any relatives in the city and it became very difficult for them to find a place. After lot of struggle they finally found a small hut on rent in the outskirts of the city which was not at all comfortable to live in. However, they decided to stay in that hut and started searching for work. Initially all three of them had worked as casual labour and struggled a lot to survive with the little money they earned. Even in those

circumstances, they managed to save small amount of money and in two years they constructed a small hut of their own. They also built good contacts with other workers who are having different kinds of skills and with their help Anjaneyulu learnt the skill of construction work and his son learnt electrical work. Later Anjaneyulu joined a construction group and his son started his own electrical shop. They saved good amount of money in short span of time.

With the savings money Anjaneyulu dug a bore well in his land and brought his land under cultivation again. Anjaneyulu's wife returned to the village to help her daughter-in-law in agriculture activities. With improved irrigation facility they got good yields and with the amount they earned from agriculture, they bought a tractor.

Anjaneyulu is now looking after his agriculture and he has also taken another 2 acres of land on lease. His son is also running his shop successfully. They also constructed a good house in their village recently. Anjaneyulu has joined his grand children in good school at Hyderabad which has a hostel facility. Now their family is leading a happy life. ❖

Burden of Large Family

Mallaiah belongs to Vattipalli village of Mahabubnagar district in Andhra Pradesh. He has wife and five daughters. He has two acres of agriculture land in which he used to cultivate food crops. Though the land has no irrigation facility, they used to get good yields with regular rainfall in their area. Apart from that they both used to go for other labour works from which they used to get good amount of money that is sufficient to lead a happy life.

However, their family expenses started increasing as their children were growing up. At the same time their land also stopped giving good yields with erratic rains. As farmers' position in that area got worsened even agriculture labour works became unavailable which made it difficult for Mallaiah to feed all mouths in his family. Unable to take care of family needs anymore Mallaiah and his wife decided to migrate. They approached a contractor who took them to Madhya Pradesh for labour work by paying them an amount of Rs 20000 per year in advance. They went to Madhya Pradesh along with their daughters and worked there for some two years. They were able to save little money and borrowed another one lakh rupees loan from their contractor and others to get their two elder daughters married. They worked there for some three years and came back to the village with a load of debt. He

had sold out his land to repay the loans but still it was not sufficient to repay the entire loan. Meanwhile, the contractor who gave them a big amount of loan came to their village and started harassing them for his loan amount. Unable to bear the pressure, Mallaiah fell sick and became unable to work.

As the income earned by his wife was not at all sufficient to feed the children, his two younger daughters decided to help their parents. They convinced their father to come to Hyderabad and started working in a chocolate factory for a salary of Rs 3000 per month. Though the conditions at the factory were not conducive for them, they were forced to work there because of their family conditions. The two girls worked hard and within two years they repaid half of the loan amount to the contractor. However, because of the odd working hours, the health of the younger daughter got spoiled and she returned home. Now his fourth daughter alone is working in the factory and is feeding in the family. The medical expenses for the household got increased and the family is now leading a miserable life. ❖

Name: Mallaiah

Age: 48 years

Education: Nil

Occupations: Small farmer

'Aajeevika' Rajiv Khandelwal

From a management professional to becoming a social entrepreneur, Rajiv Khandelwal, Executive Director of Aajeevika Bureau, an organisation providing services to migrant workers, has got the Social Entrepreneur of the Year 2010 Award and is planning to join hands with similar organizations to bring his work to a national scale.



Rajiv Khandelwal was born in a traditional merchant family in Delhi. He has completed his school education from Delhi Public School during 1969-82. Though he groomed to follow his father's foot steps, he was reluctant to do so. This stemmed from his time as a student of commerce in college when, for the first time, he was exposed to "social realities" and mingled with students from vastly different backgrounds.

During that time he volunteered with an organization that worked with physically challenged children.

Defying the family expectation that he study chartered accountancy, Rajiv joined the premier Institute of Rural Management at Anand in Gujarat for his postgraduate degree which he completed in the year 1987. Frequent field assignments took him to the interiors of Gujarat and Rajasthan where he encountered oppressive social systems and harsh poverty.

After graduation, he worked with the Centre for Environment Education setting up their Ranthambhore project in Sawaimadhopur district. He later moved to Udaipur and worked for agencies such as Astha and Ubeswar Vikas Mandal. He worked as a Director of Ubeswar Vikas Mandal, a local group formed by tribal youth in Udaipur district of Rajasthan. During his association with Ubeswar Vikas Mandal he was involved in generating community awareness, capacity building and community based land and water resource management programs etc.

After taking a short break upon his father's death to financially help his family, Rajiv returned to Udaipur and with a friend in 1998 and set up a research and consulting firm; Sudrak, to help other organizations in the sector develop strategies and plans on livelihood and other development issues. However, he soon realized that short term associations make little difference in the lives of the rural poor. Rajiv has witnessed the hardships of the rural

poor and felt compelled to fight for their Right to Decent Work. For Rajiv, the rational route to solving problems of rural poverty lay in direct services to address specific needs, and thus the Aajeevika Bureau was born in the year 2004 with its headquarters at Udaipur.

Aajeevika Bureau (Livelihood Bureau) is among the first attempts in north India to provide support services to the millions of unskilled laborers and migrants who seasonally move across the country in search of work. The bureau seeks to protect the livelihoods and dignity of these migrants and reinforce their valid identity as legitimate contributors to the nation's economy.

While migration and relocation have been integral to human history, seasonal migration is a growing phenomenon in India today. With no fixed destination and a lack of marketable skills, this floating faceless population of migrants is exploited by contractors and middlemen and remains in a perpetual cycle of debt. Seasonal migrants, says Rajiv Khandelwal, are "environmental refugees" who exist outside the formal political and economic system.

Rajiv has set up the Aajeevika Bureau to address the above realities and help transform the nature of migration. Rajiv's target group is the seasonal, unskilled migrants who spend a total of more than three months away from their villages for 10 to 18 days at a time taking unskilled jobs that pay an average of Rs 60. The bureau examines the specific needs of these migrants and equips them with basic skills that allow them to get more dignified city jobs that pay higher wages. The skills in which Aajeevika trains the migrants include plumbing, masonry, carpentry, electrical wiring and gardening etc. It also provides destination counselling and assists with job placement, in addition to offering health, education, remittances and legal aid services.

Over five years, more than 50,000 ultra-poor seasonal migrants have directly accessed the Bureau's services, registering 50-80% growth in their incomes as well as increased citizenship entitlements. Additionally, Aajeevika's model has been replicated by more than 30 civil society organizations in Bihar, Orissa, Maharashtra, Andhra Pradesh and Madhya Pradesh.

Rajiv's efforts were successful in bringing up the issue of skilled migrant workers to be recognized by people at all levels and also in nurturing the Aajeevika into a replicable and scalable model. He would like to see his model to grow as a national movement for the benefit of the informal workers across the country and is continuing with a hope that several similar organizations join hands with him to make this happen. He is also planning to expand their service horizon to bring more and more workers into Aajeevika's fold. ❖

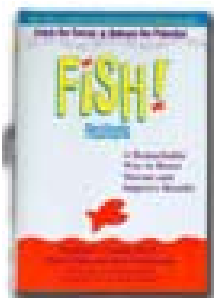
Books

Book Summary

Name of the Book: **Fish! Omnibus – A Remarkable Way to Boost Morale and Improve Results**

Authors: **Stephen C. Lundin, Harry Paul and John Christensen**

Publishers: **Hodder and Stoughton**



“Fish! Omnibus – A Remarkable Way to Boost Morale and Improve Results” addresses today’s most pressing work issues (including employee retention and burnout) with an engaging metaphor and an appealing message that applies to anyone in any sector of any organization.

The book is about an unenthusiastic, irresponsible team in a company referred to as “toxic energy dump” by other teams and how it gets transformed into a fun-filled, lively one, implementing the techniques adopted from a fish market. Irrespective of the mundane work in the fish market, the workers in the market are cheerful, playful and enjoy their work. What is the secret of their happiness and how does the team adopt their principles is the story. This book explains all the principles in an interesting manner, supported by inspiring quotations and lists out the key points wherever required. The four basic principles of fish that are discussed in this book are as follows.

Play: Work made fun gets done, especially when we choose to do serious tasks in a lighthearted, spontaneous way. Play is not just an activity; it’s a state of mind that brings new energy to the tasks at hand and sparks creative solutions.

Make their day: When you “make someone’s day” (or moment) through a small kindness or unforgettable engagement, you can turn even routine encounters into special memories.

Be there: The glue in our humility is being fully present for one another. Being there also is a great way to practice wholeheartedness and fight burnout, for it is these

halfhearted tasks you perform while juggling other things that wear you out.

Choose your attitude: When you look for the worst you will find it everywhere. When you learn you have the power to choose your response to what life brings, you can look for the best and find opportunities you never imagined possible. If you find yourself with an attitude that is not what you want it to be, you can choose a new one.

These principles are a part of what the authors call as FISH! Philosophy. Living this philosophy results in a workplace where the quality of life is satisfying and meaningful, and the experience for customers, internal and external, is compelling.

The book also features FISH! TALES where readers can learn how people from real-life businesses boosted morale and improved results by implementing the FISH! Principles. In the end the authors teach us through FISH! STICKS about how create our own vision for our business. It will show us sustainable ways to establish an invigorating management style that really works.

The book suggests, “When we choose to love the work we do, we can catch our limit of happiness, meaning, and fulfilment every day. If we spend most part of our time in work, we ought to enjoy it and be energized by it. And yet, too many people are trading time on the job to satisfy needs elsewhere; “Thank God It’s Friday” is still a way of life for many of us.

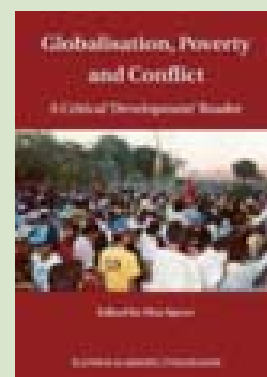
Those days can stop now--if we read FISH! For all those souls who got bored and tired of work, FISH! Is a must read. RELISH FISH! ❖

New

Name of the Book: **Globalization, Poverty and Conflict: A Critical Development Reader**

Editor: **Max Spoor**

Publisher: **Springer**



Resources

Institutions Offering Career Courses in Disaster Management

MA/MSC in Disaster Management: TATA Institute of Social Sciences, Mumbai; Indira Gandhi National Open University and University of North Bengal, Darjeeling.

PG Diploma in Disaster Management: University of Madras, Chennai; Sikkim Manipal University, Gangtok

Online Course in Disaster Management: National Institute of Disaster Management (NIDM)

We Are All At Risk!

One day, a little mouse living on a farm, spied the farmer and his wife opening a package. He was aghast to discover that the package contained, not food, but a mouse trap.

The mouse ran to the farmyard warning everyone.

“There is a mouse trap in the house; there is a mouse trap in the house!”



The chicken raised his head and exclaimed, “Mr. Mouse, I can tell you this trap is a grave concern to you, but it has no consequence to me and I cannot be bothered with it.”

The mouse turned to the pig...“I am sorry Mr. Mouse, but the trap is no concern of mine either.”

The mouse then turned to the bull...“Sounds like you have a problem Mr. Mouse, but not one that concerns me.”

The mouse returned to the house, dejected that no one would help him or was concerned about his dilemma. He knew he had to face the trap on his own.

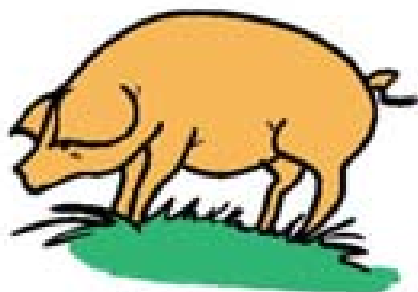
That night the sound of a trap catching its prey was heard throughout the house. The farmer's wife rushed to see what was caught. In the darkness she could not see that it was a venomous snake whose tail the trap had caught. The snake bit the farmer's wife.

The wife caught a bad fever and the farmer knew the best way to treat a fever was with chicken soup. He took his hatchet to the farmyard to get the soup's main ingredient.

The wife got sicker, and friends visited her round the clock. The farmer had to feed them, so he butchered the pig. The farmer's wife got worse and died. So many friends and family came to her funeral that the farmer had to slaughter the bull to feed them all.

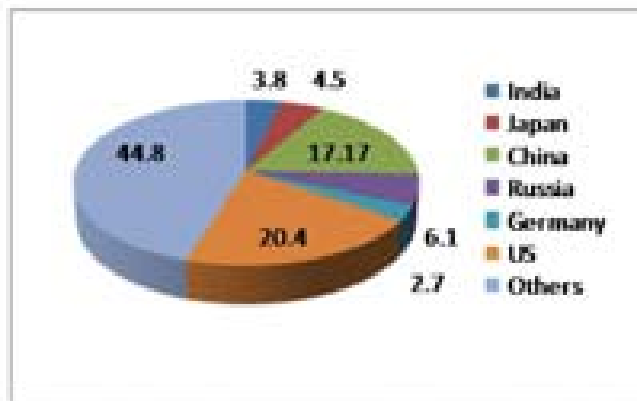
So the next time we hear that one of our team-mates is facing a problem and think it does not concern or affect us, let us remember this:

When anyone of our team members is in trouble, WE ARE ALL AT RISK!” ❖

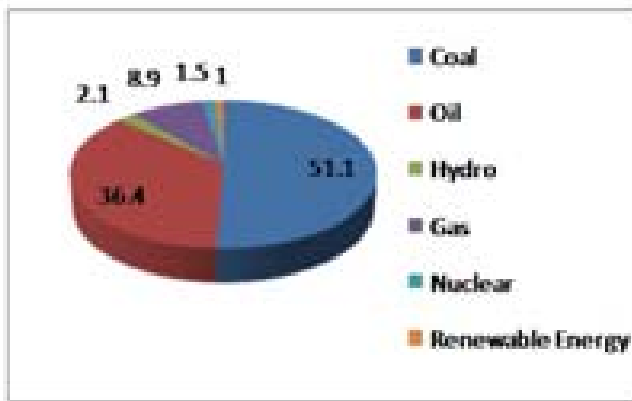


Energy Consumption in India

India's share of the global commercial energy consumption in 2008 was 3.8% (433 of 11,295 MTOE), increased from 2.9% over the past 10 years, thus making it the fifth largest consumer of commercial energy. China holds 19.6% of the population and consumes 17.7% of commercial energy. India's total consumption of commercial energy increased from 295 MTOE in the year 2000 to 433 MTOE in 2008 with an average annual growth rate of 4.9%.

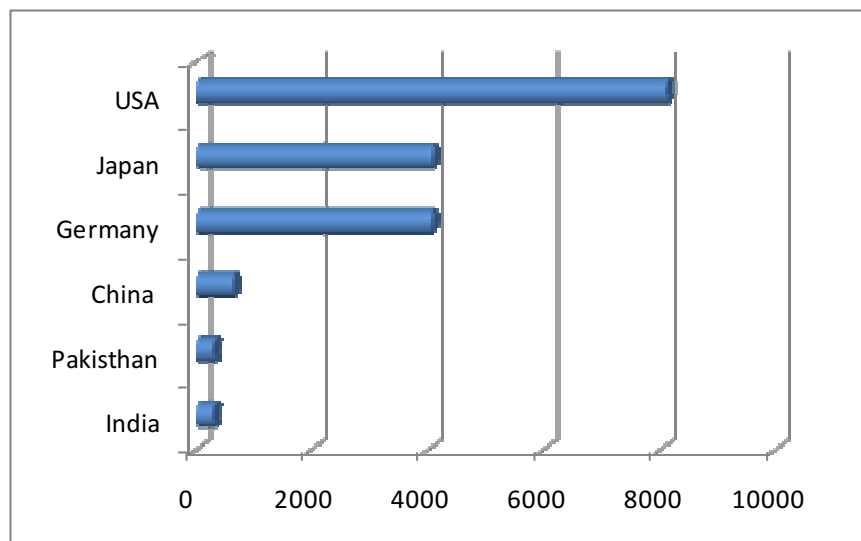


Consumption of Primary Energy Sources (2008)



Percentage Share of Primary Energy Sources

Coal is by far the most important energy source for India; it provides more than half of the commercial energy supply. Oil, mostly imported, is the second most important source of energy, followed by gas and hydropower. So far, nuclear (atomic) power covers only a small portion of the commercial energy requirement (approximately 1.5%). With less than 1%, renewable energy plays a minor role (this does not include hydro > 25 MW) though its share is projected to increase significantly.



Per Capita Energy Consumption Per Kg. of Oil Equivalent

The traditional use of biomass (e.g., for cooking) has not been included here as a source of energy. However, the 2001 Census points out that approximately 139 million of the total 194 million households in India (72%) are using traditional forms of energy such as firewood, crop residue, wood chips, and cow dung cakes for cooking.

The majority of these households are in rural areas. Firewood, used by approximately 101 million households, is the main cooking fuel in India.

Energy is very critical for the development of the country. However, our country is depending more on non-renewable energy sources to meet its energy needs.

As the country is progressing on the trajectory of growth, its energy needs are increasing. Renewable energy sources holds promise to meet these needs in a sustainable and environment friendly way and this potential needs to be tapped in a big way. ❖

Paper Plate Making



Shining Livelihoods

Rope Making

Declining Livelihoods



‘Yoga’kshemam

Parliament stalled for the entire winter session! Farmers in AP are committing suicides – they need relief! Telangana is getting ‘ready’! Human Rights Activist, Dr Binayaksen has been sentenced for life term.

World AIDS Day (1 December), International Day of Persons with Disabilities (3 December), International Volunteer Day (5 December), International Day against Corruption (9 December), Human Rights Day (10 December), International Migrants Day (18 December), UN Day for South-South Cooperation (19 December), International Human Solidarity Day (20 December), Kisan Day (24 December) etc., went by. It never occurred to us that 1 January is also ‘Global Family Day’ and ‘World Day of Peace’.

Christmas is celebrated across! Long new year celebrations (24 December – 1 January) as a concept has emerged!

40-day Deekshas are gaining the imagination of people. How I wish some of this Maadhavaseva becomes Maanavaseval!

Institutional architecture for the livelihoods of the poor, projects/ programs/missions on livelihoods and resources for them, continued to dominate our thinking and working space, as always, in this month also.

‘Students’ have become a permanent feature in our work! The question – what can we do with individual non-permanent migrants? – is still troubling us.

Livelihoods on the coast to the livelihoods in the desert are vying for space in the mind. Nuances of Family-based care and Family Support are being appreciated. How do we move from charity to support for self-reliance?

I may have to wait for another month or two to catch up with some rest, sleep, multiple energies, balance, multiple flows etc., which I am in need badly. Transition and Reflection are playing to the hilt. I guess that is the way! Star(s) in the Eyes and Tears from the Eyes!

Let the innermost pursue relentlessly, for the innermost is aware deep within and outside. For we are designed to seek happiness and provide happiness in flowing and flowing relentlessly! To be able to give is the joy. So let me.

If you are stressed for long periods of time, or in chronic stress, it shows. I gathered that the one or more signs of this include – constant colds, teeth grinding (in sleep), upset stomach and abdominal pain, (nagging) pain in the

back, difficulty in falling asleep, headaches (migraines), irrational thinking, acne/pimples, sensitive gums, itchy skin or rashes, eye twitching, hair loss etc. Beware! Start unwinding if you see any of these signs intensely.

One of the beautiful thoughts of Buddha –

‘... When it (mind) is disturbed, just let it be. Give it a little time. It will settle down on its own. ... It will happen. It is effortless. ...’

In the Game of Life, as Florence Scovel Shinn says –

“The simple rules are fearless faith, nonresistance and love! ... Love is the most powerful chemical in the universe, and *dissolves everything* which is not of itself! ... be sensitive to intuitive leads ...”

Adrian Gostick and Chester Elton talk about ‘Orange Revolution’ of coming and being together in shared experiences, shared symbols, shared challenges, shared rewards, shared balance as a whole, shared voice, shared knowledge and skills, shared competition, shared fun – laughing and bonding, shared environment, shared relationships, shared food and ultimately shared time.

In the confluence of the souls, and through the flows of universe, we are in the ‘yogaatmeeyam’ seeking aatmeeyayogabandham to merge and flow together with ‘innermost’ and ‘universe’.

Can we be there? **Yes, if we pursue Atma Yoga.** Relentlessly! Towards co-exploration and discovery in all planes that matter. With simplicity in strength; in truth; in beauty; in doing; in being; in intensity; in recognition; in worship; and in living! For being useful and continuing to be useful!

Krishna expects positive response from naras (free men and women), when they are able to feel not bound to toe the lines of the clans and communities. A ‘nara’ with sraddha and without envy, who takes up and performs the challenge of times, would attain *mukti*.

Krishna stands guarantee. confirms success when the body, mind, heart and soul move in tandem with knowledge, action and devotion to the innermost and the universe, for meeting this challenge.

Join us in the world of yoga – for the realization that flows in and out of the innermost into and out of the universe define our being - towards yogaatmabandhasiddhi. You will not regret it. ❖

G Muralidhar

A Sailing Market at Varanasi..

