

Case Study

**Implementation of a Women-Based Community Driven Development (CDD)
Programme in Tamil Nadu: The Pudhu Vaazhvu Project (PVP)**



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February 2014

ACKNOWLEDGEMENT

We would like to thank Mr. C.V. Sankar, I.A.S, Principal Secretary to the Government of Tamil Nadu for helping us connect with the relevant officials of this project. We thank Mrs. Mythili K Rajendran, I.A.S, Managing Director, Tamil Nadu Corporation for Development of Women (TNCDW), for her valuable inputs to this study. Additionally, we thank Mr. Sakrapani, Livelihood Specialist, PVP for helping us set up the field visit and Dr. Manohara Singh, Livelihood Specialist, TNCDW, for allowing us to participate in the PIP Process.

We would like to acknowledge the work of our interns Nick Jones and Jamie Toulze in this project. Jamie conducted the entire PIP Process and Nick was actively involved in the field. We also acknowledge the support of Field Executive Santosh Kumar who provided us excellent surveyors to work with. Lastly, our sincere thanks to Dr. Ajay Kumar Tannirkulam for his continuous guidance and feedback throughout the year.

This project is a part of IFMR Lead's [Livelihoods Research Initiative](#) funded by the Ford Foundation.

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EXECUTIVE SUMMARY

In the back-drop of the plethora of poverty reduction government schemes that exist today, despite their wide and varied purposes, they all have the same purpose - reaching the maximum number of eligible beneficiaries in an efficient and effective manner. While many government programmes are implemented via the government extension arms, today, the new and streamlined model of directly involving the community (or potential beneficiaries) as implementers is also getting popular. Known as Community Driven Development (CDD) approach, this model operates on the principle of a community taking control of the development process, resources and decision making authority. This case study examines one of Government of Tamil Nadu's CDD projects called the Pudhu Vaazhvu Project (PVP) in four villages of Tiruvannamalai district in Tamil Nadu, India to understand if the guiding principles of the model are being followed by the community. Based on our findings, we recommend three areas that need to be improved to enhance the effects of the PVP project.

We found that households that participate in the Participatory Identification of the Poor (PIP) process have a greater likelihood of getting listed in the PIP list (household falling under “very poor” and “poor” categories). At the same time, findings also suggest that households registered in the PIP list in our study region are more likely to be very poor families as the majorities were landless labourers with no asset such as livestock. While it is encouraging to find that poor families are included in the PIP list, findings imply that inclusion in the PIP list does not guarantee benefits for the households. Only half of PIP households had ever received benefits from the project, and majorities of households that received benefits had some kind of connection with the Village Poverty Reduction Committees (VPRC) members, raising a serious concern that this might exclude women of the most disadvantaged households, particularly those women that face domestic violence and restriction in mobility.

The Government of Tamil Nadu has been actively promoting skill development trainings through this project, nonetheless, findings indicate that the provisions of loans is the most in demand intervention in the village. Only a few beneficiaries (20%) opted for skill development training, and surprisingly, 30% of those that opted for the skill development training were not from the households registered in the PIP list. We learnt that youths interested in skill development trainings approach VPRC members, and using their connection, they get selected for training. It is likely that youths of households that do not come under disadvantaged and vulnerable households are also contacting VPRC members for skill development training. As our research does not provide enough scientific evidence to verify this, further rigorous study is vital to understand how youths from vulnerable households are actually targeted for PVP's skill development training intervention. F

Microfinance is the key intervention in our study region. We found that loans were primarily given to those women that have a connection with the VPRC members. Additionally, more than

half of the VPRC members had also received loans from the project. However, the community is facing a severe problem of beneficiaries defaulting on loans. This was cited as the main reason for VPRC not being sustainable resulting in low funds for the VPRC.

Findings clearly suggest that connection with VPRC members is the key to become the beneficiary of the programme, however, in a VPRC committee, we found that not all members are aware of the functions of the programme. The VPRC members were facing problems of reaching the decisions for implementing the intervention. Almost all members suggested that they are active participants, and decisions are based on extensive group discussions, yet, the majorities (84%) reported that the VPRC Head and her followers dominate discussions, implying influential VPRC Head or members close to the Head influencing the decision in their favour. This raises a concern that the voices of those who are less vocal (perhaps those representing the most disadvantaged households) are not heard. The PVP guideline suggests a VPRC member to step down after serving the committee for a maximum of two years so that other village members get an opportunity to ensure minimalistic elite capture within the committee. We found that the majorities (72%) have been serving in the Committee for more than two years, and they reported that there are other members who have served more than them in the Committee.

The Government of Tamil Nadu's par-excellence PVP programme is a well-designed initiative as it primarily involves women in the development process. Its strong guidelines and local approach gives the PVP project the potential to change the development landscape of rural Tamil Nadu. To reach that stage however, we noticed certain issues that need to be immediately addressed. First, the officials must authorize that leaders be changed every two years in order to facilitate new ideas, provide opportunities to all group members to develop leadership skills, reduce risk of corruption and internal divisions amongst groups. More important, if beneficiaries are those that have linkages with leaders (as data suggests), then encouraging new members to be part of VPRC is extremely important to enable equal and full participation of poor households of the community. Second, while the practice of unanimous agreement is ideal as everyone will be on board with the decision and resulting course of action, nevertheless, such agreement might be impossible to reach. We noticed that women with charismatic personality often had more supporters, their decisions were followed. We recommend that officials periodically provide more rigorous trainings on importance of democratic mechanism of voting to women leaders. Lastly, past experiences have implied that through a better monitoring and intervention of federation leaders and staffs and the provision of both positive and punitive incentives, groups have reduced loan default. Financial experts have argued that soft loans, combined with subsidies, have often faced defaults as beneficiaries see subsidized loans as grants. Thus, we recommend that when loans are provided, the leaders must explain the clauses to the SHG members. Additionally, the PVP officials can provide comprehensive financial literacy trainings to improve retention and reduce defaults.

COMMUNITY DRIVEN DEVELOPMENT PROGRAMME

Community Driven Development (CDD) programme operates on the principle of empowering community level institutions take control of the development process, resources and decision making authority. The model ensures that the potential beneficiaries are the implementers of the programme as well. The World Bank describes CDD as a programme operated on the “*principles of local empowerment, participatory governance, demand-responsiveness, administration autonomy, greater downward accountability, and enhanced local capacity.*”¹ The fundamental belief of the CDD model is that poor people can effectively identify their necessities, and understand how their livelihoods can be improved, and thus, when provided with adequate information, appropriate capacity and financial support, they can address problems by working in partnership with local governments and other supportive institutions. Typically, CDD interventions provide grants to communities, which can be used to develop and implement projects that are sustainable and responsive to local priorities.

The CDD approach is the fastest growing mechanism for channeling development assistance today. It has become a preferred method of delivery of development funds due to its ability to (i) circumvent the top-heavy and corrupt bureaucratic system, (ii) leave the identification of the poor to the poor and not to a proxy census system and (iii) build local capacity making the programme more sustainable in the long run. However, despite its widespread usage the literature on whether the CDD model is achieving its objectives is mixed. Mansuri and Rao (2004) note that such an “*active involvement of the community members in the design and implementation of development projects not only leverage local knowledge and information to improve programme targeting, but also ensure equal distributions of benefits, enhance cost-effectiveness, and reduce corruption.*”² Labonne and Chase (2008) suggest that project preparation cycle of CDD “*increases participation in village assemblies, and the frequency of interaction between village leaders and residents, however, CDD may serve as a substitute for other associational activities in the community.*”³ Khwaja (2004) observed that community participation improves project outcomes in nontechnical decisions, whereas, increasing community participation in technical decisions leads to worse project outcomes.⁴ The author warns that it is important to understand under what conditions the community participation is necessary because participation too could be “*misunderstood, misapplied and eventually discarded*”. Olken (2007) suggested that enhanced “*top-down project monitoring through guaranteed government audits*” was more effective in reducing corruption than increased grassroots participation in village.⁵ Mosse (1997) argued that for any CDD project to remain sustainable, it requires “*continuous external institutional, financial and technical support.*”⁶ Conning and Kevane (2002) suggest that targeting of beneficiaries (the poor) is better with CDD than external programmes in “*egalitarian communities with open and transparent systems of decision-making.*” However, authors warned that in heterogeneous communities with high social inequality, targeting the vulnerable groups of the community could

be worse than that of externally managed programmes due to possibility of the programme being captured by local elites, or by the possibility that local preferences are not pro-poor.⁷

Our case study investigates a CDD project called Pudhu Vaazhvu Project (PVP) in four villages of Tiruvannamalai district in Tamil Nadu, India. This Government of Tamil Nadu's poverty reduction programme targets the poorest of the poor households in the community and allows them to dictate their own development. The PVP project has some guiding and non-negotiable principles that all stakeholders including the communities, service providers, facilitating teams and project staff must follow.⁸ Those principles are that the project i) must include the very poor and disadvantaged sections of the community (disabled, widows, destitute, and other vulnerable), ii) must focus on women and they will play a determining role in all community organizations and in decision-making process in relation to the project activities and iii) must ensure the participation of all the primary stakeholders in all stages. Keeping this in mind, we conducted an in-depth investigation of Pudhu Vaazhvu Project (PVP) model to understand if its guiding principles have been followed in our study region, as well as functions at each level to achieve these goals. Our study also tried to analyze the key challenges that the communities are facing while implementing the project. The objective of this case study is to synthesize opportunities and challenges from the level-wise analysis and to recommend changes that may help enhance the effects of the PVP project.

PUDHU VAAZHVU PROJECT (PVP)

The Tamil Nadu PVP, a poverty reduction and empowerment programme, is currently implemented by the Rural Development and Panchayat Raj Department of Government of Tamil Nadu with the assistance from the World Bank. It is currently implemented in 26 districts of Tamil Nadu covering 4,174 Village Panchayats in 120 blocks.

The PVP initiative in any village is initiated by implementing the Participatory Identification of the Poor (PIP) process by forming a PIP team, mainly representative of the community, that undergo a rigorous training that enables them to recognize the poor and the most disadvantaged as defined by the project. Events are organized involving the community to map the village by drawing every house in the village, and giving each numbered house a card that has the house's socio-economic information such as number of members in the household, primary occupations, type of house, number of differently abled persons, etc. Based on the wealth ranking, the team categorizes each household into "very poor", "poor", "middle" and "rich". The PIP list is prepared which includes the households that come under "very poor" and "poor" categories and is then posted outside the Panchayat office and any other community centers in the village for 7 days. Subsequently, a village meeting or Gram Sabha meeting is organized, and the meeting allows any villager dispute the list. Once the disputes are settled, the final PIP list is prepared, and the beneficiaries of the programme are identified.

The PVP requires the formation of Village Poverty Reduction Committees (VPRCs), which is in charge of the funds allotted to the village and it can decide the interventions for the poorest of the poor and the most disadvantaged household of the community. VPRC consists of 10-20 members with at least 50% of members being the women and at least 30% from Schedule Castes/ Schedule Tribes. A VPRC typically consists of i) President of Gram Panchayat – Ex Officio Chairman, ii) Secretary PLF – Member, iii) One representative from Village Education Committee/ Village Forest iv) Committee or any other appropriate committee (total 2 representatives), v) One differently abled person from target group, and vi) at least a woman SHG member elected/selected by the target population. The members of the VPRCs are to retire in every two years.

DATA COLLECTION

The study was conducted in four villages of Tiruvanamali district of Tamil Nadu. We selected villages where the project was implemented more than four years ago and were at least 10 kilometer away from the city. The following stakeholders were interviewed:

1. Discussions with Government officials: We had several rounds of discussions with the Government officials of Tamil Nadu to understand the guiding principles of the model.
2. Understanding the PIP process: We attended a PIP process in a village in Kancheepuram district to verify if the sets are followed as outlined in the PVP guidelines. The description of the PIP process is explained in detail in Appendix I. Additionally, we interviewed 100 individuals who were part of PIP process to understand the profiles of community members that participated in the PIP exercise, participants' understanding of the objective of the exercises, and how the selection of households was conducted.
3. Understanding the participation of households: We randomly selected 175 households from our study region to understand under what category the households fell during the PIP process. Our assumption is if any household falls under "very poor" and "poor" categories of the PIP list, then the household should be actively participating in the PVP initiatives. Our study attempted to understand if the eligible households are aware of the PVP programme and/ or if they are participating in the programme.

Understanding the targeting mechanism: We collected household assets data from 99 randomly select households that were in the PIP list. The objective was to compare how effective the PIP methodology when it comes to targeting the vulnerable groups

4. Understanding the profiles of VPRC members: We interviewed 51 individual VPRC members (43 members who identified themselves as leaders and 4 VPRC book-keepers, and 4 VPRC Spokespersons) to understand their individual role in the group, their perspective on the programme and their level of participation. Bookkeepers were interviewed to understand their profiles, and the official statistics on the VPRC finances and beneficiary list. The module carried out with the spokesperson focused on the history of the VPRC and its official functioning policies. Additionally, Focus Groups Discussions (FGDs) were conducted with four VPRC groups to understand the functioning of the group, its decision making process, power structure, and participation levels.
5. Understanding the profiles of beneficiaries: We interviewed 50 beneficiaries to understand who they are, how they were selected in the programme, what sort of

benefits they received and what they are currently doing. In our discussions with the Government officials, we were informed that the intervention of Skill Development Training is of the top priority in the study region. Thus, for those beneficiaries, that has gone through the skill development training, an extensive questionnaire was carried out to understand the efficiency and effect of the training. As many of the youths had migrated, we conducted phone interview with those youths over the phone.

RESEARCH OBSERVATIONS AND FINDINGS

IS THE PROCESS UNDERSTOOD BY ALL?

Our study team attended a PIP process, and the process is explained in detail in Appendix I. From our discussion with Government officials, we learnt that the first stage of the project is to inform the community about the project and mostly, such introductions are done through persons from other villages that have a well-established PVP programme. The primary purpose for bringing in leaders from other villages at the introduction stage is to garner wider acceptance and build a sense to trust into the programme. Once the informal introduction is completed, 15-20 women are selected and provided with training focused on the goals, targets and operations of the programme. Women are selected as the main objective of PVP is to focus on mobilizing women so they play a determining role in all community organizations and in decision-making process in relation to the project activities. This group of trained women forms the Participatory Identification of the Poor (PIP) team and is responsible for organizing and carrying out the PIP activities in the village to identify the poor and disabled members of the village. The Government officials rationalized that community driven targeting mechanism as a better option, particularly due to the misuse of the existing methodology of proxy identification and the issuance of the Below Poverty Line (BPL) cards. Officials argued that many households that are essentially “not poor” have BPL card, while those in extreme poverty do not, thus, implementing any intervention based on the availability of BPL cards might exclude many poor families. Accordingly, as village-level stakeholders are accountable for identifying the poor families in a community-driven approach, there would be less misuse of the system.

We randomly interviewed 99 individuals who were part of the initial PIP process in our study region, out of which 85% reported going through the training before the village mapping and wealth ranking exercises. 45% of our respondents reported that they were actively involved in village mapping and wealth ranking exercises. Out of these 99 individuals, 79% fell under “poor” or “very poor” categories, thus making them the beneficiaries of the programme. This finding indicates the possibility of wealthy families avoiding participating in the PIP process, and only those who expect to be the beneficiaries of the programme participate in the exercise. Perhaps that could be the reason, the respondents overwhelmingly reported that the village mapping as well as wealth ranking were conducted accurately (63%), and in transparent and fair manner (85%). Almost no one raised any objection regarding the list (92%) during the Gram Sabha meetings when the list was announced, and they did not remember anyone else raising any objection as well (84%).

While the respondents were aware of the exercises, nonetheless, we found that only half of the participants understood the purpose of the exercises. While one-fourth of the participants did not have any idea why mapping was conducted even though they were present during the exercise, the other one-fourth of the participants thought the government was collecting

information about villages' existing infrastructure and resources. This finding probably indicates the need for more rigorous trainings or information for the communities before the start of the PIP process.

WHO ARE INCLUDED IN THE PIP LIST?

We randomly interviewed 175 households in the study region, out of which 24% reported to be Backward Castes (BC), 31% to Most Backward Castes (MBC) and 42% to Scheduled Castes (SC). As the PVP intervention is targeting women as the beneficiaries as well as important part of the decision-making bodies, we tried to interview women (primarily wife of chief decision maker) of the households, and thus, 83% of respondents were women. More than half of them (58%) had not attained beyond secondary level education, and almost 90% of these women reported of making an average income of Rs. 1,917 a month prior to the survey. 40% of households had a BPL card, and 53% of households reported to be part of the village's PIP list, i.e., the households came under the "poor" and "very poor" category during the PIP process. While two-third of BPL households (65%) was included in the PIP list, nonetheless, half of the PIP list's households (51%) did not have a BPL card. Interestingly, members of three out of four households on the PIP list were present during the initial process of PIP listing, indicating that people, who participated during the initial PIP process, did so to ensure that their households are included in the list. Rigorous scientific research and careful consideration from PVP staffs is required to ensure that the members of the disadvantaged households truly participate during the PIP process. If the process encourages the influential members of the villages to participate from the beginning, then unknowingly, the development programme might exclude those disadvantaged population who might find the whole process of participating in a community-driven process intimidating. We recommend that along with the PIP exercise, a basic proxy that measures poverty should also be conducted in the villages. As for example, a simple data on the households' ownership of land and other assets such as livestock, size of land, size of the family, number of family members that are earning, female literacy level, women's involvement in community groups, and the occupation of the head of the households can help determine the poverty level of the household. Once this data is collected from each household, the list of households in the PIP can be compared.

We carried out the above suggested asset questionnaires on a subsection of randomly selected 77 households from the PIP list. We questioned them about households' ownership of assets such as land and livestock, access to basic utilities such as water and electricity, type of houses they have, and their occupation. 71% of the respondents reported that they do not own any land, 53% of households reported that they do not own any livestock, and 57% respondents were casual laborers. While 65% households had access to running water in the house, almost all households had electricity. The majority of respondents being landless laborers with no asset such as livestock, it is safe to imply that the initial PIP process in our study region has included the disadvantaged group in the list.

From our FGD sessions, the community members suggested that the social status of poor households change drastically in a short period. As for example, a high-school graduate could attend a skill-development training followed by a job, which can enhance the livelihoods of the household. At the same time a sudden death of the sole breadwinner of the household can cripple the entire household in no time. From our interaction with the villagers, we learnt that PIP exercise was conducted only once, and in some villages, they were conducted more than five years ago. Today, many new development programmes are implemented in the villages, and if the selection of the beneficiaries is based on the outdated list, then perhaps, that might actually exclude the disadvantaged one.

WHO ARE THE BENEFICIARIES?

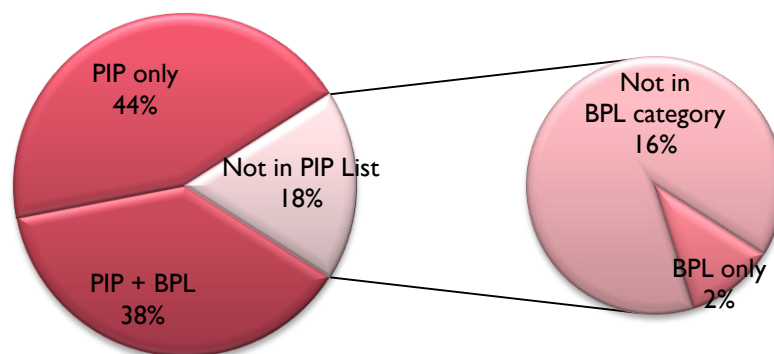
While it is clear from our findings that the ones that participate during the PIP process also get listed in the PIP list, at the same time, findings also suggest that households that are registered in the PIP list are more likely to be very poor families in our study region. It is thus important to understand if they also get the benefit of the intervention. From our randomly selected households (175 households) in our study region, only 53% (92 households) reported that they are part of PIP list. From this sub-sample of 92 households that are registered in the PIP list, almost half (46%) households had at least one member in the Village Poverty Reduction Committee (VPRC). Almost two in three (63%) PIP households that had connection with VPRCs were beneficiaries. Amongst those PIP households that had no connection with the VPRCs, only 22% have ever received benefits from the programme. Overall, only 41% of PIP households had received any benefit (or part of any intervention). This raises a serious concern that a connection with VPRC allows households to get benefits. It is possible that women of the most disadvantaged households, particularly those women that face domestic violence and restriction in mobility, are not part of VPRC, and that might hinder the inclusion of their households in the programme. More rigorous research is needed to understand this concern.

We conducted interviews with randomly selected 51 beneficiaries to understand the kind of intervention that they have received. From this sub-sample of 51 individuals we found that a small proportion of beneficiaries' households were not registered in the PIP list as shown in Figure 1. It is to be noted that PVP project explicitly states that the beneficiaries must belong to the PIP list. The data suggests that all beneficiaries that we interviewed asked the VPRC member to include them in the intervention, in other words, the Committee did not decide who the beneficiaries should be. Most of our interviewed beneficiaries (77%) opted for loan, and a few beneficiaries (20%) went for employment training. From our small sample of randomly selected 51 beneficiaries, only 10 beneficiaries had received employment training, and amongst these, 3 beneficiaries (30%) were not from the households registered in PIP list. From our FGDs in the villages, we learnt that youths interested in skill development trainings approach the VPRC, and with the connection, they go for the trainings. It is likely that youths of households that do not come under disadvantaged and vulnerable households are also

contacting VPRC to go for skill development trainings. Though our research does not provide enough evidence to verify this, nonetheless, further rigorous study is vital to understand how youths from vulnerable households are actually targeted for PVP's skill development training intervention.

The loan that most of the beneficiaries opted for was provided to women primarily from households registered in PIP list (89%), nevertheless, 70% of beneficiaries that received loan reported to be connected with VPRC, once again implying that connection with VPRC helps the inclusion of the community members in the intervention programme.

Figure 1: Beneficiaries registered in PIP list or BPL category



Almost all beneficiaries (94%) perceived that the quality of their lifestyle has improved after the intervention and are extremely satisfied with the intervention, implying that those that are included in the intervention value the poverty reduction scheme provided by the government. The bigger question is if the inclusion requires a connection with VPRC, then it is important to understand who these VPRCs are and how they are selected in the Committee.

WHO ARE THE MEMBERS OF VILLAGE POVERTY REDUCTION COMMITTEE (VPRC)?

From our FGDs, we learnt that VPRC members are those who initially volunteered to be in the PIP team and from those households that are registered with the PIP list. These members represent all inhabitants of a Panchayat, and ideally, each member is to serve for a two year term after which re-elections occur and new VPRC members are phased in. In our study region, the Committee is responsible for identifying beneficiaries and carrying out interventions, generally in the form of loans, trainings, and disability assistance. We randomly interviewed 47 VPRC members in our study region to understand how they are functioning.

One in three members reported that they were selected because there were from vulnerable households; another 30% were selected based on their educational qualifications and communication skills. The rest were selected by VPRC leaders or Panchayat union. Less than

half of the VPRC members (44%) were aware of their roles or functions in the VPRC, and only one in three (34%) members could define the qualifications required to implement the functions of the Committee and they perceived that education as the most important qualification to be the Committee member.

In our study region, VPRC members hold active meetings (at least once every month) to discuss the functions of the programme. 91% of members reported that every meeting has an agenda; however, 73% of members reported that it is the VPRC leader, not all VPRC members that decide the agenda. An embedded feature of the programme is the presence of the Panchayat President as the President of the VPRC committee. The function of the Panchayat President in the Committee is extremely limited, and the purpose is to give legitimacy and leverage power to the VPRC committee if and when necessary. In our study region, 85% of VPRC members reported that Panchayat President is always present in the meetings.

Even though almost all suggested that all members participate and decisions are based on extensive group discussions, and only after each member agrees, the final decision is reached—nonetheless, the group does not seem to have a simple voting system to reach the final decision. In our FGDs, the VPRC members suggested conflicts and fights due to differences in opinion between two influential groups, and whenever such cases occur, the process does not move forward until all members are convinced one way or the other. At the same time, the majorities (84%) also perceived that the VPRC Head that chairs the meeting dominates the meeting, indicating that the influential VPRC Head or members close to the Head have potential to influence the decision in their favor. This raises a concern that the voices of those who are less vocal (perhaps those representing the most disadvantaged households) are not heard.

The VPRCs are to receive funds from the block level office to implement the investment. However, it was evident during our field visits that most VPRC members were not aware how much money was exactly given to their groups. As for example, when we asked about how much funds was received in the last installment, while some had no idea, the others from the same group cited different amounts. Based on the data collected from the VPRC members, the average funds received in the last installment was Rs 1, 68,844. We asked the same question to the book-keepers of the Committees that our selected VPRC members belonged to and the book-keepers reported that they received an average amount of Rs 5, 76,866 in the last installment. The trained book-keepers in our study region had passed 10th grade, and were paid Rs. 1,500 a month to maintain all the records of the programme. All our interviewed members reported that the book-keeper is always present in the meetings.

Regarding the key interventions in the villages, the majorities (80%) of VPRC members reported that providing loan was the most important intervention in the village, mostly due to the high demand amongst the potential beneficiaries; thus 70% members suggested that funds were used to give loans, whereas 36% reported that funds were used for trainings. In our FGDs, we found that selections of beneficiaries are done either when someone approaches the Committee or if

the suggestion is provided by the VPRC member. Every member is allowed to nominate beneficiaries; nonetheless, the beneficiaries are selected only once the entire group accepts the person. Almost one in three VPRC members (38%) cited that providing training is the least effective intervention in their villages. The study suggests that the intervention is very loan-oriented where there is a high demand, and even VPRC members think loan should be given. Somehow there is not much importance given to training component.

The PVP guideline suggests a VPRC member to step down after serving the committee for a maximum of two years so that other village members get an opportunity to ensure minimalistic elite capture within the committee. Our study found the actual duration of the members is inconsistent with the guidelines. The majorities (72%) have been serving in the Committee for more than two years, and some of them are serving since the inception of the Committee. Interestingly, 85% of the members reported that there are other members who have served more than them in the Committee. Not to forget that 57% of these VPRC members were also beneficiaries, most of them received loan.

We asked the leaders of the VPRC what the biggest challenge VPRCs are facing, and unanimously, all shared that VPRCs are facing the problem of beneficiaries defaulting the loans. This was cited as the main reason for VPRC not being sustainable resulting in low funds for the VPRC.

OUR KEY RECOMMENDATIONS

Poverty reduction and broad-impact economic growth of any community can only be achieved if there is an equal participation of both men and women in the development process. Any CDD initiative that is formed with a goal to improve the livelihoods of the poor cannot be effective unless women participate in their projects' formulation and implementation, as contributors as well as beneficiaries. For that reason, it is safe to imply that, the Tamil Nadu Government's par-excellence PVP programme is a well-designed initiative as it primarily involves women in the development process. Its strong guidelines and local approach gives the PVP project the potential to change the development landscape of rural Tamil Nadu. To reach that stage however, we noticed certain issues that need to be addressed.

Though our research was conducted at a small scale, the challenges that we have recognized can make a big difference in the execution stage of the scheme. We feel it is extremely important to address these issues to strengthen the participation of women in the development process. The following are the three key issues along with our recommendations:

- 1. Lack of rotation of leadership:** The Government of Tamil Nadu has acknowledged that the regular rotation of leadership is obligatory and mandates that a leader takes the position for not more than two years. However, in practice, this was not followed. From our discussions, we found that other members of the group approved of existing leaders continuing the position. While women were comfortable about no periodical rotation of leadership, at the same time, we also learnt that there was an increasing dependence of women on the existing leaders. In the long run, this might create the possibility for exploitation. Hence, officials must authorize that leaders be changed every two years in order to facilitate new ideas, provide opportunities to all group members to develop leadership skills, reduce risk of corruption and internal divisions amongst groups. More important, if beneficiaries are those that have linkages with the leaders (as data suggests), then encouraging new members to be part of VPRC is extremely important to enable equal and full participation of poor households of the community.
- 2. Lack of a systematic and democratic process for consensus decision-making:** As our research suggests, when a difference in opinion arises, women debate for extensive periods, without reaching any conclusions. We understood that leaders had the practice of taking decision by unanimity, i.e., all group members must agree that the decision is the best one. While the practice of unanimous agreement is ideal as everyone will be on board with the decision and resulting course of action, nevertheless, such agreement might be impossible to reach. We noticed that women with charismatic personality often had more supporters, and predominantly, their decisions were followed. We recommend that officials periodically provide more rigorous trainings on importance of democratic mechanism of voting to women leaders. Officials can promote

the practice of decision by majority in which the group holds a democratic practice of anonymous voting on any particular issue. This way, voices of those who do not proactively debate will also be heard. Additionally, we found that VPRC leaders are also responsible for generating development initiatives for the community. Thus, every VPRC members are responsible to ideate initiatives. In such cases, in order to ensure that everyone's ideas are considered, the group can follow the practice of discussing ideas, and mutually come with five to six different ideas based on discussions. Then each member can individually rank the ideas they like best, 1 being the least preferred and 5 being the most. Ranking are then recorded on the board and totaled. The idea with the highest total can be selected. Such a voting procedure can enable all members feel that they have had an equal opportunity to influence the decision and these women will continue support the group. This procedure will also give the impression to each woman that the final decision represents her opinion. The PVP can set up a rigorous system of monitoring where leaders from cluster level federations visit these VPRCs periodically and evaluate how group decisions are made.

3. **Group Loan Default:** Almost all VPRC members whom we interviewed reported that loan default is the biggest problem that their entities are facing. In sustaining any livelihood programmes, sustainability of credit provisioning operation is highly essential. It is also important to note that in any poor communities, the financial viability of rural lending institutions is not satisfactory. Past experiences have implied that through a better monitoring and intervention of federation leaders and staffs and the provision of both positive and punitive incentives, groups have reduced loan default. Intense monitoring is central to improving the performance of SHGs, particularly lowering default rates. Financial experts have argued that soft loans, combined with subsidies, have often faced defaults as beneficiaries see subsidized loans as grants. First, when the loans are provided, the leaders should explain the clauses to the SHG members carefully. At times, a proper system of the peer pressure from other SHGs and creation of culture where social prestige is associated with SHGs having good repayment record can also reduce defaults. Additionally, the PVP officials can also provide comprehensive financial literacy trainings to improve retention and reduce defaults. We suggest that VPRC members are provided with rigorous trainings on how to manage funds. The VPRC members are once again the community members from the poor households. If the onus of managing credit is given to them, then rigorous training on how to run an effective microfinance programme should also be given to them. At the same time, appropriate mechanisms to monitor and follow up with loans should be in place. Perhaps the block level office should encourage the VPRC members to create a system where a 'credit record' of each beneficiary is recorded, and show incentives of a gradual increase in loan for those who are good at repaying money.

Overall, we strongly believe that the system of evaluation and monitoring is already in place for PVP model. We are suggesting officials to re-examine their monitoring process and revamp the current mechanism by specifically focusing on these three above mentioned challenges. We believe that the PVP model can make a difference in changing the lives of women in rural Tamil Nadu, however, if the project fails to continuously monitor how women are functioning, then it might affect the long-term effectiveness of the project.

APPENDIX I:

AN OBSERVATION REPORT OF THE PARTICIPATORY IDENTIFICATION OF THE POOR (PIP) PROCESS

Communication Campaign

The very first step of the process at a village level is to announce the process to the villagers and the Panchayat president. In the village we observed the PIP Process, the communication campaign began with an Assistant Project Director briefing about the PIP Process to the Panchayat. After briefing the Panchayat on what the PIP process hopes to achieve, the officials informed about the PIP process to the villagers, using various methods such as a truck with speaker and posters, a drummer, and posters placed in front of the Panchayat's office etc. During the communication campaign a PIP team is formed.

Formation of the PIP Team

A group of seven women who would help the process of the PIP formed a team. These seven women were from poor households, representing all areas of the village as well as scheduled tribes and castes. In the village we visited, every family was a part of a Self Help Group (SHG), and thus the PIP team was created from the Panchayat Level Federation (PLF). We understood that the women of PLF were responsible for informing every community member about the PIP process.

PIP Team Training

After informing villagers about the exercises and the formation of the PIP team, the team members received a 3-day training (2-day in the classroom and 1-day in the field). In the classroom training, the women were taught how to identify the poor and disadvantaged households such as households that have differently abled, widows and different tribes and castes. On the third day of the training, the PIP team members visited the nearby village (about 8 km away) and observed the village mapping process.

Village Mapping

In this first participatory step in the PIP process, villagers gathered in a large and easily accessible public space to draw the entire village. Women from the PIP team gathered materials to draw the map (leaves, flowers, chalk powder, etc.) and began to draw the village starting with landmarks first. In our case, the major landmark was a long road that was next to the most of the houses. Women began drawing this road and houses next to the road, and they labeled the houses, indicating what they were made of as well as their usage (house, shop, office, etc). Subsequently, they color coded the houses based on their type and usage. We observed that

women of PIP team started the process, nevertheless, in no time, other villagers gathered and got involved in village mapping process. Eventually the entire village was drawn to everyone's satisfaction, and concluded the exercise by labeling, color coding, and numbering each house.

Filling in the Information

Every Head of Households (HOH) were asked to stand next to (or as close as possible to) their house that was drawn in the village map. Each HOH received a card with a house number (based on the village map), and was asked to fill the information such as a number of family members, religion, caste, land ownership, livestock ownership, income of each member, access to household facilities and if the household has any disabled member. The official explained that neighbors are responsible for filling out the cards, however, in most cases, when cards were handed over to the household members; they filled out their own information. Nonetheless, as the information collected are displayed in public, the majorities answered honestly. We observed some families indicating that they do not have any land, though official documentation stated otherwise. Such cases were put on hold. Members were asked to bring ration card to prove their identities as well as solve any disputes. After the cards had been filled out to the best of everyone's abilities, they were gathered by the PIP team.

Wealth Ranking Focus Groups

A few days after the mapping process, Focus Group Discussions (FGDs) are organized for wealth ranking. A group of women are asked to put each household into one of four categories, very poor, poor, middle and wealthy. One person from the PIP team leads by describing the task and reiterating what makes a household vulnerable. Ideally there are two separate groups ranking the households simultaneously, nonetheless, at times, a third focus group is also introduced to resolve differences. We learnt that dates for FGDs are specifically not mentioned to ensure villagers' inability to plan or coordinate with each other to shift their category. We observed that women are not allowed to influence when their household's socio economic information is being read out. Once the houses have all been sorted into their appropriate categories (which are written on the cards) they are gathered up once again by the PIP team to be made into a PIP list.

The PIP List and the Gram Sabah

The PIP team is responsible for making a list of houses that fall into the very poor and the poor categories. This list is posted in numerous places around the village for transparency. If there are any disputes, they are heard at the next Gram Sabah, a meeting that occurs four times a year. Once the disputes are settled, the final PIP list is published. From this list the PIP team creates the VPRC (Village Poverty Reduction Committee).

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