How Poorest of the Poor Strategy Promotes Community Driven Livelihood Model in Andhra Pradesh, India: A Study with Forward Looking

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Abstract  An attempt has been made to assess the different dimensions of the Poorest of the Poor Strategy to understand that how translated its strategy into field actions. More than a decade of factual experiences in addressing the last-mile issues of the poorest of the poor in Andhra Pradesh, the Society for Elimination of Rural Poverty is now about to realize that in most situations, poverty is best reduced by helping people help themselves. Poor households need more attention and gradual support in promoting the community driven livelihood to help them escape from the extreme poverty. Therefore, Andhra Pradesh developed a decentralized Poorest of the Poor Strategy to create an enabling environment for self driven-livelihood activities. The study highlights program’s coverage, impact, challenges faced in implantation with community driven sprit. It argues that t his strategy has slipped into the bureaucracy controlled environment. The study also raises its concerns for remedies for sustainable community driven livelihood.

Keywords: community-driven livelihood, village organizations, economic and social capital


1. Introduction

The concept of the community driven livelihood model is an attempt to go beyond the conventional definitions and approach to ‘collective action for poverty reduction’. In fact, the incidence of poverty can be found along with the high deprivation (Oxford PHI, 2014) and that is why the poor households who deprived were access less benefits from government’s social protection schemes such as pensions, scholarships, subsidies, education and primary health care felicities, are leading to a high poverty (Akhter et al, 2007).

Fundamentally, social protection policies help people with poverty and enable them to access their basic entitlements available to them, but such policies give low outcome, especially whenever working for the Poorest of the Poor (POP). However, the development policies and programs in developing countries, where high poverty prevails among minority or marginalized communities living below the poverty line benefitted little or nothing (Chronic Poverty Report, 2004-05).

The role of decentralized public sectors in reducing the poverty is also limited as they have given less attention to what their roles really means and some time public sectors also face difficulties in creating an “enabling environment” for poverty reduction (Kyd and Dorward, 2001). Adding to this, the decentralized efforts through some of the programs have given good results in achieving the goals of poverty reduction therefore, decentralization is about transforming decision making power to local communities, enabling local participation, prioritizing their needs and promoting self-help to escape from the extreme poverty (Watson, 2002).

The majority of practitioners and policy makers underlined their observations that the improvement in economic conditions of the poorest of the poor can help to increase their own capability to address once own problems. Despite all external efforts, locally acceptable development programs need to be designed, while giving emphasis on local ownership in economic asset creation, can be succeeded through a “collective effort” to come out of poverty (World Bank 1993a & IFAD 2001).

The Human Poverty Index (HPI) by the United Nations Development Program (UNDP) illustrated with four multidimensional indicators of human life that economic provisioning is imperative than other indicators (healthy life, knowledge and social inclusion). In a result, shown that in developing countries, economic provisioning is more deprived than other indicators (UNDP, 1999) in which case it is difficult for the poor to escape from the extreme poverty.

Understanding of the local perception, why poor actually earn money?, what would be their priorities to spend it? yes..., they buy basic commodities, livestock or jewellery. And what happen if they do not earn enough money?, again yes..., they borrow money from employers.
and money lenders. To be frank, this approach is pushing poor people back to poverty and more importantly, it is costly. Thus, creating more livelihood options would allow them to better meet their needs (IPA, 2012).

### Table 1. Comparative Characteristics of Poorest of the Poor Households

<table>
<thead>
<tr>
<th>World Bank and others</th>
<th>Grameen Foundation’s Progress out of Poverty Index™ (PPITM)</th>
<th>Oxford’s Multidimensional Poverty Index</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GLOBAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extreme poverty</td>
<td>Depending on the country, the score cards—which consider 10 household assets and characteristics—measure the poverty likelihood relative to an absolute poverty or extreme poverty line.</td>
<td>Living in railway track and light in living place is not available. Toilets, water and sanitation facilities are not available. Entire family, including school going children involve in working for daily income.</td>
</tr>
<tr>
<td></td>
<td>• PPP $1/day</td>
<td>3. Dimensions: deprivation in accessing the education, health and standard of living.</td>
</tr>
<tr>
<td></td>
<td>• PPP $2/day</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• PPP $4/day</td>
<td></td>
</tr>
<tr>
<td><strong>INDIA</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>More emphasis given to livelihood activities for POP households. As a result, found that 20% of the poorest of the poor were left behind, from which, the majority of them were from SC and ST needed rigorous hand holding support through economic activities.</td>
<td>The SERP had produced the satisfactory outcomes meant for the rural poor households from the SC, ST and OBCs but on the other side, the SERP has also faced criticism as it resulted with low progress with respect to the POP households. Therefore, the state had decided to re-categorize the POP households within the poor category. As a result, 20% of the poorest of the poor were left behind, from which, the majority of them were from SC and ST needed rigorous hand holding support through economic activities.</td>
<td></td>
</tr>
</tbody>
</table>

### 1.1. An Estimation of Poverty in India

The recent definition of extreme poverty by the World Bank, through its income-based approach is defined as the proportion of individuals in developing countries who live on less than $1.25/day. With a view to address the extreme poverty, several other factors such as malnutrition, lack of access to basic income, health and education are incorporated to measure the poverty extent. However, as per the World Bank definition of $1.25/day in 2013, roughly 1.2 billion people remain in extreme poverty. Significantly, nearly half live in India and China, with more than 85% living in just 20 countries. In addition to this, India registered for having the highest number of deaths under five as 1.4 million children below the age of five are dying every year in India (UNDP Report, 2014).

### 2. Poorest of the poor Strategy: New Approach

The State of Andhra Pradesh since its inception, attempts to reduce vulnerability and last mile issues in the most disadvantaged regions, but the expected outcomes are yet to be achieved. The main reasons were that the developmental interventions in the state did not either reach the POP households or they did not understand the purpose and nature of implementation of the program. Therefore, the POP households have been re-categorized from the so-called poor. The characteristics of POP households are including high dependency, low education, low physical resources (without land & ownership of poor quality land), and high debts. On the other side, highlighted by Malawi (2006) that these POP households identified not only from Scheduled Caste (SC) and Scheduled Tribe (ST) but also from other Backward Categories (BCs) that happened to suffer from relatively high vulnerability majorly due to idiosyncratic risks like health related shocks, chronic illness, disability, sudden death, old age etc.

The Society for Elimination of Rural Poverty (SERP) is an autonomous society of Andhra Pradesh, registered under the Society Registration Act to keep SERP out of the regular bureaucratic system while implementing the poverty alleviation programs so that it could reach the untouched POP households. With this aim, The SERP has created a “community driven based eco-system” through which rural households as the main target group, can access the social and economic provisions.

### 3. Methodological Approach

The study planned to assess the overall functioning of the POP Strategy. The study attempted to examine the following questions 1) what are the characteristics associated with the poorest of the poor households, 2) what are the outcomes of the POP Strategy with special
emphasis on entitlements and community driven livelihood promotion, 3) what are the errors and lessons in implantation so far, 4) what are the coverage and impact of the POP Strategy, and 5) how community perception is different from the policy makers.

3.1. Area of Study and Sampling

The methodology of this study contains four stage stratified purposive random sampling, i.e. districts, mandals, gram panchayats and households. Two districts i.e., Srikakulam and Prakasam were identified, purposively to represent the most vulnerable district in the state from which, one mandal was selected randomly from each selected districts. In the third stage, four gram panchayats were selected from each of selected mandals and finally 10 households were finalized from each gram panchayats who benefitted from POP Strategy. A pre-determined interview schedule was prepared focusing on whether entitlements and livelihood units were helped beneficiaries to come out of the poverty and impact of the POP Strategy on poor households in rural Andhra Pradesh. In addition to this, the researcher also interacted with community coordinators, community facilitators, women of village organization and other key people involved in the implementation process, to add additional knowledge to my main observations.

3.2. Research Tools and Assessment Process

The impact assessment was conducted at two phase viz., macro level and micro level. The secondary data at the macro level, collected, tabulated and compared it based on the different components in the project. At the micro level, the study collected primary data for a qualitative understanding on accessibility to entitlements, economic support that had been undertaken by the beneficiaries, a process through which village organizations involved; community perception and lessons were captured. Therefore, the study evaluates the POP Strategy based on the primary data, secondary data and also qualitative facts from the selected beneficiaries. Considering the ethical part of this study, A formal note has sent from the district head office to all selected SHGs for Focus Group Discussions (FGD) and they also were asked to inform all selected respondents to participate in the data collection.

3.3. Statistical Tools

The results of the collected data provided an insight into community driven livelihood model and the role of women’s institutions. The primary data from the field was analysed with the help of SPSS to determine the core indicators of the Poorest of the Poor Strategy and calculated mean and standard deviation for all the core indicators. The results are presented, followed by the observations and policy suggestions.

4. Outcome and Analysis of the Study

The Framework of the study can be applied in a range of different scales – from individual, to households, villages, region and even states with a view to assess the sustainable livelihood outcomes at different levels. The specification of the scale of analysis is therefore critical, as it is an analysis of quantitative and qualitative aspects, both positive and negative. The following sections of this paper will examine the various elements of this study.

4.1. Entitlement Approach through POP Strategy

In developing countries, the entitlements are must for the basic survival of poor households. For instance, India’s Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) provides 100 days of work guaranteed to all eligible rural households with which, rural households, who used to migrate are now able to earn minimum Rs.100/- per day. Through this, head of the family can afford in buying the basic needs for survival. Another example, a household with ratio card is provided up to 35 kgs of rice (quantity of rice may change based on types of cards) per month through which, the entire family members could survive. Therefore, it is compulsory for a poor family to get entitlement as a basic right for their basic survival. This can also save them from starvation and not to fall into the trap of malnutrition as well.

Table 3. Interview Methods and Sample Size

<table>
<thead>
<tr>
<th>Interviews</th>
<th>Methods</th>
<th>No. of Resp</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiaries Those who availed the livelihood Units in selected 8 Gram Panchayats</td>
<td>Pre-structured Interview Schedule with open questions</td>
<td>80</td>
</tr>
<tr>
<td>Focus Group Discussion 8 SHGs involved in FGD to share the experiences in implementation process</td>
<td>A set of Pre-determined questions prepared and observation included</td>
<td>8</td>
</tr>
<tr>
<td>VO Meeting Conducted VOs Meeting and interacted with all key people who played their roles in POP-S</td>
<td>A set of Pre-determined questions prepared before interaction. Opinions, success stories collection or problems discussion</td>
<td>4</td>
</tr>
<tr>
<td>SERP- Staff Interaction with CFs and CC on facilitation roles at Panchayat level</td>
<td>Discussion on facilitation roles, observation, roll clarity etc.</td>
<td>8</td>
</tr>
</tbody>
</table>

Table 4. Status of Entitlements, achieved through the POP Strategy

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Entitlements</th>
<th>Total eligible HHs</th>
<th>HHs having</th>
<th>HHs not having</th>
<th>% of HHs not having</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ration Cards</td>
<td>3913653</td>
<td>3483974</td>
<td>429679</td>
<td>10.98</td>
</tr>
<tr>
<td>2</td>
<td>Job Card</td>
<td>3913653</td>
<td>2321063</td>
<td>1663264</td>
<td>42.50</td>
</tr>
<tr>
<td>3</td>
<td>Sanitary latrines</td>
<td>921654</td>
<td>2991999</td>
<td>76.45</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Widow pension</td>
<td>589960</td>
<td>275457</td>
<td>314503</td>
<td>53.31</td>
</tr>
<tr>
<td>5</td>
<td>Old aged pension</td>
<td>764351</td>
<td>279134</td>
<td>485217</td>
<td>63.48</td>
</tr>
<tr>
<td>6</td>
<td>Insurance</td>
<td>3229140</td>
<td>751248</td>
<td>2477892</td>
<td>76.74</td>
</tr>
</tbody>
</table>

Source: SERP, Base line survey report as on 13.05.2014.
4.2. Community Driven Livelihood Approach

The main goal of the Community Driven Livelihood Approach (CDLA) is to provide support at different stages to the POP households to continue their own livelihood activities. The philosophy of CDLA is ‘continue the livelihood activities and continue the attack on poverty’ and moreover, this approach is designed to promote the community driven approach (Imran et al. 2008:01-32), through which Self Help Groups (SHGs) and Village Organizations (VOs) will play a vital role in the implementation of POP Strategy at the grass root level. This approach also promotes the ‘local solution by local people’ through a structured process.

**Community Driven Livelihood Approach**

- Household Survey
- Identification
- Unit Grounding
- Unit chosen
- By beneficiary
- VO
- Shortlisted by
- HLP Preparation

It is mandatory for every households who has been selected through the POP Strategy to participate at three level of decision making process, i.e. 1) household survey in which the status of each household will be recorded, 2) House Level Planning, through which selected households will be prioritized their livelihood options based on their working skills and experiences and 3) before and after, livelihood assets grounding, capacity building program to be provided on managerial skills for continuation of their livelihood activities.

Livestock is classified as the most important asset in the rural and tribal areas of Andhra Pradesh that give a value added income to the households and in a few cases, the livestock has also become the main livelihood source as there are 13,962 households were chosen livestock as their main income generation activity. In CDL Approach, the decentralized process enables local beneficiaries to first understand the purpose of this program and secondly, use beneficiaries’ participation for matching each livelihood option to particular geographical condition and beneficiaries’ skills in forecasting for the sustainability of livelihood units (Alan Nicol, 2000).

<table>
<thead>
<tr>
<th>Components</th>
<th>No. of HHs identified</th>
<th>Livelihood Activities chosen by beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suicide</td>
<td>1820</td>
<td>102</td>
</tr>
<tr>
<td>Srinidhi</td>
<td>35126</td>
<td>13865</td>
</tr>
<tr>
<td>Victims</td>
<td>1480</td>
<td>55</td>
</tr>
<tr>
<td>NRLM</td>
<td>2075</td>
<td>197</td>
</tr>
<tr>
<td>IWMP</td>
<td>865</td>
<td>14</td>
</tr>
<tr>
<td>Grand Total</td>
<td>74,931</td>
<td>27,115</td>
</tr>
</tbody>
</table>

Source: MIS Report, date on 13/11/2014, SERP

**Note**: 1. Srinidhi is a SHG’s bank, started by Andhra Pradesh to support the POP households
2. NRLM- National Rural Livelihood Mission is a Central Government Program
3. IWMP- Integrated Watershed Management Program is a Central Government Program
4. NRLM and IWMP are become separate components in POP strategy.

It is not only a promotion of livelihood activities, but also strengthening of the institutional network through local participation. Therefore, the objective of this program may be achievable. The same observation was shared by Carole Rakodi (1999) that the community institutions such as SHGs, VOs, Mandal Samakyas and Zilla Samakyas can act as joint-stakeholders by whom, the identification and grounding process and management of their own assets can be accomplished. Through these stakeholders, the community driven livelihood approach has come to true.

4.3. Quality of Life through POP Strategy

The SERP also aimed at promoting the gender equality and women empowerment since its inception. Therefore, Women roles are deeply involved not only in management of livelihood activities, but also improve gender potential and leadership quality in decision-making process and encourage social participation. Thus, the POP Strategy...
involves VOs to raise awareness on primary education, basic health facilities, sanitation, women’s skill development etc. to improve the quality in life.

Livelihood traditionally refers to a family’s mean of supporting to create family wealth and meeting their basic needs in life (Prayas, 2005). But in POP Strategy extends beyond the economic support and leads to institutional building, women’s participation in the decision making process. This approach helps POP households to improve their access to basic health care and primary education, etc. The study found that the POP Strategy helps rural women first to define of development from their own understandings. Secondly, it promotes the holistic development through the local participation.

This makes sense of the entire POP Strategy in Andhra Pradesh. But again, this practice has been found in limited households (31%).

The study recorded about few success stories that is very few households (2%) from selected respondents were succeeded in managing their livelihood activities as it leads for their own livelihood enterprise i.e. establishing milk bulk cooling units or managing a sheep rearing unit etc.

### 5. Impact of the Pop Strategy

The main impact of the POP Strategy is about 62,006 households who benefitted through different livelihood units of the strategy, but this strategy has helped just 27 % of the total households in creating economic capital which is between Rs. 5000/- and Rs. 25,000/-. But the majority of households felt that this strategy helped them for additional source of income and helped through access the basic needs in their life. Respondents also expressed that directly and indirectly, the POP Strategy helps them diversify income earning sources which is advantage, particularly to rural women and POP households. Therefore, they are shown as earning people and spending more on food, primary health, school fees (average: Rs.1332/-) than they otherwise would not.

Owning up of the POP Strategy by the women’s institutions is creating capability of independently negotiation and conflict resolution power. This may be very difficult to assess but as qualitative observations. And this can work as an alternative way of strengthening the women empowerment process. Linking poor households with local banks works well for their daily transaction as well as promoted the habit of saving (SERP, 2013-14). It is mandatory for households who availed livelihood loans from the POP Strategy to repay the amount through the gradual manner and the study found that the average repayment is Rs.11, 885/-. Here, they also started to save the extra amount in their saving account. This makes sense of the entire POP Strategy in Andhra Pradesh. But again, this practice has been found in limited households (31%).

The study recorded about few success stories that is very few households (2%) from selected respondents were succeeded in managing their livelihood activities as it leads for their own livelihood enterprise i.e. establishing milk bulk cooling units or managing a sheep rearing unit etc.

### 6. Gaps and Challenges

Underlining the primary motto of poverty alleviation programs, it is to reduce or eradicate the extreme poverty is a major agenda of Andhra Pradesh but the past experiences of the state had given negative results due to multiple factors (Mahendra and Padmanabha Rao 2002). Therefore, the POP Strategy designed to give prime focus for “help people help themselves” and capacity building for rural women for economic improvement, but in reality, the strategy has performed below the benchmark. The study, therefore found that the bottleneck of strategy is that it has given less focus on skill training (17%) before establishing the livelihood units. Consequently, selected households were not aware of management of livelihood units. Therefore, the majority of households have felt that this would be the reason for their failure.

It is necessary to connect the backward and forward integration to develop series of value chains involving all the stakeholders on a common platform (Cristobal Kay, 2006). Yes, The POP Strategy gives the decision-making power to the beneficiaries, but in different ways, the POP Strategy would have been studied seasonal crafts and
environment feasibility before the establishment of units in that particular geographical area or locations. In spite of this, the POP Strategy has given limited livelihood options to the beneficiaries as to give feasibility in designing the web application, from which, the beneficiaries can’t escape to other interesting options.

The study also found that half of the beneficiaries, after establishment of units; have closed their units within a period of 6 months because of condition put by SERP that they must pay back the loan amount after establishing units. SERP would have given minimum 6 month gap from establishment of units so that the units get sustained to pay the loan amount back. In addition to this, the study also found that most of the beneficiaries should pay money with interest back to money lenders.

The challenge of POP Strategy is finalization of beneficiaries through step by step process that is important for success of this project. This process often failed due to the involvement of local male community leaders and ward level politics. Adding to this, sometimes the prioritised list of beneficiaries, changed due to changes in web applications.

7. Policy Implications and Conclusion

The policy framework of any program is an important that decide the success of its program. The previous program may judge the current program as its inadequate, it fails to take advantage of the available resources due to policy limitations or negative circumstances, it had and this may actually satisfy the current project through the flexibility given by relevant policies and therefore achieve it through the means of community participation.

On the front of developmental arena, the Sen’s capability approach becomes the most acceptable approach as it is a qualitative fact associated with all other factors in life. Mr.Sen also quoted that due to policy failure in guiding bureaucrats to distribute available food to the people in starvation in Kolkata, the poor people saw the wrath of famine. In future, the failure of policy may lead to deprivation and starvation in Rayalaseema region of Andhra Pradesh, why not?. And the same failure may destroy the existing faith of rural women in government if policies are misused.

Any program must not lose its purpose of existing. The SERP formed under the Society Registration Act to come out of the regular bureaucratic system of government and implement chosen development program without bias and political influences. In reality, it seems to work with government nature of functioning, being controlled, and linked with other line departments at the district level. Therefore, this strategy is slipped into the “bureaucracy controlled environment” with which it may not perform as much as it could be. Thus, the policies need to stick on their guidelines while implementing it.

Monitoring and evaluation unit needs to establish exclusively for POP Strategy so that the asset verification in the field can be validated frequently. Regarding this, the guideline may be modified about the stages of asset development based on which; the monitoring team may verify in the field. Duration of the project plays a very important role in any project. The POP Strategy is one of the biggest poverty eradication programs in Andhra Pradesh covers all most all the districts within five years of time. Due to time constraint, the project has lost its focus on the poorest of the poor and implemented with compromised nature.

The ratio of allocating of project staff is high in some districts. Therefore, it is needed to change the staff pattern based on the geographical locations especially in the ITDAs. The project is given a special emphasis on tribal area by allocating enough staff, but at the same time, these staff has been instructed to work under the supervision of Project Officer of ITDA. The study found in some of the districts that ITDA involves project staff effectively on another task rather than involving in the POP Strategy. This indicates that POP Strategy is going back to the regular bureaucratic working nature rather than implementing through a project mode.

One of the non-negotiable principles is to cover all the POP households who are like ultra-poor who live without homes, proper food and shelters. Later, this project identified POP households based on the different social categories includes SC, ST and OBCs. For example, the study found that out of 10 units per gram panchayat, five units into ST, three units in SC and two units to OBCs category have been allotted without following the actual criteria. Therefore, this program is not reaching the real POP households. The author in his study (Sachi Shenoy, 2009-11) suggested that then continues monitoring and supporting can be given to those households who established their livelihood units. Providing capacity building on managerial skills among local beneficiaries can help push them until they escape from the poverty.

POP Strategy is completely meant for rural wealth creation through the livelihood activities, as we know that this project has supported to 62,006 households which is considered as big as the state can cover. It needs more support from the professional experts for skill upgradation in the particular livelihood units. Therefore, the study suggests to tie-up with few universities who can provide innovation and best strategies in livelihood management so that the POP Strategy can get the knowledge, support help for the sustainability of community based livelihood in rural Andhra Pradesh.

Finally, despite of all thrift and credit models that have been implemented, the SERP may be directed to adopt the women enterprise model which is the next level of development. The entrepreneur model could help the state to promote the “self-sustainable through self-management” that indicates the real women empowerment for which the state is looking now.

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References


