

Text of Rojiroti's contribution to the DFID's white paper "Eliminating Poverty: Building Our Common Future"

We are working in a project in Bihar, India (funded by DFID/RIU) to scale out a model of self help groups for very poor rural people. The model (now called Rojiroti www.rojiroti.org) was developed as part of an earlier (NRSP) project. It has now guided the formation of some 2500 groups in 500 villages, at a cost to the concerned development agency which is variously estimated (by but which is not more than the equivalent of £2.00 per household. Currently some 80% of the members of Rojiroti self-help groups are women and 60% are members of scheduled castes. We believe our experiences over past 9 years provide important insights into the scope for pro-poor development (as well as its pitfalls) and that the model is a highly sustainable one.

Our SHG members begin with very small weekly saving into a group fund, then take loans from the fund, and subsequently are able to borrow from banks and other microfinance institutions. We find that many groups which start with savings of Rs. 1-2 per week have after five years a fund of Rs 50,000 or more. Access to such financial capital enables group members to improve their livelihood on several fronts: by enhancing their human and social capital (health, well being and social status), their access to natural capital (land, which can be rented or leased rather than working as daily labourers), and their physical capital (improved housing and water supplies).

The very small beginning is integral to the approach. It is important in ensuring that the initiative stays with the members of the groups and that 'elite capture' of the programme and its benefits (which is a real danger of well-funded poverty-alleviation projects) is avoided. This programme not only reaches the poor, but also helps to lift them out of poverty.

A further insight of the Rojiroti model is that it is not necessary for professionals to be used to enter villages and facilitate group formation. This is not best use of human resources; to the contrary, needed skills can be found at village level, among local people, and can be mobilized at a fraction of the cost – as well as being empowered. In this way the low-key approach which is critical to successfully engaging with very poor people can be maintained. The appropriate – and critical – role for professional is in training, programme planning and innovation.

What are the lessons of this experience? Sadly, a major one is that many of the resources devoted to pro-poor development are wasted, in that pro-poor policies often deliver products & services which do not meet the needs of the poor and which are captured by non-poor people. The corollary of this is that effective pro-poor development need not be high-cost. We have learnt that poor people have wisdom and the means to escape from poverty with limited resources. We have also come to change our mindset in various ways in relation to the capacity of very poor people. For example we have discovered that illiteracy is not a barrier to participating in a self-help group, even though doubtful of this at an early stage. Now even some group facilitators are not literate, requiring help only in maintaining group accounts. 'Illiterate' may be an invalid label if it dismisses all aspects of a poor person's capacity.

In summary, people must be free to cope themselves: the role of development agency is to reduce dependency by promoting their own choices other than directing them into the choices which others make for them.

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