

# GRADUATION MODEL: ROAD TO TRANSFORMATION IN RATAKHURD



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The graduation approach has been widely accepted as a tool for transforming lives of the ultra-poor. The Mewat region in north-west India, pre-dominantly inhabited by the Meo-Muslim and SC community has been the focus of numerous government programs and schemes because of their backward socio-economic condition and low standard of living. However, even this government focus has not been able to pull these communities out of poverty. In 2013, in one of the gram panchayat, LDF funded the “Sustainable Livelihood Development Program”, modelled around the graduation approach, to help in socio-economic transformation by targeting women as the changemakers and shifting their role from home-maker to bread earners, thereby enhancing their roles in HHs decision making. This paper captures insights on the impact created over the last six years by analysing the baseline and endline survey conducted in 2013 and 2019 respectively along with counterfactuals in 2019.

Walls of the Panchayat Bhawan at Ratakhurd are adorned with framed cutouts of different newspapers featuring Rampali Devi, their newly elected female Sarpanch. For the women of Ratakhurd, Rampali Devi is their leader and idol. In the 2019 GP elections, 7 out of 8 seats in Ratakhurd were won by women from Self Help Groups (SHGs). This landslide victory of women taking up positions of power proved that traditional structures of patriarchy were undergoing a change. The newly elected Board put forward social development plans they had been fighting for the last 7 years since they became part of the “Model Gram Panchayat” program funded by Letz Dream Foundation and implemented by Society for Public Education Cultural Training and Rural Action (SPECTRA), an NGO focused on community development and women empowerment.



Ratakhurd GP, located in Kisangarh Bas block of Alwar district of Rajasthan is one of the most backward and poverty-stricken GP in Alwar comprising 8 villages with 1240 HHs. Located in a remote area without either electricity or proper roads or any provision for public or private transportation, livelihood activities were limited with an average HH income of Rs 1800 per month. Education and health indicators were very poor and there was high rate of migration. Considering these factors, Ratakhurd was identified as the pilot intervention area for LDF’s improved governance program focussing on holistic development of the entire population (1240 HHs) of the GP. By 2015, observing the need for focussed interventions for certain communities, the ‘Sustainable Livelihood

Development Program (SLDP)” was undertaken, developed around the Graduation approach.

### **Graduation Approach**

First developed by one of the world’s largest non-governmental development organizations, BRAC, in Bangladesh, the Graduation approach supports ultra-poor households to achieve sustained income and move out of extreme poverty within a specified period<sup>1</sup>. Major components include, (a) Identifying ultra-poor households within a community; (b) Providing regular and time-bound cash transfers to enable the targeted families to meet basic needs; (c) Livelihoods planning; (d) Helping the families build their ability to save money as a tool to build resilience; (e) Enhancing technical and entrepreneurial skills through livelihood training; (f) Close mentorship throughout, in a way that develops their self-confidence

### **Recognizing the need for Graduation Approach**

Creation of a model GP in the first phase helped in the development of village infrastructure including construction of roads, bringing electricity, construction of primary and secondary schools, opening PDS shops and convergence with different government schemes. However, it was evident that certain sections of the community especially the SCs were below the subsistence level and their socio-economic condition had to be improved further. Aimed at increasing the household income and pulling these 620 ultra-poor HHs out of poverty, SLDP program was undertaken, based on the globally accepted, time-bound and evidence based “graduation approach”.

### Identification of the Target Group

In coordination with the Panchayati Raj Institution (PRI), Participatory Identification of Poor (PIP) was initiated for identification of ultra-poor HHs with

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<sup>1</sup> <https://development.asia/explainer/how-graduation-approach-can-help-people-break-out-poverty>

monthly income less than Rs. 2,000. Conducted in all the 8 villages of Ratakhard, 620 HHs were identified as ultra-poor.

Access to finances: Convergence and Linkages as a next step

Once the identification process was completed, all these families were linked with PDS to ensure access to food ration followed by convergence with other welfare schemes like pension (old age, widow & disability), housing, LPG connection and scholarship schemes for students.

To establish financial linkages, these 620 women were mobilized into 60 SHGs. SPECTRA ensured Panchasutra and effective inter-loaning before they were linked to banks for credit. 95% of SHGs formed by SPECTRA have 100% repayment. In comparison, not a single SHG exists in Patan Mewan, our control GP because of which financial inclusion has not started there. Raajeevika has no presence in Alwar.

In out treatment group, 100% of the 60 SHGs have accessed their 1<sup>st</sup> credit dose

with over 10% having received the 5<sup>th</sup> dose too.

Credit doses	% SHGs accessing credit
1 <sup>st</sup> Credit Dose	100%
2 <sup>nd</sup> Credit Dose	94%
3 <sup>rd</sup> Credit Dose	68.4%
4 <sup>th</sup> Credit Dose	22.3%
5 <sup>th</sup> Credit Dose	10.5%

With regular capacity building sessions being undertaken, usage pattern of the various credit doses received follow a similar trend focussed on livelihood activities once loan repayment is done with the 1<sup>st</sup> dose received. Interesting to note that an average 15% of funds under each dose was spent on children's education

- 1<sup>st</sup> Dose: Loan Repayment and Purchase of Utility
- 2<sup>nd</sup> Dose: Livelihood activities and Purchase of utility
- 3<sup>rd</sup> and 4<sup>th</sup> Dose: Mostly for livelihood activities
- 5<sup>th</sup> Dose: Mostly for livelihood activities and Purchase of utility

## **Livelihood planning: diversification and income enhancement**

The key objective was to ensure sustainable income sources. To achieve this, SPECTRA worked towards both improving existing practices as well as diversification like enhancing livestock rearing capacities, initiating goat and poultry farming practices, linking HHs with MGNREGA and convergence with other livelihood generation programs like skill development.

Improving agriculture practices to increase productivity was a priority. Notable interventions included introduction of SRI technique for wheat and other crops which resulted in the farmers earning an extra Rs. 3,015 per acre of land in each season with the same seed variety, climatic conditions and soil variety.



Along with improving agricultural practices, livestock rearing was used as an important tool for diversification of livelihood sources. In 2014, 40 SHG women in Ratakhurd GP were given a loan of Rs. 50,000 each (loan amount given by LDF) for purchase of buffaloes along with bank loans for another 468 SHG women. To cater to the milk produce of more than 600 HHs, 4 milk collection centres were set up in collaboration with Saras dairy. Additionally, to increase fat content in the milk (for better prices), azola and vermicompost was introduced. The result was, these beneficiaries earning Rs.50-55

per litre as compared to Rs. 30 in 2015 whereas in the control group where livestock rearing is limited to just 18%, they earn a reasonably lower price of Rs. 40 per litre by selling to middlemen.

Goat rearing based livelihood was also introduced with the 620 HHs – 310 Original Group (OG) families and 310 Pass on Gift (POG) families. The OG beneficiaries were. Each OG family, selected based on their active participation in the SHGs and desire to undertake the project, was provided with a female goat of a better breed. In return, each OG family had to gift the first female offspring of the goat to one POG family. Following the same lending practice POG families lend the first female off- spring to other families (POG 2) bringing newer families under its fold every year. The project has brought about exponential change with the ultra-poor HHs having an average herd size of 3 goats per HHs. SPECTRA also aided market linkage by setting up an FPO for these families. The goat rearing intervention has helped families earn Rs. 16,000 on an average.

In Patan Mewan (Control GP), only 26 HHs are engaged in goat farming with an average herd size of 2 goats per family.



### **Household Income Increase and Building Resilience**

Access to credit and its utilization for livelihood activities coupled with improving existing practices and diversification resulted in increasing income and eventually standard of living of these HHs. With increase in income levels and access to funds, it was important to inculcate saving and repayment habits. Continuous capacity building helped them

plan their savings and repayment thereby building their resilience towards poverty and risks. The monthly SHG savings which had started with Rs. 10 per member in 2015 increased to Rs. 100 in 2019 because of which each SHG has an average Rs.1.7 lakhs savings. Each of the 640 HHs reported an average monthly saving of Rs. 1,700 which they were investing in formal instruments. It is important to note that none of these HHs had any savings during the baseline in 2013. They have also invested in various insurance schemes to mitigate risk.

<b>Schemes</b>	<b>% HHs accessing benefit during Baseline</b>	<b>% HHs accessing benefit in Ratakurd</b>	<b>%HHs accessing the benefit in Patan Mewan</b>
Crop Insurance	0.6%	69.3%	4.5%
Livestock Insurance	0.8%	63.7%	15%
Medical Insurance	0.3%	89.4%	0%
Life Insurance	0.7%	81.7%	23.4%
Goat Insurance	0%	98.3%	46.2%

Increase in income levels greatly improved the standard of living of these ultra-poor HHs which is evident from the increase in asset ownership among these HHs as compared to the baseline, as well as the control group.

<b>Assets</b>	<b>Asset ownership % during baseline</b>	<b>Asset ownership % in Ratakurd</b>	<b>Asset ownership % in Patan Mewan (Control)</b>
Pucca House	13%	84.8%	38.3%
Semi-pucca House	26.5%	8.1%	47.4%
Kutchra House	60.5%	7.2%	14.7%
Television	23.3%	81.9%	62.1%
Refrigerator	13.5%	68.2%	45.8%
Mobile Phone	71%	97.5%	85.3%
2-wheeler	15.3%	74.4%	39.7%
Tractor	3.3%	14.4%	0.8%
4-Wheeler	0.4%	14%	1.6%
Furniture	7.8%	85.66%	33.9%

**Entrepreneurship skill development: Establishment of Farmer Producer Company (FPC)**

Two Farmer Producer Companies (FPC) were initiated by SPECTRA in 2017 - *SPECTRA Adarsh Udpadak Mahila Producer Company Ltd.* and *Alwar Mahila Sangam Producer Company Ltd.* Currently the FPCs deal in spice making, buck marketing, solar equipments, Himalayan products and agri inputs. These institutions are completely owned and managed by SHG women with technical support from SPECTRA.

The FPCs' business is funded through bank loans and the share capital and a membership fee of Rs. 1,200 was mobilized from each shareholder. With an initial investment of Rs. 17 lakhs, the FPCs have earned a profit of Rs. 12 lakhs in last 2 years. This has helped the FPCs in employing 4 full time community women with monthly salary of Rs. 10,000-14,000 and 40 commission-based cadres with monthly income of Rs. 5,000-8,000.

SPECTRA ensured role-specific training of the FPC staff and cadres. The Board

member received regular training for business development and increasing profits whereas livelihood cadres, commission-based volunteers, were trained to support agriculture, goat rearing, livestock and other non-farm livelihood interventions. Additionally, SPECTRA has been liaising with line departments - agriculture, horticulture, NABARD, animal husbandry, MSME, skills development etc for skilling the community women.

**Mentorship and Development Accountability**

To ensure community ownership at each step and sustainability of the program, a 10-member Project Management Committee (PMC) comprising community women, was initiated by SPECTRA. The PMC was given an initial start-up fund of Rs 20 lakhs by LDF during its establishment in 2016. The PMC committee was responsible for managing and developing internal monitoring mechanisms for the smooth execution of the program.



The committee at present holds monthly meeting and discusses the development agenda along with other stakeholders. The committee members are selected through democratic elections with leadership change every year. The PMC is the key to sustainability of the SLDP program is concerned. The active participation of community stakeholders in all panchayat development programs, discussions and debates at Aam Sabhas and awareness among the people about their right and duties are evidence that speaks for the success of the intervention programs.

### **Way Forward:**

Through empowerment and occupying leadership positions, these women of Ratakhurd are planning towards further growth and development of the panchayat. They have developed milestones to

improve their education and health indicators. School Management Committee has been revived and regular meetings are ensured. Water pipelines are being installed to ensure clean drinking water for every HH. All illegal liquor shops and production centres which had been operating since ages, have been removed. In 2018, one of the SHG of Ratakhurd received the 'Best SHG of the District' award from none other than the then Chief Minister of Rajasthan, Ms. Vasundhara Raje. From a state of underdevelopment and social isolation, the graduation approach has helped in the transformation of the ultra-poor HHs of Ratakhurd. LDF's support to SPECTRA has clearly led to enhanced household income, improved standard of living, women led community ownership and behavioural change at the community level.