



Volume: 2, Issue: 6, 313-316
June 2015
www.allsubjectjournal.com
e-ISSN: 2349-4182
p-ISSN: 2349-5979
Impact Factor: 3.762

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Role of pudhu vazhvu project (pvp) on poverty eradication in Tamil Nadu

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Abstract

Pudhu Vaazhvu Project (PVP) is an empowerment and poverty alleviation project implemented by the Rural Development and Panchayat Raj department of Government of Tamil Nadu with World Bank assistance. The project is implemented over a 6 year period extended up to September 2014 at an outlay of Rs. 717 crores. The Project covers 2509 village panchayat in 70 Backward Blocks in 16 districts, now with additional financing; the project has expanded its operations to 10 more additional districts covers 1665 VPs in 50 backward blocks till September 2016 with an outlay of Rs.950 crores. In this context, it is a tool to empower the poor by improving their livelihoods and reducing poverty by Developing, strengthening pro-poor local institutions at the village level, Building the skills and capacities of the poor, Enhancing their livelihoods by financing demand driven sub project investments. The present study also attempts to reveal the performance of Pudhu Vaazhvu Project.

Keywords: Pudhu Vaazhvu Project, Approaches, sustainable livelihoods, Community Driven Development

1. Introduction

“The best, quickest and most efficient way is to build up from the bottom. Every Village has to become a self-sufficient republic. This does not require brave resolutions. It requires brave, corporate, intelligent work”

~ Mahatma Gandhi

Pudu Vazu Project is an empowerment and poverty implemented by the Rural Development and Panchayat Raj Department of Government of Tamil Nadu with World Bank assistance. The objective is to empower the poorest of the poor, the marginalized and the differently able and to promote sustainable livelihoods for them. The project follows the Community Driven Development (CDD) approach and has developed the poor and under privileged into the mainstream development process as well as made them decide, participate, implement and monitor their progress and development. Puthu vaazhvu Project was implemented mainly for the poor people living in rural areas. Initially, it was named as “Vaazhnhthu Kaativom Project”. After that it was renamed as “Pudhu Vaazhvu Project”. Pudhu Vaazhvu Project is an empowerment and poverty alleviation project implemented by the Rural Development and Panchayat Raj department of Government of Tamil Nadu with World Bank assistance. The project is implemented over a 6 year period extended upto September 2014 at an outlay of Rs 717 crores. The Project covers 2509 village panchayats in 70 Backward Blocks in 16 districts. Though the project was launched in November 2005, effective implementation has commenced only from August 2006. It is currently implemented in 26 districts of Tamil Nadu covering 4,174 Village Panchayats in 120 blocks. The Project has developed strong Community Based Organizations (CBOs) which are effective and responsive and play a vital role in building the capacities and skills of the poor facilitate and promote sustainable livelihoods with transparent governance and social accountability.

The Pudhu Vaazhvu Project is being implemented under the Rural Development and Panchayat Raj Department, since 2006. It is a World Bank supported project aimed at poverty reduction and empowerment among the rural people, this project functions in a participatory manner through the constitution of several primary-level institutions, such as, the Village Poverty Reduction Committee (VPRC), Panchayat Level Federation (PLF), Social Audit Committee (SAC) and Community Professionals’ Unit (CPU). Through these institutions, the project has been extending services to the target communities by identifying their skills; promoting the development of those skills and helping them develop livelihood options

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through the formation of Common Livelihood Groups (CLGs).

One of the unique programmes initiated under the Pudhu Vaazhvu Project is the Community Professional Learning and Training Centre (CPLTC) also known as the Makkal Katram Maiyyam/Magamai. The CPLTC is an organization that comprises of skilled community professionals from villages, which have distinguished themselves in implementing the Pudhu Vaazhvu project. These professionals have a wealth of on-the-field experience and have come together as a team for serving the community members by offering them training and guidance on a variety of subjects.

Background: Setting Up The Cpltc

Though the Village Poverty Reduction Committees (VPRCs) and the Panchayat Level Federations (PLFs) are instrumental in upgrading the standard of living of many of the people in rural areas, there are a few groups where extensive work needs to be done. These include: differently-abled people, vulnerable women, youth and those who are not within the fold of the VPRC/PLF, but need support and guidance from these institutions. It is also seen that the primary level institutions like the VPRC, PLF, SHGs etc are in need of guidance and upgradation of knowledge and skills from time to time. The CPLTC has taken the initiative to promote and build the capacities of the primary institutions so that these institutions have a life beyond the scope and duration of the Pudhu Vaazhvu Project.

Narrating the story of the formation of the CPLTC, the members of the Tiruvannamalai CPLTC General Body recalled: In 2006, we were members of different SHGs in our own villages. We were told that there was a new project called the Pudhu Vaazhvu Project and if we wanted to know more about it, the information would be given in the Grama Sabha meetings. In the next few Grama Sabha meetings, we got to know about the project and the various activities carried out by the project. TO begin with the VPRC was formed and began doing small activities in the village. Some of the SHG members became Community SHG trainers under this project. Our job was to train the other SHG members and share our experience on how to form and run an SHG.

Objectives

The main objectives of the puthuvazhvu project is to empower the poor by improving their livelihoods and reducing poverty by

- Developing, strengthening and synergizing pro-poor local institutions at village level.
- Enhancing skills and capacities of the poor.
- Financing productive demand-driven sub-project investments related to livelihoods for the target poor.
- Building the skills and capacities of the poor.
- Enhancing their livelihoods by financing demand driven sub project investments.

Methodology

The backbone of every CPLTC is the Community Professional. Any SHG member from 'A' Grade villages where the Pudhu Vaazhvu Project is being successfully implemented and who has the skill, experience and interest and who is able to facilitate the process of enabling other people in identifying problems, issues and conflicts and find ways to resolve them can become a Community Professional.

Principles

1. **Inclusion** of the poorest & disadvantaged - 90 percent of project funds for the very poor and vulnerable.
2. **Equity** to the disadvantaged women.
3. **Participation** all decision based on participative processes, involving at least 60 percent of the target poor.
4. **Facilitating Style** of functioning by officials and staff.
5. **Transparency & Accountability** ensured at all stages of project implementation.

Functioning Of The Pudhu Vaazvu Project

The project activities to start with are aimed at social mobilization of the poor and marginalized. After formation and building capacity of the community organizations, the projects focus on livelihood promotion of the project groups.

Initiation Activities:

The project adopts involving community driven development approach involving village's communities at every stages of project implementation. First they create awareness about the Project. Second step identification of target poor by participatory methodology. Third stage Grama Sabha approval and release of panchayat ignition fund.

Participatory Identification of poor (PIP):

Under the project the target poor are then identified by the community using participatory methodologies and the list is approved by the Grama Sabha. The participatory identification of the poor (PIP) methodology has proved to be a powerful and transparent tool to identify the poorest and the excluded members of the village communities.

The methodology involving the community has found wide acceptance among all stakeholders and is considered the best way of identifying the target population.

Community Based Organizations:

The responsibility for implementation of the project vests with the Vazhndhu Kaattuvom Sate Society at State Level and District Vazhndhu Kaattuvom Societies in the project districts. At the cutting edge level, a 5 member project facilitation team covers 10 – 15 Village Panchayat constituted into a cluster. At the Village Panchayat level the implementation agency is an inclusive community organization by name Village Poverty Reduction committee (VPRC). In addition, a Social Audit Committee (SAC) is constituted by Grama Sabha which play role of guardian of the project principles.

The village poverty reduction committee (VPRC): This is a community organization formed under the project predominantly with the representatives of the target population. Each hamlet of the Panchayat is represented by women SHG members from the target population. A PLF office bearer a representative of the differently abled, 2 members from youth are also nominated to VPRC by Grama Sabha. The village Panchayat is the EX-office Chair person of the VPRC.

Social Audit committee (SAC): This is nominated by the Grama Sabha, which plays the role of guardian of project principles during project implementation. The committee of accountable to Grama Sabha and reports to grama Sabha on a regular basis.

Self Help Groups (SHG): the person with disabilities and target poor are formed into self help groups with 10 -20 in a group or in case of disabilities 5 – 10 in a group. The members are given training to build their capacities and encouraged to save money. Then they are linked to banks, Government Schemes and access funds to start livelihood activities. Sufficient holding supports is given to them are

monitored by CSTs committee who have been developed by the project.

All SHGs in a village Panchayat form a federation. The Panchayat level Federation of SHGs is a forum to share their experience and to voice their problems. PLFs provide sustainability and self-reliance to the SHGs. Amudha surabi is a corpus fund of minimum Rs 6 lakhs, given to each VPRC to help SHG members to start economic activities. This fund is managed by the Panchayat level federation of SHGs on behalf of the VPRC. The PLF will provide loans to SHG members to reasonable rate of interest giving priority to the target population while sanctioning the loans. The PLFs have to be restructured as per the guidelines of the government and registered under Tamil Nadu Societies ACT, 1975 to be eligible to handle the corpus funds. This is an additional financial resource available with the community and is expected to supplement the revolving fund and bank loans provided to SHGs.

Livelihood promotion is given to the youth under the age group of 18 – 35 years who are unemployed and under employed.

- i) Skill Training initiative has taken to improve their employability and link them with reputed and industrial.
- ii) The vulnerable and differently able families are assisted by special fund through VPRC to take up primary production activities of their own choice.
- iii) PVP advocates the formation of Common Livelihood Groups (CLGs) to aggregate the above small livelihoods for further support services at village level. Members doing similar activities are encouraged to join together to form producer group. Both men and women are allowed to join the group, 70 percent of the members should be target poor. Minimum office bearers / sub committees are to be formed to monitor inputs, production and marketing arrangements.

Financial assistance is also provided by the VPRCs to disable and vulnerable persons individually for starting livelihood activities. Some of the project interventions are Disability assessment, National ID cards, Aids and appliances SHGs for disabled, Medical Care, Vocational Skill Training, Individual assistance for livelihoods, Economic activity groups, Old age pension, Insurance Scheme.

Community professional learning and training centers (CPLTC) provide a platform for community members to share their learning and experience and is meant to facilitate community to community learning. The project provide initial seed money to setting up Computer centers, Tuition centers, Gymnasium, Sports centers are some of the popular activities undertaken. As a social security measure such as Universal health insurance scheme which is subsidised by Government of India in Villupuram, Thiruvallur, Vellore, Thiruvannamali and Coimbatore Districts respectively at affordable rates insurance cover to the target population.

Conclusion and Suggestions

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.

We feel it is extremely important to address these issues to strengthen the participation of women in the development process. The following are the key issues along with our Suggestions:

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, then encouraging new members to be part of VPRC is extremely important to enable equal and full participation of poor households of the community.

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 common 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, theirs 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 one to five different ideas based on discussions. Then each member can individually rank the ideas they like best, 1. being the least preferred, 2. being the preferred, 3. being the less preferred, 4. being the more preferred and 5. being the most preferred. 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.

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 that times, a proper system of the look closely pressure from other SHGs and creation of culture where social prestige and good repayment record can also associated with the reduction of 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, and then it might affect the long-term effectiveness of the project.

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