

Draft Report

**Concurrent Evaluation
of
Swarna Jayanti Shahari Rojgar Yojana
in
West Bengal**

Project Team

**Pranab Banerji
Sanjay Pratap
Sachin Chowdhry**

**Centre for Urban Studies
Indian Institute of Public Administration
I.P. Estate, Ring Road, New Delhi-110002**

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Introduction

This study is a part of the Concurrent Evaluation of SJSRY in four states entrusted by the Ministry of Urban Employment and Poverty Alleviation to the Indian Institute of Public Administration. The objectives and the broad parameters of the study have been laid down by the Ministry and are the same for all the four states. Broadly interpreted, the study is an exercise in process evaluation, having special focus on community and administrative structures and processes, with an immediate aim of enhancing programme outputs so that, over time, significant reduction can be made in urban poverty.

The objectives of this present study on West Bengal are, of course, no different from those of other states. An attempt has been made to study the implementation process of SJSRY, its various components, community organisations and administrative processes in West Bengal. To the extent that the design of the programme and the financial procedures followed affect the implementation processes, they too have been brought into the ambit of our study. The study therefore looks at all the layers involved in the implementation process beginning from the central ministry to the neighbourhood group and the beneficiary. The ultimate objective is to see that the poor get the best out of the SJSRY through the means of strengthening community organisations.

The methodology followed was partly decided before the West Bengal study actually began. It had been decided that five towns were to be studied, three big and two small towns, and to be selected from a small list indicated by the Ministry in consultation with the state. Since the choice seemed to be limited even before the study began, it was felt that not much difference will be made if the state government is allowed to make the final choice out of the list. It was to be expected that the choice would include success cases, but this was welcome as SJSRY is a new programme and the study team may not have gained anything by visiting towns where nothing had been done. The study of towns where significant progress had been made allowed us to assess the potentialities and problems that SJSRY is likely to create.

Nevertheless, it must be accepted that, in the strict statistical sense, the sample cannot be called unbiased. The problem is further aggravated by the choice of purposive sampling in each of the towns through a pre-designed questionnaire that was the same for all the states. The choice of purposive sampling was considered necessary so that beneficiaries of all the different components of SJSRY could be included. Some questionnaires were filled by non-beneficiaries. In West Bengal there were 50 respondents from each town with about 10 being non-beneficiaries. In addition, questionnaires were designed for bank manger, CDS chairperson, CO and PO. Since POs were not found to be the key figure in West Bengal the last questionnaire was not canvassed. Since it would have been wrong to generalize for the state based on responses from purposive sampling from non-randomly selected towns, it was decided to treat these responses as part of town case studies. The choice of this approach also allowed us to

include a lot of material collected during field visits based on discussions, interviews and field-observations which were noted down during the field study. This has brought material, which would have been left out if sole reliance were placed on structured questionnaires. Rich qualitative material could be compiled through this method which has been used to give qualitative details with actual cases. The questionnaire analysis has been included to lend quantitative support. The town case studies have been presented in Part II and include qualitative details which purely quantitative studies often miss out. Such details are important because of tremendous inter-town variations in implementation and even in processes. The variations also show that SJSRY implementation is a live evolutionary process as communities, administration and individuals adapt to it in various ways.

Part I of the study is the aggregative state level study with greater reliance on quantitative analyses based on aggregative or state-level data. The findings from the town case studies have often been referred to while elaborating on a point. However care has mostly been taken so that the town – level data is not simply generalised to form a state picture. The aggregative data used have mostly been supplied by SUDA, though occasionally other data may have been used. Further, since the focus of the study is on processes, SUDA guidelines relating to various components of SJSRY and to community organisations, etc. form a major part of the study in Part I. This part also reasons out the major recommendations. In fact, the main report is in Part I though valuable (qualitative) details, which are extensively referred to here, form the second part. Needless to state that this is a Draft Report and some changes may take place, in addition to refinements in presentation, in the Final Report once comments are received on this Draft.

Part-I: State Report

I.1 Identifying the Poor

The Swarna Jayanti Shahari Rojgar Yojana (SJSRY) is intended to benefit roughly 5 to 6 million urban poor in West Bengal.

A more accurate figure of the number of intended beneficiaries is hazardous. According to the town-wise data provided by the State Urban Development Agency (SUDA), the estimated number of poor, based on town-level surveys for the identification of poor households, was 42,82,261 (as on 13.11.2000). Since poverty surveys had not been completed in a few towns, this figure could be an under-estimate. The SUDA, in its report to the Government of India (MIS-SJSRY (as on 30.09.2000)), puts the number of poor at 54.70 lakhs – an estimated 33.15 percent of the reported urban population of 165 lakhs. But the urban population of West Bengal, as per 1991 Census, was 187 lakhs. The figure of 165 lakhs presumably is the population of 122 towns which are municipalities as compared to the Census figure of 160 towns in West Bengal. If a third of the total urban population is assumed to be below poverty line, the number of urban poor would rise to 62 lakhs. This is closer to the slum population of 66.50 lakhs (reported by SUDA in its MIS referred above, though NIUA's Urban Statistics Handbook 2000 puts West Bengal's 1991 slum population at 51.9 lakhs).

The Planning Commission's Expert Group, on the other hand, estimated that the urban poverty ratio in West Bengal was only 22.41 percent in 1993-94, which gives a number of 44.7 lakhs of poor for the year. If the same proportion is used to estimate the number of poor in the

122 municipal towns (with assumed population of 165 lakhs), the number falls to 37 lakhs. It needs to be mentioned here that the state-level poverty lines are based on the Expert Group's estimates adjusted for the year 1996-97. For example, for West Bengal the Expert Group estimated an urban poverty line of Rs.247.53 per capita per month for the year 1993-94. The Planning Commission's guidelines for SJSRY poverty surveys lay down a cut-off figure of Rs.313.12 for West Bengal (1996-97). With the same cut-off income, the Expert Group's urban poverty-ratio for West Bengal is 22.41 percent whereas the ratio derived from SJSRY surveys is 33.15 percent.

Expert Group Poverty Estimates: Some Anomalies

This is not to state that one is correct and the other is an overestimate. The Expert Group's estimates of poverty, for the 4 states studied by us, are compared with the estimated urban slum population of 1991. The results are revealing:

States	Estimated Slum Population of 1991 in million	Number of Urban Poor in 1993-94 (Expert Group Estimates) in million
Andhra Pradesh	4.31	7.45 (38.33)
Karnataka	1.29	6.05 (40.14)
Madhya Pradesh	2.10	8.23 (48.38)
West Bengal	5.19	4.47 (22.41)

Source: NIUA : 'Urban Statistics Handbook 2000'. Figures in parentheses are the estimated proportion of urban poor to total urban population.

It is reasonable to expect a roughly close association between the number of urban poor in a state and the size of its slum population. It can be seen from the table that the estimated number of urban poor is several times the slum population in Karnataka and Madhya Pradesh. In

the case of Andhra Pradesh the absolute number of poor is higher but, as a proportion to slum population, it is not as divergent as in the other two states. Only in the case of West Bengal the two figures are close and the slum population exceeds the number of poor. If we take the two sets of data – estimated number of urban poor and the size of the slum population – for all the twenty-five states, a close positive association emerges, as expected. The correlation coefficient between the two is 0.89. If we use this association (as quantified by the regression line with X =slum population and Y = estimated number, of urban poor) to predict the number of urban poor, the predicted value for West Bengal comes to 8.25 million. (Incidentally, the residuals, which equal actual value minus predicted value, are negative and large for West Bengal and positive and large for Karnataka and Madhya Pradesh). It may also be mentioned here that, according to the Expert Group's estimates for 1993-94, Bihar has an urban poverty incidence of 34.5 percent, which is considerably less than those of Madhya Pradesh, Karnataka and Andhra Pradesh. The Planning Commission's estimates also show that Goa, Gujarat, Maharashtra and Rajasthan have higher incidences of urban poverty than West Bengal.

Further, the state specific poverty lines as given by the Expert Group have their own problems, despite some obvious advantages. If the poverty line in a state is higher, it is likely that the estimated percentage of urban poor may also be higher, especially if the poverty lines do not accurately reflect differences in the cost of living indices. This hunch receives prima facie support if we correlate the percentage of urban poor in states with state level poverty lines based on Expert Group's estimates. The result of the correlation is disturbingly high at +0.82. West Bengal's recommended poverty line of Rs.313.12 per capita per month is lower in comparison to many states and may, possibly, account partly for its lower estimated urban poverty ratio.

The allocation of SJSRY funds to the states is based on the number of urban poor in the State (presumably based on Expert Group's estimates). It therefore becomes all the more necessary to enquire into the estimates of the number of urban poor in a state. Since the matter is beyond our terms of reference, though extremely important for the programme, we have only indicated a few aspects of the estimates. Possibly, a criterion that includes more than one indicator and uses more objective indicators could be explored. Poverty estimates, as economists know, are inherently contentious.

Design and Conduct of Surveys

The identification of the urban poor households, for the purposes of SJSRY, broadly follows the central guidelines. It is therefore applicable to the 122 municipal towns and excludes the poor of the other 38 towns. The responsibility for conducting the house-to-house surveys – after drawing up a list of settlements of the poor in each ward – in the identified localities has been entrusted to the municipalities. The SUDA has designed a proforma for the house-to-house surveys (Form No.3). Although the SUDA's guidelines have a mention (in passing) that the poor households scattered in other localities should also be surveyed, the emphasis is clearly on identified localities of the poor. In fact, the instructions state that separate proforma should be used for each identified locality in every ward. Every household in the locality is to be surveyed. The surveys are to be conducted by the CDS (in municipalities with UBS/PMI UPEP) or by volunteers under the supervision of the municipal body. The volunteers/interviewer is to be paid one rupee (and an additional 25 paise has been put as stationary costs) per household surveyed.

It appears from an examination of SUDA's guidelines and the structure of the proforma, that the response of the household regarding income forms the basis of its classification. The reported income, or income assessed by the interviewer, is divided by the number of persons in the household to obtain the monthly per capita income. If this figure exceeds Rs.313.12 then the household is above poverty line, otherwise, below. In the actual conduct of surveys for identification there is no clear and objective way to judge the monthly income levels of households. The volunteers have neither the requisite training nor the necessary guidelines to do this. The respondents are likely to have an incentive to be counted as poor in the expectation of future benefits. This may cause an upward bias in estimation. On the other hand, the emphasis on only the localities of the poor and the low incentives to the interviewers are likely to cause a bias towards underestimation. The study team in its visits to 5 towns found that the exercise of identification was taken seriously at least in some towns. Durgapur, for example, has a bound volume of 1182 pages listing out the names of below poverty-line (BPL) families! All the other towns visited too have compiled the names of BPL families. This is not intended to mean that wrong identification or exclusions of poor have not occurred. During our visits we did come across isolated cases of both types. But it is difficult to say whether or not systematic errors of significant magnitude occurred.

In the initial stages of SJSRY a lot of enthusiasm seems to have been generated so that meetings to spread awareness of the programme, identification of poor households and the formation of NHGs etc. probably occurred nearly simultaneously in many towns. According to data provided by the SUDA, BPL surveys had been completed in 106 towns and started in 13 of the 122 towns by November 2000. Since the magnitude of the task is enormous this is not a small achievement.

It is however difficult to comment upon the quality of the surveys. The SUDA has issued guidelines for the surveys and obtains a quarterly MIS report from the urban local bodies (ULBs). In some cases it had also been involved with the initial stages of the programme. Nevertheless, it does not have the staff to supervise surveys of all the towns and therefore the quality depends on the effort put in by ULBs. In the five towns visited by the study team the reported incidences of urban poverty were 45 percent (Durgapur), 41 percent (Braddhaman), 42 percent (Siliguri), 26 percent (New Barrackpore) and 50 percent (Gayeshpur). Some of these towns had witnessed good mobilisation in the early stages of SJSRY, or were earlier covered by UBSP. The poverty-ratios in 4 towns are much higher than the reported state average of 33 percent. It follows that in many towns the ratios would be low indicating that the quality of surveys may have been of varying qualities. Even in these towns an indication of the quality of survey can be obtained by comparing the reported number of poor with the size of the slum population as given in their MIS reports. In Durgapur the two figures match exactly and in Siliguri they are approximately equal. In Barddhaman the number of poor substantially exceeds the slum population, whereas in Gayeshpur and New Barrackpore the poor number less than the slum population. In four of the five towns, therefore, the slum population seems to be providing the ceiling for poverty estimates.

Given these problems of using the income criterion to conduct what amounts to a mini-census of the poor by untrained and under-paid "volunteers", it may be better to opt for a few simple and objective measures for identification. This is the idea behind the so-called 'non-economic parameters' of the central guidelines. However, the central guidelines have not taken a

clear stand regarding its use: "... top priority should be given to those who are below the poverty line. However, certain non-economic parameters may also be considered for identifying a genuine beneficiary among urban poor...under this programme" (SJSRY Guidelines, p10). The guidelines thereafter suggest that the non-economic parameters may be used for prioritisation of the poor households and seem to forget that this is another criterion which could be used for cross – checking and for identification of poor.

The SUDA guidelines clearly state that the non-economic parameters (in fact, they have more appropriately termed it as 'non-income') are to be used for prioritisation of the households for purposes of programme benefits. The sequence to be followed is as follows:

Identification of poor households using Form 3



Formation of NHGs and election of RCVs



Prioritisation of the poor using Form 4 by RCVs

Prioritisation of the poor using Form 4 by RCVs Form 4 is a proforma designed to enter the points from each of the 7 parameters for each poor household in a locality as per the central guidelines. Form 4 is to be administered with the help of Forms 1 and 2 which are simply Bengali translations of Statements II and III of Annexure I of SJSRY Guidelines. Canvassing of Form 4 requires some prior training of the RCVs and therefore progress has been slow. SUDAs

Status Report upto November, 2000 shows that prioritisation surveys have been completed in 49 and started in 15 of the 122 towns.

It is necessary that the effectiveness of the exercises of prioritisation is also examined as the surveys involve resources and time. Our beneficiary level questionnaires solicited information on both family incomes and 'non-economic' criteria from identified poor households in the 5 towns. The 'non-economic' criteria were then converted into points in the 0-100 scale almost on the lines suggested in the SJSRY guidelines. These points were correlated with per capita family incomes separately for each town. Surprisingly there was no (statistically significant) correlation in 4 of the 5 towns. Only in Durgapur was there a statistically significant correlation, but its numerical value was low. Further exercises therefore seem necessary to make an assessment of the utility of 'non-economic' parameters and their relation, if any, with the income parameter.

To sum up, poverty estimates in West Bengal are likely to have a downward bias due to (a) anomalies arising out of Expert Group's criteria and (b) deficiencies of design and conduct of surveys. The former adversely affects allocation to the state relative to other states. The latter leaves out many poor households, especially in non-municipal towns and in non-slum areas of municipal towns. An examination of effects of exclusive reliance on poverty estimates is suggested. Also necessary are analyses of 'non-economic' criteria and improvements in design and coverage of surveys.

I.2 Organising the Poor

According to the central guidelines, the SJSRY “shall rest on a foundation of community empowerment ... (and) shall rely on establishing and promoting community organisations and structures to provide supporting and facilitating mechanism for local development”. Organising the poor and empowering these organisations are critical components of the programme. The programme envisages a three-tier community structure – NHG, NHC and CDS – for the implementation of its various components.

Although community organisations are critical components of SJSRY, the guidelines have little to suggest regarding their formation. The responsibility for “facilitating and promoting voluntarism and organising community structures/groups” has been assigned to a Community Organiser (CO) who should be “a full time functionary either recruited, or taken on deputation from some government department, or from the ULB, or employed on a contract basis.” One CO is to be appointed for every 2000 identified families (4000 families as per SUDA guidelines). For West Bengal this would mean the appointment of approximately 500 COs for a target BPL population of 5 million. Moreover, to expect that these scantily paid COs will be trained and motivated to organise a million households is a bit too optimistic. Policy makers in West Bengal perhaps realised early that the process of formation of community organisations had to be based, at least to some extent, on mass mobilisation involving elected representatives and other activists.

Politico-administrative milieu

There is little doubt that the implementation of development programmes is affected, inter-alia, by the politico-administrative milieu in which it is placed. The West Bengal Government boasts of its efforts of democratisation and decentralisation in the sphere of urban administration. Its Department of Municipal Affairs has published a booklet (in Bengali) entitled "Municipal Administration in West Bengal: Last Twenty-Three years". The booklet, published in 2000, refers to the pre 1977-78 period as the 'Dark Age' and the subsequent period as the 'Age of Enlightenment' in the history of municipal administration of West Bengal! The changes introduced by the Left Front Government were, (in the words of the present Municipal Affairs Minister, Shri Ashok Bhattacharya): "regular elections, democratisation, reduction of bureaucratic dominance, planned urbanisation, small and medium town development, altering the Kolkata-centric development mind-set, administrative reforms (and) creation of structures for people's participation." Prior to 1978 more than half of the municipalities had been superseded. It is stated that the first act after swearing in of the first Left Front Municipal Services Minister Shri Prashanto Kumar Sur was to rescind supersession orders. In 1981, elections were held in 87 of 95 municipalities. Since then West Bengal is proud of holding regular elections and presently have all 122 elected municipalities.

The present government traces the foundations of its urban policy to the recommendations of the "Urban Development Strategy Committee" of the late 1970s. One of the principal recommendations of the Committee was to reduce the disparities in per capita development expenditures between Kolkata and other towns. In 1976-77 the figures were

Rs.61.54 for Kolkata and Rs.0.87 for non-CMDA municipalities. Other recommendations included (a) devolving responsibility for urban development planning and implementation to ULBs, (b) decentralisation of development programmes and (c) inclusion of poverty alleviation as an integral part of municipal functions. The government's five-point urban development policy reiterates some of these recommendations. It professes:

- (i) Democratic Decentralisation through regular elections to ULBs.
- (ii) Expansion of the functions of municipal administration from provision of civic services to socio-economic development.
- (iii) Ensuring people's participation in planning, formulation and implementation of development programmes.
- (iv) Giving priority to improvement of standards of living of the poorer and weaker sections, and
- (v) Improving efficiency and establishing dynamism, modernity and transparency in various layers of urban administration.

Given this background, it is not surprising that the state's Municipal Affairs Department welcomed the 74th Constitutional amendment as "a belated constitutional recognition of the urban policy followed by the West Bengal government." In 1993 the 'West Bengal Urban Act' introduced a cabinet form of government at the municipal level with collective responsibility assigned to the mayor-in-council or chairman-in-council. Informal arrangements of citizens committees at ward level were also prevalent in at least some towns. In Kolkata, and possibly in few other large towns, 'Borough Committees' were also constituted, comprising of elected ward

representatives and their nominees, which were supposed to serve as a link between the people and the municipal authorities. The West Bengal government has also moved in the direction of forming Ward Committees as mandated by the 74th Amendment not only in larger towns, as recommended, but in all municipal towns. The tasks of ward committees included identification of needs, their prioritisation, and formulation of development schemes and their monitoring. In short, the basic philosophy of the SJSRY – devolving developmental responsibilities to community organizations – is not contradictory to the state's urban policy. As an officer of a municipality mentioned, "in West Bengal the bottom-up approach has been there". The earlier Chairman of Gayeshpur municipality, a highly successful town for SJSRY, has the following comments to offer: "If power is to be developed to the grass-root levels, if consciousness has to be spread amongst women to ensure their participation in all social activities, then it must be admitted that there is no alternative to the Swarna Jayanti Shahari Rojgar Yojana".

A critical element in the success of development programmes - namely, political will - has therefore not been missing in West Bengal. In each of the towns visited by the study team the critical role of organising the poor rested with the elected representatives. In the larger towns it was the member Mayor-in-Council (MIC) in charge of SJSRY and in smaller towns it was the Chairman. These key functionaries were assisted by selected councilors - in many cases women - and by a host of others like the COs and other activists. (Reservation of seats for women seems to have helped, as women councillors have played a role in forming women's organisations). The regular bureaucracy, like the CEOs and the POs, has little organisational role or knowledge.

Their role is confined to maintaining records overseeing financial aspects and liasoning with SUDA and other authorities.

Establishing Community Organisations

The sequence in which community structures are to be organised, as per SUDA guidelines, does not require the prior appointment of a CO. The organisation of Neighbourhood Groups (NHGs) would follow the BPL survey in selected localities. It is presumed that the responsibility of spreading awareness of the programme is with the elected ULB. Once NHGs are formed, as per the central guidelines, RCVs are to be elected/selected so that the next tier of neighbourhood committees (NHCs) could be constituted. The third and the final tier-the Community Development Society (CDS)-will be an apex organisation of NHCs and shall be registered under the 'West Bengal Societies Registration Act, 1961'. The SUDA Guidelines relating to the Memorandum of Association for the CDS, however, stresses that the CDS itself is a "3-tier community based organisation". The SUDA guidelines relating to the functions and organisations of NHGs and NHCs are the same as the Central guidelines. However, in the case of CDS the SUDA guidelines go further and devolve greater responsibilities than the Central guidelines. Whereas the Central guidelines urge the CDS to arrange vocational training programmes, the state guidelines also entrust the responsibility of post-training follow-up. Similarly, the CDS is also expected "to manage and facilitate thrift and credit activities, to encourage community savings as also other group activities". In fact, the CDS is "to be the focal point" for all schemes under the SJSRY.

As per information provided by SUDA, 28,426 NHGs, 2467 NHCs and 235 CDS had been formed in the state (Status Report upto 2-11-200). However, only 158 CDS had applied for registration and 74 had been registered indicating that the administrative steps involved may be time consuming. Given the fact that 8,44,350 BPL families have so far been identified, the average number of families per NHG works out to 30 signifying that the process of formation of NHGs has progressed considerably. There are approximately 12 NHGs per NHC reported and about 10 NHCs per CDS. In contrast, the number of COs appointed (which includes part-time COs) is only 198 which gives a ratio of 4264 BPL families per CO for the state and reinforces the observations that the formation of community organisations have not depended heavily on the COs.

The organisation of groups of poor for collective action is a time consuming and labour-intensive process. The poor have to be informed about the programme and its details have to be explained so that the promised benefits are understood and trusted. Since opinions need time to form and since doubts, questions, apathy and lack of confidence have to be overcome, forming groups may involve series of meetings, in small and large groups, across slum areas of a town. Only as groups begin to form, local leadership gradually emerges so that higher tiers of organisations can be established. It is important to enquire into the factors that facilitate this process.

Factors Affecting Organisational Success

(1)Small is Beautiful: On the basis of our field studies some tentative answers have been attempted. First, the programme has succeeded more in the small towns of New Barrackpore and

Gayeshpur than in the larger towns (see Part-B for details). These towns clearly had the following advantages: (a) Being small, the Chairman was able to devote time to organisational matters. In New Barrackpore, for example, the chairman was reported to have been actively involved in group-formations, together with the ward councillors, and was also personally involved in half of the group meetings. Smallness also reduces the transaction costs of group activities. In Durgapur, for example, large distances make it difficult to organise meetings and transmit information. (b) Characteristics of the population in terms of homogeneity, education and the intangible 'cultural' factor help. In the two smaller towns the population almost exclusively comprise of displaced persons from erstwhile East Pakistan. The women are also well educated. During interactions with the study team it became clear that though poor, many women were extremely cultured and exhibited attitudes which are conducive for collective action. (In the new jargon of development literature, these towns are endowed with 'social capital'.) In contrast, the heterogeneity of the poor population in Siliguri and Durgapur was associated with weaker community structures. (c) It becomes easier to organize communities if the population passes through earlier development programmes. The town of New Barrackpore, for example, began with mass literacy programme in early 1990's and currently had an active IPP programme. We were informed that some of the volunteer trainers of the literacy campaign were elected as RCVs under the SJSRY. The process is re-inforced if there is a background of other – political or apolitical – organisations which provide fora for collective action or community participation. Surprisingly, though a little unfortunately, unemployment or under-employment also helps as people have time to devote to community or collective activities. (d) Finally, the role of leadership is of paramount importance. The leadership must be able to

identify the problems in the town and also the possibilities. This is necessary for a vision or an approach or strategy to emerge. Confidence in the goals and, in the ability to achieve them is necessary part of leadership. His determination, through thick and thin, and over a sustained and continuous period is necessary to instill confidence in his workers and the people. Along with trust and confidence, the leadership also needs a general goodwill, which is perhaps best achieved through broader (no-partisan) participation. These views about leadership have been articulated by the successful leaders and the study team simply has reproduced the views of chairmen or members, MIC.

* The above observation that the small towns are more successful in SJSRY implementation is based on our town case studies of five towns only and on the qualitative aspects which became apparent during our visit to the towns. Fortunately, there is also some aggregative quantitative estimate which support this observation for the entire state. As an indicator of 'success' we may consider the per capita expenditure of SJSRY in a town (per capita here means only the BPL population). 'Success' then can be related to the number of BPL population in the town. We studied the relation between the two variables for 111 towns in West Bengal and found that there is a strong negative relation between success and town-size. A one percent increase in the BPL population is associated with 0.7 percent decline in per capita expenditures. The relationship is non-linear but fairly robust. The non-linear nature shows that success or efficiency increases rapidly as town-size falls initially. Thereafter, the increases in efficiency are slow with decline in town-size.

All the factors discussed in this section are facilitative not only in the formation of community organisations. They also contribute to the effectiveness of their functioning. But there are also other extremely important issues that need to be analysed to understand the factors that influence effectiveness and sustainability of community organisations. Perhaps the most important of these issues is the question of incentives. The other important aspects are organisational structure and training. There are discussed below:

(2) Organisational Incentives: In his path-breaking work, 'The Logic of Collective Action', Mancur Olson made 'incentives' a central issue in the analysis of collective action by showing that the divergence of individual interest and group interest in case of collective action by the group for a common end may lead to under supply of collective action effort by individuals. This disincentive towards group action increases with the size of the group. The theory predicts that collective action is enhanced if the group size is small and therefore personal contact and peer group pressures work, or where members of the group have access to "selective incentives", positive or negative, to counter-balance the disincentives towards collective action.

Provision of "selective incentives" in large groups typically involves a structured organisation or governance. The theory further states: "the selective incentives that are needed if large groups are to organize for collective action are less often available to ... those at the lower levels of the social order than to established and well-placed groups". There is therefore a case, though Olson does not state it possibly because of his ideological beliefs, for public provisioning, at least in part, of the 'selective incentives' required for collective action by the

poor. *The strength of the SJSRY is that it attempts to do exactly this.* To the extent SJSRY is successful in incentivising the poor to build, run and sustain community organisations, it will succeed. If due to procedural or other problems the flow of incentives to the grass-roots level dries up, the community structures may not be sustainable. Unfortunately, during the study team's visit it became clear that the initial enthusiasm and expectations that SJSRY had generated had begun to wane in almost all towns.

The question of incentives was raised repeatedly by RCVs in different towns though they were hesitant and a trifle embarrassed while raising the issue especially in presence of higher-ups. However, in our view this is an extremely important issue as the success and effectiveness of SJSRY depends critically on its ability to motivate and sustain the RCV's efforts. The nomenclature "volunteer" suggests that the RCV is expected to work without remuneration. But there is little understanding, let alone appreciation, of the time, effort and costs borne by the RCVs. To expect women from the poorest of families to continue to bear costs and devote free time and energy month after month is not only impractical but also hypocritical. Where the community structures operate well the RCVs are burdened with considerable amount of work and their complaints are the loudest in these towns. In both New Barrackpore and Gayeshpur the study team was able to understand that the workload was heavy and increasing. In Gayeshpur we made a sketchy attempt to assess their workload and this is presented below.

The RCVs have to devote time to organise meetings and that involves contacting upto 40 families and explaining to them the issues to be discussed. Meetings with families of the NHG

may also be necessary to maintain contacts, reach information and for discussions and efforts at motivation. More than one trip may be involved in some cases. The RCVs have to attend 3 meetings a month (NHG, NHC and CDS). The minutes of the meetings have to be maintained. In addition, time is devoted to organising and maintaining records of Thrift & Credit Societies. The members also need to be explained about various forms and helped in filling them up or in checking them. There are also accounts to be finalised on a monthly basis, deposits given to banks and CDS, area mapping, checking labour attendance and supervising work under UWEP. The following registers and accounts are maintained by the RCVs: 1) NHG meeting register 2) Thrift & Credit Society Register 3) NHC register, 4) Attendance and materials register for UWEP works done in the locality 5) CDS register and 6) The following T&CS accounts : a) Daily deposits, b) monthly deposits, c) loan accounts d) revolving fund accounts, e) overall accounts. According to the RCVs (concurring by the COs) the tasks may take up 10-15 days of time in a month. The costs incurred are loss of earnings and even possible loss of job, neglect of children's education, lack of time devoted to home and increased family pressures. In a town like Durgapur, where distances are large, RCVs complained of having to make out of pocket expenses for attending meetings. Other members of NHGs find it difficult to believe that the RCVs put in so much effort without any remuneration. The common questions faced by them are "What is your interest?" "What benefit are you getting?"

Non-material benefits are of course there where the SJSRY runs successfully. First is the tremendous increase in popularity of the RCVs. They are in demand for solving various problems and for help – from letter writing to organising medical attention! We heard of

instances where RCVs have become councillors. Second, there is a sense of empowerment and self-confidence as work is done by them or according to their demands. Thirdly, there is also a sense of security and belongingness by being attached to a community organisation. Finally, there is satisfaction in helping others and achieving something.

But these do not sufficiently explain why they put in effort without remuneration. Possibly, the fact that they have been entrusted leadership roles makes them have a higher stake in the success of group activities compared to others. In Olson's framework, those who have higher stakes end up contributing disproportionately more – "exploitation of the great by the small". Nevertheless, it is difficult to visualise that the RCVs will continue to bear the costs of collective action without remuneration especially in the context of an overall decrease in the flow of "selective incentives". On the face of it, all RCVs cannot expect financial remuneration as the cost will be enormously high. Nor is it necessary to remunerate RCVs in towns where community structures are not successful as the RCVs have little work to show. However, it is necessary for sustainability and desirable from the point of view of incentivisation to put into place a scheme that adequately rewards RCVs for their work.

The incentive structure facing the other key functionary, the CO, is even more dismal. The CO is often not a part of the community and therefore is not as open to peer group pressure as the RCV. His/her position is akin to a government functionary although the tasks are different. Usually the COs are well educated, often postgraduates and sometimes may possess higher degrees. Yet the salary is a paltry Rs.2000/- per month with no increment and promotion

prospects. A brief sketch is presented of a CO's workload based on experiences from Bardhaman town. The town has 5 COs of whom three look after the three CDSs, one is incharge of T&CS and the last is responsible for USEP and Training. With 21,000 BPL families organised under the three CDS, one CO is therefore responsible for about 7000 families spread over a large area with over 10 wards per CO. Their work involves covering about 10-15 kms/day, which they cover on their own bicycles. (Only Siliguri has provided COs motorised two-wheelers). Their working hours are not defined though a typical day would begin at around 11 a.m. with office work followed by field visits. Since the poor are not available for meetings during the day, the CO may have to hold / attend meetings in the evenings. Work includes the maintenance of ledgers, minutes and accounts of CDS & NHCs, organising meetings and their follow-up, and looking after all related aspects like liasoning with banks, training centres etc. Given the large physical coverage and long hours of work with paltry pay and no incentives, it is difficult to see how the COs will put in the requisite effort unless he/she is extremely self-motivated. In Siliguri the study team sensed the lack of motivation and self-confidence among the COs.

In the scheme envisaged by the central guidelines, the CO is a key functionary in the task of community organisation. Yet the incentives provided to the CO is extremely inadequate. It is tempting to suggest an increase in salaries for COs. But before that it must be asked as to how indispensable is the CO? Two towns visited by the study team did not have full-time COs and yet one of them, New Barrackpore, has performed well. However, the town earlier had a full-time CO. The COs in other two towns, Bardhaman and Siliguri, have played an important role

in both organisational and administrative work. But in Gayeshpur the role of the COs has been truly outstanding with one of them being used as a resource person at the state level. The study team is of the opinion that COs have an important role to play. It is perhaps desirable that they come from among the poor households or from the municipality itself so that they are open to peer-group pressures. At least the consent of the CDS ought to be necessary for appointing a CO. Nevertheless, it is also necessary to make the CO's incentives package better so that effort is sustained and rewarded.

(3) Organisational Structure and Functions: Another aspect that needs to be considered is the structure and functions of community organisations. Questions relevant here relate to the size of groups, hierarchy of structures and functions, devolution of functional and financial powers and relation of community organisations with other structures.

A question explicitly brought out by a Mayor during our field visit related to the desirability of having a three-tier structure. According to the Mayor, it was proving difficult to manage all the tiers and the possibility of removing one of the tiers ought to be examined. During visits to some towns it was seen that the frequency and regularity of meetings reduces as one goes down the tiers. Also there were instances of NHCs deciding on behalf of NHGs. It is our considered view that despite initial problems, it is desirable to have NHGs with small membership as personal contacts play an important role in increasing peer group pressures for collective action. In fact, it may be desirable to have NHGs with no more than 25 BPL families as a large size of 40 makes it difficult for groups to meet frequently and be cohesive. It may not

be a coincidence that in towns where SJSRY has been more successful, the NHG size has been small. The number of BPL families per NHG is 15 in Gayeshpur, 23 in New Barrackpore, 32 in Siliguri, 42 in Burdwan and 53 in Durgapur. At the aggregate or state level also this negative relationship between efficiency and the average size of NHGs exist. We used town level data for 104 town of West Bengal to study the relationship between per capita expenditure and number of BPL households per NHG. Per-capita expenditure, as stated earlier, is a proxy for efficiency, whereas the group size is measured by the other variable. The relationship was strongly negative but non-linear. The non-linearity indicates that efficiency increases as group size falls, rapidly at first and then slowly. Therefore, the fact that NHGs may not be meeting regularly is the likely result of insufficient workload or agenda. To strengthen the base level organisation, it is desirable to promote NHG based T&CS. Successful ULBs have devolved responsibilities to the NHGs – e.g. NHGs are involved in supervising UWEP works.

The second-tier, NHCs, is equally important as they are the ward-level organisations. With the 74th Amendment, ward-level decision- making is expected to increase. This also has the seeds of potential conflict between NHC/CDS and ward committees. The issue was raised repeatedly during our visits to the towns. In West Bengal it is also considered important enough to find mention in a budget speech by the Minister, Urban Affairs in the State legislature in 1999-2000. It may not be wrong to say that some sort of a compromise has been reached by accepting that the two have defined roles and that occasional differences can be sorted out by interventions of elected representatives. In the words of the Minister: "The duties and responsibilities of the two (CDS and Ward Committees) are clearly defined, both organisations

are complementary and both aim at improving the standard of living of urban-dwellers and promoting better urban administration through their participation.”

Having said this, it is also necessary to state that the extent of actual empowerment differs between towns. In Gayeshpur, the Chairman’s words are: “The most important thing is this: What the NHGs and NHCs decide and prioritise, is implemented and shall be implemented. The municipality or the councillors do not interfere.” In contrast, the attitude in Siliguri was that the ward committees are the “guardians” and the “security” of nearly one thousand RCVs is their “responsibility”. The community organisations in Siliguri also have less effective powers and responsibilities. The effectiveness of organisations depends also on the extent of devolution of power and on their relative autonomy.

At the apex level is the CDS whose number, role and functioning differs from town to town. In the five towns visited by us, New Barrackpore has only one CDS whereas Siliguri has as many as 15 CDS. Some of the features of the CDS in different towns is presented below:

Town	No. of CDS	No. of NHC per CDS	No. of NHG per CDS	No. of BPL families per CDS
New Barrackpur	1	22	182	4106
Gayeshpur	2	10	90	2770
Barddhaman	3	14	168	7000
Durgapur	5	11	143	7604
Siliguri	15	10	67	2106

As the table shows there is considerable variation between towns. The central guidelines do not explicitly indicate the number of CDS per town though it is implied that the CDS is a town-level organisation. Further, if one CO is to be appointed for every 2000 families, and if the CO is to be the secretary of the CDS, then there should be a CDS for every 2000 families and this seems to be the pattern followed by Siliguri. It is our impression that the effectiveness of a CDS depends more on the strength of the NHGs (& NHCs) and on the extent of devolution of powers and functions. Smaller NHGs with adequate empowerment are critical. Provided the number of NHGs per NHC and the number of NHCs per CDS are not too unwieldy, a fewer number of CDS should be preferred. That is, the number of NHCs per CDS is not too important if the lower levels are functioning well. On the other hand, having more CDS does not necessarily improve the functioning of the community organisations and may add only to costs and staff.

In short, the three-tier community structure is necessary and does work well provided the lower level organisations are strengthened through smaller size and greater devolution. If more responsibilities are given, like NHG-based T&CS, literacy and health care, etc. the CDS and the lower tiers have the potential of bringing about a major transformation.

(4) Capacity Building: Another important element in improving organizational effectiveness is capacity building. West Bengal has been able to do a commendable job in this respect. If we go by the MIS Report provided by SUDA to the Government of India, training had been imparted to 19,177 RCVs in town-level trainings throughout the state. Though this is an extremely

impressive figure, still nearly one third of RCVs remain to be trained indicating the massive effort that is needed. Expenditure incurred on training so far is reported as Rs.52.25 lakhs out of total funds available of Rs.108.41 lakhs (MIS Quarterly as on 30-09-2000). Funds clearly are not a constraint. Although the amount spent includes expenditures on training of POs, COs and other officials, their number is small compared to the number of RCVs. Roughly, therefore, about Rs.260 is the expenditure per RCV on training.

The typical RCV training is of two days duration and is adequate as an orientation programme providing an overview of various aspects of SJSRY. The study team was fortunate enough to witness an RCV training programme being conducted in Risrah Municipality during 18-19, Jan. 2001. There were 5 batches undergoing training simultaneously. The course contents showed that all aspects of SJSRY were being broadly covered. The training methodology included overview lectures, exercises, role play and group activities. The interest generated was gratifying for any trainer. The trainers included COs, ILGUS and SUDA representatives. An outline of the SJSRY written in simple Bengali was distributed as background material to trainees. The study group also found during its visits to other towns that the general level of awareness about SJSRY schemes among the RCVs was high in most cases.

The nodal agency for training in urban affairs is the Institute of Local Government and Urban Studies (ILGUS) which runs training programmes for RCVs, COs, POs, functionaries of CDS and Self-Help Groups, councillors and a special training for women councillors. In addition to ILGUS, major responsibility for RCV training has been entrusted to the Lok Siksha

Parishad of the Ramakrishna Mission, Narendrapur. The SUDA actively supports and is often involved in the training activities of these two organisations. SUDA also reportedly drafts the syllabus. There are occasional (monthly?) meetings of the three for coordination and planning.

The two day orientation training for RCVs is often followed up by small modules dealing with specific components of SJSRY. Since the management of T&CS requires more skills, there are one-day programmes for awareness and formation of T&CS and another day's capsule for maintaining accounts of T&CS. For the CDS functionaries there are 2-3 day modules that include other aspects like bank loans, technical know-how regarding civil construction and the role of CDS and community organisation. For the COs & POs there are 3-5 days induction training organised by ILGUS acquainting them about 74th amendment, poverty alleviation, women's empowerment, structures and components of SJSRY. The fact that ILGUS also attempts to train councillors, usually in a one day orientation programme, re-inforces the impression that in the implementation of SJSRY, West Bengal considers that the councillors have a critical role to play. The study team did not have the opportunity to visit Lok Siksha Parishad.

The major constraint in imparting training to all RCVs, COs, Councillors and related functionaries involved in the implementation of SJSRY is not financial. The ILGUS has also been fortunate to have received funding from UNICEF which is being utilised for training. The shortage is of manpower. The ILGUS has a very small faculty and the Lok Siksha Parishad (as reported) also has a faculty of 4-5 persons. The SUDA officials also participate as trainers.

Given the magnitude of the task, training for all would still require time. The three organisations have been able to build up a pool of resource persons comprising of successful COs, retired functionaries and others. Progress is steady but the state agencies have been left almost without support. The centre is allocating two percent of SJSRY funds to HSML. The benefit to state agencies is not visible and the complaint was that training materials are not being distributed (as was the case earlier when NIUA was the nodal agency). The matter needs further examination.

I.3 Delivering Programme Benefits to the Poor

The SJSRY is a central scheme whose benefits are intended to reach the urban poor in municipal towns across the country. The administrative mechanisms and processes by which programme benefits from the centre are delivered to the poor and their organisations in slums across the country is of critical importance for the success of the scheme. The two components of SJSRY – self-employment and wage-employment – have two financial counterparts. For the self-employment component, the centre releases subsidies to which the state government adds its required share. The subsidies are mainly for self-employment projects to be undertaken by the poor, individually or collectively, and financed by commercial banks. In addition, there are subsidies for vocational training and revolving fund support to thrift and credit societies where the utilisation of subsidies is not dependent upon bank loans. For the wage employment part, budgetary allocation is separately made (again with a required state allocation).

An area of serious concern is that while considerable progress has been made in building up community organisations in West Bengal, the flow of funds to these community organisations has been reducing over time. As discussed in the previous section, provision of “selective incentives” is critical for the sustainability of community organisations, especially of the poor. The study team found during its visit in November 2000, that the effect of funds flow reduction was being felt on the morale of RCVs and other functionaries. While expectations had risen, NHGs etc. were finding that they have less to do. The very sustenance of the painstakingly

organised community structures is threatened if adequate and timely flow of funds does not take place.

The reason for this does not rest in the state's inability to provide required budgetary contribution nor is there a serious shortfall in overall expenditure in relation to grants received. The state has always provided the state share (25 percent) for all the components of SJSRY. Further, as per the position on 30-11-2000, West Bengal had spent 80 percent of the funds available (Opening Balance + Central and State Shares from 1.12.97). In this respect its performance is fourth among the 31 states and UTs.

The problem lies with the schematic nature of the SJSRY budget. The allocation and the actual disbursement of the central share is based on a schematic distribution with 52 percent of the funds earmarked for USEP, 33 percent for UWEP and 15 percent for Community Structure. The USEP component has further break-up with 55 percent for Micro-enterprises, 10 percent for infrastructure support, 5 percent for training and remaining 30 percent for DWCUA. Therefore the utilisation of 85 percent of USEP funds is dependent upon access to bank loans. The GOI allowed in August 1999 the utilisation of funds from one component of USEP to other components of USEP. However, the distribution between USEP and UWEP has not been altered. The problem in West Bengal has been its inability to utilise funds earmarked for USEP though it has been able to spend on UWEP. The state's inability to spend USEP funds is squarely attributable to the banks' unwillingness to extend loans under the programme. Of the total number of loan applications forwarded to banks by ULBs throughout the state since the

inception of the programme, less than 12 percent cases have been sanctioned loans by banks. The gravity of the situation can be further seen from the fact that the amount of USEP (subsidy) received from the centre is Rs.494.88 lakhs whereas the total amount of loans sanctioned by banks is only Rs.345 lakhs – i.e. the loans sanctioned is less than even the central USEP subsidy released! Before September 1999, this subsidy could not be utilised under other heads. This meant USEP (and therefore the total) funds remained grossly under-utilised. Since further releases depended on actual expenditures incurred by the state, central releases to the state declined. The position of central share released as given in the state MIS report shows that the centre released Rs.822 lakhs in 1998-99, Rs.285.52 lakhs in 1999-2000 and no releases had been made till September, 2000. Subsequently, possibly in December/January, Rs.424.82 lakhs have been released which was only half the state allocation. Even this was possible because West Bengal took advantage of August, 1999 circular to make major diversion towards training under USEP. The amount spent on training was nil in 1997-98 and only Rs.38.31 lakhs in 1998-99. Subsequently it jumped to Rs.141.63 lakhs in 1999-2000 and to Rs.241.6 lakhs in the first two quarters of 2000-01.

Since neither the state nor the central urban ministries have the power to influence banks to lend under SJSRY, the escape provision introduced in August, 1999 should not only continue but could even be supplemented by augmenting the amount of subsidy to T&CS in the form of revolving fund. As discussed in the earlier section, the community organisations can further be strengthened through T&CS. At the same time it is also necessary to increase accountability of T&CS and confidence of its members. Linking the T&CS with CDS structure has been

successful in some cases. Its possible replication could also be examined. Nevertheless, it is also necessary to continue efforts to involve banks in the scheme as the repayment performance has generally been satisfactory so far and it may be only a matter of time when banks begin to see that these loans are low risk and being community supported also reduce the banks transaction costs of monitoring, etc.

At the state level, the SUDA has the responsibility of allocating SJSRY funds (central & state shares) to the ULBs. Although the central guidelines indicate that the funds should be routed through District Urban Development Agencies (DUDAs) and the state reports that there are 17 DUDAs in place, the allocation of funds to the ULBs is made directly by the SUDA, while DUDAs are practically defunct bodies. The paradox of establishing functionless DUDAs was sought to be explained with a number of reasons. It seems that since only 5 percent of SJSRY funds can be used at the state level for A & OE, the SUDA feels that funds are not adequate to fund all DUDAs. An implication of this is that DUDAs perhaps receive no share of the A & OE component. But the more important reason seems to be the SUDA's fear of lack of control over DUDAs. Various arguments pointing to DUDA inefficiency were given to the study team and yet the SUDA expressed willingness to have DUDAs under their control (i.e. as possible branch offices of SUDA) and not as separate registered societies. With the 73rd & 74th Amendments paving the way for District Planning, the West Bengal government may need to seriously examine the role of district level elected representatives in urban planning and development. It is also necessary to mention here that the central guidelines put DUDA under

the overall guidance of the District Collector. Instead, a clear statement of putting DUDA under the elected Zila Parishad could have been made.

The SUDA does not allocate funds to the ULBs based on any formula like the number of persons below poverty-line. In fact, there is no allocation made. ULBs can draw funds from SUDA subject to certain conditions and of availability of funds with SUDA. (Thus the SUDA is not only the apex policy making body as intended in the central guidelines, but also the core administrative agency for the implementation of SJSRY). The ULBs draw upon the various components of USEP funds based on actual requirements. For example, the USEP subsidy can be drawn provided the ULB is able to provide proof of banks' sanction of loans. For the UWEP component, funds are released to ULBs on a first-come-first served basis in tranches of Rs.2 lakhs. An ULB that provides evidence of utilisation of this amount can, subject to availability, draw the next tranche. The process can be repeated with no upper limit on how much an ULB can draw in a year. The idea is that funds should be utilised and ULBs that are able to utilise more, can hope to get more funds. The schematic distribution between UWEP and USEP (and within USEP) applies at the state level and does not constrain spending by ULBs directly.

In the initial stages of SJSRY, funds were not a constraint with an opening balance of Rs.2679 lakhs and a further availability of Rs.690 lakhs during 1997-98. Another Rs.1097 lakhs became available the next year. Clearly, SUDA's strategy was to devise means by which such large sums are spent even while community organisations were being put in place. One way was to spend more on UWEP out of the opening balance. Thus out of the opening balance of Rs.2679

lakhs, West Bengal allocated Rs.2439 lakhs for UWEP. A further strategy was to incentives utilisation by providing access to further releases and not block funds by allocating to under-performing ULBs. The method adopted in times of plenty may not be most appropriate when resources are scarce. There may also be other unintended effects of SUDAs procedures.

The most important consequence is that SUDA's grants show tremendous inter-town variations that are difficult to justify. Some illustrative data is presented based on data from 109 towns:

SUDA Finance to and Expenditure by ULBs (from 1.12.97 to 12.03.2001)

	Total SUDA Finance to ULB	Total Expenditure by ULB	Expenditure per BPL Population	
			District	ULB
Minimum	Rs. 0 (Hawrah Calcutta)	Rs.0.09 lakhs (Nabadwip)	Rs.31.49 (Bankura)	Rs.0 (approx.) (Nabadwip)
Maximum	Rs.69.90 lakhs (Gayeshpur)	Rs.86.65 lakhs (Cooch Behar)	Rs.403.61 (Cooch Behar)	Rs.508 (Mirik)

Further, SUDA finance to towns is positively but not very strongly related to the number of BPL population in towns (Correlation coefficient = 0.54). A priori, it should also be negatively correlated to availability of funds with ULBs and positively related to expenditures by ULBs. The latter is borne out by data (correlation coefficient = 0.73) lending support to the idea that SUDA funding are expenditure led. The small town of Gayeshpur has received the highest amount of SUDA funding. Nevertheless, the question must be asked that with resources

becoming relatively scarce and with extreme uneven implementation of SJSRY across towns, is the policy of fund disbursement still the most appropriate?

Viewed from the side of ULBs the procedure may have inadequate transparency. Getting information about availability of funds with SUDA is important. The study team witnessed instances where representatives from ULBs would visit SUDA to enquire about funds availability, the status of their application, etc. The meager manpower of SUDA also gets stretched to handle case by case releases from 122 municipalities leaving the staff little time to address the more important issues of strengthening community structures in weaker towns, ensuring inter-town equity and monitoring the quality of implementation. Centralisation can also lead to arbitrariness. To test this on a prima facie basis we examined SUDA's releases to a few towns where the ULBs are controlled by parties that are in opposition at the state level. Fortunately, SUDA's releases to these ULBs do not exhibit a pattern different from SUDA's releases to other ULBs. The SUDA also follows a policy of transparency by occasionally publishing figures of its support to different ULBs in the journal "Poura Diganta" (Municipal Horizon). Yet till recently the largest financial support was to Siliguri, which has now just been overtaken by Gayeshpur only. As the case studies show later, Siliguri's performance cannot be rated as among the best.

Given the effective absence of DUDAs, funds flow directly to the next tier of ULBs. In the municipalities, a councillor is entrusted with the responsibility of poverty-alleviation programmes who also is the most important member of the UPE cell other than the

Mayor/Chairman. Other members of the UPE cell are the Project Officer (Convenor) where appointed, Community Organiser, Finance Officer, Executive officer, Health officer and Architect. Of the 122 municipal towns, UPE cells had been established in 111 towns by September, 2000. The central guidelines put the UPE Cell 'under the charge of a Project Officer'. However there are only 83 POs appointed in West Bengal and many of them may be either part time or retired functionaries. In fact, if the objective is to devolve power to the community structures, it may not be desirable to have full time senior officers as POs in charge of UPE Cells. Further, the UPE cell being primarily constituted of officers is best suited to advise on technical matters and financial procedures etc. Giving it too much responsibility for poverty alleviation may only set up another organisation to "guide and monitor" the work which rightfully belongs to the CDS which in turn is responsible to lower tiers. The study team during its visit to five town found that the UPE cell is generally non-interfering and sometimes is concerned with CDS-wise or Ward-wise allocation of financial resources available for poverty alleviation programmes.

The POs have a useful role in maintaining records, monitoring of activities, liasoning with SUDA and ensuring that financial and office procedures are followed. As a case, the PO in Barddhaman plays a critical facilitating role by maintaining the following records: (a) UPE Cell Minutes book (b) MIS on Receipts and Utilisation (SJSRY and others), (c) Records of Vocational Training (d) SJSRY Register maintaining details of community structures from NHG to CDS (e) Details of Community Scheme under UWEP and (f) File of proposals received from CDS and earlier tiers. It is appropriate to have POs with experience of official procedures and

accounts but it is desirable to entrust the CDS with operational and organisational responsibilities for SJSRY implementation at the town level under the overall supervision of the elected municipality. The West Bengal case shows that this can work.

I.4 Performance of SJSRY in West Bengal

The SJSRY came into effect from December 1997. Three years is too short for impact evaluation of the programme at an aggregate (state) level. The earlier sections have attempted process evaluation at the state level and the town case studies in subsequent sections provide more details of the processes at the town-level. This section is an attempt at state-level output evaluation while some more details about processes have also been provided. The town case studies also fill in with some qualitative details of SJSRY outputs.

As far as overall expenditures are concerned, West Bengal has been able to utilise 80 percent of the funds available to it till September, 2000. Only three other states have been able to show utilisation of eighty percent or more. Nevertheless, when the overall expenditure is disaggregated into its components, it becomes clear that SJSRY expenditure in West Bengal has by and large been synonymous with UWEP expenditures. Over 81 percent of actual expenditure has been on UWEP. Further, utilisation as a proportion of funds availability shows that whereas the entire central funds available for UWEP has been spent, there has been shortfall in the utilisation of funds for USEP with utilisation of 69 percent. It may be mentioned that this is partly due to the fact that the centre released less than the amount allocated to the state because of unspent balances under USEP. Therefore the figures hide the extent of under-utilisation because a better estimate of under-utilisation is given by comparison of expenditure with allocation. Under-utilisation is most severe in the case of subsidies under USEP for micro-

enterprises and for DWCUA. The extent of utilisation under various components of SJSRY is shown below:

**CENTRAL & STATE FUNDS RELEASED AND EXPENDITURES
ON SJSRY COMPONENTS (Rs. Lakhs)**

	UWEP		USEP Total		Community Structure	
	Release	Expenditure	Release	Expenditure	Release	Expenditure
Opening Balance	2439.14 (1005.93)	-	200 (25)	-	40 (5)	-
1997-98	230.75 (174.15)	Nil	429.3 (321.98)	Nil	33 (22.5)	7.67
1998-99	341.78 (255.25)	1285.39	570.33 (427.75)	51.19	185.33 (139)	16.28
1999-2000	380.79 (285.52)	1423.51	172.09 (172.09)	126.93	Nil	77.34
2000-2001 (up to September 2000)	Nil	449.48	Nil	324.73	Nil	53.37
Total	3392.46 (1720.85)	3158.38	1199.63 (774.73)	570.01	255.33 (166.50)	154.66

- Figures in brackets are central releases.

	USEP (Subsidy)		USEP (Training)		T&CS		DWCA (Subsidy)		Infrastructure	
	Release	Expenditure	Release	Expenditure	Release	Expenditure	Release	Expenditure	Release	Expenditure
Opening Balance	100 (5)	-	100 (20)	-	Nil	-	Nil	-	Nil	-
1997-98	348.02 (261.02)	Nil	32.39 (24.29)	Nil	12.52 (9.39)	Nil	33.11 (24.83)	Nil	3.26 (2.45)	Nil
1998-99	305.15 (228.86)	3.78	32.22 (24.17)	47.31	56.12 (42.09)	0.10	112.37 (84.28)	Nil	64.47 (48.35)	Nil
1999-2000	Nil	11.34	Nil	161.63	Nil	20.87	Nil	0.25	Nil	Nil
2000-2001 up to Sept.2000	Nil	46.57	Nil	241.60	Nil	24.46	Nil	Nil	Nil	12.10
	753.17 (494.88)	61.69	164.61 (68.46)	450.54	68.64 (51.48)	45.43	145.48 (109.11)	0.25	67.73 (50.80)	12.10

- * Figures in brackets are central releases.

1) **UWEP**: The predominance of UWEP component in total expenditures, as mentioned earlier, is primarily the result of initial allocation made out of the Opening Balance. Whereas Rs.2439.14 lakh were allocated for UWEP, only Rs.200 lakhs was earmarked for USEP out of the Opening Balance. Although the ULBs were not able to spend in 1997-98, a veritable expenditure boom began from 1998 as shown below:

Expenditure on UWEP

Cumulative Position Up to	Expenditure on Completed Works (Rs. Lakhs)	Number of ULBs reporting expenditure
31.12.1998	477.64	36
11.5.1999	1336.72	93
30.11.1999	1948.57	108
30.9.2000	3158.38	115

Source; Various Issues of Pura Diganta.

Figure for 30.9.2000 from Quarterly MIS sent by SUDA to GOI. This figure is at variation with 'Fund Utilised' figure of Rs.2823.80 lakhs for 15.11.2000 provided by SUDA to the study team.

Of the various components of SJSRY, UWEP requires the least involvement of the Community organisations. In a well-working programme, the NHGs and subsequent structures may articulate their needs and be involved in implementation. The central guidelines direct the CDS (a) to draw up a list of available basic minimum services so that gaps in these services can be identified, (b) prioritise the required services into lists 'A' and 'B' which should be final and (c) forward the prioritised lists to the UPE Cell along with suggestions of location of these services. The SUDA too has issued guidelines regarding survey of basic minimum services at

the NHG level and its consolidation at subsequent levels of community organisations. For this it has issued a proforma which is called Schedule 7, which is a simple one-page but reasonably comprehensive schedule which is also to be accompanied by a "social map" for which RCVs are trained. In spite of these guidelines, only 13 ULBs had completed the required survey by 31.12.1998 and, interestingly, the number had not increased till 2.11.2000. In other words, large UWEP expenditures have taken place with little tangible evidence of community participation in over a hundred of the 122 ULBs in West Bengal (6 ULBs are reporting since December 1998 that they have started the survey). Since UWEP expenditures are handled by the engineering departments and the funds are usually not handed to the CDS (although they may be 'allocated'), the involvement of community structures is at best peripheral. It is important to ask whether or not CDS involvement can be increased in the control of UWEP funds although the technical agencies for implementation may remain the same. The argument against this is that the CDS is not strong enough. But the suggestion is intended to strengthen CDSs. It is also possible to involve ward committees and therefore the NHCs. It is our view that unless community organisations have greater say in regard to this component, the effectiveness of UWEP as an anti-poverty programme will be limited. It will not be surprising to us that a few ULBs may involve contractors and some others may not employ local labour. (In fact, SUDA designed Form 5, which aims at identification of un- and under-employed persons, has been completed by only 21 towns. Recent audit is reported to have brought out instances of use of contractors and the SUDA has taken firm note of it.)

Another aspect of UWEP is the insistence on a 60:40 material labour ratio. The idea presumably is that wage-earnings from these works will alleviate poverty by augmenting

incomes. But as case studies in the subsequent section show, the poor may value the community assets created even more than the meager employment/earnings generated. There are basic amenities that only the affluent are able to provision privately. Their influence on the authorities is also more. But for poor slum-dwellers, community baths, latrines, drainage, all-weather paths, drinking water, lighting etc. are valuable per se and beyond their means of private provisioning. If we move away from the narrow concept of poverty to mean inadequacy of only private income to income plus access to basic needs, the UWEP gets a different orientation. Assets, based on community's felt needs, are equally important and a corollary to this is that community organisations should effectively choose their requirements.

Since the construction of different assets require different material-labour ratios, it is impossible to maintain the prescribed ratio for all works. Since the mix of works would also differ from town to town, it may not be desirable to insist on a particular ratio for all towns. It may be advisable to prescribe a permissible range (e.g. 25:75 to 50:50) for the labour-material ratio. This flexibility is also desirable if the rampant practice of back-calculation to arrive at mandays is to be discouraged. Further, the mandays records (and therefore wage-payments) are better maintained by the community organisations. In the absence of reliable data on employment generated, the income-augmenting effect of UWEP is impossible to ascertain. The SUDA's figures for cumulative number of mandays generated up to 15.11.2000 is 18.83 lakhs, from an expenditure of Rs.2823.80 lakhs. On an average annual basis this comes to a little over 6 lakh mandays. Using the implied wage rate (the one apparently used in the back calculation) of Rs.60 per day and assuming 30 days of employment provided to one member of a family per

year, we have the family income increasing by Rs.1800 per year or Rs.150 per month. (This is sufficient to have an impact on poverty). However, this also implies that not even 10,000 families can be benefited to this extent in a year in the entire state (compared to the estimated total of 8.4 lakh BPL families!) because the sum of central and state allocations in a year approximate Rs.400 lakhs for UWEP. This expenditure needs to be repeated year after year for these families as income is an annual flow and the assets created may have little direct income-augmenting effect. (Of course there are notable exceptions and it may be possible to build assets which are directly income – augmenting like marketing sheds etc. which are not the items usually included under UWEP). Thus if UWEP is to judged by its lasting income – augmenting effects it does not compare favourably with USEP. In view of this it may be desirable to include under UWEP projects which can be more directly income augmenting for the poor, in addition to the present thrust of providing basic minimum services. In view of the various limitations of UWEP as presently structured/operating, we do not suggest that proportionately more funds should be allocated to UWEP despite the fact that this component has been the mainstay of SJSRY in West Bengal.

On the other hand, we do not recommend any reduction in UWEP as wage employment is of immense seasonal importance. It is also important in towns with little scope for USEP success due to market limitation or other factors. The Central guidelines limit UWEP only to smaller towns and the West Bengal government also follows this by giving “priority” to smaller towns (except for expenditures out of “opening balance” under which even large towns have spent on UWEP). The logic of this approach is difficult to understand. Instead, towns that have

more poor surely must have access to more funds and a greater variety of schemes. As case studies show later, there is a strong case for UWEP in a town like Durgapur. Since inadequacy of funds has not yet become a problem (in fact, inadequate utilisation remains an issue), the possibility of extending UWEP even to larger towns, or at least to towns with large BPL population, needs a serious consideration.

2. USEP (Micro-Enterprises): The SJSRY has been designed at the central level in a manner such that self-employment becomes the main thrust of the programme. This reading is re-inforced by the schematic budgetary allocation that earmarks 52 percent for USEP and within USEP, 55 percent is earmarked for individual self-employment and another 30 percent for group self-employment through DWCUA. The individual self-employment scheme, or micro-enterprises, is heavily dependent on bank credit to the extent of 80 percent of the project cost.

The failure to obtain bank credit has nearly ruined this component of SJSRY in West Bengal. There is little doubt that in the first year (1998-99) there was great enthusiasm generated with 16,489 cases sponsored to banks for funding. As the banks' lack of response became clear, new applications fell to 5489 the next year and further to only 864 in 2000-01 (up to October-end). Less than 12 percent of the total sponsored cases have been sanctioned loans by banks. Although banks have rejected many cases (actual number not known), our impression was that in the overwhelming number of cases no decision has been taken. SUDA reports all non-sanctioned cases (20,192) as 'pending' but this clearly is an overestimate.

The reasons for this sorry state of affairs are many. The most important of these, as the town case studies show, is the attitude of the banks. Fear of repayment, perception of high transaction costs and lack of faith in viability of projects make banks reluctant to lend (more details given in town case studies). Nevertheless, the state administration cannot be entirely free of responsibility. In the case of rural finance, as is well known, the banks' policies are designed at the district level. District level guidance seemed to be absent in the case of SJSRY lending possibly because the DUDA and district authorities have no role in SJSRY in West Bengal. There was little evidence of any effective state-level mechanism (the role of SLBC with respect to SJSRY could not be ascertained) though the SUDA has recently appointed an officer with banking background to specifically address this problem. The earlier pre-occupation with UWEP could possibly be a reason for this late move. Further, coordination mechanisms at the town level also seemed to be absent during our field visits. There is little communication between banks and the ULBs with the latter usually forwarding the applications and sending occasional reminders. In short, there is general absence of mechanisms by which the individual bank managers can be directed and persuaded to meet SJSRY targets. For this, target setting and monitoring by bank headquarters at the state and district levels is necessary.

With efforts some improvement seems to have occurred. The banks had sanctioned only 613 cases of 16 towns up to 30.11.99, but by 2.11.2000 the number of sanctioned cases rose to 2650 in 51 towns. The total amount of subsidy actually released up to September, 2000 was Rs.61.69 lakhs. Since subsidies account for 15 percent of project cost, the value of projects sanctioned was Rs.411.27 lakhs and the amount of loan sanctioned Rs.329 lakhs (80 percent of

project cost though SUDA MIS gives a figure of rs.345 lakhs). With 2650 sanctioned cases the average size of loan comes to Rs.12,416 and the per capita subsidy comes to Rs.2328. The amounts do not appear insignificant except for the fact that only 2650 families may have benefited in 3 years in the entire state. The amount of central funds received for USEP subsidy was Rs.494.88 lakhs and the required state share was Rs.163.29 lakhs in the same period (though the state released Rs.258.29 lakhs). Needless to state again that the central releases were less than central allocation. Thus of the subsidy amount available (Rs.658.17 lakhs) according to the lowest estimate, not even ten percent was actually disbursed.

In spite of slight progress lately, it is unlikely that even after efforts at increasing coordination with banks the situation will dramatically change. This is because the situation in the post-liberalisation period makes it difficult to impose quantitative controls on bank lending and enforce them on managers who have begun to face changed incentive structures. Since the per capita subsidy is only a little above Rs.2000 and yet 90 percent of the subsidy amount is unutilised, it is worthwhile to examine the possibility of raising the per capita revolving fund subsidy to T&CS from the present Rs.1000 to Rs. 2000 (or Rs.2500). A part of the unsatisfied demand for loans could be met by T&CS for a large number of the loans are likely to be for small amounts not exceeding Rs.10,000. The T&CS have better information about the applicant and his/her project, and have low lending costs and can ensure better repayment. The transaction costs of genuine borrowers would also be lower and (s)he shall have greater stakes in repayment. Even if the revolving fund amount is not raised to a fixed sum it may be possible to allow states to divert the unutilised part of USEP (subsidy) to T&C (subsidy) subject to a maximum limit per

head. As argued earlier, the strengthening of T&CS through increased inventivisation may help strengthening of the community structures. The aggregate financial burden is also reasonable: Even if 10,000 poor households are given a Rs.2000 subsidy through T&CS in a year, the financial burden comes to only Rs.200 lakhs which is less than even the central subsidy (annual) for this head. (Incidentally, since there are less than 1900 T&CS so far with a maximum permitted membership of 20 per T&C, the total number of likely beneficiaries in the near future will be well below 38,000. It is likely that in 2-3 years all the existing T&CS can receive the suggested benefits.)

3. USEP (Thrift and Credit Societies T&CS) It is necessary to ask whether the T&CS have the potential to deliver credit to a large number of poor households whom the banks are unwilling to finance? A priori, there is no reason to doubt this. The Bangladesh Grameen Bank experiment, which clearly has influenced the policy and design of T&CS, has been immensely successful with a very high degree of market (financial) penetration. The reason for this has been extensively researched and the reasons for success is now attributable to low information and transaction costs, greater peer group pressures, transparency, flexibility, autonomy and accountability to the stakeholders. As the town case studies show, the T&CS have been immensely successful in some towns. It may be noted here that the CDS – linked T&CS appear to have performed better possibly because of greater accountability. In this context it may be necessary to explore the possibility of designing a legal framework for the T&CS as in the case of Grameen Ordinance (1983) in Bangladesh.

Nevertheless, it must be admitted that the progress of T&CS in the state has been slow. On 31.12.98 there were 157 primary groups and 9 CDS based groups in 11 towns. The figure increased to 1858 primary groups and 11 CDS based groups in 44 towns by 2.11.2000. With a T&C having 10-20 members, the coverage so far is perhaps not even 5 percent of the identified poor households. Incidentally, the data base for T&CS is extremely poor and if the role of T&CS is to be increased, the monitoring and information systems need strengthening. The MIS format of the central government has provision for data on the number of T&CS and the revolving funds released. (The third item of incentive subsidy to depositors through insurance cover has not become operational). The MIS format does not seek vital information on membership, borrowing members, deposits, borrowings and repayments. Much of this information is not even sought at the state-level with the SUDA designed MIS format requiring more physical than financial information. The situation is no better at the town level in cases where the T&CS operate independently of the CDS. On the other hand, in both New Barrackpore and Gayeshpur where the T&CS make deposits with the CDS the information systems are strong and transparent. As shown later, the benefits to the poor are also considerable in these towns.

The SUDA has done a commendable job in framing the rules for establishing and operating Thrift and Credit Societies which is of critical importance as financial matters are involved here. The original SUDA guidelines permitted the establishment of T&CS under the coordination and direction of either a CDS or a DWCUA. Subsequently the guidelines were made more liberal by allowing the formation of NHG based T&CS which are relatively

autonomous of CDS, though under the general supervision and coordination of the CDS. The motivation for this could have been the desire to hasten the formation of T&CS. A side-effect of this, as already discussed, is that even the ULB does not have adequate information on the T&CS in some cases. The study team could not ascertain the relative benefits and deficiencies of T&CS formed according to the two modes.

The SUDA guidelines also give detailed proforma regarding receipts, accounts application for membership, pass-book formats, T&C members information and other relevant aspects like revolving funds, loans etc. Our field visits showed that the requirements have helped in instilling confidence of small savers in the process. The requirements may be little cumbersome and therefore training is necessary. The RCVs and members of T&CS are being trained to operate T&CS and, in exceptional cases, basic accountancy training has also been given. A heartening by-product is that the spread of T&CS is also leading to the realisation of functional benefits of literacy whose demand, according to some functionaries, is increasing. The slow pace of T&CS growth may partly be attributable to the fact information on details and requisite training are processes slower than spending funds.

To conclude, though the progress of T&CS has been slow, their field performance have been outstanding in a few cases showing that there is a great potential here. The SUDA has done commendable work in framing the rules of operation for T&CS, which has helped in generating depositor confidence. Nevertheless, if the T&CS are to play an enhanced role in future, a re-look at the institutional design (and legal framework) is necessary from the point of view of allowing greater operational autonomy while increasing overall accountability. (As an example of

necessity of more operational autonomy; the requirements of a small number of installments for repayment of T&C loans and/or low loan ceilings may have dampened the demand for larger quantities of credit.) Another aspect which the central ministry may like to explore is the possibility of bank lending to registered T&CS as group-lending may be more acceptable to the banks than individual lending to the poor.

(4) USEP (Training) This component of USEP again seems to have great promise. All other components of USEP emphasize on provision of financial/material capital to the poor for generating incomes through self-employment made possible through the ownership of material capital. But as numerous studies on development have shown, an extremely potent factor in development has been human capital formation. Our field visits also showed that there is a great demand for vocational training among the poor. The benefits too, as the town case studies show, are considerable. Yet the central guidelines had earmarked only 5 percent of the USEP funds for training. This is surely arbitrary and unreasonable. The August, 1999 circular by allowing USEP (subsidy) amount to be utilised for training must be seen as a blessing.

The resultant progress in training activities in West Bengal has been rapid with cumulative figures as shown in the table:

	Number of Trades	Number of Trainees	Number of ULBs Involved	Expenditure during the four financial years on training (Non cumulative) (Rs. Lakhs)
Up to 31.12.1998	158	3,894	33	Nil
Up to 11.5.1999	247	7,702	49	47.31
Up to 30.11.1999	402	10,485	64	161.63
Up to 2.11.2000	494	22,014	86	241.60*

(* Up to 30.9.2000 during year 2000-2001).

With a cumulative expenditure of Rs.450.54 lakhs, the per head cost of training comes to Rs.2047 only (including support to training institutes). (The expenditure figure differs from the amount shown by SUDA under the table on financial performance of USEP & Allied components in its MIS report but minor variations in per head expenditures hardly matter.) There is no aggregate data to gauge the impact of training on the incomes of the poor. Nevertheless, our field studies revealed that a surprisingly large number of persons undergoing training reported reasonable increases in monthly incomes due to training (see town case studies later). There is therefore some evidence to be optimistic about the impact of training on incomes provided training is of good quality and is backed up by post-training support. In fact, given the low average cost of providing training and provided also that the beneficiary responses in the town-level studies are accurate, the income-augmenting effect of training may be the highest as compared to other components of SJSRY.

It is heartening to note that SUDA has paid special attention to the two important aspects mentioned above: (a) quality of training and (b) post training follow-up. As mentioned earlier, the CDS in West Bengal has been assigned the additional responsibility of post-training support. The SUDA guidelines lay down similar responsibilities for the UPE cell and involve the Chairman/Mayor and the Councillor-in-charge in the training process by making them a part of the beneficiary selection committee. The guidelines encourage the selection of trainers/institutions who may provide post-training support. Similarly, detailed guidelines have been drawn up for the selection of trainers/training institution and it is mandatory that the trainers/institutions profile together with the syllabus must be submitted to SUDA for getting clearance and finance. The central guidelines regarding duration, cost of training etc. also form part of SUDA guidelines in addition to four detailed Performa designed for various aspects of the process. The MIS format for ULBs also call for information on training and post-training position of beneficiaries, but responses on this head are sketchy.

(5) USEP (DWCUA) This is undoubtedly the most ambitiously designed component of SJSRY. In recent years, the two terms "self-help groups" and "micro-enterprises" have gained currency in the jargon of development literature. Expectedly, the USEP components rely on these two. Micro-enterprises of course can be of two types: (a) producing final products for the market, and (b) producing components/intermediate products for other industries. The recent focus on micro-enterprises has come from the latter with the outstanding examples of Toyota

(and Hero Cycles in India). The former is more difficult because it requires marketing access and abilities that a group of small producers are unlikely to have. Closeness to market, marketing support or linkages may help. But the main focus of the micro-enterprise literature is on enterprises which are linked to a larger enterprise through what is known as "relational contracts". As far as West Bengal is concerned, in its present state of development, the scope for such types of micro-enterprises may be extremely limited.

It is therefore not very surprising that the ambitious programme of DWCUA has not really taken off despite the provision of very attractive subsidy. The total number of DWCUAs, as reported in the SUDA's MIS, is 36 with a total membership of 415. This is a drop, though a shining one, in the ocean. It is difficult to justify earmarking of 30 percent of USEP funds for DWCUA. The study team was fortunate to visit New Barrackpore where a number of DWCUAs have been formed (details given later). However it is still too early to state whether or not they are sustainable in a free-market. DWCUAs at best should be gradually formed after due market assessment or assured market support. Although the SJSRY guidelines stress on subsidy and credit the aspect of marketing is neglected.

6) Infrastructure Support The SJSRY guidelines allow for 'special assistance for setting up of community seva kendras' which could be used as workplaces, marketing centres, etc. and shall be under the charge of the CDS. Up to 10 percent of the total USEP allocation is permissible for this head and the construction of sewa kendras is expected to follow the norms

laid down for UWEP. A priori, it is difficult to see how construction of buildings can adhere to the 60:40 material-labour ratio.

Very little, however, has actually been spent on this head in the state. So far only Rs.12.10 lakhs have been spent and that too only in the year 2000-01. In contrast, the amount received for this head from the centre was Rs.50.8 lakhs and the matching state allocation was Rs.16.93 lakhs. Thus about 18 percent of the available funds have been utilised. Even in comparison to actual USEP expenditures, the expenditure on Infrastructure Support has been tiny indicating that the state has not been able to utilise an opportunity to build income-yielding community assets. This is surprising in view of the fact that the state's record in utilising UWEP funds has been impressive. None of the five towns visited by the study team reported any expenditure on this head. Only Siliguri reported constructing 'Community Seva Kendras' (actually CDS offices) though the expenditure seems to have been booked (partly?) under UWEP.

The reasons for under-utilisation of this head are not very clear though lack of awareness could be possible reason. To the best of our knowledge, the SUDA has not given any detailed guidelines on this component. Since the USEP funds are released on a case to case basis by SUDA (i.e. on training proposal received, bank sanction of loans etc.), it is possible that this component gets left out unless an ULB comes out with a concrete proposal. (For this it needs to be aware of its availability and procedures need to be laid down). This may explain the fact that none of the 5 towns MIS reports showed any entry of funds received under this head.

Since the intention behind this component is to provide for construction of community service centres that may perform various functions (including marketing and production centre), this is best treated as capital expenditures available to the CDS for tasks associated with SJSRY. It may then be desirable to include this component in the Community Structure Component and made available for specified purposes of capital expenditure. This is a small amount but may give much needed freedom of operation to CDS. If the funds available is divided by the number of CDS, the per CDS share would have been only Rs.28,000 for the last 3-4 years. Needless to say, the 60:40 norm may then need a review. Not only the management of the asset constructed but even part of its revenues (and possibly even its ownership) could be assigned to the CDS. Surely sustainability aspects need some consideration.

(7) Community Structure, IEC and A&OE

Most of the operational details have already been discussed in the earlier sections. Here some financial and output details are dealt with in order to complete the picture.

The state has been able to utilise seventy percent of funds available (central + required state shares) under this. Expenditures have been incurred (a) for training of RCVs and other personnel involved in SJSRY and (b) for assistance to CDS. The SUDA guidelines for assistance to a CDS allows for Rs.34,750 as non-recurring expenditures grant and Rs.49,100 as grant for recurring expenditures making a total of Rs.84,000. The guidelines are perhaps too

detailed but useful as the CDS is clearly made aware of its financial limits under different heads.

Some details of physical progress are given in the table.

Progress Up to	NHGs Formed	NHCs Formed	CDS Formed	Pos Appointed	COs Appointed
24.7.1998	8437	781	81	1	48
31.12.1998	18,149	1686	160	63	138
11.5.1999	23,204	2300	192	68	158
30.11.1999	28,426	2467	232	81	189
2.11.2000	28,426	2467	235	83	198

The establishment of the community organisations seems to have been more or less completed by mid-1999. It needs to be mentioned that allocating 15 percent of the SJSRY funds for Community Structure Component may cause difficulties once the community structures are in place. For example, if the CDS is allowed a recurring (annual) expenditure of Rs.50,000 then the annual requirement for the 235 CDS will be Rs.117.50 lakhs. This can be met out of funds available if full central funds (and required state funds) are released. If however, due to adherence to the schematic budget, central funds releases are reduced in a year then the CDS may be starved of even operational expenses. For example, central releases were nil in 1999-2000 for this component. It may be advisable to treat expenditure on this head as a fixed amount and not as a proportion of total releases (once the community organisations are in place and the state does not have too much unspent balances on this head).

As regards IEC, few details could be collected. Nevertheless, the performance of the state in spreading awareness of the programme has been impressive. A notable feature has been the publication of the journal "Poura Diganta" by ILGUS which has served as an important vehicle of not only spreading awareness of the programme components and SUDA guidelines, but also in transparent dissemination of data and information. It is a pity that no new issue of the journal had been published till January 2001 after four highly informative and useful issues published in 1999. Our study has heavily relied on information and data published in the journal.

A general complaint that the study team encountered was that 5 percent allocation for A&OE expenses is inadequate. The problem again seems to be related to the issue of proportions of actual releases versus actual amounts. If central releases drastically fall in a year, perhaps because banks are not lending, A&OE funds too get constrained. However in case of full central release, 5 percent is an adequate amount. For example, in 1998-99, an amount exceeding Rs.1000 lakhs was released by the centre and the state governments. On the other hand, salary expenses for 235 COs and 122 POs (full strength) at prevailing rates come to less than Rs.10 lakhs compared to the A&OE funds of Rs.50 lakhs. The situation is reversed when allocations fall to nominal amounts. Since A&OE expenses are fixed costs, such extreme variations in their availability are unjustified and counter-productive.

Part-II: Town Case Studies

II. 1 New Barrackpore

New Barrackpore is undoubtedly a showcase municipality for the state. Of the 36 DWCUAs started in West Bengal (up to 2.11.2000) 8 were in this town. There are 94 Thrift & Credit Societies, 171 persons trained in 8 vocations/trades and 59 cases of bank loans sanctioned. Under UWEP, 22,760 mandays of employment have been generated with a fund utilisation of over Rs.34 lakhs. With the number of reported BPL families being 4106, the achievements are significant enough to be noticeable. It was reported that the Chairman of the Municipal Council party attributed his better performance in the Summer, 2000 elections to the SJSRY.

Yet the performance is not attributable to the administrative framework recommended in the SJSRY guidelines. The key functionaries as given in the guidelines are the Project Officer and the Community Organiser. In this municipality both are part-time. They are regular municipal employees with additional charges of CO & PO. Mr. Chittaranjan Roy, Office Superintendent, has the additional responsibility of PO and Mr. B. Sinha Choudhury, head clerk, is also officiating as CO with additional monthly remunerations of Rs.150 and Rs.100 respectively. The PO's work is almost entirely administrative – i.e. maintaining records and liasoning – while the CO is more actively engaged in helping the CDS, maintaining records and writing reports. The municipality did have a full time CO for some time, whose absence is felt by the Chairman. The Member Chairman in Council, MS Yashodhara Bagchi, who is in charge of SJSRY is new to her job. At the municipality level, everything is centred around the

Chairman, Sri Mrinalendu Banerjee, a man of exceptional abilities, vision and dedication. (We have discussed the role of leadership in establishing and guiding community structures in Part-I. Much of the discussion there is drawn from the New Barrackpore experience).

The lack of adequate administrative personnel at the municipality level is not a major hindrance because the community structures are well established and functioning. The town reports 182 NHGs covering the entire eligible population. In the next tier there are 22 NHCs (all non-registered) and at the town level there is one CDS which was registered in 1998.

In addition there are 94 Thrift & Credit Societies and 8 DWCUAs, all of which provide fora for discussions and participative decisions and actions. The reported figures for number of meetings by NHCs shows that all NHCs had met at least 4 times in the preceding year – some of them had ten or more meetings. Although data was not available for the 182 NHG meetings, during our visit we found that a number of NHGs maintained not only records of meetings (often in school exercise copies) but also had begun the process of planning – both spatial and social – by preparing maps and data of their locality showing the basic services created. Although not all NHGs are equally active and occasionally NHCs have attempted at usurping their rights, the CDS has tried to rectify these problems. In fact, the CDS annual reports indicate that the organisation does not look at the SJSRY as just other government scheme, but as an opportunity for social transformation. The enthusiasm among the women from poor households is enormous. A better picture of the working can be obtained by examining the various components of the SJSRY in the town. This is presented below.

(1) USEP The problem of banks' reluctance is present in this town but not in a very acute form. In 1998-99 the municipality recommended 200 applications for credit support. It was only in the next year that 59 cases were sanctioned by two of the three banks (Allahabad Bank and UBI). The SBI has not sanctioned loans till today. The Chairman has himself gone and pleaded with bank managers. There was also a town-level mechanism of consultation with banks at various stages of the process so as to get prior indication of banks' willingness. Yet banks have been dragging their fact. The manager of the SBI was gheraoed by women led by the CDS just before our team visited. This is yet another example of popular participation when high hopes generated began to sour to disappointment.

The study team had discussions with the managers of the SBI and the Allahabad Bank. It was not clear as to why the SBI has taken over a year to decide about 30 applications and had still not reached a decision. The reasons given by the manager were (a) he has taken over recently, (b) bank has inadequate staff, (c) there was no field officer, (d) earlier schemes had almost 95 percent non-repayment and (e) the bank's policy is yet to be formulated and the study team was advised to contact the District Coordinator for further clarification! Clearly, there is a mind-set at work.

The manager of the Allahabad Bank cited poor repayment record of earlier schemes as a major dampening influence as it heightens the risk perception. Transaction costs are high as 3 stage checking is involved for a scattered population – an interview, a spot verification and post disbursement inspection. The bank had however rejected 57 of the 77 applications received.

Our beneficiary level questionnaire picked up a sample of 6 recipients of bank loans. All market their own products. All of them reported an increase in their family earnings as a result of the loan and the amounts of increase of (net) income per family was reported to be of the order of Rs.250-300. Repayment is satisfactory. The small loans are helping people to cross the poverty line at least in some cases.

(ii) **DWCUA** : New Barrackpore has taken a lead in forming DWCUAs though only one of them had been sanctioned bank loan when the team visited. The ULB had forwarded 3 cases to banks for a total amount of Rs.3.75 lakhs out of which only one received sanction for an amount of Rs.50,000. Actual disbursement and subsidy receipt had not materialised at the time of our visit.

It is however interesting to note that the large number of DWCUAs in this town have been formed out of vocational training groups. Vocational training have allowed women beneficiaries not only to learn a new trade/skill but have allowed bonds of friendship and trust to develop over a few months of togetherness. The Chairman has used this opportunity to gently guide the women trainees to form T&CS and work towards formation of DWCUA. The key to success lies in this innovative approach.

We had the opportunity to interact with DWCUA members engaged in wool knitting and embroidery work and 'Kantha' work. In the case of wool-knitting the women had got training under the IPP project and the municipality provided them with 3 ply machines. The gross profits reported was nearly 50 percent. The DWCUA is already concerned about upgrading its

technology (they complained about finance problems for a 4 ply machine) to meet competition and had a meeting with a bank for the same. Similarly, the other two DWCUAs also were performing profitably. The embroidery group of 10 members expect a monthly gross profit of Rs.13,000! Group activities allow for division of labour and specialisation and sometimes rotation to control deficiencies, develop efficiencies and overcome occasional difficulties. The women manage the affairs including accounts for which they have been trained by the ULB.

(iii) **Training** : Vocational Training is equally innovatively and efficiently handled. The total number trained so far in 8 such six-month courses is 171, which quantitatively is a significant achievement. But qualitatively too the training programmes are praiseworthy. During the study team's visit there were two training programmes in progress – viz. Batik work and soft-doll making. Both were being held in buildings under the ULB (the ULB has been able to acquire/build infrastructure under the IPP). The trainers were competent and committed. The soft-dolls trainer was a national award winner and it is a credit to the MC to have been able to receive her services for such a long period. The completed works were attractive and would fetch good prices. The enthusiasm among the women participants was noteworthy. All trainees have to undergo a final examination, which, besides technical skills, includes test on general awareness, which the Chairman himself conducts. (He had drawn up a list of questions!)

Our beneficiary level questionnaires for the town obtained 10 training beneficiary responses. All reported that training received was in a new skill. They reported high degree of satisfaction from training and almost all reported receiving stipend and tool kits. However, only

half of the respondents said that they were able to increase their incomes as a result of training. The case for post training support, or linking it with DWCUA formation, needs consideration.

(iv) **Thrift & Credit Societies** The second annual report of the CDS mentions T&CS as a success story. With 89 CDS linked and 5 DWCUA based societies with 1390 members (1334+56), the T&CS have covered more than one-third of the eligible families (i.e. out of the 4106 households). Rs.8.89 lakhs have been disbursed as revolving fund and the deposits exceed Rs.2.5 lakhs allowing about 1400 families access to over Rs.11 lakhs of working capital. So far 61 persons had taken loans from T&CS with repayments started by all of them. The figures indicate the magnitude of the effort for which the CDS is justifiably proud.

Our field visits however brought out a number of problems and also exposed us to remarkable success cases. One problem reported was that banks insist on a minimum amount of Rs.500 or more for opening an account for the T&CS which initially proves difficult for groups to mobilise. A second problem was arising due to the conditions attached to the repayment of loans against the revolving fund. These need to be repaid in 10 installments so that the size of installments come to about Rs.500 per month (for a Rs.5000 loan), which is rather hefty for poor indebted families.

The study team was able to interact with a few beneficiaries of T&C loans. One outstanding case was of Kajol Das (ward 17) who could bring about a dramatic change in her economic position as a result of a small loan which allowed her to enter coir processing. She

reported monthly gross profits of Rs.400-600. There were other cases (trading, doll making, etc.) which were running profitably. We also met a T&CS of NHC-16 (Purba Kodalia-5) with 18 members who had received revolving fund of Rs.18,000. Half of this amount, according to rules, had been lent out to three beneficiaries, with the maximum amount being Rs.4000. Our beneficiary level questionnaires also showed a large number of beneficiaries (17 out of 40 beneficiary respondents), though only 5 reported borrowing. Revolving funds had been received by their T&CS and repayment was reported to be always as per schedule. The T&CS have generated a lot of enthusiasm among women and there was a sense of achievement and security arising out of belongingness.

(V) **UWEP:** Bulk of expenditure under SJSRY is on this component. Out of a cumulative total expenditure of Rs.49 lakhs (approx), nearly Rs.35 lakhs have been spent under this component till November, 2000. The number of mandays of employment generated is estimated at 20,862. The assets created in the last three years make an impressive list: Community Centres (2), Community Latrines (2), Shallow Tubewells (30), Roads (5,500 M²), Protection wall for roads (1676 m), Vat (15) plus boundary walls and pipelines. Most of the expenditure (61 percent) and employment generation (65 percent) is accounted for by road construction (including retaining walls). Most of the constructions were in 1998-99. Funds availability for UWEP has tapered off with no funds available when we visited.

But what figures cannot reveal is the enormous professional pride that the ULB has achieved and the great facility that these constructions provide to slum-dwellers. The poorer

choice of schemes is articulated (though not always) at the NHG levels and therefore often reflects felt needs. We did not come across evidence of contractors being used and the participation of community structures was evident. Our beneficiary questionnaire revealed that the works are in the proximity of respondents homes and wages are paid daily with the execution of works done by the ULB/CDS without contractors.

II.2 Durgapur

The second town visited by the study team was Durgapur in district Burdwan. It presented a contrast to New Barrackpore in more ways than one. The town is spread over a vast area of 154 sq. km and has a population of 4.15 lakh. The mere size raises the transaction costs of community interactions, administrative liasoning and of monitoring. In addition to size, the weak community structure in the town presents a striking contrast to the successes achieved in New Barrackpore. The achievement statistics presents a similar picture with no vocational training programme conducted, no DWCUA formed, no revolving fund released, 86 T & Cs with only 1250 members and only 128 persons having received bank loans. This achievement is to be put against the background of 38,159 families living below poverty line in 91 slums. Except for UWEP, for which the town may no longer be eligible, SJSRY has failed to have any noticeable impact.

Durgapur has the largest number of poor in any town of West Bengal. The total number is reported as 1,89,398 with substantial number of scheduled caste (23,949) and minority (35,985) population and a very small number (4734) of scheduled tribe population. With a population of 4,15,986 the percentage of urban poor exceeds 45 percent and over a third of the poor belong to SC/ST/Minority categories. The town has 5 CDS (all registered), 57 NHCs and 714 NHGs. The number of households to be covered by each of the 714 RCVs averages at 53.

The ULB has not appointed either a PO or a CO and some employee of the UPE cell looks after PO's work without even an additional remuneration of Rs.150 p.m. The work of

SJSRY basically centres around MIC in charge, Shri Manoj Hazra, under the general supervision of the Mayor, Shri Rathin Roy. The UPE cell exists but did not appear to be active. Some Councilors, together with the MIC Shri Hazra, appeared as the principal force behind the implementation of SJSRY. The MIC and two other councilors, Ms Alpana Choudhury and Ms Aalo Ghosh (of Wards 5 & 19 respectively) guided the study team. The CDS representatives, who are more in the forefront in other towns, seemed less involved. In the absence of either a clear-cut administrative structure comprising of PO and COs or of a strong community structure of assertive CDSs, the implementation processes in the town are more ad hoc and informal. The results show in each of the components of SJSRY.

(i) **USEP** : As in most towns, the banks have stonewalled this component with only 128 of 916 forwarded applications receiving bank loans. This comes to only 14 percent. All the applications were forwarded to banks in the year 1998-99, 113 cases were sanctioned in 1999-2000 and 15 cases in 2000-2001. The sponsored cases went to 15 banks of which only 5 sanctioned loans. The worst offender, from whom expectations were perhaps higher, was the State Bank of India with not a single case cleared against 290 applications sent to it. On the other extreme, the Oriental Bank of Commerce sanctioned loans to all the 28 sponsored cases. This extreme variation in the behaviour of banks cannot surely be due to the quality of loan applications. There may be an implicit policy that the banks are following. It is perhaps not a coincidence that SBI has not sanctioned loans in New Barrackpore also.

The total amount of loans sanctioned is Rs.6.4 lakhs and Rs.96,000 (15 percent of loan amount) has been passed on to banks as subsidy. The average amount of loan works out to Rs.5000 per case. A large part of the benefit has gone to women (Rs.3.6 lakhs) and to Scheduled Castes (Rs. 2.45 lakhs). The ULB does not have any record or information of repayments. Nor is it aware of the uses the loans are being put to and their initial impact. It seems to rely on informal information provided by the CDSs that loan repayment is satisfactory. There is however some indirect evidence to suggest that repayment may be satisfactory. Two of the 5 banks which have given loans, disbursed loans to new applicants for the second year in succession - an indication that repayment performance may not be a problem.

During the study team's visit, which was very short in Durgapur, the team could meet only one beneficiary of bank loan in Ward No: 19 of CDS-2. The beneficiary schedules also picked up only one (another) beneficiary. The sample is too small - in fact 128 beneficiaries out of 38,159 families itself is miniscule - to make any generalisation. The team also visited UCO Bank in the same ward which has sanctioned loans to all 14 applications received by it. Repayment was not seen as a problem though the bankers continue to have high risk perception for such loans. It was also brought out that the individual branches have adequate discretion in the absence of a district - level policy. The local councilor - Ms Aalo Ghosh - has apparently played an important role in getting the loans sanctioned and continues to help in monitoring repayment. Bankers also perceived that market was narrow. However, given that the loan amounts are small - about Rs. 5000 - and given only to few families, this fear is perhaps more perceived than real. The service area approach is definitely helpful both to Bankers and loanees.

(ii) UWEP: Bank credit has become the classic case of too little, too late and too few. Faced with bank stonewalling, the ULB seems to have pinned greater hope on UWEP for which, unfortunately, it is no longer eligible as per the (state) government policy. The Mayor, Shri Rathin Roy, felt that this was the most useful component of SJSRY and stressed that it should continue even in large towns especially when the USEP is not successful. Our visit to slums brought us face-to-face with large number of young unemployed men who, due to recent economic changes, failed to get any employment. For example, civil construction work has come to a near standstill and some downsizing has taken place. There is therefore a need to give the Mayor's suggestion a serious consideration. The rule that UWEP should not be there in large towns does not make economic sense in all cases.

The importance given to UWEP component by the ULB is starkly shown by the fact that 96 per cent of expenditures on SJSRY has been on this component alone. In short without the wage-employment component, there has been almost no work under SJSRY.

The manner in which the UWEP is implemented is also revealing. The entire expenditure on this head has gone for road construction. Almost the entire stretch of road constructed - 92,424 sq. metres - is classified as LTM and has a low cost of only Rs.66 per sq mts. The expenditure has mostly been incurred in 1999-2000 (Rs.59.39 lakhs) and the remaining (Rs.10 lakhs) was incurred in 2000-01. Low cost is indicative of low material and capital intensity and suggests that employment generation may have been the primary objective. The study team visited one stretch of semi-pitched road constructed under SJSRY. We were

informed that employment for construction was rotated so as to benefit a larger number of families. Moreover, as the ULB admits, the constructions have been undertaken without any comprehensive needs assessment. It may therefore be safe to conclude that the stress on this component of SJSRY has arisen because of serious unemployment situation which has developed in the town in recent years. The number of mandays reported to have been created - which of course has little significance given the way it is calculated under the guidelines - though significant (59,766 mandays) is small compared to the size of the problem.

In its implementation, UWEP is essentially handled by the ULB with community organizations playing a secondary role. Lack of coordination between different wings of the ULB and between the ULB and the CDS has often led to delays in execution and disillusionment with the scheme. Although the stock reply to the question of how schemes are identified was that proposals go from NHGs to NHCs to CDS and then UPE Cell, in actual practice this may not be happening. The CDS often petitions the UPE cell for work in selected areas and sometimes the CDS is simply told that a particular work will be taken up in its area. How the municipality selects the works is not clear and ad hocism and political considerations would possibly be important. For example, CDS.4 in its meeting dated 23-10-2000 expressed concern that not a single work proposed by them to the UPE cell had been accepted and the members propose to take up the matter with MIC Shri Hazra. Further, a perusal of CDSs minutes show that often materials do not reach in time. (e.g. minutes of CDS-3 of 30.10.2000 and 13.9.2000, CDS-5 20.9.2000 and 23.10.2000) leading to dissatisfaction and delays. During the study

team's visit, we were told of cases where bricks were stolen because cement did not reach and of misallocation of resources due to decisions being taken at the municipality level.

Our beneficiary level questionnaire had 25 respondents of UWEP. All were getting wages less than Rs.60 per day – mostly Rs.40 to Rs.50. All reported being employed in road construction and received wages either on a weekly or fortnightly basis. Mostly they sought employment from NHC members and received employment for 15 days or less. The general picture from beneficiary responses only strengthens the conclusions that wage employment is sought after in this town.

Clearly, the role of the community organisations is minimal in decision-making. The works are also implemented through the concerned departments/ wings of the municipality. It is only in the supervision of the execution that women's groups have been involved. Even in this limited role they have shown enthusiasm, faced opposition (cases of verbal denigration and a case of stone throwing by men was reported) and yet have been effective in reducing the costs of construction (as acknowledged by the Mayor, MIC and others). The lessons for the ULB are obvious.

(iii) **Thrift and Credit Societies** : The general weakness of community participation is evident in this component too with only 1250 members in 86 T&CS. Initially, 252 T&CS were formed with the expectation of getting the revolving fund which was mistakenly perceived as individual grant. When the realisation came that there is a waiting period of one year and that

the revolving fund is a support to the working capital of the T&C as a whole, enthusiasm dwindled and most T&CS were wound up. Only recently there is some revival. As in the case of bank loans, it was not easy to come across many beneficiaries of T&CS. The study team interacted with a few members of a T&CS under the Matangini CDS. The T&C maintained a Ledger of individual accounts, a record of bank deposits, a record of deposit-receipts and issued individual pass-books to members. The group account was in 3 persons' names. All the measures instill confidence in the depositors who range between 10-20 per group and generally deposit Rs.5 or Rs.10 per person per month. Of the 86 groups 12 were formed in 1998, 3 in 2000 and the remaining in 1999 which makes a large number eligible for revolving fund which till the study team's visit (Nov.2000) had not been received from SUDA. The accumulated deposits range from Rs.960 to Rs.7600 and it would not be an overestimate to put the average at about Rs.3000 per society. The deposits would then total over RSs.2.5 lakhs, with per member deposits of about Rs.200.

The accumulated deposits per T&CS is not very large for lending. Our beneficiary level questionnaire picked up 15 respondents (out of 50) who were members of T&CS of whom only 2 reported borrowing from the society. Interestingly the responses also showed that there is a perception that repayments are not very regular and possibly the T&CS may also be advancing loans to non-members (whether this response was the result of faulty canvassing of questionnaire or a correct response could not be verified).

Durgapur has been a late starter and has just begun to address the issue of vocational training by setting up an NGO for the purpose and plans to involve the local engineering college. There were also plans for DWCUA formation. But all this will require stronger community organisations.

II.3 Bardhaman

Bardhaman, or Burdwan, is the headquarter of the district by the same name. The town has a long history and the Mayor, a keen student of history, has a wealth of information about the town's past. As per the 1991 census its population was 2.49 lakhs of whom 1.03 lakhs (41 per cent) have been identified as poor. A substantial number of those belong to scheduled castes (43,500) and minorities (16,800) with a scattering of scheduled tribe population (6000). These three categories combined comprise as much as 58 percent of the BPL population. The proportion of the poor is large for a town which is the centre of a prosperous agricultural belt with a number of agro-processing industries. The town has a university, 4 colleges and 31 high schools. With an area of only 42 sq. km., it has a high density of population. And there are more coming into the town in the last few years with the reported annual growth rate of 4.6 per cent. For the last few years, agricultural prices have not kept pace with rising input costs. As agricultural incomes have suffered, town labour which used to go to villages for employment now competes for work with migrant rural labour driving down wage rates and increasing casualisation of labour.

As the number of poor has swelled, the response under SJSRY has been late to begin. Yet, despite the late start the ULB's efforts are not insignificant. Although work began by the end of 1998, the community and administrative structures are in place and, except for DWCUA, outputs are there under the various components of SJSRY. The ULB has appointed a TPO and 5 COs. There are 3 CDS, 42 NHCs and 504 NHGs covering 21,000 BPL families in 105 slum

pockets. With a total expenditure of over Rs.45 lakhs, the ULB has succeeded in training 175 persons in 5 trades, formed 40 T&CS with 703 members, spent Rs.40.61 lakhs under UWEP to build various community assets and enabled 19 beneficiaries to obtain bank loans under USEP.

The details follow:

(i) **USEP** : The failure of this component, due to banks' non-cooperation, has been accepted as destined by the ULB. Of the 250 applications recommended by the CDS to the ULB, 242 were forwarded to banks in 1999-2000. Of these only 19 (less than 8 percent) were sanctioned bank loans the same year. No more sanctions were made in the following year till the study team's visit. The total sanctioned amount was Rs.3.16 lakhs and Rs.0.47 lakhs of subsidy has been disbursed to banks. For the nineteen cases, the average amount of loan comes to over Rs.16,000 – very different from other towns. The large size of loans asked for could be a major reason for banks not giving loans. It also raises the question of ability of the beneficiary – provided he is genuinely from a BPL family – to repay such large amounts. A family of five with a per head income of less than Rs.313 per month would not normally be able to repay in installments exceeding Rs.500 per month. Even this would be difficult. The study team chanced upon a case of a Bank of Baroda loanee (Ms Poornima Patra, in fact one of the just two loans sanctioned by the bank) who reportedly received a loan of Rs.40,000/- but is also perhaps repaying as per schedule. Loans have also been of small amounts. Our beneficiary level questionnaires showed 5 beneficiaries of whom two had received loans not exceeding Rs.5000/-. The reason why banks are not sanctioning loans also cannot be attributed to the nature of the projects. If the projects are unviable the banks can reject them. However, only 65 cases have

been explicitly rejected. So at least 160 cases have been pending with banks with no decision whatsoever for over a year. In 8 of the 15 banks no decision has been taken regarding any of the applications. And, 4 of the 15 banks rejected all the applications forwarded to them.

Our beneficiary level questionnaires showed that out of the 5 respondents, 4 reported increase in incomes as a result of the loans. Repayment in all cases is as per schedule.

Discussions with bankers only reinforced the points mentioned in other towns – high risk perception, low motivation to take risks, high transaction costs and a general low priority for such schemes. Some banks are aware of the RBI circular on SJSRY loans but there is neither a district level nor bank level policy regarding this in all the cases we met. The UCO Bank is the lead bank in the district. It was reported that other bank managers do not turn up for meetings called by it. There is also no district level coordination as DUDA is without functions in West Bengal. It may be mentioned in passing that the UCO Bank main branch has itself failed to lead by example – it has not sanctioned a single loan.

(ii) **Training** At the time of the study team's visit, 7 training programmes in 5 trades had either been completed or were in progress. The strength of each batch was 25 so, 175 persons have either received or were receiving training. The trades covered were Beautician (2 programmes), Repair & Maintenance of Telephone Receivers (2 programmes) and one each of Nursing Aid, Physiotherapy and Repair of two-wheelers. For 3 completed programmes tool kits had been issued and the total cost of these was Rs.2.06 lakhs, half of which was for infrastructure support to training institutes. Thirty out of 75 trained in the completed programmes have

become self-employed in professions that were new to them. The cost of training, including expenses on tool kits and support to institutes, works out to less than Rs.3000 per head for completed courses. Clearly, it is a very cost effective way of employment / income generation for the poor.

During its visit, the team met a few beneficiaries of this scheme. One Ms. Nasima Bano (ward 3) reported that after completing the Beautician's course she has been able to earn an additional amount of Rs.300-400 per month. Although the ULB had not provided space for her work, she was able to earn by attending to calls from houses. In fact, Burdwan being still dominated by remnants of feudal attitudes, women prefer beauticians to come home and are not keen to be seen as visiting beauty parlours. Similarly, trained ayahs are able to earn by making visits to homes and nursing homes / dispensaries and are also benefited by reduction in working hours and higher incomes as compared to untrained ayahs. They also look forward to employment. The team also came across strong demand for tailoring courses from a number of women's groups. Organising training programmes like these pose a challenge to the ULB in bigger towns especially from the point of view of logistics. Also is the problem that those poor who are on a regular employment – house maids for example – find it difficult to be available for a long period.

(iii) **Thrift and Credit Societies** The ULB started late in this area with the earliest T&CS having been established in April, 2000. At the time of our visit 40 T&CS were reported to be functioning with 723 members. This was a good achievement considering the time span and

showed that this is being followed as a priority area by the ULB & CDSs. In fact one of the 5 COs has exclusive responsibility of T&CS.

Most of these groups have 20 members and the range is 13-20. Aggregate financial details were not available and since all T&CS are new, none has received revolving fund. The study team could interact with members of T&CS in two wards – 23 and 24 – to obtain first hand knowledge of its working. It was clear that the councillors – in this case Sh. Madan Karmakar and Ms Munmun Haldar both of whom accompanied us – have played an important role in spreading knowledge of the scheme and were instrumental in building confidence and helping the organising of T & Cs. The process has been helped by the COs who have especially helped in clarifying (often repeatedly) the operational aspects of T&CS. Since the households are poor women with no previous interaction with the organised banking system, it was satisfying to see that they now operate the T&CS on their own, maintain the necessary documents – pass books etc. – systematically, go to banks on their own and operate the accounts. In fact, this is their only source of financial savings – earlier money was kept at home or lent to chit funds which disappeared with their money after initial lofty promises!

(iv) **UWEP** As in other towns of West Bengal, SJSRY has practically become synonymous with UWEP in Bardhaman. Total expenses on SJSRY is reported at Rs.45.33 lakhs till November, 2000 of which as much as Rs.40.61 lakhs (nearly 90 per cent) was spent on UWEP component. The percentage rises to 94 if A&OE of Rs.2.16 lakhs is excluded. The ULB began late on the programme with a large opening balance and launched UWEP works on a large scale

in 1998-99 and 1999-2000 spending the entire amount of Rs.40.61 lakhs in these two years only. With no further funds flowing, no UWEP work had been undertaken in 2000-01. As in Durgapur, SJSRY had just begun to limp to a halt. Incidentally, as UWEP funds are not forthcoming, availability of funds for A&OE expenses has suffered. The difference is that Bardhaman has been changing its strategy and responding to the challenge better.

Even with respect to implementation of UWEP, the ULB has been far more systematic. During its visit, the study team noted that UPE Cell follows a system of allocation to wards and NHCs according to number of BPL population in each ward / NHC – a system not seen in the other towns visited by the team. Identification of the schemes effectively begins from NHCs, gets prioritised by CDS and finalised by the UPE Cell which then forwards these to the Engineering department. It must be stressed here that in the identification/decision process the ward committees are actively involved and therefore the councilors have an important role though they have no voting rights. Another characteristic feature is the involvement of Citizens' (Nagarik) Committees in the entire process whose status was not entirely clear and appeared to be a quasi Political effort at larger involvement and mobilisation. Similarly the study team came across active involvement of locality based women's committees in the implementation process. All these indicate a fairly broad based involvement far beyond what is envisaged in the guidelines.

The ULB has succeeded in creating community assets spread across various parts of the town by utilising the UWEP expenditure. It has created 44 community latrines, 10 hand tube-

wells, 3 community centres, laid pipelines of nearly 1.5 kms and constructed 12 kms of roads. In total it reported completing 136 distinct schemes/works over 1999-2000. The ULB has been frank in reporting the actual mandays and wage component of the works – it has not worked backwards from expenditure figures to calculate notional mandays. The realistic figures are useful as they show that the wage-component, in the aggregate, works to about one-fourth of the UWEP expenditures. The wage-rate for all works being Rs.60/day, the number of mandays generated works out at 18,063. It can also be seen that some works, like road construction, are employment oriented while others may have small employment – creation potential. Yet given that many works of the latter type have been undertaken and also given that Rs.60 is not a particularly attractive rate for the town, it would be safe to conclude that a major motivating factor has been the importance given to the creation of community assets. The ULB, though it has undertaken a larger number of works together, has not faced coordination problems regarding materials etc. as reported in Durgapur. Clearly, the coordination between the engineering departments and the local community structures – which are actively involved during execution – has been good. Execution costs have also been reduced due to people's involvement.

The two distinctive features of UWEP work in the town – wider geographical spread and greater people's involvement – were observed by the study team during its visit to ward Nos. 1, 26 and 2. In some cases the local people were maintaining the assets created through voluntary labour and small contributions.

The feeling of ownership was strong as the benefits were tangible as in the case of piped water supply to slums in Ward No.3 where water had to be taken from a long-distance. In the same ward a women's latrine was being maintained with Re 1 contribution from users. Similar schemes were there in Ward No: 1 where the local women's groups and citizens committee were particularly active. That belongingness could sometimes create problems was seen in ward 26 where one community was not allowing tribals access to community latrines.

In Ward No: 2 , the MIC Sh. Janardan Roy's ward, the paved path through a slum surrounding a pond and community latrines were clearly valuable to the poor slum dwellers although local involvement in maintenance was not so evident.

II.4 Gayeshpur

This is the fourth municipality visited by our study team. Situated in district Nadia, Gayeshpur is adjacent to Kalyani. Like New Barrackpore this town too has been recommended as a model by the state government. The similarities do not end here. Both are small towns. Gayeshpur's population as per 1991 census was 52,085 and the area is 22 sq. kms. Both towns comprise overwhelmingly of displaced persons from erstwhile East Pakistan who settled here after independence. It was reported that 90 percent of Gayeshpur's population were resettlers from East Pakistan. The level of literacy and education is also high with Gayeshpur reporting a literacy rate exceeding 85 percent. Yet the town has substantial number of poor. Slightly over half - 26,122 persons - have been identified as falling below poverty line. Of these 8188 (31 percent of the poor) belong to scheduled castes, 2517 (9.6 percent) are OBCs and only 528 persons are STs and 903 (3.5 percent) belong to minorities. We were informed by the Chairman, Mr. Haradhan Dey, that the few industries in the town were passing through a difficult period and had begun to close down. Earnings were low and unemployment was high and rising. In fact, signs of unemployment are clearly visible with large number of persons seen to be simply idling.

SJSRY, and other anti-poverty measures, are seen as important measures to address immediate problems. The ULB has done commendable work over the last two and half years. The town has 2 CDS, 20 NHCs and 180 NHGs covering the entire BPL population of 26,307 (recent figure). It has forwarded 224 loan applications to banks of which 45 have received loans.

473 persons have either been trained or are undergoing training in 10 trades. Though no DWCUA has been formed yet, the number of T&CS was 177 with a total membership of 2832 (by September), with 122 societies having received revolving funds. Under the UWEP component 3690 meters of drains, 64 sq. mts. of roads, 8 community latrines and 2 community centres have been built generating 8238 mandays of employment. The success shows a high level of community involvement and an efficient working relation between the ULB and the community structures.

(i) **USEP** The ULB had recommended 224 cases to banks of which the banks sanctioned loans to only 48 cases. Actual disbursement occurred in only 45 cases. The total amounts of loans sanctioned and disbursed were Rs.4.28 lakhs and Rs.3.99 lakhs respectively. The amount of subsidy received by the ULB was Rs.0.64 lakhs out of which Rs.0.56 lakhs was disbursed by banks. The story of banks non-cooperation is therefore the same here. The banks risk perceptions were no different.

The difference between cases sanctioned and loans disbursed brought out a different angle of this scheme. Three applicants did not avail of their sanctioned loans because the loan amounts sanctioned was lower than what was asked for. There was a clear difference of perception between the bank and the applicants regarding the cost of the projects. During our discussions, the ULB functionaries accompanying us to the bank concurred with the applicants' estimates. The problem clearly brings to focus the need for fixing scales of finance for different

projects at the municipality level - as in the case of many rural loans. It also shows the absence of coordinating mechanism between banks and the ULB even in a small town set-up.

The town is serviced by two banks - the SBI and the UBI with the SBI serving CDS-1 and UBI catering to CDS-2. The ULB sent 103 applications to SBI and 121 applications to UBI by end 1998. The UBI sanctioned 21 and the SBI 27 loan cases. Actual disbursal came in early 2000 in most cases. The ULB had not forwarded any new case as old cases remained pending. The average size of loan sanctioned comes to Rs.8916 but the range is wide with the minimum amount being Rs.2000 and the maximum Rs.40,000. Few loans were above Rs.10,000 with a little over half the number of loans being less than Rs.5,000. The purposes for which loans were given show a wide variety of trades / professions. The list includes many professions which otherwise may not get bank loans - e.g. vegetable sellers, rickshaw-pullers, hawkers, weavers, tailors and fish vendors. The selection of the beneficiaries is done by the community organisations - NHG to CDS - and are spread over a number of NHCs and NHGs. In our beneficiary level questionnaires, nine of the ten beneficiaries of bank loans responded that they had been able to increase their incomes as a result of bank loan.

The same number of beneficiaries (9) reported that they were repaying the loans as per schedule. However, according to the UBI, an amount of Rs.6279/- was overdue. Since the amount due and repaid was Rs.10,488, the overdues amount is large and a cause of concern. This was news to the CO also and indicated that regular system of contacts between bank and CDS has not evolved. Possibly, the overdues may be a temporary phenomenon as Gayeshpur

had faced severe floods a couple of months before our visit. Partly it could also be willful as was reported in a meeting with RCVs and beneficiaries in ward 17 where a case of a defaulting rickshaw-puller was mentioned. But what was most noteworthy was that not only were the women aware of the case and used their good offices to persuade the defaulter, they had also put pressure on him by threatening to take away the rickshaw. Pressure is also brought by making the family aware of the defaulter's misdeeds so that he loses face at home too! It must also be mentioned here that the CDSs have taken a policy decision that loan repayments should start immediately i.e. there is no grace period – so that the habit of repayment is inculcated. The Annual Reports of the CDSs also urge the RCVs and others to help in the monitoring of repayment of loans. Banks too expect an active role of the community organisations as regards repayment.

(ii) **TRAINING** The ULB has organised 14 training programmes in 10 trades. The trades covered show a wide variety – Nursing Aid (2 courses), Physio-cure (2), Watch-repairing, agarbati making, TV repairing, armature winding, beautician, embroidery, basic accountancy and house-wiring. As per the last MIS report submitted by the ULB 249 persons had received training and another 225 were undergoing training. A total of Rs.8.16 lakhs was reported to have been spent out of which Rs.5.17 lakhs was on training and Rs.1.495 lakhs each on training infrastructure and support to institutes. Presuming (since the actual break-up is not available) that the reported expenditure has been incurred only on completed programmes, the average cost of training a person works out to Rs.3277, a figure comparable to Barddhaman (for which break-up is available).

In the selection process of beneficiaries, the community organisations play an important role. Our beneficiary level questionnaire had 16 respondents who were trained and 15 of them said that they were trained in the trade they had asked for. During our field visits it became clear that even launching training programmes involve exercise in democratic coordination in which the COs play a significant role. The demands are, sometimes informally, assessed by COs and then the CDS and the ULB work together to launch training programmes whose information then goes down to NHGs from where names of interested persons are sent to NHCs and then to CDS. Interestingly, 8 of the respondents said that they were helped by COs and the remaining 8 by NHC / CDS members.

The conduct of the training programmes show that 2-4 hours of training was conducted for 3-6 months for all courses. All trainees received stipend during the course and most received tool kits. Yet an overwhelming number found that the duration was insufficient and they have not been able to obtain sufficient understanding of the trade. Clearly there is demand for more and, since the trades are new, repeat (advanced) courses may be useful. But there is little doubt that the training have been beneficial as 13 of the 16 respondents reported increase in incomes – mostly up to Rs.250 per month – as a result of the skills learnt during training. Not surprisingly the demand for training far outstrips what the ULB is able to provide.

(iii) Thrift and Credit Societies This component has been a great success in Gayeshpur. According to the town's September, 2000 MIS Report there were 176 T&CS with a membership

of 2832. Since the number of BPL families were 5541, more than half the eligible families had been covered. When the study team visited, we were furnished with a figure of 182 T &Cs. According to the annual reports of the two CDSs (presented in June, 2000) the deposits of T &Cs with the CDS-1 was Rs.1,45,225/- and with CDS -2 was Rs.1,99,637/- making a total of Rs.3,44,862/-. The September MIS reports that the T&CS had been given revolving fund totaling Rs.19,51,000/-. It needs to be clarified here that all the T&CS are linked to one or the other CDS and are required to keep 75 percent of their total deposits with the CDS. The remaining one-fourth is kept by the T&CS in bank accounts in their names. This implies that Rs.1.15 lakhs (1/3rd of Rs.3.45 lakhs) has been kept as deposits with T&CS. The aggregate picture then is that 2832 families have access to working capital exceeding Rs.24 lakhs (Rs.19.51 lakhs + Rs.3.45 lakhs + 1.15 lakhs)! It marks a significant change in just a few years from women keeping their savings in shady chit funds and their new-found self-reliance.

The manner of T&CS operations needs some elaboration. They are principally NHG based and there is usually one or two T&C in one NHG. Each T&C is therefore identified by the CDS number, the NHC number and the NHG number in addition to its T&C number. The T&CS maintain their accounts with the CDS – each has a separate numbered account. A T&CS total deposits with a CDS (in addition to its own deposits with banks) comprises of the accumulated deposits adjusted for fines and service charges. The T&CS are also given loans by the CDS to open their bank accounts as banks insist on an initial amount which may be beyond the means of the poor groups initially. The T&CS may also draw upon their deposits with CDS for onward loans to its members – these are classified as loans and repaid by T&CS into their

accounts with the CDS. The system is in extensive use as a very large number of T&CS have borrowed from the CDS on both the counts. Clearly the amount of accounts that the CDS has to maintain is truly voluminous.

We were informed during our field visit that the repayment performance was extremely satisfactory. In its annual report CDS-2 reports that 130 persons had availed of loans from the T&CS with total borrowings of Rs.45,900. For T&CS under CDS-1 the figures are 123 and Rs.59,500. The average size of loan works out to only Rs.417 in the aggregate. Since a fairly large number have availed of these loans, even the small amounts are important for the poor. Many petty traders/vendors have taken loans for business purposes – 17 out of 20 respondents said that they had used T&CS loans for purchase of raw materials. The respondents perception about repayments also confirms the general impression that these have been satisfactory. The general perception of the study team was that there was a great demand for loans and therefore also pressures for timely repayment.

(iv) UWEP : The slums in the town are remarkably well cared for. Water, electricity and, in many areas, paved pathways have been provided. The demand for basic community assets have been substantially met. The major demand under SJSRY has been for the construction of drains to prevent water logging. Under UWEP, 3.690 kms of drains have been constructed in addition to 8 community toilets, 2 community centres and 64 sq. meters of roads. A sum of Rs.29.15 lakhs has been spent on this component out of total SJSRY spending of Rs.41.64 lakhs – i.e. 70 percent of the total of this expenditure, only Rs.5.05 lakhs (17.3 percent) is the wage component.

(It is heartening to note that there is no reverse calculation involved.) The number of mandays generated is approximately 8240 giving an (approximate) wage rate of Rs.60 per manday. The expenditures have also been spread over all the 3 years (1998-2001) though in the last year (2000-01) both funds received and, consequently, expenditures are low. The Chairman, Shri Haradhan Dey, drew attention to the fact that, despite satisfactory progress, funds to the ULB was tapering off causing some disappointment. The small funds received in 2000-01 had been exhausted by September.

In both selection of works and in their implementation there is considerable involvement and participation of the community groups. In fact, it was our impression that the community structures in this town were the most vibrant. As a matter of policy, the present and the past Chairman (Shri Naresh Chandra Kaunsik) have devolved effective powers to the NHGs. The NHGs prioritisation of requirements (as processed through subsequent layers) are not tampered with by the ULB or by the councilors. The technical parameters are of course worked out at the UPE /MC level but the COs, who have technical background, also help in making the technical and financial estimates. Even in execution, the materials are supplied to NHGs by the ULB and storage, supervision and supply of local labour is done by or under the NHG supervision. In fact, the women volunteers have been trained in the rudiments of construction work. They have been taught not only the proportions of material needed per unit of work but have also been trained to assess the quality of materials supplied. Since the community is involved both in decision-making and in implementation, there is a sense of ownership and empowerment which is perhaps the most significant achievement of UWEP here.

Our beneficiary level questionnaires revealed that the works undertaken are in proximity (indicating use of local labour), that wages are paid weekly and are about Rs.60, the duration of employment is generally less than 15 days but never more than 30 days and that the works are completed. What is surprising is that the assets do not seem to be maintained very well though the entire work is, by and the large, the NHG's responsibility (with help from CDS). Clearly the community involvement shown for construction has not yet been utilised adequately for maintenance.

II.5 Siliguri

One of the five municipalities in Darjeeling district, Siliguri was also the fifth and the last town of West Bengal visited by the study team. By the time an impression was formed that, in general, smaller towns showed better performance than the larger towns. Siliguri, comparatively a large town, only re-inforced the impression. With a 1991 population of 3.70 lakhs and spread over an area of 41.90 kms. Siliguri is a rapidly expanding town mainly due to its location. Being the gateway to the north-east, it is an important trading town with a great deal of wholesale business located here. Being close to international borders it is also not free from trans-border trade, some of it illegal. Construction activity in the town is clear indicator of its prosperity and is drawing people from neighbouring areas. It has therefore a large migrant population, large slums and many poor from different communities. The population below poverty line has been estimated as 1,57,214 or 42 percent of its 1991 population. The composition of the poor reflects considerable diversity—40 percent belong to scheduled castes, 8 percent are minorities and a small percentage is scheduled tribe. Although figures were not readily available, it would not be wrong to state that linguistic diversity may also be considerable. The town has 151 slum pockets and an estimated 31, 598 BPL families.

Regarding implementation of SJSRY, the first thing that strikes one is that the town has as many as 15 CDSs – perhaps, a legacy of the UBSP. There are 998 NHGs and 151 NHCs. As regards the various components, it was disturbing to find that though the ULB had recommended 2100 applications to banks for loans under USEP, only 5 had been sanctioned and no loan had

actually been disbursed. No DWCUA has been formed. Thrift and Credit Societies too have not really progressed much with only 57 such groups formed. The results in training are more encouraging with about 350 persons trained or undergoing training. And, like most other towns in West Bengal, the bulk of the SJSRY expenditure is for UWEP component with Rs.43.89 lakhs out of a total of Rs.64.68 lakhs (over two-third) spent for this component. Details follow.

(i) **USEP** This component has failed to start because of complete bank non-cooperation. As per as state-level records, 263 applications and 1076 applications were recommended to banks in 1998-99 and 1999-2000. More applications were possibly forwarded the next year. Yet at the time of the study team's visit not a single loan had been disbursed and an insignificant number (5) had been sanctioned. During our visit to United Bank of India we were informed that the bank had "returned" to the ULB all the 51 applications recommended to it in 1998-99. The reasons stated were; (a) incomplete applications, (b) no prior experience in activity applied for, (c) presence of big units, and (d) absence of market support. Since the last three reasons are of a blanket nature they effectively rule out the possibility of poor getting loan. The paper work insisted upon includes (a) photograph of applicant, (b) copy of ration card, (c) counter signature by councillor (d) no dues certificate from other banks, (e) sponsorship certification from ULB and (f) evidence of earlier experience of the applicant. This elaborate documentation is despite the service-area approach prevalent and is followed by (a) interview of applicants, (b) joint inspection and (c) assessment of the Scheme's credit worthiness! Clearly banks are not interested in acting as a facilitator of the centrally-sponsored scheme. The real reasons perhaps,

as stated during conversations, are (a) low recovery from earlier government schemes and (b) fear that unionisation (strong in West Bengal) may discourage repayment.

(ii) **Training** Vocational training has been a relatively successful component of SJSRY implementation in Siliguri. The most popular programme seems to be the beautician's course in which 135 persons had been trained and 25 were undergoing training. This is followed by home nursing with 90 persons trained. Handicrafts is another popular course with 60 trained and another 25 undergoing training. The last trade in which training was imparted is making jute – based goods in which 25 persons have been trained. The ULB reports that 39 trainees of the beautician's course and 20 trainees of the jute materials course have found wage-employment and have average monthly earnings of Rs.800/- and Rs.400/- respectively. The total amount spent on training is reported as Rs.5.55 lakhs. If the amount is spread over 310 trainees who have completed their training then the average cost comes to only Rs.1790, which is lower in comparison to other towns. An important reason is that no expenses have been incurred on infrastructure support to training institutes.

The cost effectiveness of training as an important method of poverty reduction is confirmed even in Siliguri. Our beneficiary-level questionnaires had 11 respondents who had availed of training. Of these, nine respondents reported increase in incomes in the range of Rs.250-1000 per month. Two reported no increase in income. During the study team's visit it was found that there is a very strong demand for training from members of NHGs and the benefits of training has to be rationed out between CDSs, NHCs etc. Specifically, we came

across strong demand for tailoring courses and also for handicrafts during our visit to CDS-14 (wards 37-39). The ULB has not yet been able to organise tailoring course which shows that logistics is a major problem. The study group met a beneficiary of handicrafts training who followed up the 6 months course with private lessons from the trainer. She reported that stipend was not received but had no regrets as she now earns more than her husband (a watch repairer). Another case of a trainee who received beautician's training reported obtaining stipend but no tool kit. She was not able to increase her income as the initial investment is beyond her means. The study team also interacted with participants of two ongoing courses – beautician and handicrafts. The handicrafts course being conducted in Ward-20 was a scene of activity and enthusiasm despite facilities being rather modest. The trainees were satisfied with the contents though they felt that duration is inadequate. The beautician course was being run by a lady under the banner of Ajanta Training Centre (in Ward-2) where the necessary facilities existed. The trainees were finding the course satisfactory and looked forward to good income prospects. It may also be noted that the beneficiary level questionnaires reinforce field observations. Seven out of 11 respondents reported receiving stipends during training and only 5 reported receiving tool kits at the end of training. Moreover, as many as 6 respondents felt that the duration and contents were not adequate. Despite these slippages and inadequacies training is sought after and is beneficial in the overwhelming majority of cases. With better implementation and some post training support results are likely to be better.

(iii) Thrift & Credit Societies The data regarding T & CS is sketchy. The detailed data made available by the ULB shows only 43 T&CS with a total membership of only 816. Out of

the 15 CDSs in the town as many as 7 have no T&CS. Revolving funds, according to the same data, has been received by T&CS of only 4 CDS and total a meager Rs.1.19 lakhs. Data at a separate place indicates subsidy (Revolving Fund) to T&CS as Rs.3.19 lakhs. None of the groups are CDS linked and therefore their monitoring is obviously proving to be a problem. The data regarding their deposits and loan activities were also not available.

The lack of data notwithstanding, the study group visit and responses to beneficiary questionnaires indicate that some T&CS are functioning well. The team, for example, met T&C members under CDS-7 where the group had been functioning for more than two years and had deposits of Rs.7000 and had also given loans to members. In CDS-14 one 2-year old T&CS reported regular repayment of loans and regular monthly meetings. The necessary documents – passbooks etc. – were well maintained. Under CDS-6 a nearly 3-year old T&CS had received revolving fund and was performing to the satisfaction of its members. The beneficiary level questionnaire had 26 respondents for this part. Contribution reported were monthly, regular and in small amounts. As many as 11 respondents had taken loans and were repaying Rs.50-100 per month. The perception was that repayment was always as per schedule. And as in other towns, loans were mostly for the purchase of raw materials. Clearly, there is demand for T&CS, which fortunately is realised at the ULB level too. The MIC Mr. Paritosh reported that, due to initial confusion regarding the nature of revolving fund, the ULB started late in forming T&CS. Now it sees its potential and has set a target of 333 T&CS. Given Siliguri's potential, T&CS can serve as an important vehicle for savings and investment for the poor households.

(iv) **UWEP** Although the largest component in terms of expenditure, the UWEP component in the town has failed to satisfy the aims of this component of SJSRY. As per the latest figures made available to us, a sum of Rs.48 lakhs have been spent under UWEP of which Rs.20 lakhs have been used for "Seva Kendras" which are nothing but CDS offices and there are 15 CDSs in Siliguri. Other assets created are Tubewells (5), Ring Well Platform (70), community baths (48), community latrines (4), roads (268 meters), concrete roads (91 meters), drains (650 meters) and community centres (2).

The break-up of SJSRY expenditure (based on slightly dated MIS report made available to us) shows that the CDS offices also received/spent Rs.6.97 lakhs under the head "Assistance to Community Structure (Social Sector)" whose activities are reported as "Seminar & Awareness". From the same data UWEP expenditure on CDS office construction under the head "Seva Kendras" is Rs.15.83 lakhs out of a total SJSRY expenditure of Rs.64.68 lakhs. In addition there are the usual expenditures on A&OE (Rs.3.95 lakhs) and strengthening of ULB (Rs.1.02 lakhs) Adding up we find that as much as Rs.27.77 lakhs out of total SJSRY expenditure of Rs.64.68 lakhs (43 percent) has been spent for local bureaucratic/community structure purposes, rather than on the poor.

It can be argued that benefits to the poor were in terms of wage-employment irrespective of the nature of assets created. The number of (reported) mandays created is 39,369 and, working backwards, gives a wage-rate of Rs.45 per day. The study team saw the works in Wards 18 (Community latrine & bath), 20 (Drain, road and bath), and 28 (Community latrine).

Although the assets were used and found useful by the local households, nowhere did the team find that local labour had been used. In these cases NHGs were non-functional with little reported involvement of NHGs in identification, implementation or maintenance. (In ward 28 the community latrine was privately managed). Incidentally, our beneficiary level questionnaire did not have any respondent who reported receiving wage-employment. Further, a written response from a CDS chairperson shows that there is a perception that the wage-employment scheme has been "unsuccessful". It would therefore be little hazardous to conclude that the UWEP component has not really been used to create employment of the urban poor but used by the ULB for public works programmes according to its own priorities without substantial involvement of the community structures.

Summary

This section presents the **main** findings and recommendations based on the two parts of our study.

- (1) The most significant finding that emerges from the town case studies, is that the 'Swarna Jayanti Shahari Rojgar Yojana' is a programme with a 'swarna' or golden touch. The transformation it has been able to bring about in only three years in towns like Gayeshpur and New Barrackpore is extremely gratifying. Poor women, earlier generally confined to their houses, now have formed vibrant groups and have control over lakhs of rupees of working capital. Remarkable changes in attitudes and increasing self-esteem and dynamism are the best results of SJSRY. Hundreds of women have been trained and most have increased their incomes. There is no doubt that many have crossed the poverty line. (Gayeshpur is proposing a review of the BPL list.) . SJSRY therefore has immense potential. It is, according to many field-level functionaries, perhaps the best anti-poverty programme so far for urban areas.

- (2) SJSRY seems to work best where the community organisations are vibrant. Section I.2 has presented an extensive analysis of factors that influence the effectiveness of community organisations. First, the politico-administrative milieu in the state must be favourable to decentralisation and devolution. Second, the average size of NHGs need to be smaller with effective devolution of powers to them. Third, an uninterrupted, steady and adequate flow of programme benefits is necessary for the sustainability of community organisations.

Increasing the responsibilities of these organisations to include thrift and credit activities, health care and literacy, etc. can go a long way in strengthening them. Incentives to key functionaries, RCVs and COs, are of critical importance. Finally, there are a host of other factors that are equally important like characteristics of the population, quality of leadership and capacity building. The key to SJSRY success lies in improving the effectiveness of community organisations through means discussed in section I.2 including effective devolution of power.

- (3) The greatest obstacle to the flow of programme benefits from the centre to the urban poor comes from strict adherence to a component-wise budget of SJSRY coupled with the reluctance of banks to finance the requisite amounts. In a country with wide differences between regions and during a phase when community organisations are still being established, a rigid schematic approach may be counter-productive. Further, at the central level a re-look may be necessary at the allocation criteria as the Expert Group's estimates of urban poverty have many anomalies. Another administrative aspect which needs reconsideration but at the state level, is the complete neglect of DUDAs and the system of release of funds to ULBs from SUDA. The latter especially needs a re-consideration when funds are more scarce and if inter-town equality is considered important.

- (4) Of the various components of SJSRY, Thrift and Credit Societies and Vocational Training have the greatest promise. The former also strengthens the community organisations at the grass-roots level and develops confidence and self-reliance. These groups work best if they

are also linked to the CDS as it increases depositor confidence and access to resources. If the revolving fund amount is increased, these organisation can also finance most of the loans which banks have refused to finance. Vocational training, on the other hand, is a highly cost-effective and result oriented component as it builds the critical asset of human capital. At the present level of industrial development and given banks' attitude, DWCUAs and relatively large micro-enterprises may have limited possibilities in the state.

(5) Spending UWEP funds seems to be the easiest. Its poverty reduction effects, at least on a sustainable basis, is also the least. The involvement of community organisations also is often peripheral. Both these shortcomings can be, at best, partially removed by building income-generating assets and effective devolution of financial control over UWEP expenditures to the community organisations.

(6) Despite hurdles and limitations of time and resources, West Bengal has done a commendable job in setting up meaningful community organisations, some of whom can be models to rest of the country. The state has also shown some flexibility so that maximum programme benefits reach to the poor under the constraints imposed by schematic budgets and procedures.