# *SHG Approach to Improve Healthcare and Reduce Poverty Among Urban Poor*

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*Strategies to Alleviate Poverty and Climate Change*

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# Outline of presentation

- Rapid Population Growth in India
- Burden of Healthcare on the Poor
  - Costs of treatment: Indirect and direct
  - Sources of Funds
  - Who do Government Subsidies Benefit
  - Economic Burden of Hospitalization on the Poorest
- Experiences from promotion of slum based women's groups in Agra
  - How were Slum Women Collectivized
  - Outcomes
- Challenges and Implications for Replication

# Rapid Population Growth in India

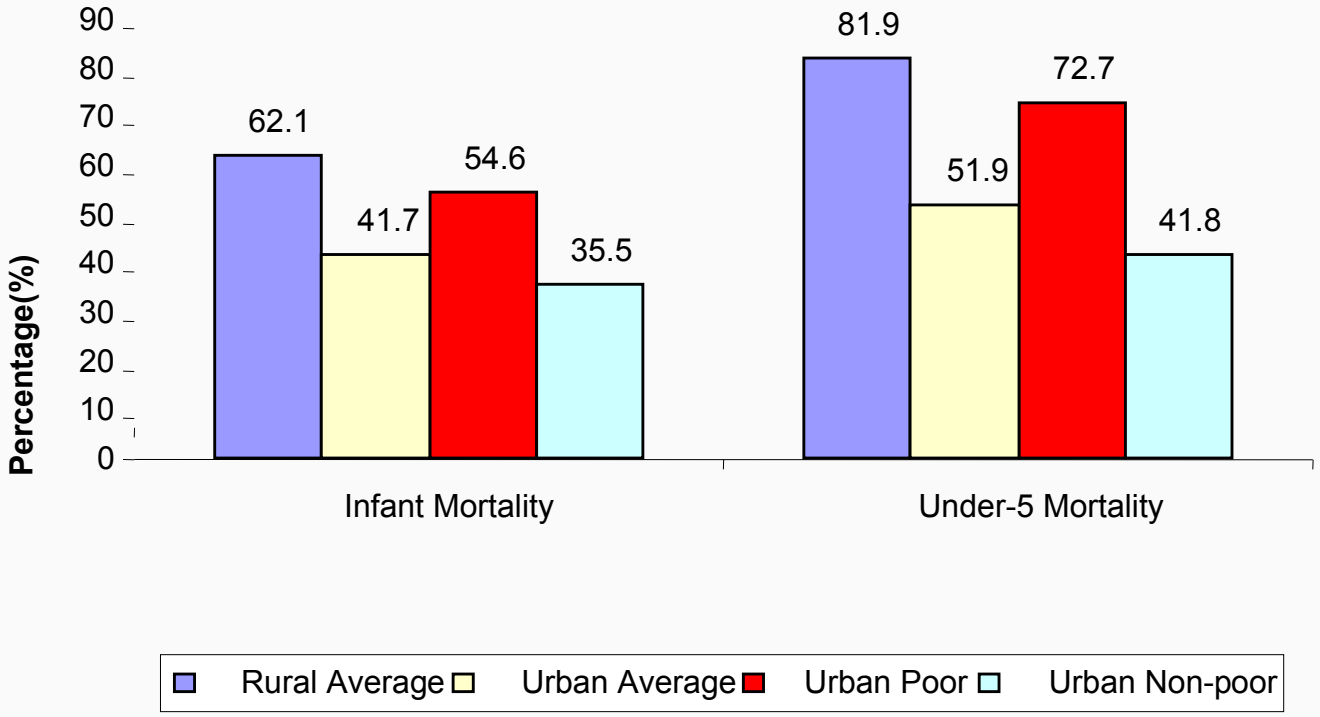
- Urban Poor-the fastest growing segment of Indian population.
  - Urban poor estimated at 80.74 -100 million; projected to increase to 202 million by 2020[1].
  - Estimated annual births among urban poor-2.74 million[2].
- Health status-an important dimension of poverty and vulnerability.
- Healthy body is the primary productive asset for the poor[3]; facilitating increased earning and minimizing risk of falling deeper into poverty.
- Due to various factors such as low access to maternal and child health services, poor environmental conditions, mother and children among the urban poor are more vulnerable to sickness

1- Planning Commission, Poverty Estimates for 2004-05 and National Population Policy, 2000; State of World's Cities, 2006/07

2-Based on CBR 27.4 for urban poor population and 100 million urban poor population

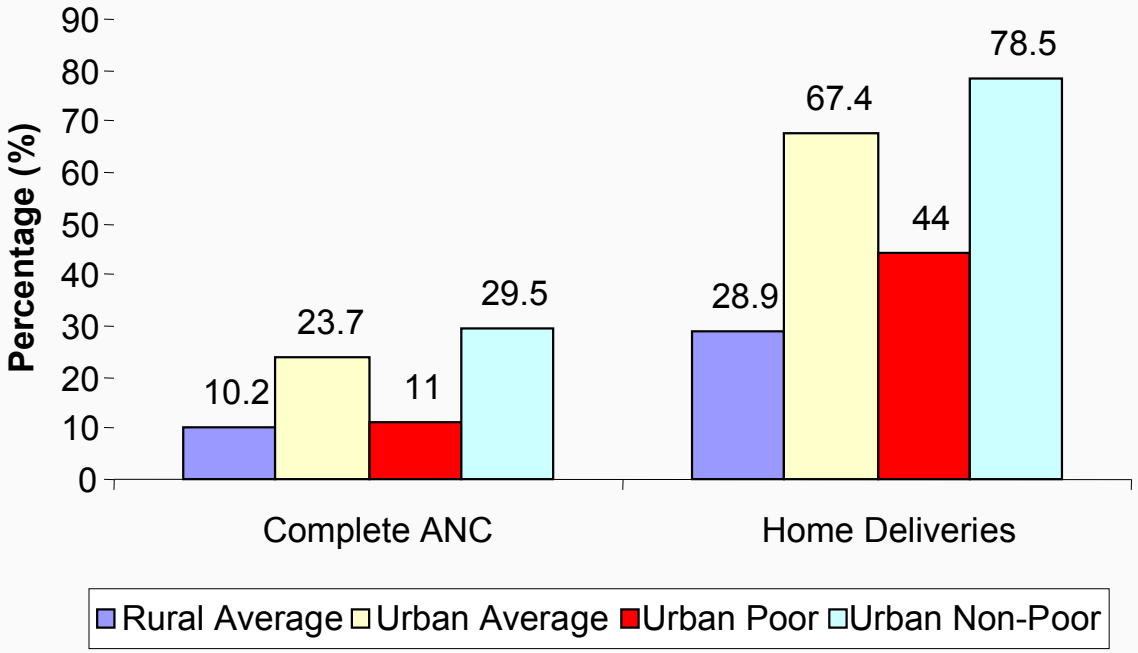
3- WHO 2000. Health: A Precious Asset

# Poor Child Survival Among the Urban




Source: Re-analysis of NFHS-3(2005-06) by wealth Index; UHRC, 2008

# Poor Access to MNH Services



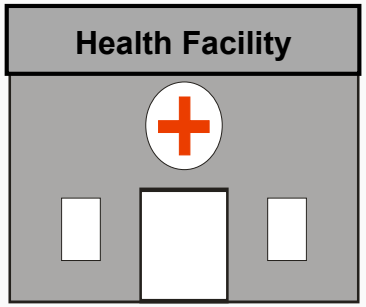

Source: Re-analysis of NFHS-3(2005-06) by wealth Index; UHRC, 2008

# Burden of Healthcare on the Poor

# Cost of treatment: Direct and Indirect

Cost of transport

Doctor's consultation fee

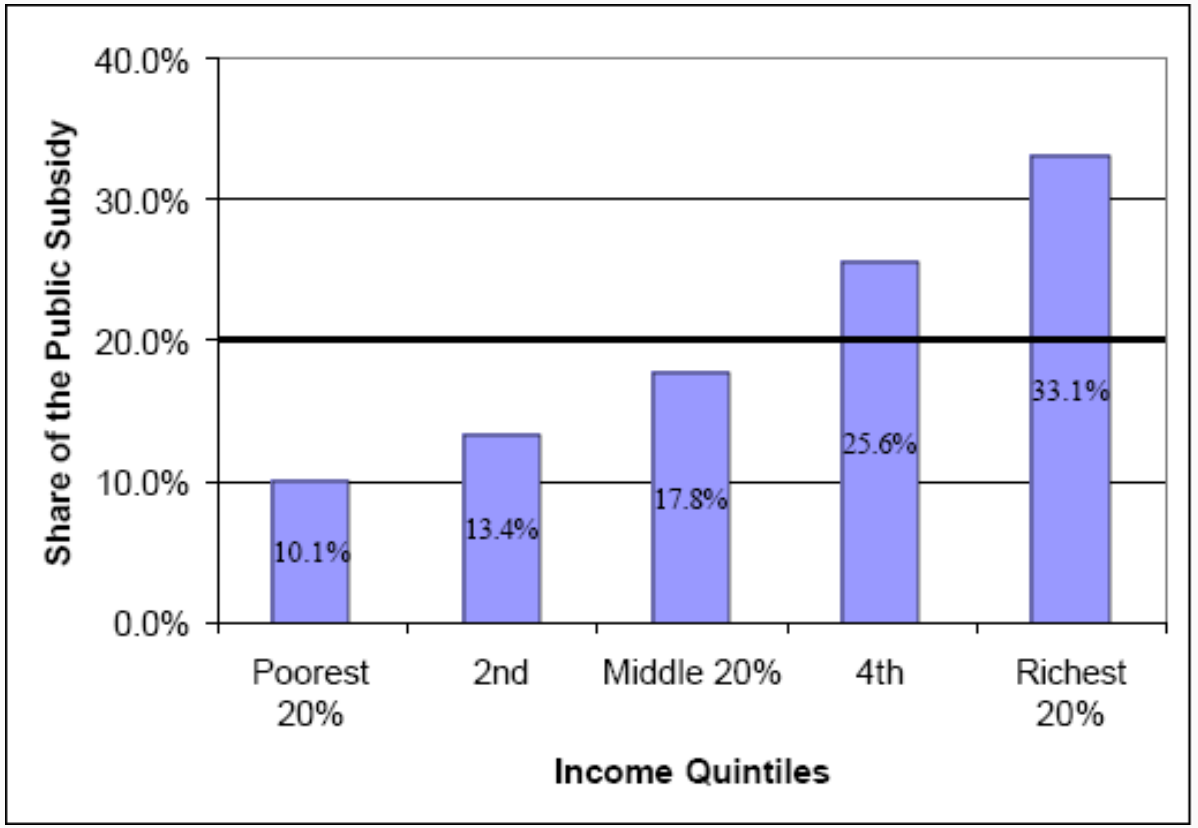



Cost of hospital admission

Loss of wages

Cost of medicines

# 78% Public subsidy for Curative Care Goes to Richest 3 Quintiles




Ajay Mahal et al,2001

# Forced to Borrow from Money lenders

Erratic income

No savings

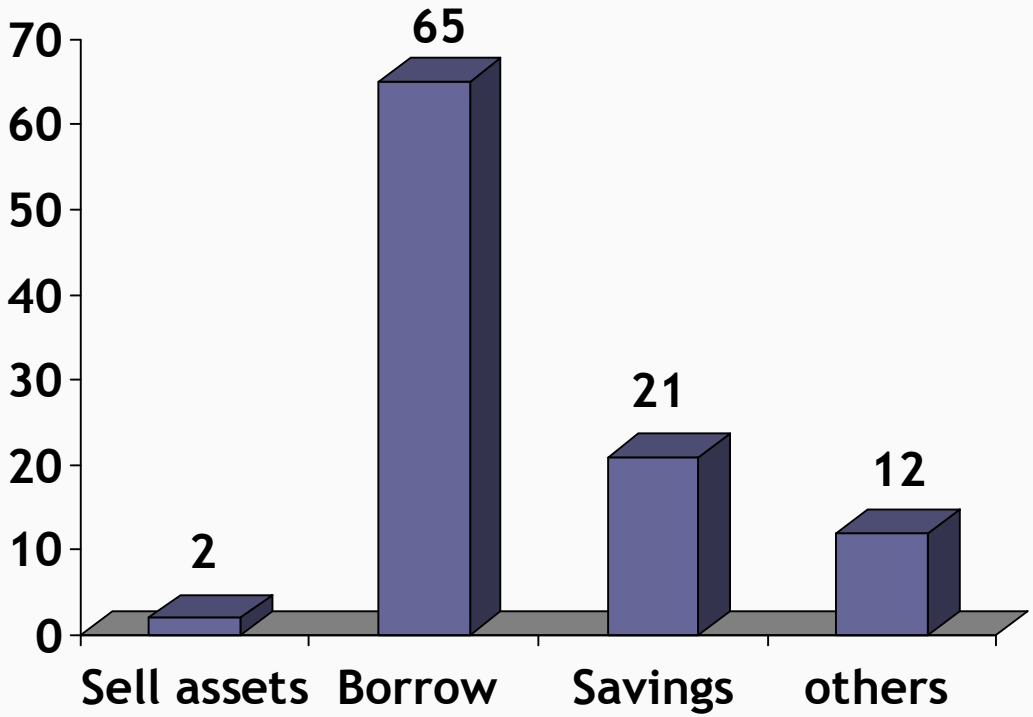

No support from banks

No social support; as most are nuclear families

Forced to borrow from local money lenders at high rates of interest

A study of Nagpur city by the National Institute of Urban Affairs (2001) recorded that 14.4% of slum households incurred debt on account of illness

# Economic Burden of Hospitalization on Poorest Quintile




Gumber and Berman,1994 using NSS 1995-96

# Stimulation and Nurturing of Basti based Women's Groups and Health Funds

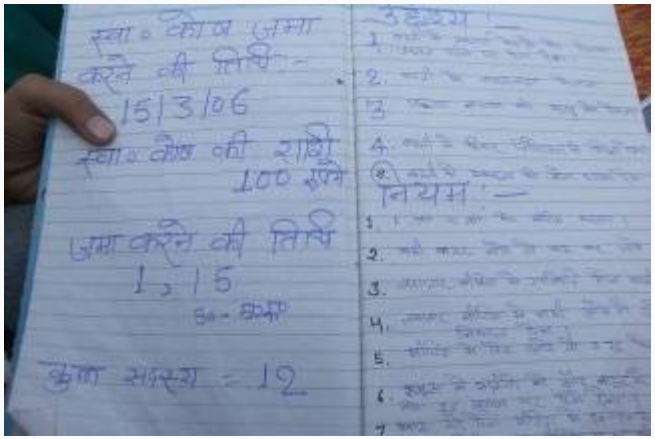
# How were Slum Women Collectivized

- Active and socially committed women emerged from program slums and were organized into groups
- Capacity of these groups was built through training sessions with help of local NGOs
- Provided inputs to build institutional, program (providing knowledge on healthcare), linkages and financial capacity
- There are 96 such groups in Agra

# Promoting Basti Level Health Funds

Women in slums realizing the importance of ready source of money, started health funds

Women contribute Rs.10 to100, monthly to the health fund



Rules, regulations and all financial transactions are documented

Groups are being encouraged to have bank accounts

# Initiation

- After the groups have developed a deep understanding of their objective of improving health of their fellow basti residents and have been undertaking related activities successfully, they are stimulated to initiate health funds
- Groups stimulated through the following processes
  - Helping the group identify examples where a family has experienced lack of money for treatment
  - Organizing cross visits to groups who have a fund
- After group members are convinced of the need, they initiate collective saving
- Groups are then helped to develop rules and regulations after a thorough discussion among all members

# Maintenance of Records and Bank Account

**Maintenance of records**

- Capacity building sessions on documentation organized
- Literate members are encouraged to take the lead
- Treasurer appointed to take care of financial transactions
- Encouraged to ensure transparency in financial dealings

**Bank accounts**

- Once the group has sufficient money and has been undertaking financial dealings successfully for sometime, they are introduced to the idea of a bank account
- Account is in the name of the group and has three elected signatories

# Rules and Regulations

- Monthly contribution: Decided depending on paying capacity of the financially weakest member. Some groups have also increased their monthly contribution overtime depending on needs
- Loan Disbursal
  - Prioritization facilitated; health given highest priority
  - Deadlines fixed to return money
  - Fines in event of delays
  - Application for seeking loans; provision and format
  - Emergency Loans; minimum members (usually 3) required to decide disbursal of loan during emergencies when all members cannot be immediately informed
  - 1-2 guarantors-A prerequisite
- Interest rates: Generally lower for group members than for non-members, and for health loans

# Outcomes

*Total amount collected and sources [as of Feb 2008]*

| Contribution by members | Donations | Renting of sitting mats and dholak | Interest on loans | Fine or penalty | Other sources | Total |
|---|---|---|---|---|---|---|
| 347103 | 9500 | 21874 | 59237 | 356 | 2000 | 384167 |

*Creative ways to increase health fund, besides monthly contribution and interest*

- Renting out dholaks or sitting mats in times of weddings or other ceremonies that occur in the basti(slum). Rent varies from Rs.20 to Rs.50.
- Purchasing utensils and tents from their fund money and renting them out at rates lower than what the basti residents may get in the market.
- Organizing prayer ceremonies and using offerings as donations to the fund.

# Outcomes

- In Agra 84 groups, representing 180,000 slum population, have collected Rs.5,38,910 between February 2006 and July 2008
- 42 of these groups have a bank account
- As of February 2008, Groups have dispersed 568 loans amounting Rs. 3,49,776
  - 333 health loans amounting to 240500.
  - Other loans were for education housing, marriage etc.
- Groups have generated Rs.59237 as interest which ranges between 2% to 5%.
- Repayment is around 95%.

# Challenges and Implications for Replication

# Challenges

- Hesitation and refusal by some members to contribute money to the health fund owing to:
  - Perception that the health fund is equivalent to saving money at home
  - Extreme poverty
  - Fear of pilferage by NGO staff or other members
- Difference of opinion among group members due to social factors
- Deviation of focus from health activities to increasing money in the health fund and thinking of livelihood options at a premature stage
- Poor documentation due to most women being illiterate
- Weak and incomplete rules causing conflicts

# Implications for Replication

- Improved access to health care
  - Ready money at slum level for meeting health exigencies
  - Unnecessary delays in seeking treatment avoided; more mothers, children saved from infirmity and death
- Reduction in financial burden
  - Loan available at lower interest than money lenders
  - Indirect cost reduced as women have right knowledge and the ability to negotiate for better health care services
  - Freedom from exploitation by local money lenders

# Implications for Replication

- Empowered, happier, more confident women
  - Increased decision making capacity among women
  - Increased confidence and ability to handle money
  - Increased knowledge of accounting
  - Increased access to banks and other external stakeholders
- These organized groups also provide an impetus to the public healthcare delivery system by increasing demand
- Possible linkage to insurance schemes
- *The approach has been incorporated as an important strategy in the National Urban Health Mission of India which aims at addressing the health concerns of the urban poor in the country.*
  - Expected to be replicated in 430 cities.

*Imagination is the beginning of creation. You imagine what you desire, you will what you imagine and at last you create what you will.*

-George Bernard Shaw