

EXAMINING LITERACY AND POWER

W ithin

SELF HELP GROUPS

A Q UANTITATIVE STUDY

Nirantar

A Centre for Gender and
Education, New Delhi

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First Edition: 2007

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Acknowledgements

We are deeply grateful to the NGOs and government programmes who agreed to participate in the study. It would not have been possible to conduct this study without their cooperation. The following NGOs participated in this study: Gram Sudhar Samiti (Madhya Pradesh), Swati (Gujarat), State Resource Centre (Himachal Pradesh), Swayam Shikshan Prayog (Maharashtra), Pradan (Jharkhand), Sambhav (Madhya Pradesh), State Resource Centre (Bihar), Vanangana (Uttar Pradesh), Seva Mandir (Rajasthan), Aarthik Anusandhaan Kendra (Uttar Pradesh), Mother Teresa (Tamil Nadu), Vikalp (Orissa), Pamarth Swayam Sevi Sansthan (Uttar Pradesh), S.P.Y.M. (Haryana), I.A.S.C. (Tamil Nadu), Poorvanchal Gramin Vikas Parishad (Uttar Pradesh), Spread (Orissa), Paraspura Trust (Karnataka), S.G.U.P. (Orissa), Himachal Gyan Vigyan Samiti (Himachal Pradesh), Village Welfare Society (West Bengal), I.D.Y.W.C. (Madhya Pradesh), Lead (Tamil Nadu), SOPAN (Madhya Pradesh), INRECA Foundation (Gujarat), Jan Shikshan Sansthan (Uttaranchal), Pragati (Orissa), Vikalp (Orissa), Vedika (Andhra Pradesh), Chetanya (Maharashtra), Integrated Development Foundation (Bihar), S.Y.A. (Andhra Pradesh), Anandi (Gujarat), Mahila Okkutta (Karnataka), District Literacy Committee (Chhatisgarh), Paani (Uttar Pradesh), Narendra Foundation (Karnataka), Antodaya (Orissa), Dale View (Kerala), S.I.R.E. (Karnataka), B.I.R.D. (Andhra Pradesh) and Gramonnati Sansthan, (Uttar Pradesh).

We also express our gratitude towards the government programmes, Swashakti (Gujarat) and DWCRA (Andhra Pradesh), who also made the effort of completing and sending to us the questionnaires.

We would also like to convey our appreciation of the hard work undertaken by the surveyors during hot summer months. We express our gratitude to Usha Rani from Sannhita, Andhra Pradesh and Tushar Bhai from the Environmental Development Centre, Gujarat for extending their support to the survey including coordinating with the surveyors. The help given by Action Aid and Christian Aid was invaluable in reaching out to community based NGOs. We appreciate the interest and help given by both the organizations.

Colling out and tabulating the data from almost 3000 questionnaires was a hefty task performed admirably by Anil Arora. Preparing the data from the

questionnaires for data analysis and for helping with the data analysis itself, we deeply appreciate the time and effort contributed by Rajnish from the Indian Statistical Institute. To Dr. Padmini Swaminathan, Director, Madras Institute of Development Studies and Renuka Mishra, Founder Member, Nirantar, many thanks for providing extremely valuable feedback on the draft report. Thanks also to Monica Mody for translating the first version of this report. For the design of the report we would like to express our appreciation for Runu Saxena's creativity and enthusiasm.

It is essential to acknowledge the tireless efforts made by Kishor, from D.T.P. to the final formatting.

From time to time several people and organizations helped us during the study. It is not possible to mention each one of them individually, but we express our gratitude towards the many people linked in different ways to this study. And in the end we are most grateful to all the community based functionaries whose tireless efforts helped shape the Self Help Groups as well as this study.

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Introduction

The widening reach of Self Help Groups (SHGs) is clear not only from their increasing numbers but also from the extent of the acceptance of their efficacy. Everyone, from a small NGO working at the ground level to agencies and banks at the national and international levels, seem convinced about the usefulness and success of SHGs. With an eye on the profitability of poverty and the poor, microfinance institutions (MFIs), banks and other agencies are briskly disbursing microcredit through SHGs. The State seems to have made up its mind that SHGs are a powerful means of poverty alleviation and women's empowerment, and is forming SHGs to distribute credit nationwide. Even NGOs who form SHGs as a means of organizing women have not been able to avoid focusing on savings and credit. SHGs are today emerging as the most important tool in the realm of gender and development.

Keeping in mind this expansion of SHGs and their growing importance in the development process, it is now vital to reflect on them in a multidimensional manner. One of these dimensions is education, including literacy. A study from the perspective of education and literacy is significant especially because there has so far been no study of SHGs conducted from this perspective. Moreover, such a study is necessary to assess the role of educational processes in attaining the two main objectives of SHGs: women's empowerment and poverty alleviation.

There are today innumerable ways in which the term empowerment is being interpreted. In this study, we have used the term empowerment from a feminist perspective, placing at the centre of the discourse - power. All processes which change the equations of power in a manner that are in the interests of marginalized communities come within the ambit of empowerment.

According to Srilata Batliwala¹, empowerment is a process through which the powerless become capable of controlling events around them which have a direct relationship with their lives. Empowerment must be seen in the context of external as well as internal processes since strength within oneself is important per se and essential in terms of the right and ability to intervene in external processes. It is clear that reducing the complexity of empowerment processes to merely enhanced access to resources or incomes through SHGs, changes the entire meaning of women's empowerment.

Education and literacy have an important place in the process of empowerment. If we look closely, all groups who are socially deprived and discriminated against Dalits, women, poor and backward classes are also deprived of education and literacy. Education is an important arena in which power is exercised by dominant sections of society. Denial of education to those at the margins is one way of exercising power. Conversely, education and literacy are empowering for marginalized communities. They enable such communities to negotiate power relations with other players and enable processes of introspection and reflection. Therefore, in the context of the study, we see educational processes as a prerequisite for the process of empowerment.

Control over resources is the other key component of power examined in the study. Resources are defined both in material terms (including credit, water, forest and land) as well as in terms of access to information. In a context in which Self Help Groups seek to alleviate poverty through access to resources in the form of credit, it is important to examine the extent to which they are enabling knowledge about creating access to credit and converting it into enhanced incomes. Mere access to resources is not

enough for poverty alleviation.

By education we mean not just the ability to read and write, but also all processes related to access and engagement with information, including critical reflection. Some educationists believe that the relationship between empowerment and education is meaningful only when education is successful in developing an analytical perspective. Other educationists believe that all forms of education are significant in empowering marginalized communities since any form of education directly impacts the capabilities and social location of the members of these communities. In this study we have chosen to examine the entire range of educational inputs, with a particular emphasis on literacy.

Nirantar's Action Research Study² on Educational Opportunities for Women (2000) helped in understanding the value of literacy from the point of view of women. The following quote by a newly literate woman in Kanyakumari, Tamil Nadu, interviewed during the study clearly indicates the linkages between literacy and power in the life of poor women. She says, "After joining the literacy campaign, we began to sign our names in the account registers of the contractor. He stopped cheating us. Earlier we would put our thumbprints to whatever he would write. Since the time we began signing our names, he got scared that we can read. Then he started to calculate accurately." She continues, "Earlier we could read a little but are now forgetting even that much, but the contractor still thinks we can read and so is less dishonest."

Articulations such as these are important in terms of educating us, the more literate, about the significance of literacy as it is experienced by poor women. There is recognition on the part of the women about how they are perceived by those who wield power over them, a category which often includes the literate. Such articulations express women's experience of enhanced self confidence when they acquire literacy skills. There is also a clear understanding on the part of the women about the symbolic power of literacy, over and above the actual knowledge and use of literacy.

Women's understanding of the relationship between literacy and power has meant that they have sought to

access education. Women joined the government's Total Literacy Campaigns of the National Literacy Mission in large numbers. Unfortunately, neither the State nor NGOs, have given an important place to literacy in women's empowerment programmes and policies.

This study was conceived to view processes occurring in SHGs through the lens of education and literacy. In particular, the study seeks to understand the following:

- Nature and extent of opportunities available to SHG members.
- Linkage between opportunities provided to SHG members and education as well as literacy.
- The perspectives and priorities of sponsoring agencies in a context of socio-economic inequities.

In the study, we focused on the following processes within SHGs:

- opportunities for leadership
- capacity building opportunities
- access to resources, and
- extent of engagement with social justice and development issues

All the organizations and programmes working with Self Help Groups are referred in this study as sponsoring or promoting agencies.

Nirantar has conducted two studies related to SHGs in order to understand the links between education, women's empowerment and poverty alleviation. The first is a qualitative study with a bottom-up approach. This study entailed intensive interactions with SHG members at its core and expanded to include cadres and leadership of sponsoring agencies. The methods of inquiry in this study included focused group discussions and interviews. During the course of this study we realized that a qualitative study was not enough to understand the widespread phenomenon of SHGs. Therefore Nirantar undertook a quantitative study. Here, data was gathered through surveys. The following report has been prepared on the basis of data collected through this survey of 2750 SHGs across 16 Indian states, sponsored both by NGOs and by government programs.

Methodology

Our study used surveys to understand and assess the education and literacy opportunities available to women through SHGs, and their impact on the process of empowerment. This method allowed us to study this large scale phenomenon systematically. It was necessary to choose a method that would minimize the impact of the diversity within the perspectives of sponsoring agencies in order that broad patterns could be discerned.

Selection of Sample

Self Help Groups included in the study were divided into two categories on the basis of their sponsoring agencies: Non Government Organisation (NGO) sponsored SHGs, and State sponsored SHGs.

Among the NGOs, we included only those organizations who define themselves as committed to social development, since linkages between education, empowerment and poverty alleviation are clearer in organizations that have gender equity and social justice as chief among their objectives. This is especially true in comparison with those institutions (in particular MFIs) whose main objective is to earn profit through the distribution of credit.

Again, in our selection of government programs, the purpose of the government program was important: we chose only those which have women's empowerment and self-reliance as their chief objectives. Therefore, we selected Swashakti and DWCRA, Velugu and Swarnjayanti Gram Swarozgar Yojana (SGSY). In our survey, we also sought to incorporate regional differences. The states covered for the government sponsored programs were Gujarat, Andhra Pradesh and Uttar Pradesh. The states covered for the NGO sponsored

programs were Madhya Pradesh, Gujarat, Himachal Pradesh, Maharashtra, Jharkhand, Bihar, Uttar Pradesh, Rajasthan, Tamil Nadu, Orissa, Haryana, Karnataka, West Bengal, Uttaranchal, Andhra Pradesh and Kerala.

Questionnaire

The survey was conducted through two structured questionnaires, one related to SHGs and the other related to the agencies sponsoring them.

Since the purpose of the study was to understand trends within groups, the survey focused on group level information. At the individual level of members, we gathered detailed information on literacy and education. We also gathered detailed information on group leaders. Data was collected regarding the following aspects

- literacy and education status of group members
- socio-economic composition of the groups
- social, economic and literacy status of group leaders
- capacity building inputs being provided to the groups and access to these opportunities
- savings and credit related activities of the group
- social issues taken up by the groups
- linkage between the groups and panchayats

The questionnaires were filled by field level functionaries working directly with the SHGs. These had been sent to the sponsoring agencies with a briefing in which they were requested to fill in the information along with the group leaders. Sponsoring agencies were also asked to select not more than one group from each village, in order to incorporate a greater diversity of contexts

The questionnaire for sponsoring agencies sought to gather the perspectives of sponsoring agencies. Therefore the questions were kept open-ended.

The process followed in the selection of sponsoring agencies and SHGs

■ We drew upon various networks, institutions, existing organizational linkages and documents for information on SHG sponsors. We went through national agencies like NABARD and the Rashtriya Mahila Kosh to contact regional SHG promoters, and through various funding agencies to reach field level SHG promoters.

■ We sent nearly 170 NGOs from 19 states information on the study, along with a participation request. Of these, 80 organisations agreed to participate and were sent 3000 questionnaires. We received about 1150 completed questionnaires, from 16 states.

■ For groups formed under government schemes, the program offices of the various states were contacted. Yet, despite considerable efforts, permission to conduct the study was not granted. In this case, we focused on those states which had been a part of the qualitative study. SHGs formed through government schemes from three states were included in the study. These were:

- ▲ Swarnajayanti Gram Swarozgar Yojana (SGSY) - Gujarat, Uttar Pradesh
- ▲ District Poverty Initiatives Program / Velugu - Andhra Pradesh
- ▲ Swashakti - Gujarat
- ▲ DWCR A -Andhra Pradesh

■ Surveys of groups formed under DWCR A and Swashakti were conducted by the program's functionaries. This is similar to the how surveys were conducted in NGO promoted groups. Surveys of groups formed under SGSY and Velugu were conducted by surveyors engaged by Nirantar.

■ Groups formed under government programs were selected through random sampling. A list of groups was prepared on the basis of information collected from the program offices, and groups were randomly selected, with one SHG being selected from one village.

Sample Size

■ According to NABARD documents, the number of groups formed under government schemes is at present higher than the number of

groups formed by NGOs. Hence even in the study sample we included almost 60% of the groups formed under government schemes and 40% of those formed by NGOs.

■ Groups formed under government schemes included in the study - 1650

■ Groups formed by NGOs included in the study - 1100

■ Total - 2750

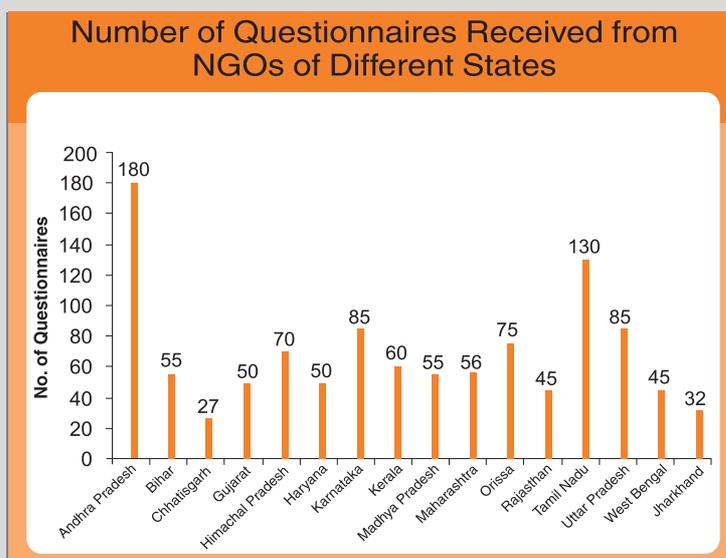
We received 1150 completed questionnaires from the NGOs but 50 were incomplete and could not be included. In the study, only those questionnaires were included which had basic information about the group and replied to at least 50% of the questions.

■ The number of groups formed is much higher in south India as compared to other parts of the country. The sample size incorporated this reality in order to ensure a representative sample. In the survey 50% of the total sample came from the states of southern India and 50% from all the other states.

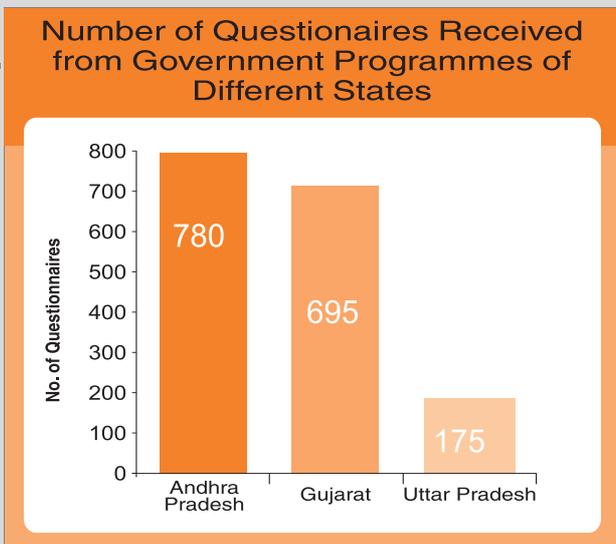
■ The sample size of groups formed under government schemes also reflected the scale of the schemes. Thus, the Swashakti scheme - the scheme that had promoted the least number of SHGs - provided the least number of groups for the study, and the SGSY scheme provided the most.

Group Selection

Groups were selected for the study on the following basis:



Graph - 1



- Members are all women
- The sponsoring agency defines them as a Self Help Group
- Groups were formed at least two years ago
- In Gujarat and Andhra Pradesh, groups formed under government programs were surveyed in those districts where the qualitative study had also been conducted. These are the Pandmahal and Dahod districts in Gujarat and West Godavari and Chittoor districts in Andhra Pradesh.

Data Analysis

Frequency Data: The frequency of replies given by all the groups to every question included in the questionnaire was calculated and an analysis was done based on the number of replies. The percentage of various replies given by all the groups on any question was also calculated on this basis. Thus frequency data was worked out for every question included in the questionnaire.

Co-relation formula: This was used to understand the relationship between two sets of variables studied. This method is used in statistics to determine if there is a relationship between two factors, and if there is, to what extent it exists. Thus co-relation can be used to measure both the direction and extent of the relationship between factors. This measure was used in the study, for example, to examine the relationship between literacy and

leadership.

Secondary Literature Review

Numerous existing research studies and other relevant material was reviewed during the course of this study. In the course of the data analysis an effort was made to locate the findings of this study vis- vis other studies examining similar dimensions. References to this material has been made throughout this text, and the details provided in the bibliography.

Limitations of the Study

The limitations of doing any study through a survey apply to this study as well.

- Information obtained from the respondents is regarded as 'fact'.
- The data collected is from those organisations who agreed to participate in the study. If there are particular factors underlying the self selection, these cannot be factored in.
- Data from the study was gathered chiefly to understand trends. Hence the focus of many questions, on which it was possible to get more in-depth information,

¹The co-relation measure lies between +1 and -1. A negative number means the presence of one factor affects the other negatively. A positive number means that when one increases or decreases, so does the other.

Self Help Groups: Basic Composition

was kept specific.

Highlights

- 96% of groups had a membership of 20 women or less.
- In 88% of groups, a majority of membership was Hindu.
- In 43% of groups, majority of women belonged to the backward castes. 39% women members of the groups were literate, that is they could read and write.
- Of the literate women joining the groups, almost 21% had studied at least up to sixth standard.

The composition of SHGs was primarily understood in terms of the socio-economic and educational backgrounds of the women members joining the groups. Understanding the composition of SHGs can help in understanding the nature and the raison detre of the group. In addition, it can also reflect the agenda and priorities with which these groups are formed. It is important to know what SHGs imply for members of these groups, and the opportunities that are being created for its members. It is equally important to know who, in the first instance, has access to these groups and who has not, especially when the State claims to reach the poorest through

Table - 1

Distribution of Group Membership

Membership	Total		NGO sponsored SHGs		Government sponsored SHGs	
	Frequency	%	Frequency	%	Frequency	%
Less than 10	89	3.2	54	3.3	35	3.2
11-15	2127	77.3	1480	89.7	647	58.8
16-20	436	15.9	109	6.6	327	29.7
21-30	72	2.6	7	0.4	65	5.9
More than 30	26	0.9	0	0	26	2.4
Total	2750	100	1650	100	1100	100

these groups. Access to groups implies access to credit as well as to government schemes and benefits. Group composition is therefore an indicator of equity and social justice. Last and not the least, as detailed in the introduction, it is critical to understand the levels education and literacy within SHGs in order that the linkages with power can be examined.

Group Membership

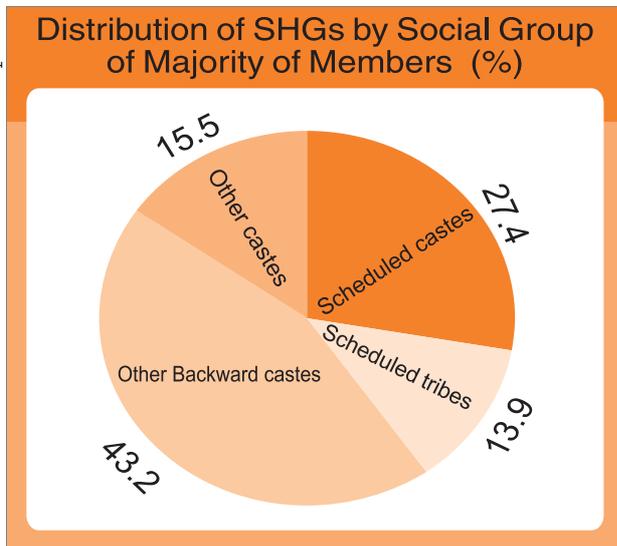
The study plainly shows the predominance, on the whole, of groups with 20 or fewer members. Groups formed under government programs are so strict about numbers that 99.5% have a membership of 20 or less. Clearly, the present form of SHGs lays emphasis on keeping membership limited to 20. Groups formed by NGOs showed more flexibility about membership numbers in comparison with

groups formed under government programs. But even here, the pressure to keep the membership limited to 20 is clearly evident.

Why is this figure 20 so significant? Why are most organizations, whether governmental or non governmental, forming groups with only 20 or fewer members? To find answers to these questions we can take help from the documents of NABARD - the institution credited with extensively promoting SHGs nationwide. Their documents seem to show that membership is restricted for pre-determined, savings and credit related reasons.

NABARD³ has played a considerable role in promoting savings and credit based SHGs. From time to time, it issued several guidelines on linking SHGs with banks. NABARD and the Reserve Bank of India (RBI)⁴ have also issued guidelines regarding the composition and form of the groups. These guidelines envisaged model groups that would be able to form linkages with banks for credit. Hence, the guidelines largely focus only on those parameters that would help form effective Self Help Groups from the viewpoint of credit management and recovery. For example, the guidelines emphasize homogeneity of groups. One marker of homogeneity is standardizing the number of members in the group to 20. According to the guidelines issued by NABARD, membership of 20 is suitable from the perspective of credit management since it is difficult to manage credit effectively in groups with more members. The current form of SHGs where most have 20 or fewer members indicates

Graph - 3



the centrality and primacy of credit recovery which in turn impacts the nature of the group.

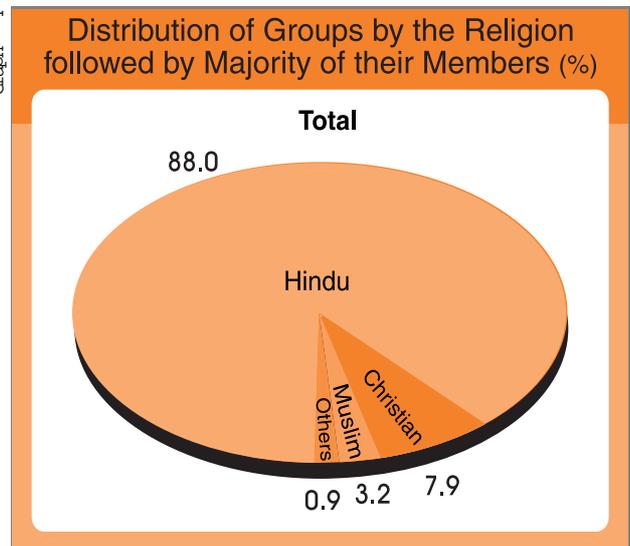
The pressure to keep membership limited to 20 is so high that not only are most groups being formed with 20 or fewer members, even larger groups of women that existed earlier at the village level have been split and moulded into smaller groups as SHGs.

Dr Rajshekhkar⁵ in his study on Gram Vikas Pariyojana and DWCRA groups in 2004 found that large, pre-existing women's groups (sangthans) formed under village development programs had been split up into smaller Self Help Groups of 20 women. Numerous activists and practitioners have also drawn our attention to this phenomenon of larger women's collectives being broken into smaller, more manageable SHGs. In one such instance, a woman NGO functionary shared a similar experience at a workshop organized by Nirantar and Swati, in Gujarat, 2005. According to her, larger women's collectives formed by her organization during the 1990s, which had women from the entire village as members, were split up and termed Self Help Groups. These SHGs are now popularly known among the local women as beesi or groups of bees (twenty) women.

Socio-Economic Status of Members

- In most, i.e. 88% of the groups, a majority of the members belonged to the Hindu religion.

Graph - 4



- Only 3% of the groups had Muslim women as members in the majority.

- Nearly 43% of the groups had a majority of women members from the backward castes.

- 27% groups had majority of their membership from SC and only 14% of all the groups participating in the study had ST as majority of their membership.

- Groups with women from the general castes in the majority comprised just 9% of the government sponsored groups, and 22% of those formed by NGOs.

- The primary source of family income for 81% of the group members was wage labour or marginal farming. Of these, 49% of the women were from landless families.

Other studies have also revealed the dominance of women from the backward castes in SHGs. S. Ghalab and N. Chandrashekhar Rao,⁶ in a study conducted with groups under government programs like DWCRA and

Table - 2

Social Group	Ratio of presence in SHGs*	Total population living below poverty line**	Population ratio in the total population of India***
Scheduled Castes	27.3	37.4	16.2
Scheduled Tribes	13.9	45.9	8.2

Source : Study data*, 10th FYP document**, Census 2001***

Primary Source of Household Income (for majority of group members)

Primary Source of Income	Total	Govt.	NGO
Landless/ daily wage labour / piece rate work	41.7	46.7	34.4
Marginal land holding/ share cropping/ less than 2 acres irrigated land	28.3	24.8	33.4
Self-employment-petty shop, vendors, hawkers, artisans, etc.	10.6	12.7	7.4
Self-employment-permanent shop, service providers, etc.	2.6	2.8	2.3
Agriculture on 5 or more acres of irrigated land	3.8	3.0	5.1
Regular salaried job (private or Government)	4.3	4.1	4.5
Total	100	100	100

District Poverty Initiatives Program (DPIP) found that maximum participation in the groups was by women from the backward castes. Similarly Nimlata Buch in her study done for and with organizations working with Rashtriya Mahila Kosh found women from the backward castes had highest membership numbers.

If the proportion of women members from the SC and ST community is lesser than the members from the backward castes, then these groups cannot claim to be reaching out to the poorest in the communities, as backward castes are not the poorest from an economic point of view. According to the 10th five year plan documents,⁷ backward castes can be considered socially backward, but they do not face the economic crisis of the sort SCs and STs do. The presence of backward castes and general castes women members was even higher in case of groups formed by NGOs. 57 percent of the members in these groups belonged to either backward or general castes.

Whereas nearly 37 percent SC population and nearly 46 percent ST population lives below the poverty line, the SHG membership of women from these communities is only 27 percent and 14 percent respectively. This data reveals that the poorest of the poor families or communities living below the poverty line are not represented proportionately in the SHGs meant to reach out to the poorest population groups.

This is also the situation of members belonging to

various religions. 85% groups have a majority of members belonging to the Hindu religion, and only 3% groups have a majority of women from the Muslim community. The Muslim community, whose share in the total population is nearly 13 percent, is the poorest and most marginalized community amongst various religion based communities in India. Yet their presence in the SHGs is miniscule. Muslim dominated groups are found more among the groups formed by the NGOs than those formed under government schemes, but even there their presence is far less when compared

to their proportion in the total population.

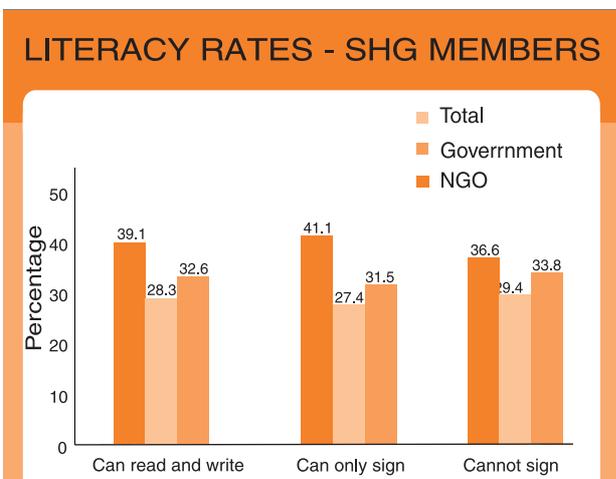
The greater presence in SHGs of women who do not come under the most deprived groups indicates that these very poor families do not have the minimum financial wherewithal necessary to participate in the group's savings and credit related activities.

Looking at the economic status of members we find that 49% members earned their living from daily wage labour. These can be placed in the category of the very poor since they are also landless. 51% group members are those who are in a better situation financially. Among the NGO sponsored groups, 4% group members were from families earning a regular income, and 8% from families with 5 acre or more of irrigated agricultural land.

The study done by Ghalab and Chandrashekar also indicates a similar financial background of the women members of the SHGs in Andhra Pradesh. Regarding the financial status of the group members (which they had seen largely in the context of agricultural land), they found that 55% of the women members were landless families. Nearly 41% had marginal land holdings and 4% owned medium and large agricultural plots.

The compulsion of promoting regular savings is detracting the attention of SHGs from the very poor to those poor who have the ability to save regularly. This study also sought to find out the common bases under which membership was given to women. It is not surprising that nearly 2700 of the 2750 groups outlined

Graph - 5



regular saving as the first and essential criteria for becoming a group member. Women from families who do not have a regular source of income are thus the exceptions in these groups rather than the norm.

In 1996 Raju and Ali⁸ also found in their study that women from very poor families are not confident of their ability to save and hence they do not join SHGs. This study also clearly indicates that very poor women are not proportionately represented in these groups with respect to those living below the poverty line.

Who has access to SHGs is linked with the priorities of the sponsoring agencies. Even sponsoring agencies stand to benefit from women from the backward castes in these groups, to ensure that the cycle of savings and credit can go on uninterrupted. Women from the SC and ST communities who are unable to save regularly are excluded from these groups, though their numbers are highest among families living below the poverty line.

Literacy among Group Members

It is significant to note that the manner in which literate has been defined in this report is the ability to read and write. This definition was necessary in order to exclude from this category those who can only sign.

- 61% of the women joining the SHGs were non literate. This includes 28% women who can only sign their names.
- The literacy rate of women in government sponsored groups was higher than the literacy rate of women from groups formed by NGOs.

Table - 4

Literacy levels of Group Members (%)

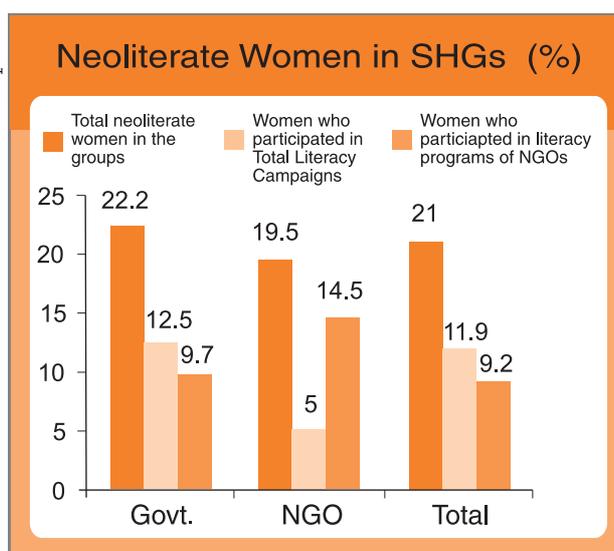
Literacy Level	Total	Govt.	NGO
Above class 12	1.7	0.9	2.8
Class 11-12th	5.0	3.2	7.6
Class 9-10th	19.2	16.2	23.5
Class 6-8th	25.2	24.1	26.6
Class 3-5th	32.3	37.4	25.2
Upto Class 2	16.6	18.2	14.2

■ Of the 39% literate women, 21% had studied at least up to sixth standard.

■ 21% members of the total group membership had been associated with literacy programs. 19% of these women had taken part in the Total Literacy Campaigns.

In 2000, the study done by Nirmala Buch⁹ with SHGs formed by the Rashtriya Mahila Kosh, found that while nearly 55% of the members joining the groups were non literate, almost 14% of the members had studied up to tenth standard or more. In the present study 61% of the women joining SHGs were non literate and 39% were literate. Among the literate women members, nearly 13% had finished at least tenth standard.

Graph - 6



If we break down the literacy figures by government promoted and NGO promoted groups, we find a 41% literacy rate among the former. This is higher than the 37% literacy rate among women in the NGO promoted groups. However, the number of higher educated women is more among the NGO promoted groups. For instance, there is a lot of difference between the numbers of women

in government sponsored and NGO sponsored groups having studied above standard six. While nearly 44% of the women in groups formed under government schemes have studied at least up to standard six, in NGO sponsored groups this number was 61%.

On comparing literacy rates within SHGs with national literacy rates, we find that the 39% literacy rate of group members is lower than the 47% national literacy rate among women from rural areas. But the literacy rate of SC and ST members of SHGs is higher than their

Conclusion

The data obtained from the study clearly indicates that women belonging to very poor households or communities do not have much access to SHGs. More than 40% groups have backward castes as their majority membership and, more than 80% groups had women from Hindu religion. If we look at the poverty levels through the lens of caste, we see that it is SC and ST communities who are amongst the poorest population of the country. Like wise in terms of religious communities, the Muslim community is poorest in the present context. However, only 3% of groups had Muslim women as a majority of their members.

Another key finding relating to the composition of the group is the low levels of literacy within the groups. These rates are lower than the National Literacy Rate of Rural Women. Clearly opportunities of literacy are very limited in these groups. If there are opportunities, they are often restricted to learning merely how to sign as 28% of the group members could only sign their names.

Sponsoring agencies need to recognize that there cannot be a sustainable empowering process without educational and literacy opportunities. NGOs and government programs which claim to eradicate poverty through SHGs need also to review, re-evaluate and if necessary bring about fundamental changes in their approach to SHGs. If we do not pay attention the caste, religion and class composition of SHGs, reaching out to marginalized communities through SHGs will become just another illusion.

Group Leadership: Bases and Linkages

national literacy rate. It is obvious that greater numbers of literate women from these communities are coming into SHGs. With respect to religious identities we find that the literacy rate of SHG members is lower than the national literacy rate of that religion. This difference can be especially seen among the women from Muslim communities.

Neoliterate Members of SHGs

The definition of newly literate used by respondents could include both women who can read and write as well as those who can merely sign. Given the limited extent and nature of efforts made to provide literacy opportunities, it would not be too speculative to assume that the category of neoliterate would include many who can only sign.

21% of SHG members were newly literate. 12% of SHG members had taken part in Total Literacy Campaigns and nearly 9% had taken part in literacy programs started by the sponsoring agencies.

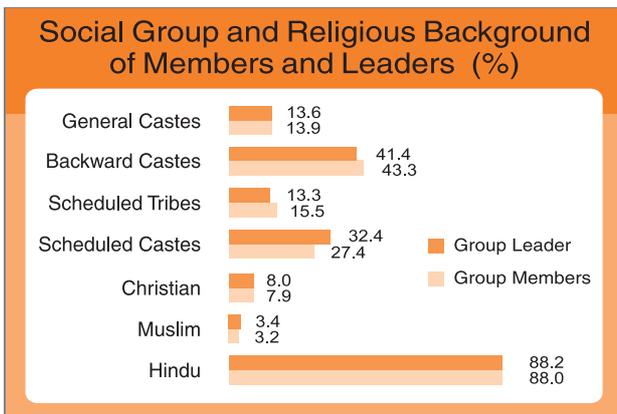
A review of the literacy efforts made by NGOs shows that of the 45 organizations participating in the study, only 3 had initiated literacy interventions for women which entailed appointing teachers/facilitators. Most agencies had used ways where they did not have to spend extra time or energy for literacy work; for instance, encouraging the women to learn from each other and involving existing organizational staff to teach women. Therefore it is not surprising that 29% women were found among NGO promoted groups who knew only how to sign their names.

Highlights

- To a large extent, the religious, caste and class background of group leaders is representative of the background of group members.
- The literacy level of group leaders is much higher than that of group members.
- If socio-economic conditions are the same, the decisive factor on the basis of which members become leaders is literacy.
- Most groups regard literacy as the most important factor determining leadership.
- There is a direct and positive correlation between the literacy levels of women and their access to positions of leadership.

If we agree that women's empowerment is about power and that one's social location impacts one's ability to negotiate power, it becomes critical to look at leadership within SHGs as a site of power. It is necessary to examine the dimension of leadership

Graph - 7



because SHG promoters partly claim that women's empowerment through SHGs has given women opportunities to become leaders. It becomes important to examine whether access to leadership in turn involves access to other avenues and processes related to power. Therefore, this study examines which women are able to become group leaders, and what constitutes the basis of being selected as a leader.

Detailed information on group leaders was collected in order to address the following questions:

- What is the social, economic and educational background of leaders?
- Which significant factors influence women's access to leadership?
- What are the links between literacy, education and women's access to leadership.

Group Leaders - Socio-economic status

- 88% of group leaders are Hindu, 3% Muslim and 8% Christian.
- 32% women are SC, 13% are ST, 41% are from

Table - 5

Literacy Status of Members and Leaders (%)

Literacy Status	Group Members	Group Leaders		
		Total	Govt.	NGO
Can read & write	39.1	68.5	76.1	56.4
Can only sign	27.0	25.5	19.8	34.1
Cannot sign	31.9	6.2	4.1	9.5
Total	100	100	100	100

BC and 14% belong to the general category.

- The chief source of family income for nearly 77% of the group leaders is wage labour and marginal farming.

Upon comparison, we find little difference between the backgrounds of the group members and that of the leaders. Similarly, Christian women were in the majority in 7.9% of the total groups, and their participation in leadership positions is 8%. Most castes are also

represented in leadership positions in the proportion of their representation in the group. Again, the economic status of group leaders is similar to that of group members. While 49% of group members are landless, 46% of group leaders come from landless families.

The Literacy Status of Group Leaders

- 69% of the group leaders were literate - i.e. they could read and write. Only 6% of the group leaders were not able to even sign their names.
- 54% of all the group leaders who could read and write had studied at least upto the sixth standard.

Table - 6

The Literacy Levels of Group Leaders (%)			
Literacy Level	Total	Govt.	NGO
Above class 12	5.8	4.0	7.6
Class 11-12th	7.9	6.2	9.5
Class 9-10th	31.3	47.5	31.1
Class 6-8th	21.1	24.5	17.7
Class 3-5th	5.4	4.0	6.8
Upto Class 2	15.8	9.0	22.6
Neoliterate	4.7	4.8	4.7

■ There were more literate leaders in the groups formed under government programs in comparison with groups formed by NGOs.

The study showed a marked difference between the literacy status of group leaders and that of group members. While only 39% of the group members could read and write, nearly 69% of the group leaders could do so. In groups formed as part of government programs 76% of the group leaders were literate, while in groups formed by

NGOs this figure was comparatively low at 54%.

Government sponsored groups not only had more literate leaders, more than half of these, i.e. 58% of the group leaders had studied at least upto eighth standard. The number of group leaders who had studied at least upto sixth standard was 82%. This shows that education is a more significant criterion for leadership in government promoted SHGs than in NGO promoted SHGs.

Linkages between Socio-Economic Status, Literacy and Leadership

As the aforementioned data shows, the socio-economic status of group leaders is not very different from that of the group members. The circumstances of the former represent, more or less, the circumstances of the latter. But this does not necessarily imply that caste or economic factors have no role to play in leadership. To understand how social and economic conditions are related to opportunities to come into leadership, group members and group leaders were compared on the basis of their caste. This comparison shows caste and economic variance.

The figures show that the various group members who found opportunities to become leaders were not financially better off in comparison with other members.

Graph - 8

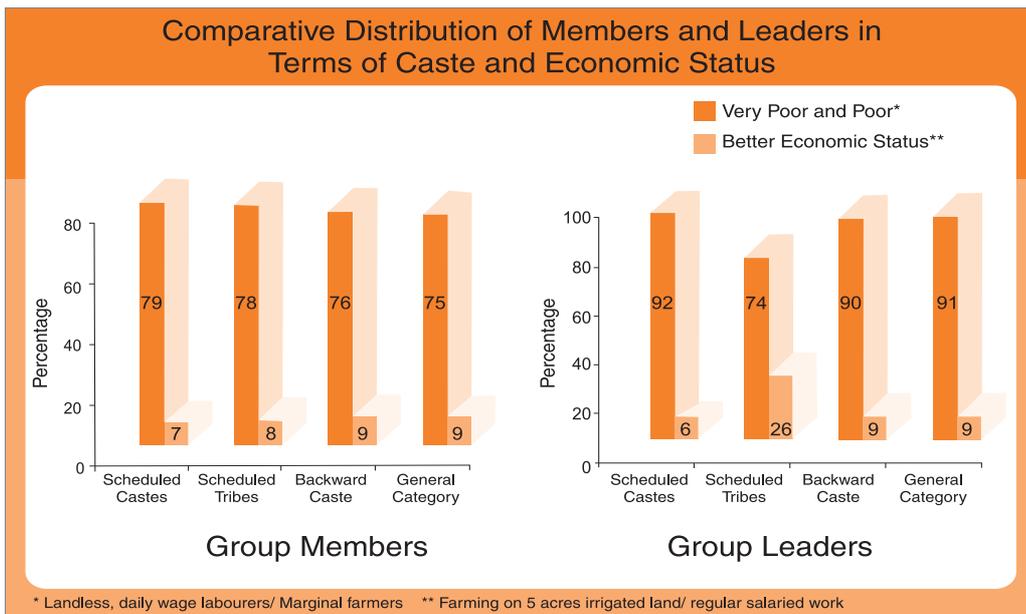


Table - 7

Comparison of Literacy Status of Members, Leaders and the National Literacy Status of Rural Women in India (%)

Social group	Literacy status of members	Literacy status of leaders	National literacy status of rural women
Hindu	37	68	38.1
Muslim	31	55	34.0
Christian	65	88	59.7
Scheduled Castes	34.3	65.9	31.0
Scheduled Tribes	36.5	42.7	26.4
Backward Castes	42.4	70.6	NA
General Category	39.6	83.1	NA

Except in the case of ST leaders, 90% or more of the group leaders were from poor or very poor households. Among ST leaders, only 74% of the group leaders were from the poor or very poor categories. The economic status of the ST group leaders seems to be better in comparison to the group leaders belonging to other castes. But if we compare economic status within SHGs, we find them similar between members and leaders of ST communities. Nearly 78% of the ST members and 74% of the ST group leaders were from the poor and very poor categories.

Similar caste and economic status among group members and leaders show that caste and economic status are not the basis for leadership.

Now, if we analyse literacy and caste figures, we find the literacy rate of group leaders from all castes is higher than the literacy rate of group members. Not only this, the literacy rate of group leaders is much higher even than the national literacy rate of the women from their community.

The data make it clear that the literacy rate of all the group members is similar to the national literacy rate of women from that particular caste and religion. However,

the literacy rate of group leaders from every caste and religion is much higher than the literacy rate of the group members as well as the national literacy rate. The literacy rate of group leaders coming from every caste and religion, except ST, was at least 50%. Clearly, it is mostly the literate women from all castes and religions who get the maximum opportunities to come into group leadership. The other side of the coin, naturally, is that non literate women get fewer opportunities to come into group leadership.

That literacy is a significant determinant of leadership is also evidenced by the perspective of SHG members. In our survey, in response to a question on the basis for choosing the group leader, nearly 90% of the groups named literacy. The other two grounds for choosing leaders that came up most frequently were: an ability to keep accounts for the group, and second, the ability to undertake financial dealings with banks. Keeping accounts as well as financial dealings with banks also entail literacy. Hence, we can conclude on the basis of this data that literacy is the most significant factor determining group leadership.

In addition to the data regarding literacy levels, statistical analysis showed a direct and positive correlation between literacy and leadership. Opportunities to come into leadership improve as the level of literacy improves.

The importance of literacy as a determinant for leadership indicates the centrality of savings and credit activities in the groups. It is not surprising that for groups, literacy and the ability to engage in related activities are basic requirements when it comes to choosing group leaders. The importance accorded to literacy also reflects the significance attached to literacy by mainstream society, more generally.

In Nirantar's Action Research study on Educational Opportunities for Women, done in 2000, findings showed that not only did women become more self-confident after becoming literate, but also that their social image changed. Many women during the study said that while they had begun to forget their literacy skills when the Total Literacy Campaign suddenly ended, they were still esteemed highly by society for being literate women. This meant they were less frequently cheated in business and related matters.

Conclusion

The majority of SHG members who are given opportunities to become leaders are literate women. While the socio-economic circumstances of group leaders are the same as that of the group members, there is much difference in their literacy levels. It can therefore be said that literacy plays an important role in the choice of group leadership. Whether promoted by the government or by NGOs, all kinds of groups prefer literate women to occupy positions of leadership. The primacy of literacy is more obvious in government sponsored groups. For NGO sponsored groups, literacy is still important, but less so.

While being literate is important because it holds potential for greater autonomy of the group vis a vis the sponsoring agency, the lack of literacy and educational inputs from SHG sponsors is tantamount to discrimination against non literate women. Most sponsors view leadership as an important arena for empowerment. They must also recognize that if literacy influences opportunities for leadership, they must create conditions and make efforts to give equal opportunity of becoming a leader to all the women. They must ensure that all women have access to literacy and educational opportunities.

This positive view of the literate influences in the choice of the leader the group. In a social milieu where literacy and education are equated with wisdom and knowledge, literacy has many benefits for SHG members including the significant role it plays in access to leadership. Studies carried out in the context of panchayats make clear the importance of literacy in helping women win elections. This was seen much more clearly among SHGs.

That the leadership of SHGs is dominated by literate women is also linked to sponsoring agencies. As stated earlier, the literacy rate of government sponsored groups is much higher than that of NGO sponsored groups. Given the large scale and targets of government programs, government functionaries have a limited engagement with the groups. They encourage literate leadership since they themselves do not give sufficient time and attention to the groups. The rationale behind this is that a literate leadership will be able to run the group and manage other related activities on its own. Yet, it is also possible that more educated women have access to leadership positions because of the prejudices government functionaries hold about non literate women.

On the other hand, the low literacy rate in NGO promoted groups may be due to the closer and more

intensive engagement that NGOs have with SHGs. Groups tend to depend upon the NGOs and not group leaders for the management and financial activities of the groups.

Capacity Building: Extent and Nature

Highlights

- 35% of the groups had not got an opportunity for any kind of training or exposure in last two years.
- Of the groups who had received any kind of capacity building inputs, most of them were given training related to group management and account-keeping.
- A relatively high percentage of groups formed by NGOs provided trainings related to government schemes. Whereas among groups formed under government programmes very few received inputs related to government schemes.
- Literate women had many more opportunities to receive trainings, especially those related to accounts, leadership development and group management.

Given that poverty alleviation and women's empowerment are regarded as the two main

objectives of Self Help Groups, capacity building is critical to attaining these objectives. Therefore, through this study we have tried to understand two key dimensions: the opportunities SHG programmes give to women to build capacity, and women's access to these opportunities. We will understand, first in terms of poverty alleviation and then in terms of empowerment, why it is necessary to understand and analyse the opportunities for capacity building within SHGs.

According to Robin Ghosh and others,¹⁰ poverty has many dimensions. It cannot be seen solely in terms of a material lack or physical wellbeing. Ghosh and his colleagues are of the opinion that since the poor lack economic resources, it is all the more important to strengthen their socio-political, natural and human resources. This means capacity building processes play a central role in any strategy of poverty alleviation. In light of this, it can be said that an appraisal of the capacity building processes entailed in any strategy for poverty alleviation is, in effect, a comment on the effectiveness of that strategy.

SHGs are being formed on a large scale as part of a poverty alleviation strategy. At the core of these SHGs are savings and credit related activities, through which women are expected to augment their family income. This has not only increased the burden of work on women and put them

under greater pressure to make a financial contribution,¹¹ it has further devalued the contribution that women have made in the form of unpaid labour within the household and in the field. It undermines women's groups' long struggle to create recognition for women's unpaid work. These distortions in the discourse of women's empowerment are a source of concern, especially since SHGs claim to promote women's empowerment.

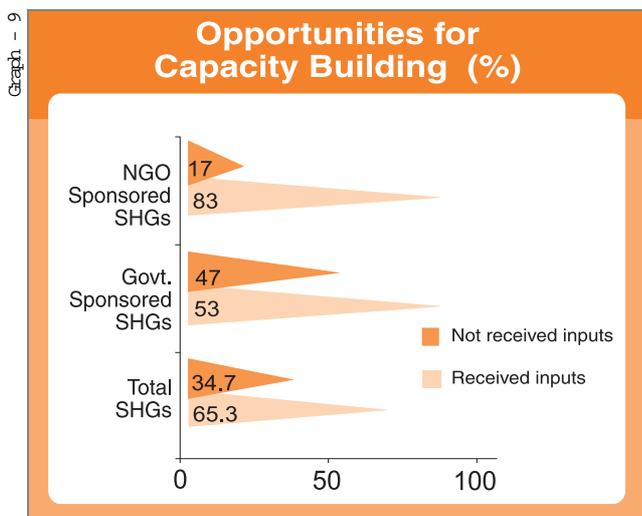
Inherent in the process of empowerment is a change in the understanding of gender and in its dimensions. We need to recognize that the social construction of gender - including self image, roles and responsibilities, and access to resources - have been determined by patriarchal forces. A genuine process of transformation in women's lives necessitates this recognition.

Thus, if SHGs are to achieve both poverty alleviation and women's empowerment, processes that build women's capacities are essential. There are many modes of capacity building. Given the nature of the present study the analysis of capacity building is limited to training or exposure being given by sponsoring agencies. The analysis of this data enables us to reflect on the perspectives and priorities of sponsoring agencies as well as Self Help Groups. Further, as mentioned earlier, the study seeks to understand the relationship of capacity building activities to literacy and its implications for SHG members.

Opportunities for Capacity Building

- 35% of the groups did not get any kind of training opportunities.
- 47% of the groups formed under government programs did not receive any training or exposure.
- 17% of the groups formed by NGOs were not given any opportunities for training or exposure.

That 35% of the groups did not get any kind of training or exposure is revealing in terms of the current status of SHGs and the instrumentalist manner in which they are used. The data assumes greater significance in the light of the fact that the study includes only those groups who were formed at least two years ago. This means 47% of the groups formed under government programs, and 17% of the groups formed by NGOs have not been given any training or exposure for the last two



years. That nearly half of the groups formed under government programs are not getting any kind of training or exposure is sign of the yawning gap between the claims and actions of the State.

Alfonso Castillo,¹² a microcredit practitioner and researcher from Mexico, believes that there is a direct, strong relationship between poverty alleviation and capacity building. In a seminar organized at the World Social Forum 2002 by Nirantar, Asmita and ASPBAE, he said, "If the government restricts itself merely to the formation of groups to provide credit to poor families, this should be termed as poverty augmentation rather than poverty alleviation." According to Castillo, in the absence of capacity building poor women are unable to effectively use the resources they get in the form of credit. Hence their financial status does not improve; rather they go even deeper in debt. With income not being adequately enhanced, the burden of credit increases. The loan they get from microcredit program pushes them into a vicious cycle of debt as one loan is taken to pay off another loan. According to Linda Mayoux,¹³ a specialist on issues of gender, equity and microcredit, "Since inequality and discrimination lie at the root of poverty, the issue of poverty can not be resolved until the issues of social justice and women's equality are addressed. It is extremely important to embrace capacity building processes to bring in social justice and equality!"

Mayoux also believes that it is illusory to talk of poverty alleviation through microcredit in the absence of capacity building. According to Mayoux, poverty alleviation through SHGs requires a basic strategy of justice and capacity building: loans given without a capacity building process will not only prove unsuccessful in eradicating poverty, but will exploit rather than empower women. Studies conducted in Bangladesh also indicate such trends.¹⁴

Capacity Building Opportunities: Nature and Priorities

- Of all the groups trained, 44% groups were provided training in group formation, 40% in leadership development, and 33% in financial management related trainings.
- Among all the trainings given, gender related training was given to the least number, viz. 20% of the groups. This figure is 6% for government sponsored SHGs.
- Only 27% of the groups were given trainings in income generation skills or livelihoods. Among the groups formed under government schemes, the percentage was lower - only 21% of them were given any such training.
- 44% of the groups formed by NGOs were given inputs related to government schemes. This percentage was just 8% for the groups formed under government schemes.

The main objective of groups formed under government programmes is poverty alleviation. The strategy to achieve this has been to give loans to the poor women who join SHGs in order to increase their income levels. Keeping this in mind, we see that only 21% of the groups formed under government programmes were offered training on livelihood enhancement. While groups formed under NGOs also did not receive much training on income generation, the proportion of NGO sponsored groups which received such training is higher than that of government sponsored groups. There is a lack of capacity building opportunities among the groups on almost all aspects. The most common kind of training - that related to group formation - was given to merely 44% of all groups. This means there

Table - 8

Extent and Nature of Trainings Provided to SHGs (%)			
Types of Training	Total Groups who have got Training	Government Sponsored SHGs	NGO Sponsored SHGs
Group Formation	44.4	29.7	65.9
Book Keeping and Financial Management	32.6	19.5	51.8
Leadership Development	40.1	26.2	60.5
Livelihoods/income generation Programmes	27.3	21.3	36.1
Health	29.7	16.8	48.6
Natural Resource Management	20.4	12.4	32.3
Legal Rights	20.0	7.6	38.2
Govt. Schemes and Services	22.1	7.6	43.6
Gender	19.8	5.6	40.8

Table - 9

Members' and Leaders' Access to Training Programmes					
Type of Training	Only Group Leaders	Mostly Group Leaders	Mostly Group Members	Both Group Members and Group Leaders	Total
Group Formation	31.4	10.9	4.8	52.9	100
Book Keeping and Financial Management	41.1	25.0	4.6	29.3	100
Leadership Development	42.6	24.3	6.4	28.4	100
Livelihoods/Income Generation Programmes	14.2	7.6	13.7	64.6	100
Health	16.1	8.9	16.7	58.2	100
Natural Resource Management	11.6	7.1	14.1	67.3	100
Legal Rights	17.8	12.2	11.1	59.0	100
Govt. Schemes and Services	23.8	9.2	8.5	58.5	100
Gender	17.8	9.9	11.5	64.1	100

were nearly 56% groups who had not even been given basic training opportunities. In the context of government sponsored groups nearly 70% of the groups had not been received any kind of training, not even on group building and management skills.

Of the trainings given to SHGs, gender and law related trainings were given to the least number of groups only 19% of the groups received trainings on gender, and only 20% on law. It is surprising then, that NGOs and the government still claim to empower women through SHGs. Lack of capacity building becomes a grave issue when we realize that women are affected by the negative implications of engagement with SHGs: an increase in workload, and the invisibilization of their non-monetary contribution to the domestic economy.

Capacity Building: Who gets the Opportunities?

Who is getting the opportunities of training and exposure? In order to answer this, our survey results were analysed from two angles:

- members v/s group leaders, and
- literate v/s non literate members

■ As far as trainings related to financial management and leadership development are concerned, only group leaders

participated from more than 40% of the groups. From nearly 25% of the groups, a majority of the participants were leaders. Thus, in 65% of groups only, or mostly, group leaders participated in leadership development and financial management trainings.

■ Training on group formation was more commonly provided in comparison with other kinds of trainings. Here, nearly 42% of the participants were only group leaders.

■ In more than 65% of the groups literate women participated in trainings related to group formation, leadership development and financial management.

■ In the context of all other trainings, at least 50% of the groups had participation from mostly literate women.

■ There were very few groups where non literate women, who make up a majority of the groups, were given a chance to participate in trainings.

That more attention is paid to group leaders for capacity building indicates the perspectives of a majority of SHG programs in which principles of democracy, decentralization and equity are not valued. Training designs should not work on the assumption that participants are literate. A greater effort and creativity in pedagogy is required to ensure greater participation of women who are non literate.

SHG programs invest inadequate resources in organising capacity building inputs for all women. Capacity building of leaders is often equated with training given to groups. This also indicates an assumption that group leaders will disseminate their training to all members of their groups. There is no evidence to suggest that information does get transmitted.

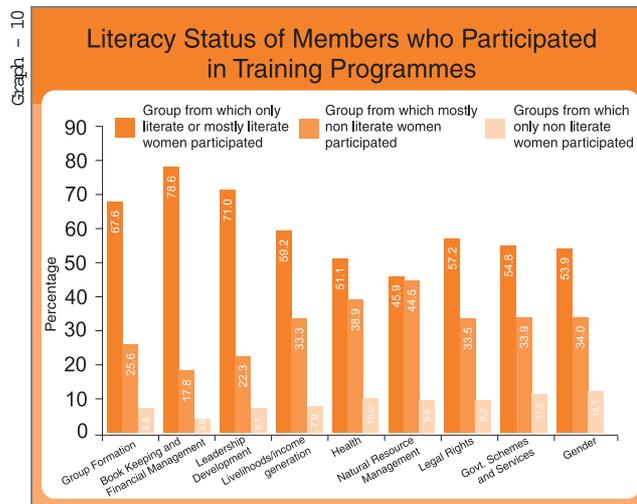
As we have already seen, a high percentage of groups send mostly group leaders for trainings. This indicates that training opportunities are given mainly to literate women. In every category of capacity building there are at least 50% where all, or a majority of the participants, were literate women. In financial management trainings, there was participation only or chiefly from literate women from nearly 79% of groups

Non literate women from very few groups participated in any category of trainings.

Thus literate women not only get better opportunities to become leaders, they are also given more chances to get involved with capacity building inputs. Since group leaders and literate women get more opportunities for capacity building, non literate group members face discrimination twice over. First, they get fewer chances to become leaders, and second, since they are not leaders, they get fewer chances to build their capacity.

Clearly, the two important factors that influence capacity building opportunities for women are, first, literacy, and second, leadership. In fact we can say that literacy starts a cycle of learning, in which literate women get more of a chance to become leaders. Coming into leadership then gives them more occasions to get involved with capacity building activities, and therefore their reach to other kinds of information increases. It is evident that most non literate women never manage to gain entry into this cycle.

The Importance of Education: The NGO View



The State's neglect of adult education, including literacy, is well documented in a number of studies, including Nirantar's Action Research Study on Educational Opportunities for Women. As part of this present study we paid particular attention to the nature of engagement of NGOs that are sponsoring SHGs, with respect to literacy. Our two main questions were:

Conclusion

The present study shows a dearth of processes of educative capacity building. The subjects chosen for training and exposure related activities are based only on group management and financial effectiveness. Moreover, most women who get opportunities to join capacity building processes are both literate and group leaders. This means that women in positions of least power - non literate and non leaders - find the fewest opportunities for building their capacity.

Researchers and practitioners have indicated the negative implications that microcredit has both in terms of increased indebtedness and the instrumentalist use of women. These dangers make educational processes even more important in order that women can recognize and negotiate their needs and interests. It is important to ensure that this capacity building not be restricted to literate women or women leaders. Both non literate as well as literate women should be given equal chances to build capacity. Moreover, building literacy is itself a part of capacity building for empowerment. However, at the moment neither State programmes nor NGOs are making any concrete or effective efforts to build SHG women's capacity. As the study makes clear, if one is to actually talk about SHGs being able to address the rights of poor women, capacity building inputs on critical areas related to gender and equity will have to be provided on a much larger scale and literacy will have to be made a priority in capacity building processes.

Group Resources: Access & Distribution

Do NGOs see education as a necessary factor for empowering women?

If yes, are they making any efforts in this direction?

65% of the 45 NGOs who took part in this study, i.e. nearly 30 NGOs, believed that education is necessary for women's empowerment. However, their lack of effort in promoting education somewhat belies their statement.

Only 3 of the 45 NGOs provided opportunities to the women to gain literacy by appointing teachers. 41% of them, i.e. 20 NGOs, taught the women only how to sign their names and 27% of them, i.e. 9 NGOs, motivated women to learn from each other. The other 11 NGOs did not make any effort at all.

The data show clearly that there is an enormous dearth of efforts made by NGOs towards women's literacy despite their belief that the latter is important to empower women. That often women are taught no more than how to sign their names in the name of literacy reflects this. Nearly 68% i.e. 31 NGOs laid stress on the signing of names or on learning from each other. It is not surprising therefore that almost 30% of the women from the groups formed by NGOs can merely sign their names.

Organisations encouraging educated women in the groups to teach non literate women assume that being educated is sufficient to impart adult education, and that teaching that does not require any special skills. Moreover, this means that these organizations assume that the responsibility of educating women shifts from being an institutional one to that of individuals and communities.

It is grave indeed that NGOs, recognizing the importance of education, are unwilling to respond to it. While organisations see how literacy is connected to women's lives, their recognition is not put into practice.

Highlights

- All SHGs in the study indicated that it was compulsory for members to save regularly within the groups
- In most groups, more than half the women had not received a loan through the group even though the group had been formed more than two years ago.
- Women from a significant percentage of groups take loans from other sources despite being members of SHGs.
- The other major sources of loans for the women are: moneylenders, shopkeepers or merchants
- Literate group leaders had the greatest access to the biggest loans available in SHGs.

Table - 10

Groups Saving with Banks		
	Frequency	%
Government Sponsored SHGs	1446	87.6
NGO Sponsored SHGs	1018	92.5
Total SHGs	2464	89.6

"The objective of the Swarnjayanti Gram Swarozgar Yojna (SGSY) is to bring the assisted poor families (Swarozgaries) above the Poverty Line by ensuring appreciable sustained level of income over a period of time. This objective is to be achieved by inter alia organizing the rural poor into Self Help Groups (SHGs) through the process of social mobilization, their training and capacity building and provision of income generating assets."

Swarnjayanti Gram Swarozgar Yojna Guidelines, Ministry of Rural Development, Government of India, 2005, New Delhi

Most SHG programs, like the one above, consider their chief objective to be facilitating the access of poor families to resources. Credit is seen as a major tool in poverty alleviation and development. Government programmes as well as NGOs place great emphasis on savings and credit activities through groups as part of their strategy to deal with poverty and women's inequality. There is no want of examples where SHG promoters who started with organizing women around social issues, gradually began to concentrate on financial activities. The understanding that SHGs effectively provide access

to resources for poor families, especially poor women, is gaining extensive ground.

This means that whatever may have been the purpose of forming SHGs, in the present context SHGs have become the main source of formal credit from banks or any other financial institution. A large number of poor women save out of their limited income (by primarily reducing expenses on themselves) to join these groups in the hope of getting formal credit. Loans from formal sources can

Table - 11

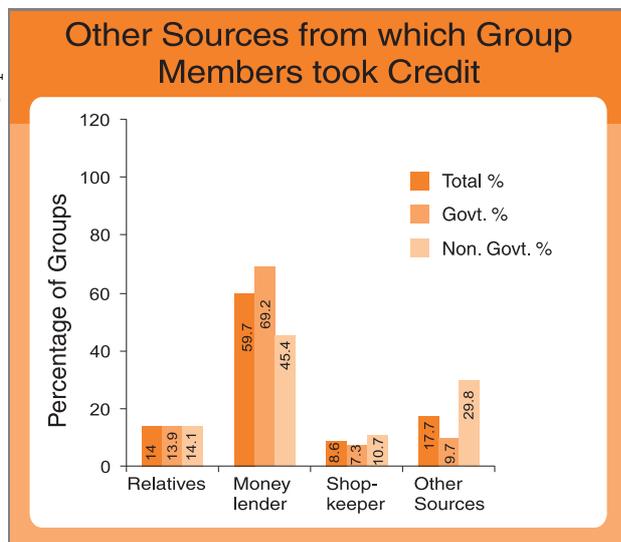
	Groups receiving loans from banks		Groups not receiving loans from banks	
	Frequency	%	Frequency	%
Government Sponsored SHGs	625	37.9	1025	62.1
NGO Sponsored SHGs	525	47.4	575	53.6
Total	1150	41.8	1600	58.2

generally be obtained at a lower interest rate than loans from moneylenders.

In this context how much access, and in what form, and who is getting to credit, are questions that naturally arise. The principal questions which this study seeks to answer are:

- How many groups have access to credit?
- Do women need to take loans from other sources even if they belong to groups? If yes, what are these sources?
- Do all women in the group have equal access to the loans?

Graph - 11



Access to Loans

- Women from only 42% of all the groups received any kind of loan.
- Women from 62% of the groups formed under government programs have not received any kind of loan.
- Women from 53% of the groups formed by NGOs have not received any kind of loan.

It is clear from the data that women from only 42% of SHGs were able to access loans, although all the groups participating in the study are at least two years old. This means that nearly 58% groups have been saving in the expectation of a group loan for at least the last two years, without receiving a loan. Their savings are deposited into banks, and are difficult to access.

Other studies on SHGs have shown that savings is obligatory for SHGs. In fact, saving is not only a precondition for SHG membership, it is also seen as an indicator of the good health of an SHG. Thus if a group does not saving regularly, it is unlikely to be considered a successful group. While group members are committed to save regularly, there is no commitment by the sponsoring agencies to give loans to members within a particular time. This has resulted in a large number of groups saving out of their limited resources in an unfulfilled hope of loans.

In the study on NGOs receiving loans from the Rashtriya Mahila Kosh, Nimala Buch noted that credit is

the main reason women organize themselves into SHGs. D. Rajshekhar has also found in his study that women join government programs like DWCRA and Grama Vikas schemes just to get loans. According to him the importance of getting loans through SHGs can be understood by the fact that the activities of some groups slacked considerably once they got loans, and other groups completely lapsed. His research shows that women join groups with the foremost aim of getting a loan; once fulfilled, their commitment towards the group dims.

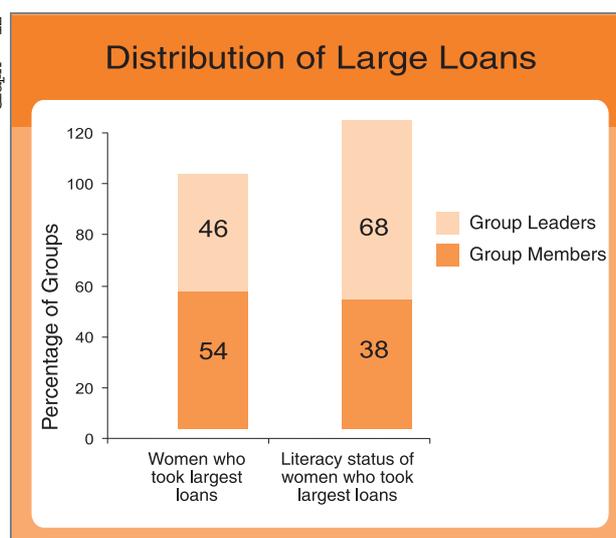
Whether government programs or NGOs, all SHG promoters use access to credit as a key mobilizing strategy in forming groups. But the big question remains, how many women/groups are actually able to access credit? Our study shows that less than 50% of the groups were able to get loans. Notably, in government schemes like SGSY, which make claims for poverty alleviation chiefly through credit, more than 62% of the group members had not been able to avail of loans.

The reality of inadequate or delayed loans can be gauged from the continuing dependence of women members on other sources of credit, such as moneylenders, baniyas and relatives.

Loans from the informal sector

- 30% women belonging to the SHGs surveyed borrowed from sources other than their group.

Graph - 12



- In groups where loans are taken from other sources, nearly 60% of the borrowings were from moneylenders and nearly 9% from the local shopkeeper/baniya.

- 36% of such borrowings were for emergencies like accidents and deaths. Only 10% of the loans were used for income generating activities.

Studies previously conducted have also proved that women, despite being members of SHGs, take loans from other sources, especially moneylenders. According to a study by D. Rajshekhar, nearly 56% of the women took additional loans from moneylenders despite being part of an SHG. Even here, women have borrowed mostly from a moneylender. Others, such as contractors and village heads, were also sources of credit. It is clear that despite the many policies and arguments advocating microcredit, SHG women continue to be dependent on sources other

than their groups for loans.

A large proportion of loans from other sources - 36% - were taken to tide over accidents and emergencies, including medical emergencies. 10% loans were for income generating activities. 46% of these loans were taken by women who are technically supposed to have access to SHG funds. Those advocating development through SHGs paint a positive picture of SHG loans as a crisis management tool. In reality this is an exaggeration. Often, women are not able to access even their own savings which are deposited in banks, mainly due to procedural formalities or physical distance.

Who Gets SHG Loans?

- 46% of those getting large loans through SHGs are

Conclusion

First, SHGs have limited access to loans. Second, even if the loans reach SHGs, all members do not have equal access to them. Therefore, not surprisingly, women in nearly 33% groups still borrow from external sources. Nearly 60% of them depend on moneylenders for loans. Women from nearly 58% of the groups have not been able to access loans despite saving for over two years. In this scenario, claims of access to credit through SHGs, poverty alleviation through sustainable income generation and women's empowerment through control over resources, are all questionable.

Linkages between Panchayats and Self Help Groups: Opportunities & Limits

group leaders, and 54% are group members.

68% of group leaders who are able to access large loans from the group are literate. 38% of group members who are able to access large loans from the group are literate.

Women who lead groups, whose literacy level is higher in comparison to the other members, also have better access to resources. The following illustration will show this. The average membership of the groups participating in the study is 13, and in each group there are on an average two women leaders. Thus, leaders make up nearly 15% of each group. But this 15% has accessed 46% of the big loans given by the SHG. The other 85% who are only members were given only 54% of the big loans.

This is a stark example of the link between group leadership and access to resources. There are many other dimensions to creating access to resources, but in the context of the present study it can be said that literate women who come into leadership have better access to resources in comparison with other group members.

However, among non-leader members access to resources is distributed more equitably. 38% of members taking big loans are literate, which is proportional to the number of literate women in the groups. It is obvious that literate women are getting loans in the proportion they are present, while the 61% non literate women were able to borrow in a much smaller proportion as compared to their presence.

Previous studies have not thrown much light on who gets loans within the groups and its link with literacy. Hence it is not possible to make a general comment based on previous studies. But on the basis of the present study

Highlights

- Only 50% of the groups had some link with panchayats
- It was chiefly the group leaders who participated in the Gram Sabha (village assembly) meetings of panchayats
- Most women elected to the panchayat were literate.
- Most group members or leaders engaged in SHG initiatives related to panchayats were also literate.

it can be said that all women in SHGs do not have equal access to resources. Not just SHG leaders, but especially literate leaders have a greater control over the resources available to SHGs.

Table - 12

Participation in Gram Sabha Meetings by Group Members						
Participation in gram sabha meetings	Total		Govt.		Non Govt.	
	Frequency	%	Frequency	%	Frequency	%
No participation	908	32.9	690	41.8	218	19.7
Only leaders	173	6.3	89	5.4	84	7.6
Mostly Leaders with some group members	773	28.0	401	24.3	372	33.5
Mostly group members and leaders	220	8.3	33	2.5	1867	17.7
No Reply	676	24.5	437	26.5	239	21.6
Total	2750	100	1650	100	1100	100

The journey from membership in an SHG to participation in panchayats is a journey from being a beneficiary to being a citizen. While SHGs are a channel for implementing programs and achieving a range of targets, participation in panchayats establishes women's citizenship rights. This not only enables SHG members to participate in forums of decision making processes of local governance, it also enables them to demand accountability from the State through these local forums. Since SHGs are regarded as an instrument for women's empowerment, it is necessary to understand their linkages (or lack of linkages) to panchayats. This study seeks to answer:

- To what extent are SHGs linked to panchayats?
- Which members form links with panchayats?
- What is the literacy level of the group members

Table - 13

Literacy Status of Members who have Linkages with Panchayats				
Educational Status	Women who won elections		Leadership in initiatives	
	Group Member	Group Leader	Group Member	Group Leader
Class 11 & above	4.8	3.2	16.1	8.7
Class 6-10	26.2	24.7	30.9	20.3
Primary education	33.3	16.2	11.4	20.3
Neoliterate	2.4	5.8	8.9	14.5
Can only sign	33.3	49.4	29.7	27.5
Cannot sign	0	0.7	3.0	8.7
Total	100	100	100	100

who engage with panchayats?

Linkages between Panchayats and SHGs

- Nearly 50% of the groups have had no relationship with panchayats
- Among SHGs formed under government schemes, nearly 60% had no links with panchayats
- Among SHGs formed by NGOs, nearly 41% had no links with panchayats

It is clear from the data obtained from the study that a very large number of SHGs, in particular those formed under government programs, have no linkages with panchayats. That only 46% of the groups had links to panchayats indicates the large distance between SHGs and this form of local governance. In turn, this distance suggests that sponsoring agencies are not making efforts in order to forge these linkages. This once again reflects the perspective of a majority of

sponsoring agencies which define SHGs narrowly, in terms of savings and credit.

Participation in Gram Sabha meetings

- 57% SHGs affirmed linkages with panchayats but did not describe the nature of these linkages.

- Only 43% of the groups who had linkages with panchayats detailed the nature of participation of members or leaders in the Gram Sabha meetings.

Of these from almost 34% of the groups it was mostly leaders who attended the meetings

In only 8% of the groups with linkages to the panchayat, did mostly members attend meetings

It is clear that even where SHGs are linked to panchayats, all members of an SHG do not have equal access to the panchayat. Group leaders, especially literate group leaders have privileged access. While on the one hand, a lack of SHG-panchayat linkage severely limits members' access to decision making forums, on the other hand, participation mostly by group leaders further minimizes the access of group members to these forums. It is clear that greater participation by literate group leaders reduces and limits opportunities for participation by non literate group members even in forums like panchayats

Participation in Panchayats and its Links with Literacy

- Of the women elected to panchayats, 79% were group

Conclusion

At the village level, the panchayat is a concrete site of power and governance. The limited participation of SHG members in panchayats challenges the claims of women's empowerment. In the linkages that are being formed with panchayats, it is chiefly literate women and leaders who get most of the opportunities either to participate, get elected to panchayats, or lead initiatives between SHGs and panchayats. The distribution of power is clearly in favour of the literate here as well.

Social Issues: Initiatives & Priorities

members and 21% were group leaders.

In the case of initiatives taken by groups with respect to panchayats, in almost 77% of the groups it was group leaders at the forefront.

Whether it was women who were winning elections to the panchayat or initiating the SHG-panchayat link, most participation 65% came from literate women. These were both group members and leaders.

Among the women involved with initiatives related to panchayats the number of women who cannot even sign their names is negligible.

Out of the 2750 groups surveyed, only 196 groups had members or leaders in any elected post in the panchayat. Although the percentage of groups taking initiatives with panchayats is larger at 11%, it is still low.

Of the women who got a chance to come into panchayat posts, 65% of group leaders and 51% of the group members, were literate. The literacy level of women taking a lead in initiating an SHG-panchayat linkage reveals a similar situation.

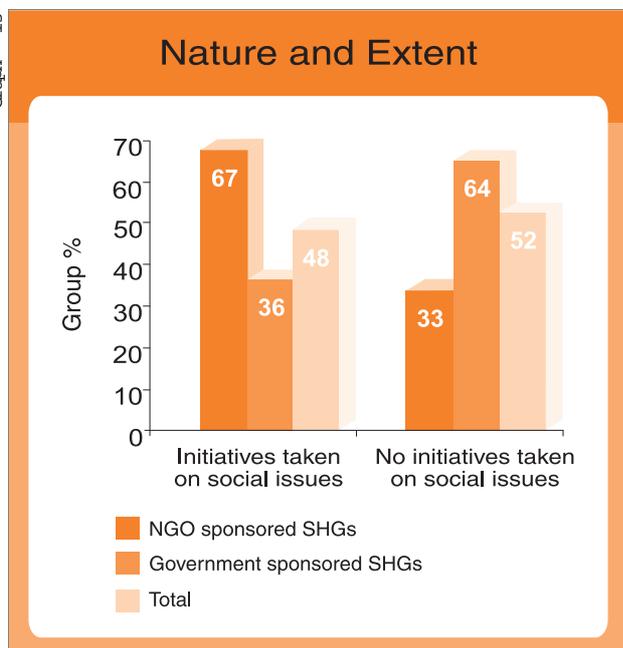
Women who play a leadership role in initiatives related to panchayats were mostly literate. More than 65% of such women are literate. Further, 16% of these women have studied at least up to the eleventh standard. There is a sizable presence of newly literate women both among group leaders and members. The significant presence of newly literate women indicates the enabling nature of literacy.

Among all the SHGs surveyed in this study, 39% was the average literacy rate within each group. In this context, the 61% literacy rate of women playing a leadership role in initiatives with panchayats seems to be quite high. It is clear that literate women joining SHGs not only have more opportunities to come into group

Highlights

- More than half the groups have not been involved with any social issue over the last two years.
- Caste violence and sexual violence on women were the issues least taken up by groups
- A majority of the groups, as a response to most issues, followed a policy of 'reconciliation' in cases of conflict between the two parties.
- In most SHGs, group members and leaders together took up the initiative and leadership on social issues.
- More than half of the group members who were in the lead in social issues were newly literate, non literate or could only sign their names.

leadership, they also have increased access to other platforms of power.



*The percentage of groups is calculated based on the number of organizations raising a particular kind of social issue. The total is more than 100%, because one group might be raising more than one kind of issue.

The high literacy rate of women elected to panchayats and those taking the lead in initiating an SHG-panchayat link is an excellent example of the far-reaching linkages between literacy and opportunities for leadership

and thus power. Not only do literate women manage to get far more opportunities to lead, even their communities express greater confidence in them. This results in mostly literate women from the groups being elected to panchayat posts

Table - 14

Social Issues Raised by SHGs

Social Issues	Total		Government Sponsored SHGs		NGO Sponsored SHGs	
	Frequency	%	Frequency	%	Frequency	%
Alcoholism	588	21.4	204	12.4	384	34.9
Domestic Violence including harassment for dowry	395	14.4	180	10.9	215	19.5
Other issues within family like mental torture, desertion etc.	471	17.1	222	13.5	249	22.6
Sexual violence and sexual harassment of women, molestation etc.	196	7.1	71	4.3	125	11.5
Unjust social practices like child marriage and foeticide etc.	318	11.6	84	5.0	234	21.3
Caste related violence	161	5.9	41	2.5	120	10.9
Demanding access to government services	742	27.0	251	15.2	490	44.5

The ability to understand social issues and respond to them is a vital step in the direction of empowerment. Groups must focus on social concerns to strengthen women's status in their families and communities. The ability of the groups to engage with social concerns can also be seen as a sign of their maturity. Even groups which are formed chiefly to effect financial activities must engage with social concerns if they are to truly empower women. For instance, links to social issues are important even among groups formed under those government schemes which have poverty alleviation as their chief aim.

Social concerns can include a range of issues such as making demands from the government and administration for practical needs, such as roads and water. Social issues can also include working towards the fulfillment of rights and equality through all issues and structures that lead towards transformation: for instance, working on gender and caste related issues.

The present study includes all of the above within the ambit of social issues and seeks to answer:

- To what extent do groups get involved with social

concerns, and with what issues do they engage?

- What was the nature of this engagement?
- What is the relationship between the ability to lead on social issues and literacy?

Social Issues: Nature and Extent

- Nearly 52% of the groups did not engage with social issues.

- Among government sponsored groups in particular, nearly 64% groups had not worked on any social issue in the last two years.

- 67% of NGO sponsored groups engaged with social issues.

- The most common social issue with which groups engaged was access to government schemes and facilities. In 45% of NGO sponsored groups and 15% of government sponsored groups, women tried to get schemes and facilities from the government machinery.

- The second most common social issue taken up was alcoholism. 35% of NGO sponsored groups NGOs and 12% of government sponsored groups engaged with this issue.

- Caste violence and sexual violence against women were engaged with the least. Only 4% of government sponsored groups, and 12% of NGO sponsored groups worked with this issue.

Table - 15

Nature of Actions Taken on Social Issues						
Social Issues	Resolve by reconciliation	Engaged a lawyer	Took help from the sponsoring agency	Referred to a women's organisation	Referred to a legal aid organization	Social mobilization-dharna, protest, rally etc.
Alcoholism	83.2	1.0	1.5	3.0	0.5	10.2
Domestic Violence including harassment for dowry	83.8	0.6	0	5.6	2.2	7.3
Other issues within family like mental torture, desertion etc.	84.2	0.5	0.9	6.3	0.5	6.8
Sexual violence and sexual harassment of women, molestation etc.	61.3	0	4.0	6.7	4.0	21.3
Unjust social practices like child marriage and foeticide etc.	46.9	0	2.5	22.2	4.9	23.5
Caste related violence	44.7	0	0	5.3	13.2	36.8
Demanding access to government services	15.3	0.4	6.4	2.1	3.0	69.8

Only 196 of the 2750 groups give any recognition or response to sexual violence against women. Among the groups formed under government programmes only 71 groups, barely 4 %, engaged with this issue. Only 161 groups, 6%, took the initiative even on caste violence. 120 of these groups have been promoted by NGOs. We find that government sponsored groups have had negligible links to social concerns, especially concerns that are specific to women.

Most of the issues that groups have embraced have enjoyed social acceptance, and women have not had to face opposition from the community for engaging with them. Whether it is access to government schemes and facilities or raising a voice against alcoholism, they both come under the general social good. Alcoholism is no doubt directly related to violence against women, but it is also usually seen as a social ill and is morally opposed in the community.

Groups have minimal involvement with controversial issues that are directly related to power and inequality in society. For example very few groups engage with issues of violence against women in families, sexual violence, or caste violence. These issues directly challenge social structures. They question the basic structure of society and risk blemishing the community image. Engagement with these issues also needs more energy and long-term commitment.

There are no studies specifically on the link between SHGs and social issues. Yet, many studies have pointed to the severe lack of questioning on violence against women, familial discrimination, and unjust social customs, in SHG efforts at women's empowerment. Srilata Bataliwal's and Deepa Dhanraj's¹⁶ study of Self Help Groups in Andhra Pradesh found that SHGs put greater emphasis on solving the community's problems, and less on women's issues. According to them even groups claiming to empower women do not prioritize women's issues. Thus, they assert, it is superficial and meaningless to talk of empowerment through groups without engaging with basic questions related to social power.

Responses to Social Issues

There is a lack of women-centric issues among the issues with which SHGs engage, and issues of domestic violence

Table - 16

Social Issues	Who Provided Leadership		
	Field level worker from the support organization	Group leader	Jointly by the group leader and members
Alcoholism	3.9	12.7	83.3
Domestic Violence including harassment for dowry	0.6	23.3	76.1
Other issues within family like mental torture, desertion etc.	2.7	27.5	69.8
Sexual violence and sexual harassment of women, molestation etc.	1.4	26.8	71.8
Unjust social practices like child marriage and foeticide etc.	1.2	11.9	86.9
Caste related violence	2.4	2.4	95.1
Demanding access to government services	5.3	4.9	89.7

or sexual abuse are often resolved through reconciliation, a strategy which is more in keeping with the status quo than challenging of it.

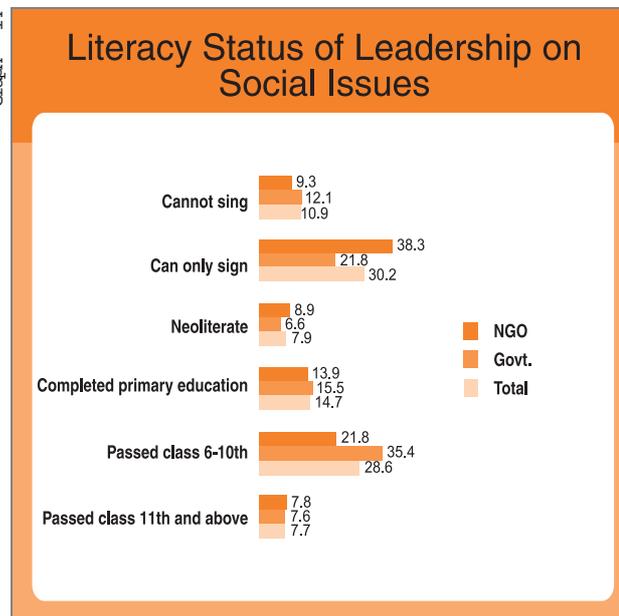
- In more than 70% cases of alcoholism, domestic violence and family tensions, response was one of 'reconciliation'.
- Reconciliation was effected in nearly 55% cases of sexual violence, unjust social traditions like female foeticide, child marriage, witch branding, and caste violence.
- In 64% of cases related to demanding access to government facilities, the nature of the response included a protest, rally etc.
- Very few cases received the help of the sponsoring agency in initiating or furthering social issues.

If the issues taken up by the groups are limited in nature, the responses to them are also fairly limited. Reconciliation as a strategy is not necessarily worse than any other strategy. However, its excessive use in order to solve women's concerns raises questions, particularly when paths of greater resistance are adopted in solving community concerns like access to government facilities and schemes. Clearly, women are spending more energy on issues benefiting the entire community which, moreover, have the sanction of the

community. In doing so, they need not face opposition from the community. Yet, as we see, there is a good deal of silence on women's own issues like domestic violence or sexual abuse.

The role of sponsoring agencies in engaging with social issues sets several burning questions before us. Not only do very few agencies help groups with initiating and taking forward issues, the number of sponsoring agencies who help their groups with concerns specific to women is even fewer. According to data from the study, only in 2% of the cases, on average, was the help forthcoming from sponsoring agencies in engaging with social issues. Such a low figure points to the relationship between the groups and the sponsoring agencies. However, we also found in the study that nearly 68% group stake the help of sponsoring agencies for gathering savings and organizing meetings. Only when functionaries from the agency attend do meetings happen. Yet, as is clear from the data, very few groups receive the help of sponsoring agencies on social issues.

Graph - 14



■ Agency functionaries were at the forefront in the case of demands for government facilities and issues related to

Conclusion

Whether we talk of women's empowerment or of poverty alleviation through groups, both objectives can be attained only if the groups confront society and its discriminatory practices and structures. But as seen above, initiating and forming links with social issues is not a priority for the groups. That nearly 52% of the groups are not engaged with any social issue at all also gives us a glimpse into the priorities of sponsoring agencies. While almost all the groups are saving and emphasizing accounts-based trainings for credit-related activities, social issues are extremely limited in nature and extent. Even the groups engaging with social issues tend to adopt a reconciliatory strategies as a response.

While both government and NGO sponsored groups are committed to savings and credit, their commitment to social issues is not as clear. Sponsoring agencies naturally cut back on social concerns in exchange for an excessive focus on financial activities. Yet, is it possible to talk of empowerment or poverty alleviation without talking about social issues?

Leadership on Social Issues and its Relationship with Literacy

■ On nearly all kinds of social issues, group members and leaders together provided leadership in more than 70% of the cases.

their access.

■ Nearly 49% of the group members leading on social issues are non literate, newly literate, or can only sign their names.

■ Even among the 51% members who can read and write and are leaders in engaging with social issues,

Sponsoring Agencies: Stated Objectives and Ground Level Realities

nearly 15% have just received primary education or less.

As is clear from the table, the nature of leadership in social issues is different from the leadership in the groups' other activities. Where the other activities reflect a more individualistic leadership, social issues show joint leadership. On an average members and leaders together initiate engagement with social issues in more than 70% of the cases. This indicates that SHG women not only team up when social issues are taken up, they also come forward and take up the reins. Even if it is easy to form groups using financial reasons, a real sense of the collective can be felt through working on social issues.

The other difference between the leadership in social issues and in other issues is the literacy level of the leadership. While literate women get more chances to become leaders in most group-related activities, this is not true of leadership in social issues.

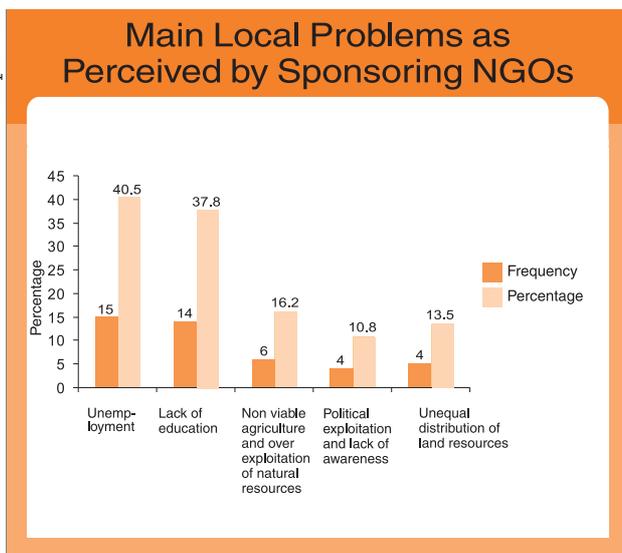
The nature of leadership in social issues emerging through this study is clearly in favour of less educated or non literate women. 40% of the women taking the lead in social concerns can just about sign their names. In contrast, in all other kinds of leadership, whether in group leadership or in matters connected with panchayats, at least 65% or more of the women are literate.

The large numbers of non literate and newly literate women becoming leaders on social issues indicates that not only do these women have the desire and ability to

Highlights

- Many sponsoring agencies identified unemployment and lack of education as the main local problems. However, most of them did not recognize issues specific to women as a significant local problem.
- Nearly 60% of the agencies mentioned literacy as a capacity building input necessary for women's empowerment, even though education has been given no place in the objectives of SHG formation, nor in the agenda of the sponsoring agency.
- At least 25 %, i.e., 410 out of the 1650 government sponsored groups included in the study, were found to be completely inactive.

Graph - 15



they try to make a place for themselves wherever they get a chance.

In this context, it is necessary to talk of the role of sponsoring agencies. As has become clear, sponsoring agencies form very limited linkages with groups on social issues, and it is possible that their role in choosing leaders on these is also negligible, so that the women can themselves come to the forefront. On the other hand, as far as formal leadership is concerned, we have been told that 68% groups still meet only in the presence of agencies. Their presence, possibly, is affecting the choice and basis of leadership as well.

come into leadership, they are also more willing to take risks. Non literate or newly literate women do not get equal opportunities to get into all kinds of leadership, and so that cannot determine where they want to lead. Rather,

Table - 17

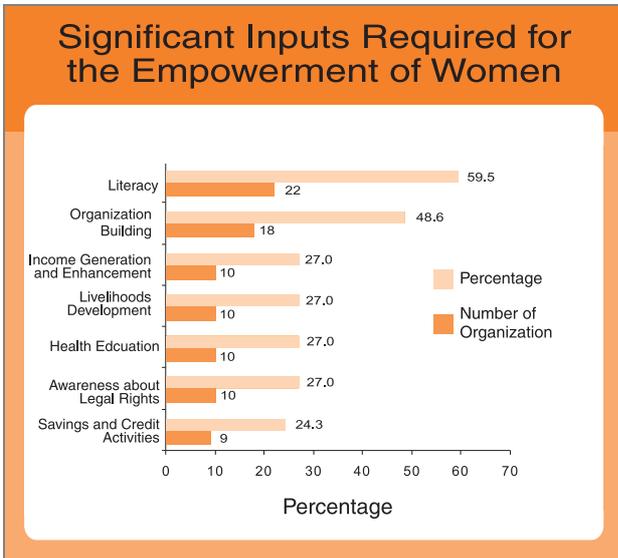
Main Objectives of Sponsoring NGOs

Main objectives	Number of Organizations	Percentage
All round development of women through SHGs	16	43.2
Provide training programmes to increase the income levels of poor people	8	21.6
Empowerment of women to help them assert their rights	6	16.2
Organise marginalised people to demand their rights	5	13.5
Create opportunities for the education and empowerment of women	5	13.5

Table - 18

Objectives for the Formation of SHGs

Main objectives of forming SHGs	Number of organizations	Percentage
Economic self reliance of women	16	43.2
To organize women to help them identify and access their rights	8	21.6
Freedom from the exploitation of moneylender by helping women access loans	7	18.9
Sustainable economic development	7	18.9
To promote collective modes of development	6	16.2



Conclusion

It is obvious, then, that there is disparity between the stated intention and implementation in a majority of the NGOs promoting SHGs. The disparity is apparent in the discord between the local issues identified agencies and the agencies objectives. It is also apparent in the difference between the stated objectives for forming an SHG and the actual activities undertaken to attain these objectives.

An attempt has been made in this study to

Table - 17

Objectives of SHG Sponsoring Government Programmes	
Name of the Programme	Main Objective of the Programme
Swarnajayanti Gram Swarozgar Yojna (SGSY)	To bring the assisted poor families above the poverty line by ensuring an appreciable, sustained level of income over a period of time. This objective is to be achieved by inter alia organizing the rural poor into Self Help Groups (SHGs) through the process of social mobilization, their training and capacity building and provision of income generating assets.
Velugu (District Poverty Initiatives Programme)	To build people's organizations at the grass root level in order to promote the participation of poor in forums of decision making and also remove the social, psychological and economic obstacles to link them with the process of empowerment. Access to credit, development of livelihoods, income generation and access to market are important in this process.
DWCRA	To organise women into groups to link them with economic activities. Improving the economic status of family and community through the access and control of women over economic resources.
SWASHAKTI	To create and promote such opportunities that strengthen the process of empowerment of women. To form Self Help Groups under this so that it helps in the capacity building of women and their access and control over economic resources in order to indirectly alleviate poverty also.

understand the stated objectives of sponsoring agencies and to see how these relate to the strategies adopted by them and the ground level realities of SHGs. The specific questions addressed were as follows:

- What is the main aim with which sponsoring agencies form SHGs?
- How do the aims for which the groups are formed accord with the aims of the agency itself and the region's significant problems?
- What is their perspective on education and capacity building in SHGs?
- What is the relationship between the stated objectives of government sponsored SHGs and ground level realities.

While we were able to get responses from

the leadership of the NGOs who sponsor SHGs, officials working in government schemes which sponsor SHGs were unwilling to fill our survey form. Hence, the perspective of government schemes has been analyzed on the basis of these schemes' written documents. We focus on the scheme's objectives and on the current status of the groups formed by that scheme. This is why the data on the groups formed under government schemes and NGO sponsored groups has been presented separately.

PART 1: NGOs

45 NGOs participated in the study, of which 37 completed the questionnaires. It is on these that the data and analysis presented in this subsection is based. The questions were open-ended and not multiple

choice.

Many NGOs mentioned women's development, helping them access their rights, and empowerment as key among their goals. However, most of them did not recognize issues specific to women as a significant local problem. There is some discord between regional issues and the agency's objectives: the objectives that agencies are working to attain are not, according to them, a

significant problem for that area. Conversely, the issues recognized as the region's significant problems are not part of the agency's objectives. In terms of enabling factors, nearly 60% of the agencies mentioned literacy as a capacity building input necessary for women's empowerment, even though education has been given no place in the objectives of SHG formation, nor in the agenda of the sponsoring agency.

Conclusion

In light of the above it is clear that there is a wide divergence between the government's claims and reality in the context of SHGs. Groups are also found lacking in the processes necessary to even maintain themselves let alone move towards the tall claims of poverty alleviation and women's empowerment.

Summary

This study, which sought to understand processes in SHGs from the viewpoint of education and literacy, involved the collection of comprehensive statistical data through the survey method, using a structured questionnaire. The following key dimensions of groups were included in the study for examining and understanding trends at a general level:

- Nature and extent of opportunities available to SHG members.
- Linkage between opportunities provided to SHG members and education as well as literacy.
- The perspectives and priorities of sponsoring agencies in a context of socio-economic inequities.

Groups and the Opportunities Obtained through them

- Women who are getting the opportunity to join SHGs are not from the most marginalized sections in terms of their caste or class background.
- 80% groups included in the study have a majority of Hindu women from the backward classes. In only 3% of groups were Muslim women in a majority.
- There was a particular lack of capacity building opportunities for women, 35% groups had not received any inputs. The situation was even more serious with respect to government sponsored schemes. 47% of the groups formed under government schemes were not given a single capacity building input. In the majority of the groups, capacity building activities were centered on group and credit management related topics, for instance group formation and accounts management. Very few groups were trained on gender issues.
- Merely 46% of the SHGs took an initiative in linking with panchayats. Only 37% of the groups formed under government schemes forged such links.
- Out of the groups that had links with panchayats, members only from 15% of the groups stood for panchayat elections. Nearly 24% of the groups took the initiative to make demands of the panchayats. Clearly, while 46% groups talked of links with panchayats, these links have been confined to participating in the Gram Sabha meetings. Very few groups enabled women to come into power within panchayats or to make demands of the panchayats.
- It was mostly group leaders who participated in Gram Sabha meetings. This indicates that the groups' participation in these meetings was very limited.
- SHGs are regarded as the most significant weapon against poverty alleviation.

due to the central role of savings and credit. However, the present study shows that 58% of SHGs have not been able to access any kind of loan. This is true of nearly 62% of government sponsored SHGs, even though all groups have been saving for over two years.

- Nearly 30% women from the groups included in the study borrowed from sources other than group related sources. The moneylender is still the main source for this supplementary borrowing. Nearly 60% of the women borrowing from external sources took loans from the local moneylender.

The Linkage of Education and Literacy with Access to Group Opportunities

- The study clearly proved a direct and positive relationship between literacy and opportunities for group leadership. Thus, literate SHG members are more likely to become SHG leaders. While the average literacy rate of the group is 39%, the average literacy rate among women coming into leadership is 69%.
- Since the socio-economic status of women coming into leadership is found to be the same as most group members, literacy is the chief factor on the basis of which leaders are chosen in most groups
- Literate women are not only more likely to become SHG leaders they are also more likely to access capacity building opportunities. Literate women in leadership positions get most of the capacity building opportunities.
- Literate women have privileged access to trainings on leadership development, accounts and group formation. Trainings accessible to largely non literate women are very few.
- Literate women are more likely to hold positions of leadership in panchayats or in initiating interventions related to panchayats. Thus, even outside the SHGs, literate women have privileged access to positions of leadership.
- It is not necessarily SHG leaders who win panchayat elections. Yet, the literacy rate of women who win is higher than the group literacy rate. It is clear, once again, that the group's literate members get more opportunities in comparison with non literate women.
- Literate women also have privileged access to SHG loans. According to data from the study, nearly half the women getting large loans from groups are literate as well as SHG leaders.

Justice and Equity - Stated Objectives and Ground Level Realities.

- Although nearly 60% of the sponsoring agencies regard literacy as the most important factor for women's empowerment, only 8% make concrete efforts to educate women.
- Although most agencies mention the all-round, and especially economic, development of women as an objective in forming SHGs, only 21% of the NGO sponsored groups were given trainings related to income augmentation.

- Only 48% of the SHGs claiming to empower women had taken an initiative on any social issue over the last two years. This figure was even lower, at 36%, in government sponsored groups
- Among all the social issues with which SHGs engage, women's issues were taken up the least. Among the groups formed under government schemes, engagement with social issues was negligible. Even among the groups formed by NGOs, the issues engaged with the least were domestic violence and sexual violence. There was maximum silence on the issue of caste violence.
- Social issues are the platform on which non literate women are able to come forward and lead. According to data, more than 50% of the women taking a lead on social issues were non literate or could merely sign their names. Even capacity building and training on social issues (which were offered to very few groups) saw a higher participation from non literate women.
- 25% of government sponsored SHGs were found to be totally inactive and existed only on paper. The highest proportion of such SHGs were formed under SGSY.

This study raises serious questions about Self Help Groups and the purported objectives for which they are formed. Many processes including educational processes necessary for empowering women and alleviating poverty are missing in a significant proportion of SHGs studied. Moreover, the playing ground is not equal – literate women are privileged over non literate women in terms of accessing leadership positions, capacity building opportunities and even credit. It is highly unfortunate that NGOs working through groups believe that literacy is necessary for empowerment, yet they do not make a concrete effort to promote literacy. It is believed that the delivery of credit through SHGs will lead to an increase in incomes through microenterprise activities. The study challenges these claims at various levels. It reveals that in the majority of cases SHGs were not receiving credit, the first step in the supposedly linear progression towards poverty alleviation. Capacity building inputs related to income generation and livelihoods are being provided only to a small fraction of SHGs. The study also shows that the poorest of the poor are being excluded from SHGs. The claims related to poverty alleviation therefore stand severely challenged by these findings.

Whether it is with respect to poverty alleviation or empowerment, literacy and education are essential processes that need to be enabled for the fulfillment of these stated goals. Hence SHGs, whose goals are women's empowerment and poverty alleviation, should not be evaluated only in terms of access to credit and regularity of savings, but in terms of the availability of opportunities to enhance literacy and education. If SHGs are to be sustainable and equitable institutions, then SHG sponsors must begin to focus on providing these inputs. Only then can SHGs and their sponsors, truly claim to empower women.

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