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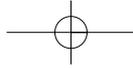
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EXAMINING SELF HELP GROUPS

- Empowerment
- Poverty alleviation
- Education

A QUANTITATIVE STUDY

NIRANTAR

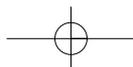
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Introduction

The phenomenon of Self Help Groups (SHGs) in India is increasing at a tremendous rate. An array of powerful players—the State, banks, microfinance institutions, NGOs, corporations, and international players in the development and finance fields—are involved in the promotion of these groups. Put simply, SHGs are microcredit-based groups where women are brought together in order to access and repay loans as a collective. The scale of the phenomenon is notable. The government's SGSY (Swarnjayanti Grameen Swarozgar Yojana) scheme alone sponsors almost 2 million SHGs across the country. About 16 million poor households have gained access to formal banking systems through NABARD's SHG-bank linkage programme. Although there are no definitive figures on the number of SHGs in India, the above data indicates the enormity of the SHG phenomenon.

Our interest in SHGs, however, is better explained by another fundamental characteristic of the groups: 90% of all SHGs are comprised solely of women, and it is the lives of these women that SHGs claim to most greatly benefit. The diversity of actors using SHGs, and the scale on which they are doing so, ensures that this rapidly growing phenomenon is increasingly affecting the lives of millions of poor women.

The claims being made about the impact of SHGs are wide-ranging. They are meant not only to provide credit where it was hitherto unavailable, but also to 'bring about' poverty alleviation and women's empowerment. SHGs are presented as forums of solidarity that enable women to address discriminatory practices, gain access to credit to

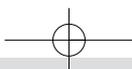
fuel entrepreneurship or meet consumption needs, as well as to seek access to services and spaces of governance.

There are both certain NGOs and specific districts within government programmes where much of this promise seems within reach, and SHGs are making strides towards fulfilling their claims of social, economic and political empowerment. Committed cadres and organisational leadership have resulted in SHGs acting as important tools in development strategies. The potential of SHGs to so many, in fact, is rooted in the stories of not insignificant and numerous successes. Indeed, the attractiveness of the SHG model lies in the immediacy of tangible benefits: bringing together women into groups where they could conceivably develop a collective voice, the immediate and increased availability of small credit to those who had little or no access to it outside of moneylenders, and the stories of women who have used loans to start self-sustaining small businesses. It is a heady mix of possibilities: gender and empowerment; space for political and social participation; immediate, tangible increase in and credit for the poor; and the inclusion of the poor into self-initiated and productive economic activity. There is, no doubt, much at stake, and hopes are riding high on SHGs. Perhaps, for this reason more than any other, we must ensure that we understand and interrogate this phenomenon.

There has till recently been very little dialogue and debate within civil society about SHGs. One of the reasons for this according to practitioners in the field of development and gender is the minimalist view that microcredit is

What are the ground realities for women who are part of SHGs? Are benefits equally shared?
What impact do SHGs have on the State's role as the provider of basic services?





enabling poor women to at least 'get something' and that 'something is better than nothing'. The other reason for the lack of debate that has emerged is the fear of 'throwing the baby out with the bathwater'—a fear that any critique of SHGs will cause the entire system to be derailed.

Yet as practitioners involved in working for women's empowerment, we at Nirantar believe that it is necessary to assess a phenomenon that involves so many women, and claims to have the potential to transform their lives so

fundamentally. Access to equitable credit is a person's right, and delivering it to those who are denied it is no doubt a desirable achievement. But neither can credit be the only criteria by which the impact of SHGs on women's lives is assessed nor can the process by which such credit is delivered remain unquestioned. It is, therefore, critical that we ask some fundamental

questions: What are the ground realities for women who are part of these groups? Have credit and the membership of SHGs empowered women—in what way and by what measures? Has economic vulnerability been reduced? Are benefits equally shared or are some women more able to access them than others? What determines the distribution of benefits? What determines the success or failure of these programmes? What impact does their existence have on the State's role as the provider of basic services?

Through this study, we examine these questions, looking at each at many levels: that of individual women, of the SHG itself, of the household, of the market, and of the interactions with institutions and the government. Our aim is to understand not just the impact of SHGs on the material realities of women's lives, but also the changing discourse

around microcredit, gender, and development, all the while recognising how this new discourse and practice critically shape ground realities. We do this using a unique and, we believe, effective lens: education. Our understanding of education is that it is more than simply formal schooling, or the ability to read and write. We see education in a broad spectrum, defined as learning processes that include literacy, access to information, processes of critical reflection that enable 'learners' to make linkages between their lived

realities and the larger structures and ideologies that they are located in. It is also, as we shall argue later in this chapter, intrinsically linked to poverty reduction, empowerment, social justice and development—all spaces that the SHG model claims to impact—thereby making it an appropriate and critical lens through which to assess and analyse the SHG phenomenon.

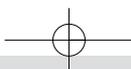
We see education as learning processes-literacy, access to information and processes of critical reflection that enable linkages between lived realities and larger structures.

Briefly, the objectives of this study are to use the lens of education to:

- Articulate and understand women's perceptions about the changes that have taken place in their lives after joining an SHG, especially in terms of empowerment and poverty alleviation
- Study the group as a space for engagement with issues of gender justice and equity
- Assess the extent to which sponsoring agencies provided an enabling environment for empowerment and poverty alleviation

As detailed in the methodology section later, the report draws upon both a broad quantitative survey of SHGs (hereafter called the *Nirantar Survey*) and an intensive qualitative investigation of selected groups.





THE EMERGENCE OF SHGS AND MICROCREDIT: A BRIEF HISTORY

The phenomenon of women's collectives is not a new one in the country and neither is the provisioning of credit for the poor. However, the combination of provisioning of credit to women's collectives based on thrift is a relatively new phenomenon in the development scenario in India, and emerged as a key development strategy in the early 1990s.

A Shift in Paradigm

Women's collectives as forums for empowerment and the assertion of rights have been central to struggles for justice in the country for several decades. These collectives, whether formed as part of class-based struggles, the autonomous women's movement, the struggles of Dalit or tribal communities or NGOs active in the arena of development, have typically evolved over a period of time, based on principles of solidarity and collective action. Processes of critical reflection related to the structures and mechanisms of inequity and power relations have often been central to the evolution of women's collectives.

Credit entered this scenario in the 1970s through the initiatives taken by organisations like Sewa and the Working Women's Forum (WWF). Rooted in struggles of

economically marginalised women, credit was demanded as a right that women needed to gain advancement in their status. The specific form of microcredit-based SHGs was first initiated by NGOs such as MYRADA in the southern states of India as a means of organising communities for development, with a focus on the poor. Numerous NGOs and civil society groups then adopted them as the model for delivery of credit and bank linkage across the country.

Acknowledging the successes of such collective mobilisation strategies, the State also adopted this strategy of forming women's groups linked to credit as part of its development strategies. There were several reasons for this.

Once the experiences of organisations such as Sewa and WWF had established the record of women as good repayers of credit, the State and nationalised banks began to realise the creditworthiness of women. This acted as an important impetus for the formation of microcredit-based SHGs. The collective ensured that there was peer pressure on women to repay loans and the resulting high repayment rates meant that lenders were willing to forgo collateral. It must be noted here that the financial principle underlying SHGs was joint liability and that, therefore, the risks and transaction costs for creditors would be lower. In other words, women had to save, and save as a group. This

Microsavings, Microcredit, Microfinance and Self Help Groups

Microsavings refers to the thrift, or small savings, that poor households make from their daily expenses or from their food or household consumption. This phenomenon of small savings by poor women and families became microcredit, with links with financial institutions such as banks for access to external financial resources.

The provisioning of microcredit can take many forms. The most common form in India is that of Self Help Groups (SHGs). Within SHGs, small loans are given to groups of women along with collective responsibility for repayment. Lending to small groups of poor women, viewed also as a socially empowering paradigm, has been shown to result in very high repayment rates, probably because the group-based format also puts pressure on the women to repay the

loans. This high repayment rate then acts as an assurance to the financial institutions, which forgo the traditional collateral requirements and high transaction costs. The latter are also lowered for banks as they use groups to manage and disperse funds rather than having to do so themselves. NGOs or other intermediary organisations, therefore, do the actual work of credit and loan collections, as well as the maintenance of accounts.

Microfinance frameworks have since grown beyond microcredit systems to incorporate other financial products such as health and risk insurance, security, housing finance and other products. Microfinance thus spells the expansion and deepening of financial initiatives focusing on the poor.





stood in sharp contrast to the earlier State credit strategy that was focused on individual men, which was plagued by a high rate of default and leakages. One study, for instance, revealed that not a single household escaping from poverty was associated with better-known forms of government assistance such as IRDP (Integrated Rural Development Programme). Hence the switch to lending to women.

Even before credit entered the picture, the State had been mobilising women into collectives, such as the Mahila Mandals, as part of the community-development initiatives. This approach, however, had failed to benefit women, as evidenced by the Committee on the Status of Women in India, set up in 1975. The larger economic context since the 1960s was one in which the situation of the poor was being aggravated due to the nature of the industrial and agricultural policies adopted by the State. Women, as those primarily responsible for the household economy, were hardest hit. At the level of discourse, this worsening condition propelled the Women in Development (WID) approach, which called for a specific focus on women and for the integration of women in development. This approach began to be adopted in the 1970s. It is as part of this new thinking that programmes such as DWCRA and STEP began, both of which created SHGs. These programmes recognised women's need for credit. Their approach to addressing this lack, however, was a holistic one—credit was only one part of programmes that included other components such as awareness-raising, skill development and support in market linkages. There was also an emphasis on seeking to promote collective economic enterprises. As we shall see later in this report, however, this early emphasis on holistic credit did not sustain itself.

The Needs of Financial Institutions

Following the nationalisation of banks from 1969, the Reserve Bank of India promoted the placement of banks in rural areas as a means to advance social objectives. Since then, a mix of policy directions, including directives to rapidly expand rural branches, mandate credit allocations for priority sectors (including agriculture), deliver large subsidy-oriented credit programmes to serve marginal communities and poor households, and control interest rates, have been tried for over 35 years.

The earlier State credit strategy that focused on individual men was plagued by a high rate of default and leakages.

As part of these efforts, more than 5,000 new branches were opened in un-banked rural locations, representing a seven-fold increase in rural locations. This strategy was however abandoned in the early 1990s despite evidence of deepening credit availability to the rural farmer and agricultural sector (they accounted for more than 40% of the total credit disbursed), since the costs to the banks were quoted as commercially non-viable. This was despite the fact that the social consequences of these earlier measures had reportedly been significant as access was enhanced through these supply-driven initiatives. However, the implementation of banking reforms in the 1990s in the interest of increasing the efficiency of the banking sector had a direct and negative effect on rural credit. The share of rural bank offices in total bank offices, which had increased from 17.6% in 1969 to 58.2% in March 1990, gradually declined to below 50% in 1998. 2,723 rural bank offices were shut down between March 1994 and March 2000. The credit-deposit ratio in rural areas fell from about 66% in 1990 to about 56% in 2002. It was in this context that measures were adopted to promote the microcredit model as an alternative to the bank branches model as a means to enhance the penetration of rural banks at minimal overheads. The era of liberalisation has further witnessed the entry of private commercial banks into the micro-lending arena. This includes a range of microfinance institutions that work in myriad ways, charging interest rates over which there is no regulation, and using recovery mechanisms of their own choosing.

The State encouraged microcredit in the form of policy support to enable Self Help Groups to transact with commercial banks. Public sector and cooperative banks in rural areas, supported by NABARD, have also adopted SHGs as a means to garner savings and enlarge their client base. Corporations have also increasingly begun to use SHGs as forums through which to make inroads into the





Scale of State-sponsored SHGs

The Mid-Term Appraisal of the Planning Commission estimates that the Women and Child department alone accounted for more than 10 lakh groups, the Rural Development department for 17.41 lakh SHGs formed by the SGSY (Swarna Jayanti Gram Swarozgar Yojana), while NABARD has been involved in the sponsoring of 15.2 lakh SHGs (through other agencies) over the past 12 years.

huge consumer market in rural areas. ICICI, one of the largest private banks in India, has a microfinance portfolio that has been increasing at an impressive speed. From 10,000 microfinance clients in 2001, ICICI Bank currently lends to 1.2 million clients through its partner microfinance institutions, and its outstanding portfolio has increased from Rs. 0.20 billion to Rs. 9.98 billion.

The Global Impetus

It needs to be noted that the microcredit-based SHG model is specific to India. Although there were several other factors that influenced the growth of SHGs in India, their emergence was informed by the NGO experience of credit being one of the necessary elements of collective empowerment. Though the Indian SHG model precedes the well-known Grameen Bank model, the experience of the Bangladeshi microcredit giant has had a major impact in India. That said, while the Grameen model also has a social justice agenda, it has become increasingly focused on financial efficiency. The Grameen model, in which the number of women within a group engaged with savings and credit can be as little as five, has a clearly articulated focus on the financial agenda of enabling the provisioning of credit.

It was the financial viability of the model that captured the attention of the donor community. This was attractive in terms of redressing the problem of withdrawal that donors

were confronted with in the face of reducing resource availability. Thus, the financial sustainability feature of the microfinance model came to be foregrounded. Financial viability became the touchstone of the process and all other factors were obscured. The large-scale emergence of microcredit-based women's groups in India needs to be located in this global context.

Microcredit as a development strategy was also propelled globally by the perceived failure of development interventions initiated by international agencies up till the 1980s. A strategy that could be seen to impact the ground-level situation was urgently required, and microcredit-based women's groups were enthusiastically promoted to meet that end. Consequently, microcredit today constitutes the world's biggest financial lending programme. It is espoused as the most significant strategy for poverty alleviation and women's empowerment, adopted across nations of varied socio-political and geographical contexts. Governments of developing countries, donors and banking institutions have adopted microcredit as a desirable development strategy.

The focus on credit has been part of the neo-liberal framework that sees the provisioning of the input of credit and the related promotion of microenterprise as an effective means to address the problems of development. This, in turn, needs to be located in the larger credit-based model of development as part of which richer countries project the provisioning of credit to developing countries as a key strategy to address problems of underdevelopment. It has been argued that this focus on credit seeks to deflect attention from the fundamental problems underlying underdevelopment, such as unequal economic and political relations between rich and poor countries.

It is against the background of this discourse that our engagement with SHGs needs to be located. The following sections describe the process by which our own engagement with SHGs began, and how and why we selected education as the lens through which to explore the SHG framework.

Implementation of banking reforms in the 1990s in the interest of increasing the efficiency of the banking sector had a direct and negative effect on rural credit.





EDUCATION AND LEARNING PROCESSES: THE CONTEXT OF THE STUDY

Nirantar's journey into the realm of SHGs and their relevance for women is rooted in its work in the area of gender and education. Nirantar is a feminist centre for gender and education. We view education in a broad spectrum, defined as learning processes that are inclusive of literacy, access to information, processes of critical reflection that enable women to make linkages between their lived realities and the larger structures and ideologies that they are located in. Nirantar has sought to provide such educational opportunities through field-level engagement, by strengthening other educational interventions through building perspectives and capacities, as well as through creating teaching and learning materials. Analysis of the opportunities and content of education through research, generating dialogue on key concerns related to gender and education within civil society organisations, as well as policy advocacy with the State, have also been part of our work.

Our exploration of SHGs began as a quest to unravel the changes in opportunities for women's education over the past decade following the Total Literacy Campaigns (TLCs) in the context of the National Policy on Education (NPE), 1986. The NPE recognises the empowering potential of education and states "education will be used as an agent of basic change in the status of women... The National Education System will play a positive, interventionist role in the empowerment of women." Despite its reputation of being a progressive policy with regard to the focus on gender, the rhetoric and the various articulations and commitments providing women access to education are clearly not a priority for the State. Despite numerous studies that establish the empowering potential of education, these connections are seldom recognised by policy-makers and result in the neglect of educational opportunities for women. This is reflected in the lack of appropriate programming initiatives and resource allocations to back the above stated commitments. The

We view education in a broad spectrum inclusive of literacy, information and processes of critical reflection that enable women to make linkages between lived realities and larger structures

neglect of women's education is also evidenced in the Education for All (EFA) plans and interventions, which entirely ignore the possibilities for adult women's education. The story so far has been one of missed opportunities.

This neglect of women's education is particularly disturbing in the context of globalisation, which requires that women understand the macro situation, develop new abilities to survive development and a changing social and economic scenario from a position of greater strength. This calls for an even greater demand for adult, non-formal education programmes. We find, however, that the few programmes relating to women and education that do exist are also not responsive to the needs of learners. The resulting crisis of inertia and stagnation that has beset adult education has serious implications for women as learners. Although the Mahila Samakhya and the TLC experience indicated enhanced levels of confidence and awareness amongst the women who participated, the State has put all its energies in shutting the tap—adult women represent a fast-vanishing category in educational planning. The shift to elementary education and a corresponding decline in the State's commitment to women's education is also indicative of a quest for quick-fix solutions without addressing the deep-rooted structural constraints of the problem so typical of the neo-liberal paradigm.

The absence of opportunities to sustain and use literacy skills has meant the relapse of women with fragile neo-literacy skills into illiteracy. Little attention is being paid to the need to enable women to sustain or build upon the confidence and skills acquired. The time and energy invested by women, who in spite of their heavy workload came out in numbers to participate in literacy campaigns, has come to naught and their right to education denied.

In order to further understand the ground-level realities related to opportunities for education and literacy that were available to rural women, Nirantar undertook a study in partnership with six organisations across the country engaged with educational programmes for women. We





found that while women, many belonging to SHGs and federations of such groups, were eager to acquire literacy skills and access educational opportunities, organisational agendas and perspectives did not always permit this. During the course of the study, it became clear that the decline in learning opportunities for women was accompanied by an increasing focus on SHGs. The formation of savings and credit groups was emerging as the primary strategy of State-sponsored Continuing Education programmes. The underlying assumption is that the mere creation of microcredit forums will garner enthusiastic response from women and is sufficient to sustain women's groups. No effort has been made to integrate literacy and educational inputs in the strategy for microcredit, and little effort has been made in creating income-supplementation activities emerging out of disbursed credit. Education was largely missing from the agenda of SHGs, regardless of whether they were created by the State or by NGOs.

To understand the phenomenon of SHGs that has captured the imagination of planners, policy-makers and development agencies alike, we undertook an in-depth inquiry into the empowerment and poverty reduction potential of SHGs from the perspective of education.

WHY EDUCATION IS A GOOD LENS WITH WHICH TO EXAMINE SHGS

We consider education a critical marker through which the implications of SHGs for the lives of poor women can be gauged and the paradigm shift in the discourse of women's empowerment can be understood. Our reasons:

Women as Means to an End

The fact that microcredit is focused almost exclusively on women appears to reflect a framework in which women are targeted because they are the best re-payers of loans and are viewed as the most efficient means of impacting households and families. The onus seems eternally on the

benefit that the institutions, the family, and the economy get from targeting women. The needs of women themselves are not at the centre of microcredit. It is valuable to examine, therefore, whether and how the agenda of empowering education for women is accommodated, or negated, within microcredit-based SHGs, given that such education is first and foremost about women themselves, their rights and their strategic needs. Further, in the microcredit paradigm it appears that there are a number of players who gain substantially from an arrangement based on poor women's own savings and resources. In this scenario, the learning opportunities provided to women by organisations that claim to be working for their empowerment is a measure of the investment that the programmes are willing to undertake for the women beyond credit.

Is there space for change?

The issue, of course, is not simply whether women members of SHGs are receiving learning opportunities or not. Education holds the potential for being a site to negotiate changes towards equity and justice. But it can also be used as a platform where the agendas of the providers of education manifest themselves in ways that range from the transformatory to the essentially conservative. Learning forums can be spaces for the creation, reinforcement or challenging of normativity. An analysis of the content of educational interventions would, therefore, be revealing of the perspectives that inform SHG programmes.

Moving Beyond Access

Empowering education also enables analyses of microcredit to move beyond the confines of the frame of access. The focus on access has been particularly problematic in the manner in which various aspects of development are articulated. The discourse on mainstream education, particularly that promoted by the State, has an overwhelming focus on access (for example, on enrolment of girls in

The time and energy invested by women, who came out in massive numbers to participate in literacy campaigns, has come to naught and their right to education denied.





schools). Within microcredit too there has been a focus on the fact of access to credit. It is easy, therefore, to set aside other questions, such as the extent to which the access leads to empowerment or poverty alleviation. To take another example, there has been an increasing emphasis on the desire to create institutions, in particular federations of SHGs that can be self-sustaining. The focus, again, is on whether women have access to such institutional spaces. The danger is that questions of process, such as how these institutions are being visualised and to what extent there is ownership of the forums by women themselves, will be marginalised. The thrust of microcredit is on tangible and empirically accountable dimensions. Therefore, a distinction between access and entitlement, for example, is easily set aside as access is presented as empowering without an examination of the ability of women to transact the terms of such access. The strong advantage of examining SHGs through the lens of education is that it forces a focus on process, rather than simply accepting outcome indicators as the last word.

Are SHGs truly empowering?

Patriarchy and poverty are deep-rooted and complex realities. It is imperative that those who are marginalised have the opportunity to build an understanding of their own worth and of their rights, while acquiring the means and strength to realise them. Through the perspective of education, we can assess whether processes to enable women to interrogate the structures and mechanisms of patriarchy and poverty have been initiated, because the extent to which empowering educational opportunities are being made available to women is a strong indicator of the extent to which microcredit-based interventions can actually empower women. Education becomes a critical marker that reflects an agenda for a serious engagement with women's empowerment and poverty reduction.

Examining microcredit through the lens of education implies placing women at the centre of the paradigm. It also entails understanding the perspectives of those sponsoring microcredit interventions. It means looking at the implications of the extent and nature of the learning processes for women's abilities to move towards the espoused goals of SHGs—empowerment and poverty reduction.

Education and Empowerment: What are the

Examining the agenda of empowering education within SHGs is valuable, given that such education is first and foremost about women themselves. It is also a measure of the investment that programmes are willing to make for women.

linkages?

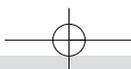
Empowerment, no doubt, requires education, but their relationship is complex, and by no means is the linkage linear. Before we explain this further, it is necessary to define our understanding of the terms involved. We have already spoken of our understanding of education. Empowerment, in the context of this study, is understood as a process that enables 'women'—as a category—to transform power relations. This would entail the ability to:

- define the change (for themselves and around them)
- negotiate change
- understand and challenge injustice and inequity
- act towards the achievement of strategic goals that address issues of women's status/position

In seeking to understand the reflections of women in SHGs and of microcredit in their lives, we acknowledge the survival needs of women rendered vulnerable due to the intersections of patriarchy, caste and class, and their struggles to access, manage and control scarce resources. The realm of our analysis, therefore, takes us from the space of the SHG to reflect upon women's abilities to control resources and ideas and their agency to negotiate change at each of the different levels, including the family, society, State and market.

The role of education is clearly critical to processes of empowerment. Learning spaces are needed for women to understand and negotiate norms and structures that seek to subjugate them, to internalise principles of trust and solidarity towards building a strong collective, to build a vision based on principles of equity and justice, as well as to understand their entitlements and how to demand these from institutions such as the family and State. The spirals of





Dimensions of Empowerment

In the context of SHGs, we would like to highlight some dimensions of our understanding of empowerment:

- Challenging power is a process. Power is not a tangible object that can be 'attained' or transferred, and challenging it cannot be simply reduced to, or captured as, an outcome.
- Empowerment connotes collective action, given the need to challenge ideologies and material realities that are highly pervasive and deeply entrenched.
- Empowerment is not merely about individual 'choices'; it must address structural factors that perpetuate inequalities.
- Empowerment entails challenging socially constructed norms at various levels including at the level of internalisation (given the need of patriarchy and other

forces, for acquiescence to norms) and at the level of negotiating sanctions by external actors against deviations from norms.

- We question the fragmentation of empowerment into 'social empowerment' and 'economic empowerment'. The material and non-material dimensions of all our lives are inextricably intertwined.
- There is a need to distinguish 'engagement' from 'participation', which is often seen as an adequate if passive form of empowerment. Engagement entails having a role in decisions about the nature and course of one's participation.
- The notion of agency is also significant given that women are not mere victims and can find ways of negotiating with their realities.

learning and the spirals of empowerment are intertwined and interdependent—learning that is empowering and empowerment that broadens and deepens the realms of learning are mutually reinforcing processes.

While much literature has recently been devoted to the measurement of empowerment that seek to unpack 'processes' into tidy 'indicators' that can then be measured and quantified, in this study we consciously choose to present the process as just that—a process, with all its attendant nuances, strands, connections, that we interpret and analyse from the statements and perceptions of women themselves, when seen in the socio-cultural and political environment of each location.

Structure of the Report

Having laid out the context and the conceptual framework, we move to describing the SHG programmes studied. The next section on methodology outlines the study. The structure of the rest of the report mirrors the bottom-up approach of the study, which began with a focus on women's perceptions of change to the perspectives of the sponsoring agencies. Each chapter begins with an index of the contents within the chapter. Chapter One focuses on the ground-level realities as described by the women related to empowerment

and poverty alleviation. Chapter Two takes stock of the educational opportunities that are available to SHG members, including a strong focus on literacy. This chapter seeks to unpack the relationship between literacy and power, through the perceptions of women and through the implications of the access (or lack thereof) to literacy. It then moves beyond literacy to understand the kind of learning inputs being provided to women, and those that are conspicuous by their absence. Chapter Three seeks to analyse the linkages between the data related to ground-level realities and the perspectives of the sponsoring agencies. The resulting patterns that emerge outline what we term the logic of microcredit, a critical addition to prevailing discourse on microcredit and women's development that we felt was necessary to emphasise given the importance and unquestioned acceptance that microcredit today enjoys. The concluding chapter outlines a charter of educational opportunities that SHG members should be provided in order to enable processes of empowerment and poverty alleviation, along with other key recommendations directed both at NGOs and other sponsoring agencies as well as demands directed at the State. The secondary literature review undertaken as part of the study is included as Annexure 1.







Profiles of Organisations

This report draws largely upon an intensive qualitative study of six interventions in Gujarat and Andhra Pradesh. We share below brief outlines of the organisations selected. As detailed later in the Methodology section, these interventions are representative of different categories of SHG interventions in the country. SGSY (Swarn Jayanti Swarozgar Yojana) and DWCRA are programmes promoted by the key departments of the Government of India. Swashakti and Velugu are innovative programmes sponsored by the World Bank and implemented through the government in specific states. Peace and Anandi are NGOs which have also had a linkage with literacy. Our effort, in selecting representatives of each sector, was to ensure that the themes and patterns that emerged from our study were not limited regionally or due to the particular nature of individual programmes.

Swarn Jayanti Swarozgar Yojana (SGSY)

SGSY is a programme of the Government of India. Under the Department of Rural Development within the Ministry of Poverty Alleviation and Rural Employment, it is implemented through state-level departments of rural development.

SGSY represents the largest government initiative in the field of poverty reduction and is based on asset-building through subsidised credit delivery as a means of poverty alleviation. The programme was initiated in the last decade with the objective of “bringing assisted poor families (swarozgaris) above the poverty line by organising them into SHGs, training them and helping them through capacity-building and provision of income-generating assets through bank credit and government subsidy”. The programme is delivered by the rural development departments in the states through the DRDA (District Rural Development Agency) at the district level, with the identified

lead bank in each district charged with the responsibility of delivering the credit and subsidy component on behalf of the government as groups emerge¹.

Often the programme officers who act as credit agents with the groups combine their work with SGSY with their responsibilities for other government programmes, especially in states where the Agriculture Extension sector had been merged with the rural development and poverty alleviation initiatives, as is the case in Gujarat. Although it claims to be purely focused on poverty alleviation, the programme also has a newly introduced mobilisation and capacity-development component. NGOs can also be commissioned by the department, according to the revised guidelines of 2002, to first mobilise the SHGs and then to provide them with capacity-development inputs. Groups that have been formed under the scheme since its inception far outnumber those formed by the NABARD scheme, making SGSY the fastest growing SHG-based programme in the country.

DWCRA

The second largest government programme in our survey is DWCRA. The programme is located in the Ministry of Rural Development. Focused on women, and predating SGSY by more than a decade, the DWCRA programme was initiated in response to the reports that showed that the erstwhile Integrated Rural Development Programme (IRDP) seldom benefited women due to its focus on the ‘heads of household’, a category which was invariably interpreted as ‘male leads of heads of household’. The DWCRA scheme, therefore, specifically target rural women below the poverty line (BPL). DWCRA's aim was “to empower rural women living below the poverty line (BPL) by way of organising them to create sustainable income-generating activities through self-employment...” A unique

¹ The scheme already covers 18.6 lakh groups and women were 50% of the beneficiaries up to 2005-06. Resources allocated to the scheme were Rs 8,223.2 crore, of which Rs 6,620 crore has been centrally allocated to a total of 63.03 lakh swarozgaris, which results in Rs 130 per swarozgari1.





feature of the programme was that it emphasised group activity. It was thought that, in the long run, women's empowerment depends on creation of a movement that promotes awareness and self-reliance².

Under the scheme, a group of 10-15 women from families that lived below the poverty line are given a Revolving Fund to undertake income-generation activities. A group organiser acts as the coordinator and is expected to take the initiative to liaise with the various agencies to access support and capacity-development inputs to enable the group to set up viable activities. A provision of infrastructural support is also meant to be provided, including marketing and design support. A unique feature of DWCRA, unlike other IRDP components, was that along with the improvement in income, it was also meant to focus on access to health, education, safe drinking water, sanitation, nutrition, etc.

The scheme has met with mixed response and has many loopholes but, as the pioneer scheme of the Government of India, it has spearheaded the way for women's groups to be targeted as focal groups for the alleviation of poverty and enhancement of status of women in one go. Andhra Pradesh is home to the largest number of DWCRA groups in the country, and DWCRA groups account for a large number of SHGs in the state. Though DWCRA has been withdrawn from many states after the initiation of SGSY, it continues to function in Andhra Pradesh³ and Gujarat.

Swashakti

Swashakti is a programme of the Department of Women and Child Development, Government of India, and implemented in Gujarat as well as eight other states. Though implemented through the government, Swashakti is sponsored by the World Bank and International Fund for Agricultural Development.

Swashakti presents an innovation over previous programmes for women's empowerment as it claims to adopt a holistic approach to women's advancement with space and resources defined for a range of inputs, and capacity development being a key component and strategy. It focuses on the empowerment potential of SHGs and seeks to use microcredit and the creation of economic

opportunities as the means for women to gain access to other resources and opportunities for their empowerment and development. It is based on the premise that a focus on women's empowerment and economic empowerment will spontaneously impact the poverty and quality of life of households in the region. The project has an over-riding emphasis on the provision of capacity-development opportunities and the creation of infrastructure and market linkages through enterprise counselling centres to promote women's enterprise. The development of these linkages is done by selected NGOs.

The project is implemented at the state level through a project office and by the coordinators of the various selected districts. At the district level, a District Coordinator assisted by a project implementation team supervises the implementation of the programme through selected NGOs. The selected NGOs must have least three years of previous experience of working with women, apart from other statutory requirements. The nature of such experience and the approach of organisations are not criteria for their selection. The state project office coordinates training inputs for the NGO project teams, which consist of a project coordinator, a trainer team (of two persons) and field workers. Each partner is expected to mobilise at least 40 groups and must form a federation by the end of the project period of four years; these federations must be independent entities from any of the federations that such NGO organisations may otherwise have formed.

VELUGU-DPIP⁴

The DPIP programme running in three states of Andhra Pradesh, Gujarat and Rajasthan represents initiatives of the state governments with assistance from the World Bank. In Andhra Pradesh, the DPIP programme is known as Velugu. DPIP is located within the department of Rural Development. As with Swashakti, it is implemented through project bodies set up autonomously for the project period. In the case of Velugu this project body is called the Society for Elimination of Poverty (SERP).

In Velugu we find a clear, well-articulated statement of goals that places at the centre of the discourse 'the poor' as key players and their rights. A part of this is the articulation of the significance of building grassroots-level people's

² <http://www.drd.nic.in/jry2/esdwcr.htm>

³ Subsequent to our study, DWCRA groups have been merged with the Velugu programme





organisations. According to programme documents, “The basic focus is to create social capital for the poor through creation/promotion of strong self-managed institutions, developing activists and paraprofessionals from amongst the poor and enhancing their capacities to manage their resources and also to access public services.”

The programme's stated commitment to gender is reflected in numerous institutional provisions of the programme, gender inputs for cadre and the integration of gender concerns in the design of various elements of the programme. Velugu also clearly recognises the importance of learning processes. According to project documents, “The poor have started to demonstrate that they can shape their own destinies when adequate knowledge, skills and resource support are accessible to them.”

Headed by the Managing Director, the team at the state level is responsible for co-ordination of planning, monitoring and provisioning of specific inputs. The Collector at the district level heads the district team that is responsible for the implementation of the programme. The district team consists of coordinators and project management personnel, including the Project Manager, the Economic Development Program Coordinator, the Gender Coordinator and consultants, to advise on specific project activities. At the Mandal⁵ level is the Manager who, along with coordinators, supervises the work of the cluster coordinators. At the village level there are community activists and paraprofessionals identified from within the community itself. The programme covers 22 districts of the state.

In terms of the institutional structure that the programme has designed at the ground level, there are the SHGs that are federated at the village level into Village Organisations (VOs) and into Mandal Samakhya at the mandal level⁶.

Anandi

Anandi is an NGO that works in three districts of Saurashtra in Gujarat. With four offices, one each in Devgadhi Baria, Rajkot, Ahmedabad and Baroda, the organisation is rooted in community-based work with rural women from economically marginalised sections of society. Drawing upon this, Anandi plays the role of a resource group

⁴ The name has been changed to Indira Kranti Patham.

⁵ Mandal is a unit of governance in AP that is smaller than the unit of block found in other states.

⁶ http://www.velugu.org/what_velugu/what_velugu.html

working with other grassroots NGOs and also undertakes advocacy with the State.

The programme in Baria block, district Dahod, initiated more than a decade ago, has adopted an approach of organising women to address developmental and livelihoods concerns through a comprehensive strategy based on priorities defined by the women at the centre of the community. This focus on women's priorities, it is believed, results in the community gradually according significance to women's needs and choices, and brings about empowerment.

Groups have been formed at the village level as larger formations of women's solidarity and action for justice and development, of which some women are members of the savings and credit programme. The savings programme is operated and managed at the village level by the women, with support from Anandi. The organisation attempts to build women's capacities to identify their needs, and then provides inputs based on these needs and priorities. Groups take their issues and problems to the cluster level. The cluster is a representative body, with elected members from each group, but other women may also, and do, attend its meetings. Decisions on collective actions to be taken, support to each other on problems and larger issues of engagement are brought up for discussion at the cluster level.

The federation—Devgarh Baria Mahila Sangathan—was established in 2001 as the collective organisation of women from all the clusters and is a representative structure with members elected from the clusters. There are committees appointed within the federation to coordinate work in areas such as legal rights and justice, health and services, forestry and forest rights, education and economic security. Apart from the committee, a few members are elected as federation leaders to oversee the work of the federation at the cluster and federation level.

Four Directors provide collective leadership to Anandi—each based in one of the offices. Senior team members head issue-based units within the organisation. There are Programme Coordinators, Project Coordinators, Assistant Project Coordinators and Community Organisers within the various units—Natural Resource Management,





Off-farm and Non-farm-based Livelihoods (including savings and credit), Health, Combating Violence Against Women, Governance, Media, Research and Advocacy. Team members are invariably associated with two or more units.

Peace

Peace has been working in the Nalgonda and Medak districts of the Telangana region in Andhra Pradesh since 1986, with a focus on enhancement of the status of the rural poor. The key areas of intervention relate to child rights, education, awareness-raising among the rural poor, women's empowerment through literacy, savings and livelihoods improvement, and sustainable agriculture.

Peace began its work on credit and savings through a chit fund. This then changed into a regular village-level thrift and credit model, because the funds being generated in the chit fund system were not adequate. The savings and credit forums (sanghas) were established at the village level. After this there was the creation of MACS (Mutually Aided Co-operative Societies) as part of which the money that was collected from each sangha was pooled together. A system of pooling resources across villages was felt to be necessary so that there is a balancing out of loan requirements. This was important given the realities of work with poorer communities whose demand for loans is not high or regular. The shift to MACS also marked a movement towards working with Backward Caste women, rather than just with Dalits, because MACS required a larger membership.

The organisation then turned to Care, a funding agency for financial support and became part of the Cashe programme. Cashe is a poverty-focused project, with a term of seven years, initiated in 1999. Cashe operates in three states—Andhra Pradesh, Orissa and West Bengal. In AP, seven Telangana districts are covered through Cashe partner organisations. The strategy focuses on nurturing and capacity building of the partner NGOs to evolve strong institutional apex structures for providing financial services in a sustainable manner.

Cashe supports partners in evolving into commercial microfinance institutions (MFIs). Peace is also on its way to becoming an MFI. The donor agency played a proactive role in making a shift from the MACS model to the SHG

model. This was part of the push towards greater financial efficiencies that entailed a breaking up of larger village-level collectives into smaller more manageable SHGs. Recently, Care has been keen that there be a division of labour whereby some staff members continue to concentrate on financial matters while new Community Organisers are appointed to handle social issues. Village Organisations have also now begun to form, which consist of representative of various SHGs in a village.

Peace has also been part of the WELLD programme. The Women's Empowerment through Literacy and Livelihood Development (WELLD) programme, as is apparent from the name, sought to combine literacy with concepts of savings and credit-group formation and management, empowerment and livelihoods improvement in the context of SHGs. WELLD was developed by World Education as a pilot project in collaboration with the Society for Participatory Research in Asia (PRIA), funded by the Ford Foundation and implemented in two Indian states, Andhra Pradesh and Madhya Pradesh. World Education provides technical assistance to organisations in India that want to use or adapt the WELLD package to meet the needs of women who participate in micro-finance programmes.





Methodology

We outline below the methodology used for the qualitative study. As mentioned in the introduction, this report also draws upon a quantitative study of SHGs undertaken by Nirantar, which used the questionnaire method to examine 2,700 SHGs across 16 states of the country. The study is referred to as the Nirantar Survey throughout this report. The report also draws upon numerous consultations that have taken place with civil society organisations during the course of the two studies, at state, national, regional and international levels (please see Annexure 2).

The approach towards studying each of the interventions was bottom-up. Our most intensive interactions were with members from one particular SHG from each of the interventions. We then interacted with a selected number of other SHGs in the village/area and with the federations at the village and block/Mandal levels. The interactions with different levels of the cadre of the sponsoring agency, from the village-level cadre to the seniormost leadership, was part of the extended process of understanding these ground-level realities.

Selection of States

The proliferation of SHGs and SHG-based programmes across the country made it necessary to select the states with care. It was critical that the states chosen could represent the breadth of the SHG and microcredit experience in India. We finally settled on Andhra Pradesh and Gujarat.

Our choice of Andhra Pradesh (AP) as the first state was very nearly a foregone conclusion, given the large number of SHGs here. Also, we knew that women's organisations were expressing concern about the politicisation of SHGs in the state, an issue that we were keen to inquire further into through the course of the study. AP was also a state that is reputed to have had a good

performance in terms of adult education through government programmes that used SHGs as the target groups around which the programmes were structured.

Gujarat also had strong voices within the women's and other social movements, which were raising questions about the adoption of a mono-cultural mode of development focusing on credit in a limited way. The apparent focus on women as targets for development while bringing greater opportunities for women, they cautioned, might also change the face of the movement and its potential to organise around issues. At the point that the research began, Gujarat had also witnessed numerous donor-led initiatives in the wake of successive natural and human disasters. This influx of funds and relief initiatives had also led to a sudden increase in SHG-based programme initiatives, thereby creating an ideal field site for our exploration of SHGs.

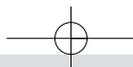
Extensive tours were made to these states and several organisations visited based on a shortlist. Discussions were held with heads of organisations and senior personnel to clarify their approach and experience and, finally, six organisations were chosen from the two states.

Programme Selection

The selection of programmes to be included in the study was based on a pattern evident in the proliferation of SHG groups in the country. The selection of programmes to be included in the study was based on a pattern evident in the proliferation of SHG groups in the country—most SHG-based interventions are sponsored either by Ministries at the national level, or by NGOs and multilateral and bilateral donor agencies. Accordingly, two sample programmes from the following three categories of programmes were selected:

- Those government programmes promoted by the key departments of the Government of India, wherein SHG





formation and promotion was a significant component of the programme strategy. These were DWCRA and SGSY.

- Innovative programmes sponsored by the larger multilateral donors and implemented through the central or state government, being piloted and implemented as innovative projects in specific regions. Such programmes were selected as were considered pioneering and which had a literacy component and a well-articulated educational strategy. These were Swashakti and Velugu.

- NGO programmes that had been running for a length of time adequate to reflect their approach to SHGs. Such NGOs would be included as had experience in providing literacy opportunities. These were Anandi and Peace.

Selection of Groups

Having identified the key programmes, the next step was to identify the particular group for study and analyses. We share here the basis on which groups were selected.

The criteria for selection of a group were defined as:

- A representative group that the functionaries/programme leadership considered appropriate to manifest the strengths of the programme. The 'most ideal' or 'showcase' group was eliminated as being non-representative, and programme personnel were asked to identify 4-5 other groups from which any could be selected at random.

- The group should be at least two years old in its SHG-related operations.

- It should have received all or most of the inputs associated with the programme.

- It should be located at least 10 km from an urban centre and should not be a village in which other NGOs are currently working, or where other major SHG-related programmes are being implemented by the organisation. This was to avoid the influence of extraneous influences on the group.

The state-level authorities of the government programmes were first approached and the purpose of the study was shared. This process took two to three interactions—to walk the personnel through the requisite steps and negotiate their commitment to the process. In the case of NGOs, the field functionaries were involved in the selection process from the beginning. All the programmes

short-listed groups, of which we selected one randomly. Details related to the selection process as well as regarding the groups are provided below.

SGSY

The group was located in Tintoi village, Modasa block, district Sabarkantha. Tintoi was a large village with five SHG groups of the SGSY programme. The group selected as most representative was the one that had been exposed to all the inputs provided by the programme. The group had been formed three years ago. It had 18 members, of whom three were literate. All the members were from the Dalit community.

Swashakti

The district of Bharuch had a number of organisations that had already been working with SHGs and were implementing the Swashakti programme in conjunction with these. Hence their groups were likely to reflect the NGOs' approach rather than the Swashakti programme approach. INRECA, on the other hand, had little prior experience of working with women's groups and was also fresh to the SHG approach. INRECA was typical of Swashakti partners, many of whom had initiated the formation of SHGs only after linking up with Swashakti. The group had been formed two years ago and had 21 members, three of whom 5 were literate. All members were from the tribal community.

Peace

The selection of the group sponsored by Peace was made from the groups that had included members who had participated in the WELLD programme. The group, located in village Daulapur, Jagdevpur Mandal, Medak district, had 14 members belonging to Backward Castes. There was one neo-literate member in the group; the rest were non literate.

Velugu

Many groups initially recommended to us were such that the membership consisted of individuals who were previously members of the DWCRA groups. This meant that the groups were not representative just of the Velugu inputs, but of the cumulative DWCRA and Velugu inputs. To





avoid overlap, we chose a group whose members were not previously with a DWCRA group. The group had been formed three years ago and had 16 members, two of whom were educated. The group was located in village Bommanpalli, Gangavaram block of Chittoor district. The group had a majority of Dalit members but also Scheduled Tribe members.

Anandi

Sagtada in Anandi's work area in Devgarh Baria was selected from among four other groups recommended by the organisation as representative of the processes of the organisation. The organisation recommended these groups since they were located in interior areas where the specific impact of Anandi's approach would be best captured. The group selected had been formed eight years ago and had 14 members who were from Scheduled Tribes. Four of the members had school education and nine were neo-literate. The group was located in Sagtada village, Baria block of Godhra district.

DWCRA

The selection process with respect to the SHG sponsored by DWCRA was somewhat different, and deserves greater detail. The main reason for the selection of West Godavari district was that it would allow us to see the interplay with adult education and literacy. West Godavari was considered a pioneering district because it had innovated an approach whereby a government-sponsored literacy programme was linked to a target group—the SHGs linked to DWCRA.

Finding a group in the district was a daunting task. We were looking for one that had been part of the literacy initiative. But to locate a group that had been through the literacy process, where the neo-literate women were not nervous of interaction, was difficult. Most of them had relapsed into illiteracy. A group was finally selected but this was one that had all but disintegrated. Although it did not meet our requirement of the group having been functional for at least two years, we went ahead since we believed that a group that had not been able to sustain itself also offered many unique opportunities in understanding the questions we had set out to answer. Two intensive

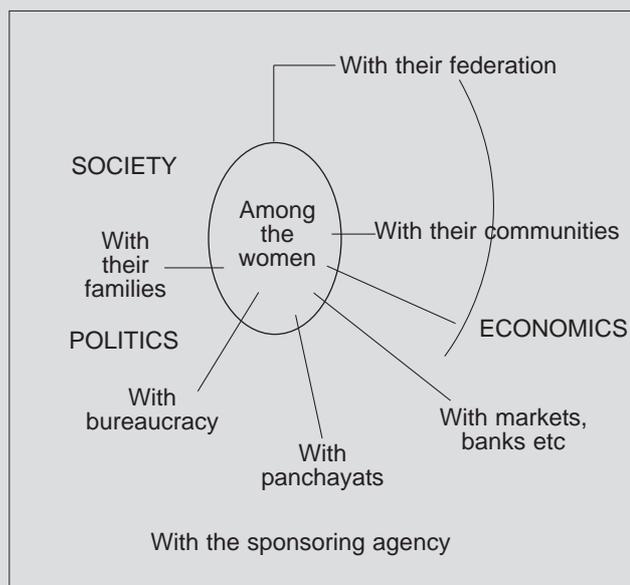
interviews during two separate field visits were held with the group. In both interviews, virtually the entire focus was on the disputes that had occurred in the group and the related analysis of causes and consequences. The group that was selected was formed seven years ago, and consisted of 15 members who belonged to the Dalit community.

Research Design

The figure below maps the interactions that we sought to capture. It underscores our attempt to map women's experiences in different spaces. Within these spaces we looked at:

■ Intra-group Dynamics: We looked at several dynamics within groups such as

● Power relations within groups between leaders and other



members, as well as along the lines of literacy, caste and age.

● Internal lending processes not, as is usually the case, for their quantum, but to see the nature of transactions, the extent and gaps in women's knowledge and practice of norms, including instances of having negotiated around them. Lending decisions and practices were also analysed in terms of equity.

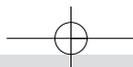
● Capacity building was assessed as a critical area of interventions.

■ Within the Household: The ways in which access to credit

2 <http://www.drd.nic.in/jry2/esdwcr.htm>

3 Subsequent to our study, DWCRA groups have been merged with the Velugu programme.





and being in a group has influenced their transactions and their relationships within the household were analysed. These included looking at, for example, sharing of the work burden in the household, sharing of responsibility for repayment of debt, women's agency over the loans taken and their utilisation, issues of entitlement and the extent to which these issues are raised in group discussions.

■ **Relationship with Sponsoring Agencies:** We looked at levels of autonomy vis-à-vis the sponsored agency.

■ **Institutional and Community Interactions:** We assessed women's involvement in collective action on justice and governance issues, and their ability to negotiate with local institutions like the Panchayat.

■ **Market/Local Economy Interactions:** We assessed women's abilities to negotiate and interact with bank officials. We also looked closely at women's engagements in income-generation activities and how these related to the context of the problems they faced.

Methods

Each organisation was visited thrice. As mentioned earlier, our interaction with the women formed the bulk of our insights. We moved, in our visits, from the sponsoring agencies to the women and back again. This proved beneficial since we were able to use our interactions with the leadership to design guiding questions that we used with the groups. We were then also able to take the feedback from the groups to the agencies themselves. Within the women's groups, we did not want to use a rigid questionnaire, given that the idea was to evoke perceptions and a questionnaire would inevitably set boundaries around the responses we received. Guiding questions and group discussions were therefore used to get a broader and more accurate representation of women's perceptions. Initial visits to sponsoring organisations enabled us to understand the wide variations in views and perspectives. They also helped us understand the key components of the SHG strategy and its uniformities across organisations irrespective of ideological approaches. We employed a questionnaire with the organisational leadership related to the perspective of the programme.

Within the interactions with SHG members and sponsoring

agencies, we used several techniques:

- Focused group discussions using guiding questions
- Simulations
- Observation of dynamics and events
- Secondary data
- Open-ended, unstructured conversations

For each of the interventions, interviews (individual or group) were conducted with the following:

- Primary SHG selected
- Other SHGs for additional/comparative information
- Village-level federations (where they existed)
- Block/Mandal-level federations
- Village- and cluster-level cadre of sponsoring agencies
- Project Co-ordinators of sponsoring agencies
- Senior leadership of programmes at the district and state level or the heads of NGOs
- District and state-level adult education officials
- Monitoring agencies

The information with each group was audio recorded to ensure that no nuance or substance was lost in the course of the discussion. We thought it critical to literally capture what the women were saying. We asked their permission to do so beforehand. In addition to guiding questions, specific simulation exercises were used to evoke responses that just discussions would not be able to get. For example, we used simulations of SHG meetings. The dynamics were revealing within the group—especially between leaders and members as well as between group and sponsoring agency staff.

Documents were also collected from each of these projects and analysed to gather their ideological positioning, context, goals, objectives and operational strategies. These were important in terms of providing evidence of priorities and perspectives. However, seldom did such documentation relate the outcomes with inputs and processes. It constituted at best supplementary material providing leads for further inquiry.

In addition to guided focus group discussions, we observed at close quarters the relationships between the women during the group meetings as well as events so as to gather insights of the dynamics of their relationships with each other, with the organisation's team and their families





etc. Staying in the village meant considerable opportunity for informal interactions, which contributed to our understanding significantly.

Challenges and Learnings related to Methodology with Groups

In five of the six organisations studied, we stayed in the village with community members or workers, for four to five days at a time. When project staff explained that we would be staying in the village, there was a sense of disbelief since this was not common practice for visitors that the groups had prior experience of. To live with them in their homes, eating and sharing their space for days at a time, allowed us insights that would otherwise not have been possible.

In each visit an effort was made to have at least three meetings. In instances where there were too few women, the meeting was abandoned and a fresh meeting called. Such meetings would then become opportunities to interact with the women individually; the invariable invitation to have a cup of tea would follow from house to house as women extended their hospitality to us.

The number of women increased with each subsequent meeting, and the meetings held at night were more free-flowing and better attended than those in the day, which had to be structured for a given limited period of time. At night the women would congregate, sometimes gradually slipping into a prostrate positions after the fatigue of the day's work, but attentive and curious. Their daughters were delighted with the night meetings as they were allowed to attend them while the boys were instructed to manage things at home! A few light moments would ensue, with women saying that they now had important things to discuss and that they would be busy in the meetings, posturing with self-importance to humour the men into managing the homes. This format of discussions being held at any time convenient to the women was also a good way to ensure that the men-folk did not intrude or disrupt the meeting by trying to take over or use it as their space.

Handling Expectations

Since the questions covered a range of issues that groups can potentially address, some would invariably be such

where the women sought information or inputs from us. The challenge in the process was to maintain our role as researchers rather than slip into the role of facilitators. For the women our presence and willingness to spend time with them—at their meetings, in their homes, in the fields—meant that their expectations from us also grew as our rapport grew. We decided to respond to them in the last meeting or at the end of each meeting. Women came back eager for the next meeting if there was the promise of our addressing some of their queries.

This became important in contexts where women were not receiving much in the way of inputs. In the case of the DWCRA group, our presence even meant enabling the group to find space to thrash out their issues. They had not met for three years.

Involving Field Researchers

We included field researchers from each of the selected states who were capable of acting as more than just translators as well as capturing the nuances of the interactions. Selected for their familiarity with development scenarios in their respective regions and their in-depth understanding of gender, such persons added tremendous value to the nature of discourse with the groups and the interpretation of perceptions and knowledge in a rooted context. The experience underlined the value of having someone who could act as a link with local contexts from a position of knowledge.

The fact that we did all the fieldwork and preparatory research ourselves greatly enhanced our own ability to get to the heart of women's experiences. We were able to identify contradictions in answers and know when to probe deeper because of our own understandings of issues of gender and development.

Anonymity

To preserve the anonymity of those who spoke with us, we do not identify particular groups, though we do name the village, district and programme that they are associated with. Where interviews are cited, all names have been changed.



SHGS, Empowerment and Poverty: Ground Realities

The Group

- Extent of Engagement with Issues of Gender
- Picking 'Safe' Development Issues
- Agency of Women, Despite Support
- The Glass Ceiling
- Tensions between the Financial Agenda and Solidarity Building
- Leadership and Literacy within SHGs
- Reinforcing Other Inequities: Caste Differences in SHGs

The Household

- Control over Resources
- Gendered Burdens of Saving and Repayment
- Burden of Work
- The Construction of the Good Woman
- Good Woman — Good Debtor
- Appearance as Identity

The Market and the Local Economy

- Access to Credit
- 'Choosing' the Right Livelihoods Activity
- Women as Piece-rate Workers, not Entrepreneurs
- Lack of Involvement in Planning
- Insufficient Support
- Inadequate Credit and Lack of Collective Enterprises

Interacting with Institutions

- Lack of Responsiveness to Demands made by SHGs
- SHGs and Panchayats
- The Choice of the SHG Mode
- Dual Membership
- Ability to Manage and Envisage Federations

As described in the methodology, the approach of the study was bottom-up and our most intensive interactions were with SHG members at the group level. The first chapter of this report seeks to bring to readers the voices of women and their perceptions about how SHGs have impacted their lives.

The frames of education and empowerment that we are using to understand women's perception were outlined in the introduction but are worth repeating here. We defined education as a "broad spectrum of learning processes that are inclusive of literacy, access to information, processes of critical reflection that enable women to make linkages between their lived realities and the larger structures and ideologies that they are located in". Empowerment is seen as a process that enables 'women'—as a category—to transform power relations.

This entails the ability to

- define the change (for themselves and around them)
- negotiate change
- understand and challenge injustice and inequity
- act towards the achievement of strategic goals that address issues of women's status/position

In order to understand the extent to which such processes are being enabled, we look at what women had to say about changes vis-à-vis different spaces: within the SHG space itself, in the 'private' space of the household, in the market/local economy, and in interactions with sponsoring agencies and State institutions.

In each of these spaces we look at issues of justice and equity in all their interlinking dimensions, and without separating the economic from the social, reflecting the manner in which these play out in women's lives.

THE GROUP: EXAMINING THE SPACE WITHIN SHGS FOR EQUITY AND JUSTICE

The first arena that we examine relates to the group itself. Within this we begin with what women said about the agenda of their groups, which issues they were engaging with, and which they weren't, and to what extent they were being able to do so. While focusing on issues of gender justice, we also look at how inclusive SHGs are in their very composition, vis-à-vis caste and class.

Before entering into an examination of the group as a space, it needs to be underlined that, in many cases, 'the group' might not even exist. The Nirantar Survey found that in the case of the SGSY programme in Gujarat and Uttar Pradesh, at least 35% of the groups were inactive, i.e. they had not met for six months. In the case of the Velugu and

DWCRA programmes in Andhra Pradesh, at least 20% of the groups were inactive.

Extent of Engagement with Issues of Gender

Group interviews clearly indicated that, in five of the six interventions studied, there was very limited engagement with gender issues on

the part of the SHGs. Where we did find significant instances of women taking up issues such as domestic violence, it was of their own initiative, and often an intervention that they could not, as we will show later in this section, sustain without inputs from the sponsoring agency. It needs to be noted at the outset that many of the instances of gender injustice that follow relate to domestic violence. While there are many aspects of gender injustice, we believe that the reason why women have spoken expansively about domestic violence is that this is a

The Nirantar Survey found that in the case of the SGSY programme in Gujarat and Uttar Pradesh, at least 35% of the groups were inactive.

violation that is recognized by them as requiring intervention. Other aspects of gender injustice which are not as explicit or are masked by their conformity with gender stereotypes may not be recognised as issues to be openly challenged.

In the case of the SHG linked to SGSY, neither the interviews nor the records revealed any engagement with equity and justice issues. The members reported that being agricultural labourers, they talk about their workload and fatigue. They also talked about the need for enhanced alternative means of income. Even with respect to such issues, the discussions facilitated by the programme staff at their meetings did not engage with the gender or class dimensions of these concerns. The articulation was limited to a sharing of problems by the women because they felt the need to talk about them. When asked specifically about issues such as domestic violence and sexual harassment, during the interview the women denied that “such things” happened in their community. The absence of these issues in the arena of engagement of the SHG is simultaneous with the significance of ‘discipline’ in the meetings and the focus on what is considered as the core of SGSY— savings and subsidy-based credit.

Discussions on gender issues and women’s information-needs are considered superfluous by the staff who consider this only as a poverty target group, as well as by the women whose expectations from the programme are only financial. The focus on savings also means that the group does not intervene when women’s rights are violated. During the course of the interviews there were several instances of such violations that were shared. These included the violence perpetrated by a man when his wife wanted to bring savings into the group, or the harassment that a woman neighbour was facing even while we were in the meeting. There were also other kinds of tensions within the group itself that had not been addressed.

In informal conversations we were told that the silence on violations in the domestic realm is a way to continue the patronage of the men. The fear of how men might respond is

similar to what we heard from the SHG linked to Swashakti. The existence of patriarchal forces necessitates that a sponsoring agency provides a countervailing discourse and space to enable women to strive for gender justice. In the absence of such support, silence prevails. In the Swashakti group, the women also felt that “these are matters about our lives we must know about; then we can help each other. But they do not discuss these, they only bring someone sometimes to talk to us and go away. These girls [the young facilitators from the sponsoring organisation] themselves do not talk about anything”, indicating resistance or ignorance on the part of the organisation.

In the case of DWCRA, too, we found an absence of gender concerns on the agenda of the SHG. This was also corroborated by the responses of the Mandal-level staff involved with the programme. During the interview the Sphurti

Sevika (the field-level worker) stated that DWCRA has made a tremendous impact on the lives of women. According to her “now whatever the DWCRA group says, the husband has to accept”. She was, however, unable to give a single example of women who had been supported in such a way by the groups or the programme in the villages of the Mandal (the only examples that she gave related to towns and was then explicitly asked if she could share examples from the rural area, to which she had no answer).

We find therefore that with the SHGs linked to SGSY that were studied, Swashakti and DWCRA, there was an invisibilising on the part of the women of issues of gender justice within the family—in particular, those relating to domestic violence. There was clear evidence to suggest that the agenda of the SHG was overwhelmingly related to financial concerns.

In contrast there was evidence of a greater space for issues of gender justice in the other interventions studied, although to varying degrees. In the case of Velugu or Peace, where such issues had at least been taken up in the past, we find that the women are responding to some extent to issues of gender justice. Where women have the support of the sponsoring agency, as in the case of Anandi, they are

Discussions on gender issues and women’s information-needs are considered superfluous by the staff who consider this only a poverty target group.

actively engaged in responding to social issues and in generating an alternative discourse of equity. The case of Peace is significant because here we find a clear playing out of the pressures generated by a focus on financial efficiencies on the social justice agenda. This provides evidence of how the agenda of the SHG is impacted by the extent and nature of support from the sponsoring agency,

despite high levels of sincerity and commitment on the part of the NGO.

Picking 'Safe' Development Issues

In a majority of the interventions studied, civic amenity issues have been dealt with much more often and clearly within the space of the SHG, compared to issues of gender justice,

A Struggle for Social Justice within the Microcredit Paradigm

The difficulty in articulating social justice issues within the realm of microcredit can be seen clearly in the story of Peace, and that its struggle to accommodate the demands of microcredit in an organisation that was rooted in activism towards social justice.

In the case of Peace, equity and justice issues were strongly part of the agenda of the Sangams (village-level collectives) facilitated by the organisation in the past. With the focus on microfinance, the smaller SHGs created more recently are still taking up issues, but now without much support from the organisation. There is also a change in the nature of the issues being considered. During the phase of the larger collectives, issues such as anti-arack and equal wages were taken up; issues currently being raised are in the nature of demanding services from the State. Issues of domestic violence are being taken up more now than in the past; less so, issues such as sexual violence, which require a supportive engagement on the part of the sponsoring organisation.

In interviews with members of Peace, it emerged that during the earlier phase they had been active in the anti-arack struggle as well as in work against sexual violence against women.

One of the founder members recalled, "We used to go out of our way to help a victim even if we were not working in her village. Once, for a rape case, we all went by jeep, about 70 people. They said, 'Madam come, we will go. What can they do if we go as a group?' The women were in a very active mood. We went to the police station, introduced ourselves as Sangam members, and asked the police to arrest that fellow. If you do not take

this case we will have to take action, we said."

There was then a sudden shift in the narrative.

"But now we are not taking up cases because if we take up one issue it goes on and on. It does not stop there. We need to do continuous follow-up. Our time will be consumed by these issues. We generally do not take up big issues like this because it does not fit into our programme. We are taking money for something and cannot go beyond that."

Another founder member pointed to the tension between the demands of microcredit and empowerment when he said, "It is a dilemma in my mind, how much social action is compatible with microfinance. We have no time or structure to address social issues." There was, however, a desire to take up social justice issues in the future. "There is a plan underway to set up a committee which will look specifically at such issues that have come up from the village level. Even if the organisation does not exist tomorrow, the groups should be in a position to take up issues while working on the ongoing agenda."

While this desire to revive issues of equity is at one level heartening, it needs to be remembered that the context is one in which the earlier focus on equity was damaged because of the demands of the microcredit programme. These demands are only increasing with the NGO now being linked more and more with banks. The indications about the nature of the social agenda being currently taken up (which includes issues of governance and to some extent domestic violence) also suggests that in the future issues that threaten larger power structures will be avoided.

“It is a dilemma in my mind how much social action is compatible with micro-finance... We have no time or structure to address social issues.”

specifically as they relate to the domestic sphere. The fact that such issues of local governance are being taken up by SHGs is, no doubt, heartening. Yet it is important to note that in a majority of cases the nature of the governance issues is such that they do not raise fundamental concerns related to poverty and injustice. In the case of State-sponsored programmes, we find that the governance-related actions are largely part of the instrumentalist use of SHGs by the State, such as the involvement of groups in inoculation and population-control drives. In the case of the more ‘conventional’ programmes like DWCRA, we find that even issues of access to services and resources are not being taken up. Even when the DWCRA group used to have meetings (before tensions led to meetings not taking place at all) such issues were not on the agenda of the group.

Interviewer: How long did the SHG meetings last?

Member: However long it took...we don’t know...maybe an hour.

Interviewer: Apart from savings and loans, would you also discuss village issues or problems...about laying roads or drinking water?

Member: No, nothing like that...

It is not surprising, therefore, that cases of gender-based violations located in the domestic sphere that are taken up are far fewer than issues related to governance. Particularly given the nature of governance issues taken up, the threat that the former set of issues pose to the status quo is much greater. The evident predominance of social issues such as demanding access to government schemes, rather than gendered/sexual violations, was also validated by the Nirantar Survey. The survey assessed the extent to which groups are engaging with social issues, which the concerns being taken up are, the nature of strategies being adopted and the literacy levels of women who are taking leadership roles when such issues are taken up. The findings are shown in the table below.

The survey shows that cases of caste-based violence and sexual harassment/violence against women were seldom, if ever, taken up by groups. This provides further evidence that issues directly related to power relations within society are not being adequately addressed by SHGs. That even a lower level of engagement with issues of violence which are sexual in nature possibly reflects the fact that dealing with cases of sexual harassment/violence requires women to negotiate patriarchal constructs of

■ Half of the 2,700 groups surveyed did not engage with social issues of any kind at all; the figure was higher for government-sponsored SHGs (64%).

■ Among the groups who were taking up social issues, the highest degree of engagement was with access to government schemes and benefits (26%). The second most commonly taken up issue related to men drinking alcohol (20%). The least engagement on the part of the groups was with caste-based violence (6%) and sexual harassment/violence (6%). The most common strategy for ‘resolving’ problems was through ‘compromise’, often reflecting an unwillingness to negotiate a more gender-

just and rights-based alternative.

■ It is also significant to note that ‘demonstrations’ as a response was used most in the case of demands made from the government for civic amenities and least in the case of gendered/sexual violations.

■ Support for interventions related to social issues by sponsoring agencies was very limited. The sponsoring agency provided support mostly when issues of access to government schemes/benefits were taken up. The least support from sponsoring agencies was in cases of alcoholism and sexual harassment/violence.

Nirantar Survey

shame and honour, which often require enabling (un)learning processes that women in SHGs don't, in most instances, have access to.

Agency of Women, despite Support

In the course of our focused group discussion with the SHG linked to Swashakti on the nature of problems experienced by women in the village, the women shared in hushed tones a recent case of a bigamous marriage. They expressed the need to address this issue so that such practices were not repeated. Women, however, did not view the group as an appropriate forum for addressing this issue or the issue of violence in the family. They had intervened when women had been subjected to physical violence and harassment related to husbands drinking alcohol but only at an individual level, based more on kinship ties than their affiliation to a group. Such support, however, was extended even prior to the formation of the group and hence these actions were not articulated or discussed as problems since they were considered to be outside the purview of the SHG group meetings.

The SHG members explained that in a context in which men observe group meetings and examine registers and passbooks, women consider it advisable not to take up such issues in the group for fear of being disallowed to attend such meetings, other restrictions on their mobility or repercussions at home. According to the Programme Coordinator, "The enthusiasm and interest of men in these interactions of SHGs vis-à-vis other groups report a marked shift due to their material aspirations being connected here. Earlier, women's groups were forums where women's things were discussed, so no one bothered, and the men least of all. But with the savings and credit transactions of SHGs, men have a lot more at stake and they feel justified in checking the financial and other records. Because they give the money, they think they can be privy to everything now. This was once a women's space, but not any longer; when money becomes central the men want to know what is happening."

In a context in which men observe group meetings and examine registers and passbooks, women consider it advisable not to take up such issues for fear of being disallowed to attend meetings.

Despite the fact that in the vast majority of interventions studied the environment was not conducive to SHGs taking up issues of gender justice, there were many instances of women responding to gender justice issues in a spontaneous manner, without inputs or support from sponsoring agencies. This was evident, for instance, when during the course of our field visits to study Velugu, we interacted with one of the DWCRA groups in the village. It emerged that the women in the older Velugu-sponsored SHG had taken the initiative to involve members of the DWCRA group and had jointly taken up the issue of liquor as well as cases of domestic violence. While the Velugu-linked groups had received inputs, although limited, from the programme staff at their village-level federation meetings, the DWCRA group had not received any such support from the programme.

There were also instances of joint action between the Velugu- and DWCRA-linked groups on issues of governance. They had, for example, jointly demanded handpumps through a process that included submission of a demand to the Collector's office and demonstrations, after which the handpumps were installed. There were also instances of groups aligning with each other at their own initiative: when the group sponsored by Peace

was facing problems related to water they reached out to the DWCRA group. "Everyone was facing a problem, so we all thought we should join together. We went with the DWCRA group to the Sarpanch. We regret having chosen Sumitra as our Sarpanch. There was no choice for us but to join hands." The Swashakti group teamed up with non-members and solicited the help of the woman sarpanch to gain support for their demand for a water standpost and a road in their section of the village. "We were suffering and men would not find a solution, so we decided to do something about it. We had to talk to our own Sarpanch—his wife is our member. But on our own, we could not do anything so we discussed it with other women since the problems touched women's lives most."

The study also revealed instances of women coming to the assistance of women who were not in their group (for

example, in the case of the SHG linked to Peace). This was despite the fact that members of the community tend to raise questions about why a group should help someone who was not a member. It is significant that the programmes where there was no evidence of inter-linkages between groups were those in which there was a complete absence of inputs or an enabling environment for issues of social justice—DWCRA and SGSY. Lack of connectivity between groups in the DWCRA programme in West Godavari, AP was clearly articulated by the women.

Interviewer: Do you ever meet with other groups and discuss things together?

Member: There is no relationship between us and the other groups. What will it be anyway? We do our savings, they do theirs.

Member: It's each to her own. We don't interfere with each other. If there is a call from the MDO's (Mandal Development Officer's) office asking us to inform the other groups about something then we will do that, nothing else.

The Glass Ceiling

Talking to SHG members linked to Peace, we heard the following story: "A woman in our village was being beaten up by her husband. So badly was she hurt that she was bleeding. We all went, dragged him out and beat him with slippers for having done that to his wife. We held a panchayat under a neem tree. The husband was angry with us for supporting his wife. He abused us and threatened that he would punish us. Later he even made her stand under the tree and battered her. He didn't listen to anyone. Now the whole village is afraid of him. We did not get any help from the police also. We tried to continue helping her but found that others in the village, after asking us to initiate, withdrew their support and in fact turned against us. This is typical. Nobody comes forward. We have now decided to take the issue forward. But the woman has

stopped living with her husband, and they are separated."

The fact that the woman was no longer living with her husband did not appear to be much consolation to the women. They were very upset with their inability to take punitive action against the man and also felt betrayed by the community. It was significant to note that the women did not mention the sponsoring organization. When we asked whether they had not thought of asking anyone for help, they only mentioned the Sarpanch.

It is undeniable that in many cases, such as the one just described, the women cannot surmount the obstacles in their path without support. There were several points at which SHG members did not know how to take the issue forward and did not find the support that was necessary to move towards a resolution. This clearly indicates a lack of learning inputs to aid women to take forward their sense of spontaneous agency. Such support is crucial in a context in which patriarchal forces mean that support within the community is most often not forthcoming, or at best fragile, when the accused get aggressive at their power being challenged. As detailed in Chapter Three, the demands of the financial agenda have resulted in reluctance on the part of the sponsoring organization to provide information and other support when women wanted to respond to a social justice issue. The implications of this lack of support were clearly articulated by the women in their accounts of efforts to intervene in the face of injustice.

There were several points at which SHG members did not know how to take the issue forward. This clearly indicates a lack of learning inputs to aid women to take forward their sense of spontaneous agency.

Where the environment has been enabling there has been a different story. Women in the Anandi-sponsored group were confronted by an instance where the son of the village Sarpanch had molested a woman from the village. The woman was not an active member of the group but the group decided to intervene. They called for a meeting of the

It is significant that there was no evidence of inter-linkages between groups in programmes in which there was a complete absence of inputs or an enabling environment for issues of social justice.

village to discuss the case, especially since the husband of the woman had taken it upon himself to punish her by tying her to a tree and beating her near-unconscious. Women of the group intervened on her behalf to ensure that the aggressor as well as the abusive husband were punished. They credited the organization with having enabled their functioning as a social justice group armed with identity cards to establish their credibility and giving them knowledge of the law and functioning of the justice delivery system.

There is of course also the issue of women's own perceptions of social issues. In some cases, women themselves did not think it was at all possible to challenge a certain gender discriminatory practice, although they thought it problematic. This begins to identify the need for learning inputs on and norms of gender to empower women to believe they can challenge discrimination and inequality in the first place. With respect to dowry, for instance, an SHG member linked to Peace said, "This is not going to change. It is our fate. In fact they are asking for more and more dowry. We think about it but we do not know what to do." Despite the helplessness, we find that there was also a subtext of anger, of considering the practice wrong and an engagement with it. Other discussions were even more mixed, ranging from helplessness to a stated desire to change the situation. Women in Anandi had debated the issue heatedly and came to the conclusion that anyone willing to give or accept dowry should be penalised and could not remain a Sangathan member. Instead the Sangathan leaders facilitated members in finding a matrimonial match without dowry from among other members and reported their success on this with pride. They also did not allow anyone to practise bigamy as they considered it a discriminatory practice.

The women from the Nyaya Samiti were articulate about the priority of such issues. "What is the use of everything else if a woman cannot have peace and security in her home? Women will only be able to fight other battles when they know there is someone who will support her in this biggest battle for equality in the house," said a group member.

Tensions Between the Financial Agenda and Solidarity Building

Apart from women's ability to take up gender and social justice issues being limited in the context of the absence of

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adequate inputs and support provided by the sponsoring agencies, the lack of engagement with social justice issues within the groups also needs to be located in the larger context of the inherent tensions between group solidarity and the dynamics within the SHG related to money. In the absence of efforts on the part of the sponsoring agency to enable the group to negotiate the stresses and strains caused by the financial logic of microcredit, the implications for the group can be severe.

An interaction between members during a meeting of the SHG group sponsored by Peace illustrates how the relationships become convoluted due to the financial transactions and dealings within group members. One member of the group (Maya) had not repaid the entire amount of loan she had taken. The leader turned to another member (Sheila) who was silent and said, "Why is Sheila not talking? She might have taken a small loan from Maya [implying that Maya might have given some of that money to Sheila, which is why Sheila is unwilling to talk against Maya]."

In the case of the SHG linked to the SGSY, there was also evidence of tension and mistrust in the group linked to financial stress. There had been a long delay on the part of the bank in releasing the subsidised credit to members of the group. The poorer group members said, "Since the other group members told us, we filled up the loan application for buffaloes. We spent money for the forms and photos. But the bank manager got transferred." To this the group leader added, "Three months after applying we still didn't get the loan. The members began complaining. We (the leaders) went to make inquiries. But nothing moved. The women started agitating and accused us of giving a false report of the situation. After a few months all of us decided to go. But the new manager also did not help. Now

he has not been coming for many months. The Gram Sevak⁴ has asked us to wait.” Apart from access to government subsidy, women still continue to see the bank as a means to secure their money. “If we lend the money internally it may not be safe,” said the group leader. In the absence of trust and processes to help build trust, the option of internal lending was ruled out. Yet that remains a criterion for assessing the group’s creditworthiness.

One of the most severe implications of financial stress on group dynamics, in the absence of any countervailing inputs by the sponsoring agency, was evidenced by the SHG linked to DWCRA. Although West Godavari is one of the more prosperous districts of the state, the economic profile of the SHG identified for the study was a Dalit group which was economically marginalized. It became clear early over the course of the very first group interview that we could not proceed to cover the issues we had identified for the interviews as the situation there was one of tension and high levels of mistrust. During the interview it also emerged that the group had not been meeting for the past three years.

The background of the group is that in the initial phase of the group, members used to save. Once the Revolving Fund (the grant that the group is meant to use for collective economic enterprises) was disbursed to them by the DWCRA programme, they started taking loans against their individual ‘shares’, and stopped saving. This is not allowed, of course, but it is a common practice in the absence of inputs. The reason cited for the inability to continue saving was that the financial burden of repaying the loans as well as saving was too much for the members.

There were two points of tension. First, at one point, it was decided that the amount of the Revolving Fund that remained in the bank should be transferred to the Mahila Bank, the bank run by one of the federations of the DWCRA groups. This decision generated a lot of mistrust in the group. The members claimed that the leaders had taken the decision without consulting them. Although it was not spelt out in so many words, the mistrust related to whether the

leader(s) had stolen part of the group’s money while transferring it from one bank to another. The absence of processes that will ensure transparency indicates that the group had hitherto led a savings-driven mechanical existence where little discussion actually happened around decisions, let alone working together on a collective agenda.

The second cause of tension was that the leaders wanted to divide up the money; members felt that the money should not be divided but taken, as it had been done in the past, as a loan and then returned. One of the reasons for this difference seemed to be that the leader did not have

faith that members would repay the money. “Right now they are saying that they will repay. But who knows what will happen if later they don’t?” The leaders said that there are still pending instalments in the bank in which they earlier held an account. During the course of the interview there were angry exchanges about the delay in repaying the loans between the leaders and members.

Another reason that the leaders feel that the Revolving Fund money should

simply be divided up also seemed to be that they were exhausted by the tensions in the group. All these issues came to be discussed only when the study team interacted with the group as no meetings had been held for over three years. No support was provided by senior programme team members and the issue remained unresolved till this interaction took place.

These situations are far from unique. When we asked whether such disputes happen in other groups, members of other SHG groups confirmed that this was common. One of the leaders of the group said, “In some groups the leaders have taken away Rs 7,000-8,000. Our decision to change banks was only for the benefit of the group so that we get more interest. Who is actually at fault? When they asked for the book, we showed it to them and they took it away. They did not give it back. They were not coming for meetings. Now they have come because you are here.”

The mistrust was rooted in a lack of transparency, which in turn was sustained by the absence of basic institutional

The group had hitherto led a savings-driven mechanical existence where little discussion actually happened around decisions, let alone working together on a collective agenda.

4 The community level worker of the SGSY Programme.

mechanisms. This was clearly articulated by one of the group members. "Every month if we have a meeting before we go to the bank, we would know that this is what has been paid. But we don't have any meetings. They [leaders] come to our houses and take the money. We don't know what they do after that. The group leaders don't clarify things. They say if the bank people don't have a problem why should we." There were other significant references made by members regarding the role of the leaders. When towards the end of the interviews we asked the members how they thought they could be enabled to derive benefits from the group, a member said, "Only the leaders know that. They are big people."

Clearly, within the group there was no sense of a collective. It was not only the hostility around the disputes detailed above, operating at the level of individual interest appeared to be the norm. When asked whether the members helped each other in times of financial distress, one of the members replied, "Nowadays no one cares for anyone else. If someone is in trouble no one will help."

At the end of the first interview, members said they felt much lighter having argued the matter. This was also reflected in the second interview that we conducted with them: there was much less friction and acrimony. What is striking in this process is the total lack of response and initiative from the programme team all through the period, leaving women to deal with the mistrust themselves.

How do we understand this dispute? Other than the more obvious negative tension, there are positives too. We found that the women took several financial decisions on their own, including the leaders' transferring the entire account based on an assessment of relative advantages offered by different banks. When faced with a dilemma/conflict regarding a financial decision, it was the group that approached the government official. The group had shown an impressive level of initiative. These decisions were not necessarily wise either financially or in terms of process (the decisions being taken by the leaders without the involvement of the group members). They are, however, significant

because they show that information was sought and important decisions taken, including those that involved a degree of risk. Yet, ultimately initiative was wasted because the decisions were being taken in a context in which the group received no inputs or support nor adequate guidance or mechanisms to help them make the right choices.

In the absence of inputs to enable them to estimate the financial burden of saving/taking loans of certain amounts, women are unable to avert situations in which they have taken on a heavier burden than they can sustain. In the context of the Revolving Fund being given without the necessary processes being followed, women find themselves accepting money, whether or not they are in a position to put the money to use and earn returns from it. They then proceed to do what is simplest and requires minimum transaction knowledge.

Inputs would also have helped avert situations of high levels of mistrust owing to decisions taken in the absence of information. When the women approached the MDO about how to use the Revolving Fund, they did not even know that what they were contemplating was entirely against the spirit and the rules related to the fund. In the absence of inputs about the concept of the fund and how it could best serve their economic interests, an important concept like a Revolving Fund becomes reduced to an amount against which women can take loans or an amount that they can divide up amongst themselves. In the case of both DWCRA and SGSY, the women's perception of the SHG is that it offers a future asset-acquisition opportunity but is not seen as a collective space to address economic or other problems together.

Leadership and Literacy within SHGs

The next chapter explores the phenomenon of more educated members dominating in formal leadership of the group as well as in terms of representation in the Panchayats. However, we also find that women who are not educated have much greater space in the realm of SHGs' engagement with social justice issues relative to financial concerns.

Initiative was wasted because the decisions were being taken in a context in which the group received no guidance to help them make the right choices.

The findings of the Nirantar Survey relating to the engagement of SHGs with social issues showed that in 70% of groups, leadership roles were taken up both by group leaders and members. Significantly, a large number of those who have taken up leadership roles on social justice issues cannot read and write, nearly 41% of the total (this includes women who can only sign, which is a high percentage in itself: 30.2%). When we consider that in the SHGs surveyed as a whole, approximately 60% of the members cannot read and write, the percentage of non-literate women who have taken up leadership roles in social issues in effect is 68%. Approximately 50% of the women in leadership roles on social justice issues have not had any formal schooling. This high rate of participation is striking. Given that they form on average of 20% of the total group membership, 40% of neo-literate women, on an average, are playing leadership roles in social campaigns.

It is clear then that not only are non-literate women less likely to come into positions of leadership in microcredit-focused models, they also have limited choices in terms of the nature of leadership roles that they can play, given the low priority of issues where they do show leadership, i.e. social issues. The fact that the groups have a limited engagement with social issues delimits what these leadership opportunities mean in real terms. The extent of involvement by non-literate women in the leadership of social justice issues needs to be contrasted with the highly limited opportunities that they have for capacity building. As detailed in the next chapter, inputs provided to groups consist largely of financial and management-related information, and are targeted at the more educated group leaders. This further underlines the need for more democratic access to knowledge and, of course, knowledge which is not focused exclusively on the financial agenda.

Reinforcing Other Inequities: Caste Differences in SHGs

One of the realities of the microcredit phenomenon that has been clearly established by studies is that it fails to include in its fold the very poor. Given that the most economically marginalized also most often belong to Scheduled Castes (SC), Scheduled Tribes (ST) and Muslims, this also means

an exclusion of the socially marginalized. Moving to the category of the poor, in the case of government-sponsored microcredit-based programmes, we find that by definition most of them work with those who are below the poverty line. This would to some extent include Muslims, SCs, STs as well as Backward Castes. In the case of NGOs, the challenge of working with the economically and socially marginalized groups becomes greater.

The reason for this lies in their need for the economic sustainability of the programmes and of the organization itself. The study revealed the contradictions that NGOs might face in this situation between their goals and the realities of microcredit.

Peace is an organization whose roots lie in its work with Dalit communities on issues of equity and justice. The following is an excerpt from an interview with a staff member of the microcredit programme. He was active in Dalit youth politics before he joined the NGO. Angered by the way in which the Reddys⁵ treated Dalits in the area, his motivation for joining the NGO was to unite Dalits.

Staff member: I joined the organization in order to work with Dalits in these villages.

Interviewer: So does the organization work with Dalit groups even now?

Staff member: Yes they do, but with very few. Whoever can pay is part of a group. The need to increase membership made the organization start working with Backward Castes... The organization is increasing its scope.

Interviewer: In increasing its scope did the organization reduce the focus on Dalits and their issues?

Staff member: Yes, it would obviously decrease.

Interviewer: Has there been a shift from working for Dalit women's rights to other women's rights?

The focus of SHGs on Backward Castes is reflective of a larger phenomenon: 43% of the groups surveyed had a membership that was largely Backward Caste. Only 27% of the groups had a majority of Scheduled Caste members and 14% of Scheduled Tribes.

Nirantar Survey

⁵ A caste considered to be "high" in the caste hierarchy.

Staff member: Yes, it has shifted from Dalit women to BC (Backward Caste) women.

Interviewer: Where do you see the work of the organisation now in terms of caste issues? Do you think the focus is now on gender issues and not on caste?

Staff member: Earlier, funders supported our work with Dalits but now they support gender. It's a miracle. It moves from one to another...

This discussion points to a shift in the priorities that is of concern. During the course of the study we experienced some of the implications of such a shift. In one of the villages in which Peace is working, there were, earlier, 500 women in the large village-level collective, all of whom were Dalit. Now most of the smaller SHGs in the village consist of women who are Backward Caste. There are only two groups that have Dalit members. The Dalit women whom we met were clearly very angry with the NGO. Their words and body language clearly expressed their sense of betrayal. One of the contexts related to education. The issues of children's education, as is the case with Dalit communities across the nation, was one of immense importance. As one of the SHG members said, "Our parents could not afford to give us education, but we should educate our girls. That is why we wanted a night school. Rukmini [staff member of the NGO] used to teach our [Dalit] children. Now she has become a manager of the federation. Who will teach our children now?"

In addition to the danger of the exclusion of Dalit communities from the purview of programmes, especially those run by NGOs, is the wider phenomenon of the 'desirability' of homogeneity within SHGs as far as repayment is considered. Caste groups are an easy category to ensure that the group comes together and members are accountable to each other for repayment. The assumption on the part of mainstream microcredit players is that the fact that members of an SHG belong to the same social group will mean that they will work together better, there will be no friction on issues such as caste, and there will be more willingness to provide mutual support if one member is unable to pay, etc. However, when it plays out, this logic of homogeneity works to create distinctions on the basis of caste that will be maintained and reinforced through such

"Our parents could not afford to give us education. That is why we wanted a night school. Rukmini used to teach our children. Now she has become a manager of the federation. Who will teach our children now?"

SHG Member

separatist group formation. The argument of efficiency and of presenting caste-based groups as 'natural' or 'spontaneous' ignores the historical context of the construction of a caste-based society.

Exclusively or predominantly Dalit groups are common within social justice initiatives and movements. However, in the context of microcredit, the issue of caste homogeneity assumes different dimensions. First, there is the exclusion of Dalits, so when we say homogenous we are speaking largely of groups that are Backward Caste. The fact of such homogeneity has not been a source of strength in the absence of processes that enable members to challenge injustice. This is so because microcredit demands a certain level of capacity to pay and to save, creating exclusions right from the group's inception. Furthermore, where there used to exist large collectives, members have commented on the fact that it was empowering for Dalits to be members of mixed forums in which they were partners with other social groups in the process of change, as a strategy for building alliances. Now they are members of SHGs which have members almost exclusively of their own caste⁶.

We were told that one of the good things about the village-level Sangam sponsored by Peace was how it enabled members of the Dalit community to claim a space in the village and for members of different castes to sit together. Recalling the period when the large collectives were formed, one of the SHG members said, "After the Sangam was formed everyone started joining in. They came together, sat together. They were able to come out of that feeling. Previously SC people never sat in front of upper caste people."

The fact that SHGs have demarcated groups in a

6 A similar refrain was heard by the head of Swati, an NGO working in the Dhangadra region of Gujarat. According to her, the larger formations allowed women to acquire credibility and leadership in class-based struggles. The breakdown of such larger formations had negatively impacted these processes.

manner in which caste becomes a significant marker is not always recognized by sponsoring agencies, including NGOs. In the case of Peace, although the earlier excerpt from the interview reveals a clear recognition of implications related to caste on the part of one of the oldest, senior-most members of the organization, there was an overall reluctance among the staff to recognize these implications. The articulation on the part of most of the other staff members was that now SHGs had been formed on the basis of proximity of residence. The fact that SHGs were demarcated on the basis of 'neighbourhoods' and that neighbourhoods all across rural India are almost inevitably caste-based, was not factored into the response. The funding organization that supports the microcredit programme of the NGO, on the other hand, works with recognition of caste as a basis of affinity. The sub-section of a Care report on 'Group as an Alternative' lists caste and sub-caste as a 'common bond'—a basis of a group which exists prior to any intervention (caste is the first in a list which includes blood, community and place of origin or activity). There is a need to identify "these natural groups which are commonly called 'affinity' groups. Even when group members are engaged in a similar traditional activity, like basket-weaving, the basis of the group's affinity is a common caste or origin". Encouraging homogeneity within groups is a larger national phenomenon, as evidenced in guidelines issued by NABARD and RBI.

In addition to caste there also appears to be a further reinforcement of kinship ties through the SHGs. For example, all the women in the SHG linked to SGSY are from the Vankar community. Three of them are 'co-sisters'—married to brothers in the same family. The leader and one of the members are also sisters and share household chores in each other's homes. Three other members apart from those referred to above are also similarly related and represent strong lobbies within the group in supporting each other in loan repayment and savings. The leader's brother-in-law (also a ward member of the Panchayat) was influential in the decision related to

women joining the SHG. According to one of the members who joined the group upon his suggestion, "He is literate and so he knows everything." Other than the perception that he was wise and well-connected, the kinship relationship was clearly at work to infuse trust in him.

Such kinship-based grouping is also not conducive to addressing changes in social practices, since any introduction of empowering attitudes is likely to become a matter of discussion in the household, and patriarchal control will prevail to maintain the status quo. Thus such social homogenisation tends to also strengthen the roots and structures of patriarchy and to fulfil patriarchal interests in the long run; while giving women seemingly liberal opportunities the boundaries continue to be defined by such traditional norms.

The 'desirability' of homogeneity within SHGs is to ensure that the members of the caste group are accountable to each other for repayment.

THE HOUSEHOLD

One of the most important spaces in which to assess the impact of interventions on poverty, empowerment, and/or development with women is the household, where public and private realms often come together, and financial, inter-personal, kin-based, and familiar spaces all converge. It is here that aspects of the relationships between microcredit, poverty and empowerment are seen most clearly, and are also simultaneously at their most contentious. While each programme espouses goals of poverty alleviation, it is at the level of the household that this is expected to be transacted and to have the most impact. Once the resources are directed into the household seldom are any attempts made to assess or track the intra-household variations or impacts that may occur.

Control over Resources

What follows is an excerpt from a discussion with SHG group members linked to Peace on gender and credit-related dynamics. The silences in the interaction were as significant, if not more, than what was said.

Interviewer: If you take a loan and purchase a house in the name of your husband and if, after some time, your

husband turns out like that Pochamma's husband who got married to someone else and threw her out [reference to a case discussed in the previous interview], what will your fate be?

Leader: Are all men the same? Do all of them behave like that?

Interviewer: The question is not whether they are the same or not. But what we can do to avoid such situations.

Leader: That kind of situation has not happened.

Interviewer: But if it does?

Member: If they throw us out what will we do? [She turned to the others.]

No response...

Interviewer: Whatever you buy for your home, how much right do you have over it?

Silence....

Usha: So on whose name should we buy the land and house?

Member: These should be bought only in women's name.

Member: My husband bought land in my name only.

Member: My husband also...

Interviewer: After you get a loan, you take home the money, then where do you keep it?

Member: I give it to my husband.

Interviewer: So who decides how the money is to be spent?

Member: He only.

Leader (dismayed): He decides!?

Member (explaining herself): I took the money and gave it to him. Then decided that we will buy the buffalo and both of us went to the market to buy the buffalo.

Leader (worried): Did I give you the loan?

Member: We both went and bought the buffalo.

Later in the interview...

Interviewer: Can you decide to give money to your mother?

Member: No, I cannot give money or help my family members.

This interaction holds within different kinds of articulations:

■ There is denial by the women when provoked to consider the possibility of harsh gendered realities within the family. One of the ways that this is done (also heard during other interviews during the study) is to dismiss such possibilities as exceptions. We also heard in what the women said a sense of concern at the possibility of eventualities that they had not thought of before. This is despite the fact that experiences that they themselves shared during the interviews showed that such eventualities were not far-fetched. At other points there was also recognition of gendered realities when they were articulated by the interviewer.

■ The interaction also helped underline the distinction between access and entitlement. In the part of the interview relating to ownership of homes, although several women said that they had access (helped by a state-government policy which ensures ownership in the names of women), their silence when asked what they would do in a situation of conflict indicated that there was no sense of entitlement despite the formal access that they enjoyed. This was also reflected in the language ("my husband bought land in my name only"), which articulates the husband as the one who is buying and who is the one with agency in the situation.

■ The discussion also shows awareness, at least on the part of the leader, of what 'ought to be'. This was evident in her discomfort with the member who said that it was her husband who had control over the loan.

■ There was also an inability to recognize the distinction between one's own interest and that of the family. This indicates the consequences of gendered conditioning, the limited potential to challenge it and the urgent need for enabling processes to encourage stronger challenges.

The gender dynamics related to control over resources, including internalisation of the notion that women do not have a right to property, appear to be aggravated by the nature of a survival economy, where the low scale of resources available are used as a means of perpetuation of gender-based denials.

Kinship-based grouping is not conducive to addressing any changes in social practices.
Patriarchal control will finally prevail to maintain the status quo.

When asked about whether they thought that it was possible for them to own property, an SHG member linked to Peace said, “How can we have our own property? How can we earn money and have property of our own? My feeling is that you people study, educate yourself, take up jobs and earn—you can own something. But what can we own? We are just agricultural people. He ploughs and we sow the seeds. We cannot calculate ‘yours’ and ‘mine’ in this case. Because the investment in the field is of different types—it is labour, energy, money and care. How can we calculate all this?” While women’s lack of control over resources tends to cut across class, the SHG member here points to how non-monetization makes the task of building women’s awareness of rights related to resources even more difficult. It also points to the further vulnerability that would ensue from a dimension of scarce resources which compels women to accept denial rather than demand or assert entitlement based on gender.

There is also a pragmatism at work, which seems to indicate that the hold of normative gender roles is not entirely at work.

Member: “When we start saving, none of us tell our husbands. It is only when we get the money (Revolving Fund) that we tell them that we have got this money. We also tell them that we can repay. However, pressures are also at play. We don’t get money at any other time, so we have to tell our husbands, otherwise the husband will wonder where we got the money from.”

There was also a clear articulation by members of this DWCRA group that in a situation in which the husband urgently requires the money, the wife will not have a say in the matter. This is not, however, for lack of feasible ways in which SHG membership could have impacted women’s status. There are many examples of women using financial rules of the SHG to negotiate with their husbands⁷. Although monitoring systems do not explicitly seek to assess or respond to gender dynamics around control over loans taken, these examples were important in that they demonstrated how women had employed the fact that such

systems exist to strengthen their negotiations. The examples came from women linked to the Peace-sponsored SHG.

Leader: “We observe how she [any member] is using the money that she has borrowed. If she is not spending for what she has taken the loan for, then we question her immediately. For example, if she takes a loan for buying cattle but she uses it for other needs of the family, then it is noted down. We tell her beforehand that we want her to spend it only for the purpose for which she has taken the loan. If she does not spend it that way then we write it, note it down in the register and take others’ signatures.”

The members spoke of a case in which they had used this system to negotiate with their husbands. The women in

this instance had taken loans to buy buffaloes. When their husbands pressurized them to use the loan money for another purpose, they argued with them and said that it was written in the plan that they will buy buffaloes, so they cannot change the purpose to the loan. The fact that women have used a technical system to strengthen their bargaining

capacity with their husbands points to the need for more enabling processes and mechanisms that would help women in efforts that they are making of their own volition. As has emerged in different contexts in the study, these discussions also showed that even a small amount of support/enabling processes creates opportunities for women to try to take steps to change situations of exploitation. The deprioritisation and absence of such inputs compel women to negotiate as best they can, or deal with circumstances of exploitation and accept status quo while striving for well-being.

Reflecting on the discussions relating to control over resources, it appears that even if women have access to financial resources or assets, it is erroneous to assume that they also have a sense of entitlement. This is an important finding given that the assumption built into the articulation of the benefits of microcredit is that access is all-important. Whether and how access translates into entitlement has

Even a small amount of support creates opportunities for women to try to take steps to change situations of exploitation.

⁷ The term ‘husband’ has been used to connote the male who is considered to be the head of the family including other senior male members who are sites of male dominance in the household.

been a neglected area of concern within the discourse and practice of microcredit.

Gendered Burdens of Saving and Repayment

Decision-making about the use of the loan is connected with the other gendered realm—the burden of repayment. SHG members linked to Peace spoke to us about the dangers of ignoring the husband in the decision of how to use the loan because this would provide him with an excuse for not contributing to its repayment. There is no evidence, however, that he would take responsibility for loan repayments even if he were consulted about the loan. This view of the existing reality was also echoed by a member linked to the DWCRA group. “The decision about what to do with the money is taken by husbands. They tell us what to do. Otherwise he can turn around and say I have nothing to do with you, I don’t know what you’ve been up to.” Women are afraid that if they take the decision about the use of the loan and something goes wrong, the husband will hold them entirely responsible for repayment. On the other hand, if the woman lets the husband decide, whether that decision results in a profit or loss, at least she can ask him to contribute towards its repayment.

This provides an example of how the prevailing patriarchal norms and structures connect different gendered aspects related to microcredit—such as the ability of the woman to decide about loan use and the burden of repayment that she has to bear. That the primary responsibility of repayment was borne by the women was articulated by members of all SHG interventions studied, including Anandi. While women in Anandi reported a sharing of the responsibility, they bore more of the burden and responsibility. Much of the repayment was done from the work that women undertook as casual labour or from the sales of forest produce they collected. Jashoda’s husband is a case in point. During our stay there, he would be on the household premises for much of the day,

watching as all the children and other members came and went. When Jashoda came back from her training session on the day we reached the village, she went straight into the inner recesses of the house and the kitchen after hanging up her bag with the fruit she had purchased on the way on a peg in the outside enclosure. Her husband then worked his way through all the bags, checking for and pocketing any money they contained. He claimed the right to do this, obviously, and none of his children questioned him or commented, although their eyes followed his every move. One of the girls later revealed that she had kept the remainder of the money she had been given for her bus ride to college on her person since she knew her father’s habits. Apparently this was a common practice. While the man claimed the privilege and right to pocket any money, the others had learnt ways to put a little away for themselves.

The study provided evidence that men’s contribution can be conditional on whether or not benefits accrue from the savings. An SHG group member linked to a DWCRA group said, “If we are unable to save, our husbands contribute. This was not the case earlier. The men started contributing after the group got the Revolving Fund.” This conditional support is part of the larger phenomenon of men being supportive in certain ways about women’s participation in SHGs because they bring in benefits. In several interviews women articulated an awareness of this conditionality. A member of the DWCRA group, commenting on the fact that husbands do not object to their newfound mobility, said, “It’s because we have to go...it’s for DWCRA.” The lack of such support forthcoming to women in the SGSY or the Swashakti groups in Gujarat may be on account of no major benefits having accrued yet, the loans available being too meagre from their own savings to compel the men to take cognisance of their ability to raise resources. Women of the Velugu-sponsored group made a distinction between the nature of loans and the attitudes of

“The decision about what to do with the money is taken by husbands. They tell us what to do. Otherwise he can turn around and say I have nothing to do with you. I don’t know what you’ve been up to.”

SHG Member

men. Food security loans for purchase of rice were managed and repaid almost entirely by women, while loans for larger assets where family income was seen to increase substantially were managed by men, though women still had to face the burden of repayment.

The evidence clearly indicates that women bear the primary burden of savings and repayment of credit. Men's contribution is irregular and conditional. "They may disappear for days, they will give you the slip or have some excuses to offer—they have learnt how to evade or get the better of the system," said a senior bureaucrat in Gujarat, once more contrasting men's savvy in dealing with the system vis-à-vis women's naïveté. It also provides an example of how the prevailing patriarchal norms and structures connect and render usable different gendered aspects related to microcredit. The manner in which peers generate pressure on each other to repay also speaks of the creation of new norms, based on existing gendered norms relating to a sense of shame and honour, to determine women's behaviour, in this instance as debtors.

Burden of Work

The responses of the women during the group interview to the question related to the burden of work showed that with their involvement with SHGs, there has been an increase in their workload. Some women revealed that men are now 'helping' with housework when women go for SHG meetings, but this was not a view shared by the majority of women. Nor was there any report of a shift in the division of labour outside of the limited context of enabling participation in activities linked to SHGs.

Only in the Anandi-linked group did women report a shift in roles, with men acknowledging women's abilities and initiatives outside the home. But this was more in relation to their political and social activism rather than microcredit-related activity. Men in the families we interacted with as well as the one individual who dropped in unexpectedly at the

Sangathan meeting were all of the opinion that women's enhanced knowledge through the Anandi initiative had made them more aware and able to intervene even in difficult circumstances. So it was their duty to support them, even if it meant taking on responsibility for the women's tasks. While some men in the village spoke about the women travelling to distant villages and community members and even the police seeking their support or intervention in cases of conflict, they said that this had compelled the community to sit up and take notice of how it would influence young people: "They too may want to become like these women, so should we stop them? This is what we discussed in the village. We decided to support them by doing their jobs in the home, in the community, letting our wives help them—they are bringing recognition to our village, we cannot stop them now," said one leader's husband. One man convinced others and now there is a general acceptance that the women be called to intervene in any women-related cases in the village and their advice and attendance be sought in the Panchayat meetings as well.

When a member of the DWCRA group was asked whether there was any greater sharing of work between her husband and herself after joining the SHG, her response was categorical: "There is no change. They don't change." Members of the Velugu group also expressed cynicism when asked in what ways the families enabled or supported their participation in the SHG activities. "They want the benefits, so they send us. But we must wake hours earlier and complete our work and cook the food and feed the children before we can go for the meeting. And if something is left, we must face the consequences when we go back. They let us go, but they want what the programme has to offer, don't they?" One woman stated, "When I decided to get the goats with the credit, he was upset that I would not give the money to him so he did not want me to attend the meeting. But I was insistent—I am old enough now. My children are older, he cannot threaten me," indicating that

A federation leader: "Men are taking economic advantage but they are not sharing the burden of work. The family, village, mandal, district, and country—all benefit from SHGs."

age and phase in life are factors that enable women to exercise a certain assertion of their own choices, and that they are otherwise compelled to accept intimidation or restrictions on their person due to the vulnerability of those dependent on them. Expressing her dissatisfaction at this state of affairs, a federation leader linked to Velugu said, "Men are taking economic advantage but they are not sharing the burden of work. The family, village, mandal, district, and country—all benefit from SHGs."

In another village that was visited, the women said that after they have started earning from the piece-rate work in packing masalas, their husbands are not going to work. "Earlier we would go for casual work, and work all day in the hot sun, so this work is much better. But now our husbands can afford to sit around—they do not need to go in the sun and work anymore or think of where the next day's wage will come from. We take care of all that." These women were taking credit for relieving their husbands of the hardship of daily-wage work, but in return received little support from them. Instead, they found them indulging in social malpractices such as gambling. A majority of the 11 members of the SGSY group reported that their daughters-in-law were the ones who undertook much of the responsibilities at home while they worked as the breadwinners. But they dared not call themselves so in front of the men. They were also unwilling to allow any more women to join their group even if they were needy lest they cause a disruption in their own wage-earning opportunities.

The Construction of the Good Woman

There is strong evidence of the manner in which microcredit is constructing the idea of the 'good woman'. The self-perception of the women is that now, 'finally' they are being able to help their husband. Underlying this is a continued and reaffirmed invisibilising of their earlier contribution to the domestic economy in terms of labour, earning, management or any other aspect of bearing the responsibility of survival. This represents a regression from the tremendous efforts

made by the women's movement to get women's invisible labour recognised. The construction of the good woman is a prime example of the insidious shift in the discourse of empowerment. This articulation also devalues the new contributions that women are making to the domestic economy by accessing credit merely as a means to help their husbands. It also contradicts their own admission that they bear the primary responsibility of repayment.

The following part of the group interview with the SHG linked to Peace illustrates these issues succinctly:

Leader: It is now equal [between husband and wife]. Previously it was only their headache. But now we are able to manage better than them.

Member: Yes, earlier they used to take money against heavy interest and we did not know what happened till we drowned completely. But now we know where we stand. We also try to share and contribute towards the responsibility. Now they feel that we can understand their difficulties of management [of the household economy].

Member: Now women are also assuring their husbands that they will take care of some problems, and they do not have to worry...making them feel relaxed. We now know that there were times when they used to go to many places and were not able to get money for farming, seeds etc. They used to sit at home worrying about it.

Leader: Now we help them in that. They alone used to think about repayment etc, but now we share in that.

"Now our husbands can afford to sit around—they do not need to go in the sun and work anymore or think of where the next day's wage will come from. We take care of all that."

SHG member

This construction of the 'good woman'—who contributes to the material wealth of the family with minimal disruption of relationships or responsibilities—is also contributed to by the staff of the NGO. In sharing their perception of the manner participation in SHGs has benefited women, they said, "Earlier, the husband used to feel that the wife's duty is only to cook. Now the roles and responsibilities have increased. Women have started taking more interest...they are taking up family matters and understanding the importance of

financial management. They are also trying to learn, to understand some issues. They are trying to make things run smoothly...planning, managing the home. They now have greater confidence in running the family, taking care of the children. They have become confident that they can give full support to the family.”

In addition to the failure to recognise the role of women in production and reproductive work, we find that the subtext is that the earlier problems were caused by women themselves—they did not come out of their homes, did not work and they were not responsible. Whether it is by women themselves or by agencies that promote microcredit, in all of the articulations related to the benefits of SHGs, we find that women are being more and more closely identified with the institution of the family. This overwhelming focus on the family undermines the idea of a woman as an entity, with rights, interests and needs, which the women’s movement has long been struggling for. We know that women are not being enabled to recognize the patriarchal nature of the institution of the family and to negotiate their interests within the family. And now we see how, in fact, microcredit processes are pushing women to be even more closely identified with the institution of the family.

It is clear that men are happy with the women’s involvement with SHGs, in keeping with the reality that this engagement in no way challenges the unequal power relations within the family. This was reflected in the perception of the husband of the leader of the SHG linked to SGSY. He said, “Since the benefit of the government scheme goes to women, we allow them to go for meetings. It will benefit the family,” and, “We keep an eye so the benefit to the family is assured.” Since women in most cases bear the burden of savings, either from thrift within the household or from their own wage earnings, the men are willing to consider the long-term gains and overlook the more immediate minor losses. Repeatedly, statements like these emerged.

Good Woman — Good Debtor

We have shown earlier in the introduction how microcredit targets women because they are considered better and more responsible bearers of credit. Evidence that women are perceived as good debtors has been provided by many studies. It has also been argued that there are highly gendered constructions that inform perceptions of agencies that promote microcredit. This study contributes to exposing the understanding of women as good debtors by sharing what women themselves say about their experience of savings and credit.

An important element of the construction of the good woman is that of discipline. When members of the SHG linked to DWCRA were asked what new things they had learnt after joining the group, one of the members said, “We

have learnt how to save and how to be careful with money. We have also changed. We have learnt that self-discipline is good, and that we should not be too hasty in saying things...”

Although it could well be that the member is articulating what she thinks the urban, educated interviewer would like to hear, we can surmise from the response that there is awareness that discipline is a valued aspect of the SHG culture.

This is in consonance with the

instrumentalist articulation of why women are being enabled to join SHGs on the part of the sponsoring agencies studied, including DWCRA. The coordinators of the Velugu programme expressed the view that women are safe because they carry the ‘dignity’ of their families on their shoulders, a sentiment echoed by middle- and senior-level functionaries in Gujarat as well. This tends to give easy leverage to instil fear of social rather than economic consequences to agencies to recover credit from women. The field-level functionaries said that they resort to such pressure as a means to compel women to save from meagre resources as well as to return credit even when hard-pressed to do so, since women succumb to such pressures more easily.

While recognising the dangers of essentialising the

SHG Member: “Now women are also assuring their husbands that they will take care of some problems, and they do not have to worry...making them feel relaxed.”

experiences of 'all' women, it is clear that women are, because of the nature of socialisation required by patriarchy, more susceptible to being shamed. In the context of microcredit we find that the notions of discipline combine with notions of shame to make women highly prone to peer pressure. During another interview with the same group, one of the members said, "It makes us anxious when we can't repay. We feel ashamed and low. It is a delicate situation. To avoid this we work more."

Another member said, "Saving for us is hard. There is pressure from both sides—the group and the family. One should not be belittled in the group. Whether you eat or not at home, you should not be looked down upon by the group. Men say that it is your headache, you take care of it." In these processes of internalisation and peer pressure, this articulation reminds us of the third dimension of women's reality as debtors—they are largely alone in having to repay the debt.

On the one hand, learning processes within SHGs are not of the kind to enable women to question gender. On the contrary, we find that patriarchal processes of socialisation around gender come into play with microcredit in ways that reinforce and harmonise traditional forms of gendered socialisation with new forms of what it means to be a 'good woman' in a neo-liberal economic framework. In this reconstructed scenario, the woman feels that as a result of being able to access loans she is now 'finally' contributing to the welfare of the family. In this process, women's contributions to the domestic economy become further invisibilised, while the burden of work on them increases. Notions of shame and discipline also make the woman more vulnerable to the increased responsibility to take on additional work pressure to repay debts.

These experiences of microcredit evidenced in the study point to a worrying reality. We find that processes that would enable women's empowerment have not been enabled, and are in fact being short-changed or bypassed altogether. Furthermore it is not merely that the status quo

prevails and that there is 'no impact' either way. Instead we find that microcredit processes are actually reinforcing and refashioning the gendered norms on which the focus on women was premised in the first place. The new construction of the good woman, who saves regularly, repays faithfully in the service of the family, while bearing a greater burden of work, is also epitomised as the progressive woman, with all the symbols of outward and upward mobility, as well as the responsibility to keep those symbols intact.

Appearance as Identity

The good woman also has a certain appearance. The image of Soshamma, a federation leader linked to Velugu, captures another dimension of the manner in which microcredit processes are constructing women. A non-literate Dalit member of the federation, she used to eat paan. When she came for the first meeting of the federation she recalls that she was not allowed to even spit the paan. She had to switch to eating sweets and toffees instead. She was chided and derided by the younger and more literate members as well as the programme staff for being 'rustic' and uncouth and was asked that if she did not change this habit how could she expect to be a leader and an example for other women. In order to adhere to the requirements of appearing to be a leader, she had to conform to these rules. She was, however, indignant at being compelled in this way and expressed her resistance. There were caste undercurrents in this entire exchange as it was narrated to us, with the younger women glancing surreptitiously at each other and indicating to us each time Soshamma would sit in an informal posture or lean on another member to make herself more comfortable. There were also some comments on the way she and one other Dalit member of the village-level federation who had accompanied her, wore their sari in the traditional way rather than the urbanised way that the others wore them. They even commented on the fact that she wore a cotton sari that looked well worn, rather than their preferred synthetic ones, to which she

The overwhelming focus on the family undermines the idea of a woman as an entity, with rights, interests and needs, which the women's movement has long been struggling for.

expressed indignation and said that she worked hard and so her cotton was good, not like some who only sat in chairs and fancy rooms and let others work for them. The other younger members expressed no sensitivity to her need for a backrest and did not inquire if she was tired or needed to rest etc. They would only chide her. These younger women had also had greater exposure to external public and formal spaces— schools, meetings with bankers and officials etc, where they may have been socialised into acquiring such skills. But there was no discussion—only the setting up of a norm to represent the appropriate behaviour and appearance of a 'dignified' leader.

In fact these norms have been adopted as civilising rules by the groups, wherein women must come with their hair combed back and oiled, dressed in a fresh sari, with clean feet and hands, and must sit erect if they wish to represent the group identity. They can even be fined for not adhering to the norm of appearance. In fact the researcher was chided by one of the older members of the group for allowing her hair to look "messy" because it was left loose, and was reminded to oil her hair the next time if she wished to be accepted in the group meeting! This was said with a touch of humour, as the women had begun to get familiar with the researchers, having met with them twice already. But it also illustrated that the women had internalised these as civilising values that made them stand apart from the normal rustic as 'group members' with appearance as much an indicator of their identity as their activities.

Groups that are more rigid and vigilant about norms for financial discipline also tend to have more rigid norms for such self-discipline around appearance, as if the access to credit implies an access to material status, and associated with such upward mobility in material status, the compulsion to acquire social mores in appearance that are associated with the more affluent. While the women linked to Velugu were strict about their financial transactions irrespective of other problems, the women linked to the SGSY group

showed fewer signs of such disciplining behavioural norms and were also more relaxed about their financial discipline.

THE MARKET AND THE LOCAL ECONOMY

We have seen the implications for the SHG model and microcredit within the space of the SHG as well as of the household. The next important interaction we must map is that of the SHG's relation to the market and economic activities. What does this imply for the potential of women to learn from and gain from the economic activity that microcredit has always claimed to lead to? What does this economic activity look like? How is it linked to empowerment for women and the reduction of poverty?

Access to Credit

The Nirantar Survey showed that 90% of the SHGs that save deposit their savings in banks. However, only 42% of groups have received credit from banks. These were all groups that have been in existence for at least two years. The problem of the lack of access to credit acquires even greater significance in light of the fact that access to credit is a primary motivation for women to join SHGs.

A common assumption is that microcredit has removed the use of moneylenders. It needs to be underlined that access to credit does not mean that women are entirely free from moneylenders. While women considered savings and credit as a means to tide over crises and for consumption-related expenses, the quantum available was so miniscule that credit had also to be taken from alternative sources like moneylenders. In the case of SGSY, for example, women turned to moneylenders for health-related needs as well as for social ceremonies. In the case of Swashakti, although access to credit had not reduced their dependence on moneylenders in any significant way, women felt less dependent on husbands for all cash requirements for small household needs. They would trade some millet, vegetables, tamarind or mahua from their fields for such small needs as oil or salt but now had access to credit for the next level of

Patriarchal processes come into play with microcredit in ways that reinforce traditional forms of gendered socialisation with new forms of what it means to be a 'good woman' in a neo-liberal economic framework.

need such as school books and bags for children, or treatment for ailments/injuries. Women linked to Velugu spoke in emphatic terms about the reduced dependence on landlords who asked for surety for loan and demand free labour. They said, "Through the group we rotate money and don't need to beg from landlords. We are not slaves, we are free, like we are the boss."

The Nirantar Survey also shows that moneylenders constitute the most important source of credit taken by SHG members of all other non-SHG sources of credit. The survey also showed that the reasons for which SHG members took credit from these other sources, including moneylenders, were reasons for which they could have taken credit through SHGs (the only purpose for which some SHGs would not have given credit is for marriages and related expenses such as dowries). In the end, 36% of the loans taken from these other sources was for crisis-related needs and for health (in the case of health, the majority of cases was for husbands and children). This belies the oft-made claim that SHGs have enabled women to meet all their crisis-related needs.

The study revealed disturbing evidence of the lack of access that SHG members can have to credit from banks—an advantage of microcredit programmes that is almost taken to be a fait accompli by promoting agencies. The evidence also links the inability to access credit with the lack of access to information faced by the women, in a context in which information is clearly linked to the power that is wielded instead by intermediaries.

The starkest example was provided by the SGSY programme in Gujarat. A loan application made by the group for the purchase of buffaloes has been pending with the bank for over a year, despite repeated efforts on the part of the group. Kavita, the group leader, explained, "First we [leaders] went to the bank to submit the forms. We went a second time after three months to make inquiries since all the women were complaining. The women started agitating and accused us of false reporting so all of us went again after some months. But by then the manager had changed.

The new manager is from outside, he does not speak our language—he speaks like you [in Hindi]. And now he does not come for many months. So again the Gram Sevak has asked us to wait and go again. We do not know why we have not got the loan. We have to discuss this and think about where we are making mistakes."

A member of the group described the cost of pursuing their case for the loan. "For preparing papers for loan, we had to spend Rs 500. That was two years ago. We then went to the Modasa office. For that we had to forfeit our wages for that day, and we paid Rs 20 for the bus fare (to and fro). Eight months have passed since we went to the TDO (Taluka Development Office)." On our asking about the reasons why loans have not yet been sanctioned, the

group had no explanation and said, "The manager told us nothing. They did not tell us anything about what to do to get the loan. The manager checked all the records of all five groups in the village but told us nothing."

The Gram Sevak was aware that the group had not qualified for the rating required for the loan approval. He had interacted with the bank for other work for time to time.

He did not, however, advise the group on this matter nor did he accompany them on their repeated visits to facilitate their discussion with the bank. The repeated trips of the women to the bank with little direction and guidance from the Gram Sevak are symptomatic of the larger malaise where women's energy is seen as expendable. Providing women with information may in fact threaten the interests of the Gram Sevak.

Further enquiries by the research team revealed that the bank had placed a moratorium on fresh loans in the region till previous loans were recovered (as reported by DRDA functionaries at Taluka and village level). The bank in question is the Dena Bank which is the lead bank in the district. The Patels in the area had taken substantial amounts of agricultural loans. Now Dalit women who are members of SHGs are being pressurized to get the Patels to repay the loans. Women who have had no say in others

The Nirantar Survey showed that 90% of the SHGs that save deposit their savings in banks. However, only 42% of groups have received credit from banks.

taking loans are now being held responsible for their recovery! The previous manager had in fact told the SHG members that their help in the recovery would be favourable in terms of their loan application. The women were not able to 'aid' the recovery process. "How can we go to other men and tell them to return the bank's money? They are strangers, not family members, why should we do this? They gave the loan, let them go and recover it."

The other significant issue which emerged is that this burden of recovery is being transferred to women who are compelled to save in Dena Bank. Being the lead bank, it is through Dena Bank that the SGSY subsidy or any other monetary benefits from other government schemes will be disbursed. It is mandatory that savings have to be deposited in the lead bank of the area, irrespective of its poor service or lack of flexibility, in order for groups to be eligible to receive loans. It was reported that DRDA officials were present when the Dena Bank's senior official declared this moratorium but the DRDA has not challenged this decision. In fact government personnel continue to encourage women to deposit their group savings in this bank. Women have no knowledge of this issue. They are compelled to follow the advice of the Gram Sevak and make their monthly deposits at Dena Bank in the hope of an SGSY loan. Groups would like to explore an alternative bank but they do not have the choice. This is in contrast to better-off households which may have defaulted (possibly

in larger proportion!) being free to choose and negotiate their credit elsewhere. The question arises as to why women's savings cannot be held in other banks (even if other than the one through which subsidies are being channelled) that are willing to service their needs based on the established creditworthiness.

If this was not disturbing enough, SHG members are also not being allowed by the Gram Sevak and the TDO (Taluka Development Officer) to withdraw their savings from the bank. Withdrawals are only permitted with the permission and signatures of the Gram Sevak and the TDO. While this is not a policy, it is taking place in an informal way. This is clearly an unjustifiable means to control women's resources for which neither grassroots functionaries nor district authorities have any explanation.

Women express concerns that the Gram Sevak may be looking for his benefit before they can finally receive the loan. They do not, however, dare to challenge him lest they have to forfeit the entire loan. The TDO informed us later that no such formal request had been received from the Gram Sevak, and women in turn were not aware that a formal request needed to be made. Once again, the lack of information about the loan process was compromising the ability of the women to manage their loan.

As a result of the restrictions placed on withdrawals by government officials, women cannot use their savings for interlending within the group. This has compelled women in

Varying Significance of Credit

The study revealed that the significance of credit for SHG members varies according to levels of vulnerability in the first instance.

- For the poorest, the SHG-based savings model offers little possibility, given their inability to save regularly. Their daylong struggle to eke out a living rendered the attendance at meetings, especially during the day, an unaffordable luxury.
- For the peasant women who could no longer perform long hours of labour, the SHG enables savings for their security. According to older women in the groups linked to Velugu and SGSY, the security was not only in the

form of savings; membership of a group also provided access to other opportunities (such as rice credit, housing schemes).

- For women with a resource base, even if meagre, such as marginal farmers, sharecroppers and artisans, savings and credit meant access to resources for crisis. It also meant financial resources in volumes larger than they could save such as for the purchase of seeds etc.
- Leaders and the more literate benefited most in terms of access to credit. They could also repay late without being censored by the others. This was evidenced both in SGSY as well as in Velugu.

the group to start a parallel system as part of which they save and interlend. Interlending is, however, difficult because the women have to save more. Ironically, the extent of internal lending is a positive indicator for assessment and rating of groups by the banks for creditworthiness.

Several serious concerns arise here:

- Poor women are blocking their hard-earned savings in the hope of loans, which are not likely to materialise without State intervention.
- Women are viewed as a conduit for recovery of loans.
- Women suspect collusion between the banks and the State, which chooses to remain silent despite knowing that banks are not releasing credit to women because of debt that has not been repaid. This needs to be located in the context of liberalisation, where banks are allowed to overstep their social development goals in pursuance of profit and recovery, at the cost of the poor themselves.
- Poor women do not have a choice about where to deposit their savings. Banks, even those that do not service the needs of SHGs, are using women's savings to buffer their resources.
- Women are being denied control over their savings also because of the restrictions being placed on them regarding withdrawals. This is particularly violative as it is poor women's savings from thrift and hard labour. It also constitutes an opportunity cost against essential needs and is not a saving born out of surplus.
- Not only are women being denied information and support that grassroots functionaries are meant to provide, they are left all the more vulnerable because of the power inequality between the two.

The formal institutional spaces that poor women must increasingly learn to negotiate present a real bottleneck in a context of the increasing interface with the cash economy. Credit- and cash-based transactions are increasingly emphasised as a means of enabling poor women to cope with crises as well as their capital needs. These represent a paradigm shift as well as an entirely new arena of engagement for women who hitherto have been socially and culturally confined to the hearth and the field. Within this context, women have to face the class, caste and

SHG members are not being allowed to withdraw their savings from the bank. Withdrawals are only permitted with the permission and signatures of the Gram Sevak and the Taluka Development Officer.

patriarchal biases of bankers. For poor rural women, particularly those who are non-literate, interactions with bankers is a challenging experience. Added to this are the daunting, inflexible and often anti-poor mechanisms, procedures and formalities. Women need substantial inputs related to the banking system as well towards building confidence and negotiating skills.

Positive examples of engagement do also emerge. In the Anandi group, women wanted to address their exploitation at the hands of a local dhakka bank and their collective experience at the hands of these creditors. Anandi responded by helping with account-keeping and providing inputs to demystifying the functioning of formalised credit systems in the context of women's rights. Apart from facilitating exposure and linkages with the banks in the region, Anandi has also sought to facilitate space for women to interact and negotiate with banks. An analysis of the bank and its norms and rules enables women to raise issues and demands to meet their own needs.

'Choosing' the Right Livelihoods Activity

In almost all the interventions studied, entrepreneurship is seen as the logical sequential action to the acquisition of credit. Discussions on what economically productive work women can engage with begins almost as soon as the group membership is established. In the DWCRA, Swashakti and SGSY groups studied, the motivation given for women to join the groups was that access to resources would enable them to initiate income-generating activities. Yet there is no preparatory time built in for the exploration of viable economic interventions, including those that are not limited to income generation through the production of goods and services and the required capacity building.

Seldom was the notion of 'income-generation activities' broadened to livelihoods-strengthening activities.

In the case of Anandi we find that fundamental livelihoods concerns are being addressed. Savings and lending form only one aspect of the various initiatives—"like a glue", according to the federation leaders—undertaken by women to address their poverty and subordination. Their initiatives in the economic sphere have been related to demands for food security, an effective Public Distribution System, access to government schemes to enhance capacities and access resources for income-earning opportunities and the right to work. The groups have also protested against contractors for malpractices like paying low wages and deploying labour from outside and not local people. All these interventions are located in the traditional occupations of these communities and attempt to address the roots of poverty caused by exploitation and the lack of entitlement to natural resources on which their lives have hitherto depended. While there have been women who have taken loans for retail activity, the significant majority have sought to strengthen agriculture and other mainstay economic activities including wage-earning opportunities as sustainable economic options.

Considering the nature of the vast majority of the livelihoods interventions being implemented by the sponsoring agencies, there was a striking lack of

imagination in identifying possibilities that would help impact the economic realities of these women. Women are keen on participating in any kind of income-generating activity but often do not know what this could be. Often, they can only think of options that they have seen being tried out. Most of these have been small-scale, individual and gender-stereotypic, either non-viable or providing low returns which only marginally impact earnings. In this context, to merely ask the women what enterprise they would like to undertake, without giving them exposure to the possibilities and enhancing their abilities to choose from the varied possibilities, makes a mockery of needs-based planning. The answers from such an exercise are also such that maintain the status quo in terms of class and gender. They are also convenient because the sponsoring agency then does not have to invest in a more meaningful needs-assessment and the implications that such an assessment could have for the agency's role in terms of providing support to the women. The study indicates that the choices that women make will be determined by their existing realities. Levels of exposure, their class status (for example, the ability to take risks and invest) and gendered realities (the preference for home-based work in order to be able to balance the existing gendered division of labour and the need to earn) will all impact women's choices. In the absence of learning inputs and material support, women make choices almost entirely dictated by their

The Desirability of Revolving Funds

SHG members linked to Velugu and Anandi interviewed by us were of the opinion that rather than credit, a Revolving Fund model with inputs to ensure that the principles are understood and adhered to, is a much more suitable strategy for poor women. A Revolving Fund allows for greater control over resources vis-à-vis their families as they can then say that the resource is a common pool, and cannot be usurped by any individual. A fund would also not require resource-strapped women to pay interest to formal institutions (rather than keeping it for themselves) with whom they have difficulties negotiating in the first instance (for greater flexibility in

their policies). Gradually, based on enhancement in their resource base and abilities, linkages could then be sought with formal lending institutions. In such articulations women show that they are more than capable of assessing the worth of different strategies in terms of the extent to which they serve the interests of poor women (as against those that serve the needs of those who are more powerful). The reality in most instances is that women are not provided the space to undertake such assessments and often have little choice in terms of mechanisms and approaches related to credit.

present circumstances. The necessity of a learning process for a broadening of choices towards greater equity cannot be highlighted enough.

Women as Piece-rate Workers, not Entrepreneurs

In this vein, one of the activities undertaken by the federation linked to SGSY is that of packaging and retailing spices. The Masala Federation in Sabarkantha district is projected by district-level functionaries as a success. One would agree if one considers the profitability it affords Vinita Behn, the manager of the federation, and the employment opportunities it creates for her sons. Although the women engaged in production are grateful for the piece-rate work that the Masala Federation provides them, it is also clear that they are just that—piece-rate workers. Although the loans and other investments have been made in the names of the members that the federation claims as its membership, only a handful can be called real entrepreneurs. These are the women who run the ship under the stern and authoritative eye of Vinita Behn.

Vinita Behn has learnt how to negotiate with the departments for tenders to supply to government institutions and with the traders in the wholesale markets to buy the masala her federation makes on a regular basis, as well as with banks to leverage additional resources. She is also eager to explore opportunities to expand to neighbouring districts. Other federation members are unaware of these operations and possibilities. The organisers whose role it is to deliver the packaged masalas to the district and bring raw materials for packaging also had no idea of how the federation functions. Members were not even aware of bonus distribution. They were only interested in maintaining the hegemony of a few to ensure that their wages did not diminish with the entry of new members as producers/packers of the Masala Federation. Vinita Behn was adamant in maintaining her leadership of the federation despite a new managing committee and president having been elected, and saw nothing wrong in

doing so considering the amount of effort she had put into the enterprise.

On the one hand, there is a situation of control that Vinita Behn wields over the piece-rate workers. On the other, there is also the dependence of the federation on the government. The accounts and registers of the federation also continue to be maintained by the government representative, after all these years. The 'success' of the federation may be attributed to the huge resource support and patronage that it receives on a continuing basis from the district authorities. There is, however, a saturation point because of which the number of members of the federations has to be limited. The government has not made the effort to enable the Masala Federation to access other marketing options. There is, therefore, a dependence on State patronage. Vinita Behn acknowledges the support of the State in gaining orders and does not think that the federation would be able to sustain itself in the open market since the overhead costs were high.

All of the above clearly point to the lack of an intensive and continuing learning process that would allow more women to understand the vision and ropes of the operations of the federation and to play the role of decision-makers, as joint owners of the enterprise. Obviously, in its anxiety to establish a model federation, the State's patronage is its compensation. A systematic learning input to the new incumbents on the management committee, and to the members through a producers/members education programme would also serve to enhance transparency and accountability apart from enabling women to run the federation viably and establish its autonomy.

There has also been no effort to democratise, to bring in other women and build their capacities, so that women can run it autonomously. Every time Vinita Behn goes out to make purchases, someone from the DRDA office or the talukdar accompanies her. None of the women accompany her. No inputs are given to anyone other than her. The government is happy to patronise her, and she is

No preparatory time is built in for exploration of viable economic interventions. Also, seldom was the notion of 'income-generation activities' broadened to livelihoods-strengthening activities.

To merely ask women what enterprise they would like to undertake, without enhancing their abilities to choose from varied possibilities, makes a mockery of needs-based planning. In the absence of learning inputs, women make choices almost entirely dictated by their present circumstances.

accountable to no one. She is a showcase of how women in SHGs can be involved in financial activity, but not be economically empowered.

Lack of Involvement in Planning

Velugu was one of the few interventions studied where livelihoods-strengthening options that sought value addition to existing economic activities related to agriculture or minor forest produce were explored. There were, however, problems in the manner in which these interventions were being implemented. To enhance returns from a groundnut cultivation programme, an intervention was planned in the Velugu programme. The community, through the Village Organisation (the federation of SHGs at the village level), was active in processes such as assessment of demand, distribution, and repayment of the advance. However, the procurement negotiations and other aspects of the value-chain analysis that preceded the initiative were not shared even with the federation leaders and did not therefore translate into learning for them. The proposals from the village were decided on at the Mandal Samakhya, the Mandal-level federation. Although the federation members were present at this meeting, the decisions around feasibility and financial requirements etc were taken by the project functionaries. The women leaders had very little knowledge, for instance, about the seed requirement per acre, or what the purchase price was. They pointed to staff members as the ones who had such information and took these decisions. Once the proposal was passed, a committee was formed for the purchase and distribution of the groundnuts. It emerged once more that although

federation leaders were on the committee, it was their husbands and the community-based cadres who had undertaken the procurement, distribution and record-keeping. Despite their proficient literacy skills these women did not monitor this process. In fact, during our discussions it was the two illiterate and older members of the federation present who had prodded us to ask who had performed what role in this process. One of them, Soshamma, was a member of the committee and had taken keen interest in the activity. She was upset that the educated office bearers of the federation had not taken greater initiative.

Velugu functionaries at all levels claim that the programme interventions are demand-based and respond to proposals conceived and planned by the community. We found that, in fact, programme interventions are identified at the district- and block-level in most cases and then ratified at meetings with the communities. Numerous examples shared elsewhere in this section demonstrate the implications of lack of consultative process and capacity-building inputs. These included SHG members not having information regarding interventions (accounts of contract for toilet construction, terms of the rice credit scheme) and not having had the opportunity to plan effectively (issues of maintenance not having been discussed prior to the purchase of rickshaws).

An implication of the lack of capacity-building inputs to women to enable them to plan and implement interventions is a high level of dependence on the sponsoring agency and, in some cases, the men in the family. Although the women recognised their dependence on spouses and project functionaries, they did not see a problem with such dependence. The president of the federation said, "In any case, the men are the ones who tell the amount of requirement, they also know what the rates in the market are. We make the credit available. This way it is easier." Women indicated that the credit for these purchases would otherwise have had to be taken from external sources. It was as though women thought that their being able to enable access to credit was sufficient and that they did not need to participate in any other way in the interventions. There are no inputs or processes that would make them rethink this position.

Insufficient Support

Despite its emphasis on self-employment through asset creation, the SGSY scheme assumes that economic activity will generate incomes spontaneously, and does little to build capabilities for community members to actually initiate or run an enterprise. SGSY guidelines lay down that five activities are to be identified for each block (to streamline support services and training around these activities) for which the block office must provide forward and backward linkages and capacity/skills development inputs to assure their viability. Programme functionaries in the village studied were unaware of the five activities selected for their district and block, as were the women in the groups. A training programme was in progress during our visit to the block level (Sabarkantha). Women were discussing various income-generation options, but there was little awareness among the block functionaries conducting the training or the Gram Sevak of the village group of the nature of support activity required for these activities to become viable.

In the DWCRA programme, while women are individually engaged in activities like making and selling fans, vegetable vending etc, other than providing the Revolving Fund, the programme had not helped in marketing or in any other way to strengthen these economic activities. There are possibilities that have not

been explored. There is, for example, a district industries centre to help entrepreneurs set up small-sector industries such as sugar, paper, extraction of oil, distilleries and chemicals, corrugated boxes, egg trays and modern roofing. Yet no linkages with this centre have been made.

In the case of the Velugu-sponsored group, women who had bought cattle on credit are now concerned about fodder and water availability in the dry season. They are also concerned about how to manage with cattle, given the need to migrate. One of the members of the SHG told us despairingly that at least earlier she could migrate. The cow that she has she said is like “a chain around my neck”. She neither has access to fodder, nor can she leave. There is an absence of a composite support package to sustain the asset, and no capacity building for the women on how to anticipate and respond to concerns of sustainability. Merely providing the cattle is only half the job. Credit was where the buck seemed to stop, and it was assumed that women would find ways to ensure their activities from the use of such credit would turn out to be remunerative.

Inadequate Credit for Substantive Enterprises and Lack of Collective Enterprises

The loan amounts available from any of these sources—government schemes, SHGs etc—are too meagre to allow

Pro Poor Women

Anandi is very explicit in its bias towards poor women, and does not believe in dealing with women's issues as an issue of gender alone, but as one of the intertwining of class/caste and gender: “We have a very clear bias for the poorest women and for women who have a marginalised status because of their socio-economic status. If there is an issue of violence against a woman belonging to the Baria (upper caste) community we are not saying that we won't support her, but in terms of mobilising them for the development process, she is not the priority. We have serious problems with the approach of clubbing all issues under one umbrella. You need to focus on the issues of a particular group rather than combining them with others.”

As a result of the learning processes initiated by Anandi, women were deeply aware of the causes of poverty, the implications of migration, and problems of food security and the exploitative nature of contractual work. These were issues that now formed a regular part of the agenda of SHGs at village- and cluster-level meetings. Anandi has regularly conducted meetings and discussions on these problems. In the past 10 years, the federation (Devgarh Baria Mahila Sangathan, or DBMS) has developed a framework within which issues of poverty and exploitation are analysed, and this was further being refined with training inputs on the ‘diamond method’ which was ongoing during the period of the study.

for investment in substantial asset acquisition; moreover, the term of loans is too short (repayments begin as soon as loans are taken) to allow such assets to begin to reap returns. In such a situation, resources gained through credit can only be used for running costs rather than capital expenditures, once more perpetuating the cycle of lack of title and ownership to resources for poor women. A related problem was that in none of the interventions studied were the sponsoring agencies promoting enterprises that involved collective production or management processes.

In the case of the DWCRA programme, a senior functionary at the Mandal level in West Godavari district acknowledged that very few groups undertake collective economic activities. The well-known economic activity of the region—lace-making—was also done on a piece-rate basis. The case of the most common use of credit—the purchase of buffaloes—entailed collective purchase of an asset for individual gain. This represented a typically limited view of collectivity, which requires a group only for being able to access an asset, with the assurance of a peer accountability system.

Credit: Not Enough

One of the well-known lessons of livelihoods promotion efforts around the world is that while credit is a necessary condition for promoting small and micro-enterprises, it is not a sufficient condition. A variety of other inputs and services are required to complete the package. This includes systematic identification of livelihoods possibilities, motivating and training potential rural producers to take up those livelihoods, ensuring the supply of raw materials and inputs, equipment, infrastructure and technology, establishing linkages with marketing channels and, in some cases where needed, seeking changes in regulations and policy, while not all of these may be needed in all cases.

From *Sustainable Rural Livelihoods: The Challenge of the Decade*, Vijay Mahajan, Basix (www.basixindia.com/sustainable_rural_livelihoods.asp)

In Anandi, there are several instances of a collective working together for economic empowerment as well as livelihoods activities defined more broadly, such as the grain bank, but not collective micro-enterprises in the sense that entailed the creation of a product, provision of services or value addition. There is a sense that these are difficult to implement. Senior programme functionaries also point to the need to look at collective enterprises not as one whole, but to examine what elements need to be collective and which can remain at the level of the individual.

While at least the DWCRA programme clearly articulates the importance of collective economic activities (the approach is meant to be a group approach), in the case of SGSY as well as Swashakti, the possibility of collective enterprise was considered unrealistic. The district manager and field staff of INRECA (the NGO implementing Swashakti) described collective enterprises as amounting to “swimming against the tide”, an aberration in a context where all economic activity is household-based.

It is not being suggested here that collective enterprises are easy to implement. We argue, however, that sufficient efforts are not being made by the sponsoring agency to experiment and innovate in this area. The belief that collective livelihoods-related activities are not possible is held not only by the programme functionaries but also by group leaders and members. Part of the preparatory process would involve convincing the women that collective ways of running enterprises are desirable and possible. This was evident in the responses of women to potential opportunities for collective economic initiatives. Since collective enterprises involve large investments, justified fears regarding sustainability would also have to be addressed given the women’s perception of projects as short-term interventions.

In the DWCRA group, even though the field-level worker had tried to suggest to women that they undertake collective income-generating activities, they were not interested. As one of the group members said, “We go to the fields and work, we cannot work collectively”, implying that individual and household-based economic practice has been the norm and to work collectively would be difficult. The leader felt that the members “do not listen and therefore collective business is not possible”. Little effort has been made towards trust-building or to convince the women of the feasibility of

collective livelihoods activity. This is part of a larger phenomenon in which possibilities of addressing economic and social vulnerabilities collectively are not explored.

While discussions on collective enterprises are normally framed around collective production or service delivery, if we extend the possibility to natural resource management, we find that once again there is an absence of linkages between such interventions and efforts at poverty alleviation. Programmes for watershed management and wasteland development, while based on a principle of collective effort for collective benefit, are viewed by functionaries in Velugu and SGSY as being for the community as a whole and therefore of little consequence to the poor. Even when such initiatives and the SHG programmes are located in the same department, the equity and distributive issues are considered secondary to resource protection and regeneration. Poverty alleviation is limited to the poorest being targeted for specific assets rather than as part of the mainstream programme, reflecting once again a similar belief in household-level doles rather than a share in community action and the benefits thereof.

All the loans given in the SHGs studied were granted to individuals and not the group. Underlying this is the belief that it is easier to make recoveries from individuals rather than groups. The lack of collective enterprises is symbolic of the lack of importance accorded to the collective per se in a majority of the interventions. In a majority of the cases the collective matters because of the purpose it serves in enabling saving and the repayment of credit. A contrast is provided by women linked to the Anandi group: “We have to ensure our collective security for all of us to benefit. No one among us can think only of her own benefit only and survive for long.”

INTERACTIONS WITH INSTITUTIONS: SPONSORING AGENCIES, GOVERNMENTS AND OTHERS

The final section of this chapter looks at the interaction women have with two major institutions—departments and functionaries of the local or state government, and staff and higher-level office bearers of the sponsoring programme itself. Looking at the impact that membership of an SHG has had on women’s ability to interact in these spaces is an

Potential of Collective Initiatives

Undarajavaram Mandal is known as the egg bowl of Andhra Pradesh. Previously, the poultry farms were used to 'deep litter', in which 1,000 was a viable number of chickens for a farm. This allowed for both small- and large-scale poultry farms. Now the farms use cages for the chickens and they have to have at least 5,000-10,000 chickens to be viable. This requires an investment of Rs 5-8 lakh. The DW CRA programme had, however, not considered this an option for a collective activity because they did not think that women would collectively be able to run a poultry farm. The banks give a maximum loan of Rs 2 lakh to the poor, whereas this activity required much more credit as well as other support. This is one instance of many whereby the possibility of collective economic activities is ruled out due to the scale of credit required and the absence of support for sustained linkages.

appropriate measure of whether group membership has increased women’s ability to negotiate with those that hold more power, and inhabit the public sphere within which traditionally women have held little bargaining power. We assess the relationship of women with the sponsoring agencies, first by looking at the level of their involvement in the choice of the size and nature of their group and their ability to negotiate its function. We also look at the levels of dependency that each group has on their sponsoring agency and what factors determine this dependency.

Lack of Responsiveness to Demands Made by SHGs

Despite the fact that the State deploys SHGs in an instrumentalist manner, it is able to claim this ‘involvement’ of women as a marker of empowerment. A development that could be evidence of this empowerment would be that women SHG members now take complaints related to access to government services and other benefits to government officials. However, Nirantar Survey findings

Women have 'learnt' to knock on the doors of governance. The problem is that the women have to 'keep on knocking' The question that arises is: what is the responsibility of the State in such a situation?

shared later in this sub-section indicate that participation in Gram Sabha meetings and making demands from the Panchayat does not occur in a majority of the cases. It is also true that to the extent that such initiatives are being taken there is a movement of women into the public realm as well as an awareness of the possibility of demanding what is due to them. However, in the context of governance it also needs to be highlighted that in the majority of such instances reported by women during the qualitative study, the women did not meet with success in their demands. This is akin to a situation in which women have 'learnt' to knock on the doors of governance. The problem is that the women have to 'keep on knocking'. The question that arises is: what is the responsibility of the State in such a situation? While it reaps the benefits of appearing to have empowered women in this manner, must it not show itself to be responsive to the demands that the women are beginning to make?

It also needs to be underlined that in the majority of the cases women were making these demands of their own accord, because of the problems they faced. They were doing so despite the lack of inputs to enable them to hold the government accountable, not because of such inputs. In some instances the involvement of women in making such demands also constituted an instrumentalist use of women's groups by the men in the communities. In others, however, they represented an increasing recognition on the part of the women of the opportunity that they now had of presenting their demands to the government.

The SHG group linked to DWCRA gives us insights into the nature of engagement of the women with governance. Two of the members of the group do not have ration cards. They have been asking for ration cards for the

past seven years, without any success. "The officers from the Mandal come and tell us to get our family planning operation done they but don't respond to our demand. The MRO, MDO, MLA—they have all come," said one of the members. When asked about the Sphurti Sevika, the field-level worker linked to the programme, they said she was "too busy". "Even if we tell them about our problems during Janmabhoomi (regular meetings in the village with government officials for the redressal of problems), they just listen to us and go away. No one really pays attention to us. Maybe they will pay some attention to you." When their demands have not been met, the women have gone to the Mandal Development Officer's office to ask what the position is, but they have also found themselves unable to strategise any further about how to get the problem solved. The nature of the demands being raised by the women were 'individual' needs (although given the nature of the problems related to, say, the ration cards, the issue is a collective one). No demands for services that would serve the entire community had been made. Also, other than family planning operations, the women mentioned that they had also motivated villagers to go for eye camps.

Political awareness and skill-building has been a part of Anandi's strategy for women's empowerment. Prior to the elections for the state assembly, Anandi had organised training programmes to prepare women to lobby for the political interests of tribal women. Discussions had ensued at various levels on how candidates of different parties could be screened for their commitment to these issues. Women had also invited the candidates for discussion around issues that they would support, and sought responses from them on issues such as violence against women, exploitation at work sites and food security. Women reported having lobbied for candidates only after verifying what their interests were and if they would represent their interests. The responses of candidates were discussed and their party manifestoes analysed before women decided to cast their vote for a particular candidate. Women also reported having put forward their own candidates for local elections. Such women were absorbed in leadership positions in their own federation on the cluster committee or as a federation committee member.

Apart from issues related to party politics, building

political awareness among women about their rights, enabling women to demand accountability from the government and to discern between right and wrong processes in governance are a part of the training agenda of the organisation.

SHGs and Panchayats

The study found evidence of the participation of SHGs in the identification of candidates that they would support. The problems tended to begin when the SHG members were unable to hold the elected women representatives accountable. Members were also not able to recognise or act upon the need to support the elected women within the patriarchal Panchayat structures in which they found themselves. In most cases, the elected leaders did not address the problems that women brought to them, often leading to a situation in which the SHG members felt betrayed by them. Once again, the study shows an absence of learning processes that could have enabled SHG members to demand accountability and support the women elected representatives. Needless to say, the women elected representatives were, in a majority of the cases, members of SHGs themselves. They had also not received adequate inputs to help them function effectively as Panchayat leaders.

The Choice of the SHG Mode

Long before the onset of the SHG phenomenon, many NGOs had been enabling the formation of village-level women's collectives. This study, consultations held with NGOs during the course of the study (listed in Annexure 2) as well as other research work, have shown that the demands of microcredit have meant that in several instances these larger collectives have had to be divided into smaller manageable units of 10-15 women. This is an average range—the actual figure varies from organisation to organisation, although the vast majority subscribe to the norm defined by NABARD, which is between 10 and 20 members. The logic presented is that a smaller group is financially efficient in terms of ensuring repayment and is also easier to manage. The study provided an opportunity to examine the implications of the shift for the social agenda. The experience of Peace was particularly instructive in examining how a change in mode impacts the women and its perceived implications:

Both the staff and the members of SHGs were unanimous in the manner in which they perceived the benefits of the shift from larger collectives to smaller SHGs in Peace: "If it is a small group, they feel fear and responsibility and pay. When it was a big group, we were not able to keep track of repayments. Since it is a small group, we can catch hold of them immediately."

Janmabhoomi and Adult Education

Clearly, members of the DWCRA SHG had not received any learning inputs or an enabling environment to help the women identify community-level needs or to further strategise about how to hold the government accountable.

If we examine one of the sites of potential negotiation (and not merely placing of demands) with government officials—the Janmabhoomi—we find a striking absence of the kind of learning-related interventions that women require. The interventions related to the Janmabhoomi undertaken by the Continuing Education programme of the district Adult Education Department are as follows. Information about

the Janmabhoomi meeting is pasted in the Continuing Education Centre (CEC); it is also pasted on the Panchayat board. At the Janmabhoomi, the Prerak (the village-level adult education functionary) reads out the number of people in the village who are still non-literate and the number of people who are neo-literate. Typically, the Prerak raises the issue about why non-literate people are not coming to the CEC. The Janmabhoomi serves as a forum for motivation. Neither the functionaries of the adult education programme nor the women provided any instances of the role of the Prerak in helping SHG members raise or negotiate issues at the Janmabhoomi.

■ Approximately 50% of the groups had some linkage with Panchayats. This figure was lower for government-sponsored SHGs at 37% and 59% for NGOs.

■ Of the government-sponsored SHGs, in 42% of the groups no one attended the Gram Sabha meetings.

The findings indicate:

■ A low level of engagement of SHGs with Panchayats, both in terms of participation in Gram Sabha meetings and the extent to which demands are being made on Panchayats.

■ The greater participation of leaders in the Gram Sabha meetings as well as in making demands from Panchayats is a further indication of opportunities that group leaders have access to for an engagement with the public realm that further strengthens their learning as well as power.

■ In terms of literacy as an axis of power too, we find that it is mostly literate women who are making demands from the Panchayat. Literate women are also 'over-represented' as elected members of Panchayats.

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As shared earlier, the nature of concerns that were being addressed by the larger collectives included violations related to arrack, atrocities against Dalits and unequal wages. These issues were such that directly challenged larger power structures. The strategies included methods that would be termed militant. Staff members reported that there was a change in the nature of issues and now more 'social' issues are being taken up such as "water, sanitary facilities and electricity". In terms of strategy, typically "SHG members take their problems to local government officials. They also seek from the officials information about schemes and benefits. The action is more focused now."

It is striking that despite the intensive exercise of review and redesigning that had been undertaken, our interviews indicate that implications of such a shift in structures for the social agenda did not appear to be part of the exercise. Even after the shift to SHGs had been made, it is clear that the implications for the social agenda have not been analysed. This also reflects the lack of importance currently accorded to the social agenda by the NGO as well as the donor organisation. The donor's role in this process of structural transition, as a prerequisite to the implementation of the microcredit programme then determines the way in which the change is initiated, the framework within which the previous structures were analysed, dismantled and new ones (SHGs) instituted to the exclusion of social agenda as a component of analysis.

The context in which the shift from larger collectives to SHGs is being made is one in which there is little choice about institutional mechanisms available to them, since

invariably one finds, as evident in Peace, it is the donor agency that demands such a shift to the SHG model which it perceives to be a superior one. Benefits that accrue from the State can also only be accessed if the group is in the form of an SHG. These factors have compelled and motivated many NGOs to break down larger collectives that they had themselves helped form. A majority of the NGOs that we have interacted with during the course of the study as well those who have participated in the related consultations have stated that they see this shift as having negative consequences, especially in the realm of social justice. In the area in which Peace works, too, we heard such an articulation by other local NGOs. As was the case earlier with Peace, several of them work with the larger village-level collective model. A founder member of the NGO, Pilapu, spoke explicitly of the limitations of the SHG model. He finds, however, that there is no longer much of a choice regarding the institutional form.

"With the large Sangam model, people can come together quickly. In the current SHG model being sponsored by the government, people will never come together. There is competition between groups. And yet the government is not giving Revolving Funds to big Sangams and only to SHGs. NGOs have raised this issue at district-level meetings but the policy has not changed." Some members of DDN, including Pilapu, have now started forming SHGs. The compulsion to shift to the SHG model comes from the State as well as the donors as effective means of service delivery based on people's own resources, while minimising the scope for social mobilization.

Dual Membership

Returning to the issue of choice of the institutional mode, we need to examine a context in which women find a multiplicity of SHGs in the same village. There is competition between sponsoring agencies, both governmental and non-governmental, to attract women to 'their' SHGs. Specifically in the case of State-sponsored microcredit programmes, there is also the possibility of additional benefits, such as gas connections and subsidised credit or grants. This creates a situation in which women need to make choices about which SHG they would benefit most from.

The experience of SHGs linked to Peace showed some of the tangible problems that women face in such a context. Initially, Peace had encouraged women to join DWCRA because of the benefits that that would become accessible through this identity. The women were told that they could do this while continuing to be part of the Peace-sponsored SHG. However, CARE, the sponsoring donor organisation, had a clear policy against dual membership. Therefore steps had to be taken to ensure that women were not members of more than one SHG. The women were then told that they had to choose between the two. One of the problems in this scenario was that if the women chose to join the DWCRA group they would have to settle their account with the MACs federation through which their savings and credit was managed. Peace gave them six months to repay the amount that they owed to MACs.

At one of the group interviews, the women had this to say to the staff members of Peace who were present: "If you had told us before [that dual membership is a problem], then we would have not joined DWCRA. Now you are saying that it is not possible to be a member of both groups. You people asked us to join DWCRA. Now you are asking us to choose. How can we get out of this? How do we repay the loans?"

Peace is also not comfortable about enforcing the policy against dual membership. One of the staff members said, "The women have been saving their money with the DWCRA group for the past two to three years. Now, when

they are about to get the benefits, if we ask them to choose they will feel bad. Also if they get government loans, the interest is much less. So they lose that benefit if they leave DWCRA." Peace was clearly making an ethical choice in enabling women to decide on the basis of what was in the women's best interest. "If we ask the women who have chosen to go with DWCRA to return to the Peace-linked SHG, they will come back any time. But we will not do that because it is not the right thing." According to Peace, about 20% of the women have left 'their' groups to join DWCRA (which during the course of the last field visit was being amalgamated with Velugu).

The phenomenon of multiplicity of groups is common across regions and, in fact, NGO staff in various organisations we visited spoke of government functionaries seeking membership from their groups, thereby promoting multiple membership. Women, on the other hand, perceive the government association differently from that with the NGO. "There are benefits we can get from the government so we join those groups, but with the NGO it is a

The phenomenon of multiple groups is common. The government seeks membership from groups formed by NGOs and promotes multiple membership.

longer relationship," said the leader of a group that had encouraged group members to join a government programme while they were already members of an NGO-sponsored forum. In some cases, however, the problem arises if loans are taken from one to repay debt to another, which can jeopardise the viability of the credit-based model, which may be the reason why some organisations—like CARE—have rigid rules about dual membership. For the poor, however, it offers different services from different quarters, as well as multiple sources of credit which may make available a larger quantum of resources or could entrap them in a larger debt trap. But in the absence of

There is a striking uniformity in the size of SHGs: 96% of the groups had less than 20 members. 33% of groups had 10, or less than 10, members.

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options where debt is a constant risk to deal with crisis and other needs, the access to such institutional forms serves to regulate and mitigate the risks for the poor.

Multiple membership also has the advantage of providing access to varied sources of information and opportunities for exposure, as explained by the women of the SGSY-linked SHG who were also members of the Dairy Federation, a group-based milk society. "We do not get out of our work and our houses—this at least gives us a chance to meet and interact with different kinds of people and learn different things. I have been for two training programmes with the dairy group, and I can share that information also with these women. And when they get their buffaloes from the SGSY loan they can also become members of that group and learn new things."

Ability to Envision and Manage Federations

In this section, we examine the extent to which women are able to envision, manage and participate in institutional mechanisms such as federations. We see the importance of these dimensions as elements of empowerment per se. This aspect of SHGs is also important to examine in a context in which building people's institutions is an important part of the articulation of agencies that promote microcredit, particularly the more high-profile implementing agencies such as Velugu. Also, in the context of education, this aspect becomes important because any stated commitment to building people's institutions would entail examining the extent and nature of efforts to promote learning processes that enable people to envision and run such institutions.

We provide evidence here from two scenarios. The first scenario relates to an intervention (Peace) wherein there is recognition, particularly on the part of the donor agency, that the dependency of the federation on the NGO needs to reduce. The articulation of the donor agency was in terms of the women of the community being best placed to deal

with their own interests and that the NGO might have other interests at work. At least at present the stage was one where not much effort had been made to build capacities of the MACs board members. The second scenario is one of a high level of rhetoric but limited capacity building—that of Velugu and the Mandal Samakhya.

In the interview with the MACs (federation) board members in Peace, women reflected on the changing nature of their involvement with the federation and shared perceptions of their role in federations. "Now the situation has changed. Earlier, Madam's responsibilities were more and we had no work, but it is different now. We share the responsibility, we have become more committed. So we and our savings are the main priorities now. If one person is missing, then we all go and collect that money." While the women spoke about an altered division of labour which involved their taking greater responsibility, the framework was one of 'helping' the sponsoring organisation. The women's articulation of their role in helping reduce the burden on the sponsoring organisation resonated with women's perception of having reduced their husbands' burden through their contribution in terms of savings and credit. In the above response it is also significant that the arena of responsibility that they refer to relates to recovery of loans.

The situation in Peace needs to be located in the context of the understanding of the donor agency with respect to the need for capacity building for institutional frameworks. There was a clear articulation of linearity in the approach. The Cashe programme was designed to first put in place financially efficient systems and only then to engage with member participation and leadership development for SHGs and federations¹¹. Also it needs to be foregrounded that the key reason why Cashe gives importance to people's involvement with institutions is that the logic of microfinance says that there is a need for specialised and democratic institutions, run by people themselves, which handles their

¹¹ This view was espoused by the MD of NABARD at a UNDP-sponsored meeting in July 2005 where he proclaimed that groups that had acquired financial security through microcredit initiatives were now ready to initiate a social agenda. His point of view was challenged by practitioners in the field. Their view was that these groups were invariably associated with NGOs and had earlier too been engaged with a social agenda. With the advent of microcredit and its dynamics, the erosion of the social agenda is such that groups will seek such avenues to address those issues, only if they have at some point received such inputs

¹² Although they are often from the same community, it is the men of the communities that are recruited as Sanghamitras. Others from outside the community who are more educated are recruited for higher posts or are drawn on deputation from other departments.

financial needs. The primacy is of autonomy in financial terms. This understanding raises fundamental questions. Is it possible to have a linear approach with respect to capacity building? How can one set up people's institutions and leave enabling processes related to confidence building, critical reflection, understanding of power, solidarity and trust building for a later point in time?

In the absence of these processes, how can women experience greater ownership of institutions, even if according to the vision of the sponsoring agencies the institutions should focus on the financial? We argue that the question of ownership arises only when there is a willingness on the part of the sponsoring organisation to enable women to take ownership.

In the context of Velugu, the district team and the Gender Resource Person (at the district level) described the process adopted for institution building as one of putting the structures in place followed by encouragement to women and men in communities to adopt these as the mechanisms through which various activities could be undertaken. One of the ways in which the process of institution building could have evolved was for the federation at the Mandal level to have been built organically from the federation of SHGs at the village level. However the creation of the Mandal-level federation did not follow this bottom-up approach. This priority to focus on setting up the federated structures was considered necessary in order to address the objectives of the programme within a given timeframe rather than the luxury of allowing processes of institution building to evolve.

There was also an assumption evident that the structures of the poor would be adopted by the poor to function in their interest by virtue of their membership, despite their lack of experience in operationalising such mechanisms. The issue that the idiom and nature of institution that the poor may build for themselves given the space and opportunity did not therefore arise—the federation and VO structure and the roles of each of these was a given. There was therefore an absence of a sustained and steady learning process to enable visioning and ownership of the institutional mechanisms, apparent in the way that women look to the project functionaries to manage change at every level, while operational tasks are delegated to them. Thus the structures were expected to

Rather than provide for adequate time for women to acquire capabilities, it has been planned from the inception itself that staff members would run the programme on a long-term basis.

evolve into people-owned institutions but no clear strategy was in place to make that happen. Little planning had gone into enabling this processes as project staff continued to play the management roles. This raises the question of the purpose of such institutions. It was apparent that there was not much discussion about why there should be a structure like the Mandal Samakhya prior to its establishment except to illustrate the material advantages such as procurement of commodities, the advantages of economies of scale and access to credit.

At the operational level this implies that the management is vested almost entirely in the hands of the staff of the programme¹². Technically, the staff is meant to play a supportive role, with decision-making in the hands of the federation leaders. There are certain mechanisms in place, such as salaries of the staff being routed through the federation leaders, as well as all decisions being taken through resolutions that are passed at the meetings, but this is more a formal arrangement than a reflection of the reality as the staff members are invariably present in these meetings and place these issues on the agenda for ratification without much discussion if any. Women are present at the meetings and, according to the managers, are expected to learn from the exposure, but in the absence of any in-depth discussion there is little opportunity for an analysis of the pros and cons of decisions.

In fact, a reading of the minutes of the Mandal Samakhya (with the help of the Assistant Manager and Mandal leaders) revealed that there were entries made that the women were unaware of and items on which women were unable to recall discussion having occurred. The manager claimed that there were adequate opportunities for the women to learn if they were attentive and participated in

the initiatives as the two lead office bearers had. These women were able to respond to our queries about the process adopted for the various activities in terms of the operational details, but confessed that they had no idea of the financial details and that much of the planning and conceptualisation was done with the staff, although they were kept informed. “And would you be able to perform these tasks if the staff members were withdrawn in the next year or so?” we inquired, to which they responded with a tentative, “But we will need them to help us with the accounts and the decisions.” An intensive process of inputs and systems is required to enable the women leaders to acquire the skills and gain the insights to play these roles even partially. In the absence of such inputs and support, the programme’s lack of sustainability may well become women’s cross to bear, without any analysis of the structures and design that prohibited women from enhancing their abilities adequately to undertake these tasks.

In fact, the project’s design assumes that women would be unable to undertake these tasks in the long run. Rather than provide for adequate time and opportunities for them to learn these skills and acquire the capabilities, it has planned from the inception that the current programme team would run the programme for the women on a long-term basis. The staff members will draw salaries from the federation rather than from the project. This would account for the haste in programme activities to draw up the CIF (Community Investment Fund) plans against which resources can be transferred to the federation account, and could then ensure the corpus required to enable these functionaries to be ‘employed’ by the federation on an ongoing basis. The logic here is not the interest of building institutions for women’s autonomy in the economic sphere, but to build institutions based on project resources that can then provide avenues for the sponsoring agency to be able to support staff members.

It is interesting to contrast the experiences related to DWCRA and Velugu as far as articulation of the desirability of building people’s institutions, in a context in which no

substantive inputs are being in both cases. We find that it is the federation of a ‘conventional’ programme like DWCRA, in which federations have had greater space for autonomy. Much less space was provided by Velugu despite the sophisticated articulation of intent with respect to autonomy. The absence of inputs makes for very little space for the federations to determine their agenda. The combination of a desire to be highly interventionist without providing the necessary inputs results in less space for women to take greater initiative.

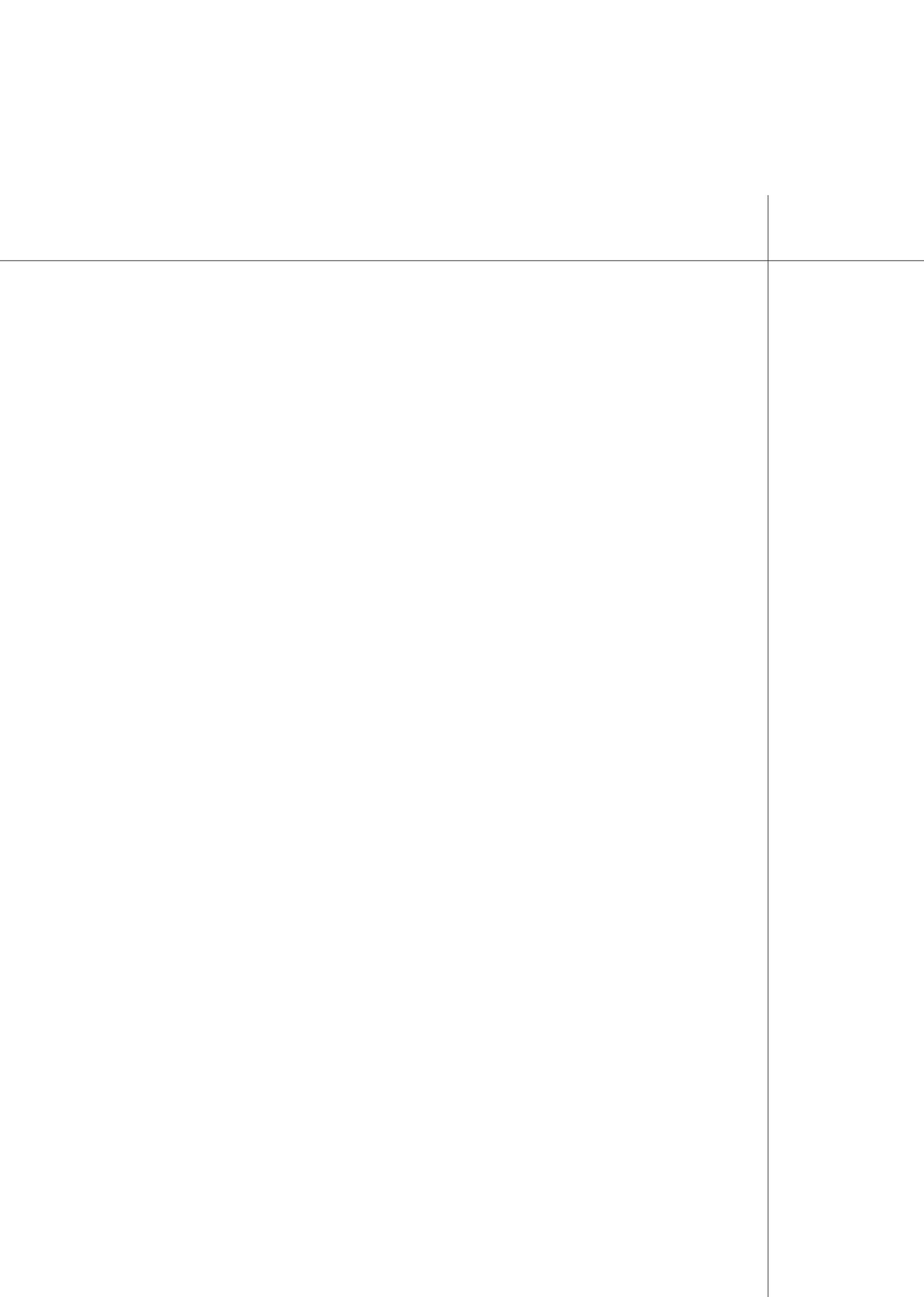
We also conclude that there can be no linearity possible with capacity building following the setting of institutions. These cannot be termed people’s institutions at all. There is only the rhetoric of people’s institutions if people are not supported in terms of envisioning the institution. If the sponsoring agency considers financial

autonomy to be the desired thrust of the institution, it makes the process even more problematic. This underlines the significance of the issues of why sponsoring agencies want people’s participation in the first place. We also conclude that even the more limited agenda of greater financial autonomy cannot be met if learning processes related to empowerment are not put in place.

The question of ownership arises only when there is a willingness on the part of the sponsoring organisation to enable women to take ownership.

These concerns become all the more important in a context in which there is an increasing focus on federations. These are being seen as the bodies with which the State, banks and other agencies can interact directly. While federations have great potential as representative bodies, this is yet to be realised in most cases, because in the absence of a genuine commitment to see them as people’s institutions and the learning processes that that would entail, federations will also replicate the inequities and the dependence on the sponsoring agency will continue.

Faced with an assessment of the ground realities of SHGs vis-à-vis their impact on poverty and empowerment in every aspect of women’s lives—within the group, within the household, market, and with institutions—we now turn to the next chapter in an effort to understand some of the factors why the ground realities are what they are. We look



SHGs, Education and Literacy: Assessing and Understanding

EDUCATIONAL INPUTS

Focus on Financial and Managerial Aspects

Equity in Learning Opportunities

- Cadre of Organisations versus SHGs
- Differential Access between Leaders and Members

Learning Inputs

- Learning Inputs and Livelihoods
- Learning Inputs and Governance
- Inputs Relating to Gender and Social Issues
 - ◆ Importance of the Collective
 - ◆ Erasing of Women's Contributions to the Household and Economy
- Lateral Learning

Educational Content of Literacy

- The Peace/WELLD programme: An Analysis of Primers

LITERACY

Women's Perceptions of the Value of Literacy

- The Desire for Greater Autonomy
- Communication Abilities
- Access to Information
- A Buffer against Exploitation
- For 'Checking'
- Literacy as a Basis for Leadership
- Linkage with Pursuit of Justice
- Linkage between Literacy and Self-management of SHGs/Decentralisation

Literacy Interventions

Concerns Related to the Nature of Literacy Interventions

- Lack of Vision
- Levels of Literacy Achieved
- Lack of Appropriate Materials
- Low Priority of Organisations
- Lack of Financial Resources
- Lack of Inputs to Enable Use and Sustainability of Literacy
- Challenges to Enable Neo-Literate Women

Implications of lack of prioritisation to literacy

- Unequal Access to Information
- High Levels of Dependency on Sponsoring Organisations
- Leader-Member Divide
 - ◆ Access to Leadership
 - ◆ Greater Access to Information
 - ◆ Access to Trainings
 - ◆ Greater Access to Resources
 - ◆ Membership of Other Forums
- Power Dynamics between Literate and Non-literate Members

In the last chapter, ground-level realities significantly evidenced that groups are struggling to take forward justice and equity issues. In a majority of cases, women bear a higher burden of work, find it difficult to negotiate their rights in the family, possess limited information about the financial transactions they undertake, have limited exposure to livelihoods-strengthening possibilities, and are burdened by high dependence on sponsoring agencies. This is clearly a situation to cause concern. What are the factors determining these realities? What can help change them so that they are more inclusive of the needs of poor women? Now, we examine the learning processes that SHG members have had access to, to examine whether their inability to be truly empowered through the SHG space is impacted by the nature and extent of learning processes.

Literacy is often dismissed as being unimportant—a lower order, mainstream concern—but Nirantar's work in this area has always alerted us to the deeper linkages between literacy and power. Our findings show how literacy is a strong determinant of access to leadership, credit and learning opportunities, on the one hand, even while the provision of sustained literacy opportunities on the other remains deeply fragile and erratic. It is, therefore, also an effective lens through which to assess the SHG space. The issue of literacy also assumes significance in terms of the power dimensions of the relationship between the SHG/federation and the sponsoring agency. The extent to which sponsoring agencies invest in literacy is indicative of the extent to which they are willing to divest power, reduce dependence on themselves and increase levels of accountability and transparency.

This chapter begins by looking at learning processes as part of our broader definition of education, and then focuses on literacy. The first part asks: are women receiving the kind of learning inputs—information, knowledge trainings, leadership opportunities—that can allow them to assess, analyse, and take decisions that are empowering? The second part seeks to understand both how literacy impacts

whether SHG spaces aid in the provision of sustainable literacy inputs. It is to these questions that we now turn.

EDUCATIONAL INPUTS

In this section, we look at the inputs being provided to SHG members as well as indicate the absence of those not being provided. We focus on inputs that are linked to empowerment and poverty alleviation rather than those with narrow financial agendas. Our intention is to examine absences and gaps in the provision of inputs as well assess the content and effectiveness of what is being given. We do

this because we believe that what is not being provided reveals the priorities of the sponsoring agency. We also examine the kind of ideological constructions that are being made possible through the inputs that are being provided, and look at how these constructions closely reflect the ideologies of the promoting organisations. There are also a few but significant examples of

intensive, process-oriented inputs.

Literacy is a strong determinant of access to leadership, credit and learning opportunities. The provision of sustained literacy opportunities however remains deeply fragile and erratic.

FOCUS ON FINANCIAL AND MANAGERIAL ASPECTS IN TRAININGS

An analysis of inputs provided to the cadre and to members of SHGs and federations reveals a focus on financial and managerial issues. The document which details the course content of the Basic Orientation for SHGs linked to the DWCRA programme (West Godavari, Andhra Pradesh) indicates a focus solely on enabling efficient group functioning. The content in the module on 'Rules of Group Functioning' relates entirely to the procedure of ensuring that repayment and meeting-attendance is regular. The trainings for leaders of SHGs sponsored by SGSY in Gujarat also focused on managerial aspects. SHG members are meant to receive training on record-keeping, rating and enterprise development. They have so far only received a single two-day training, with four hours of transaction time a day, on book-keeping and record maintenance. Even within the limited realm of inputs relating to management, members are

Swashakti contracted Asmita, an organization responsible for training at the state level. The focus of the training at the state level has been almost entirely on financial aspects—record-keeping, procedures for lending etc. According to the Asmita founder (a former government employee-turned-entrepreneur), only a minor part (10-15%) of the training relates to giving information on government programmes on rural development and health schemes. In interviews with the women, we found that women leaders who had been trained by Asmita did not know about reservations for women in Panchayats. The input's focus on women as mothers and reproducers, without any analysis of their roles in the economy or in the public sphere. The inputs that the women recalled related to health, hygiene and family planning. Asmita has developed a grading system for Swashakti which excludes social indicators. The training and evaluation agency itself, therefore, defines its role as that of ensuring that groups are managed efficiently in terms of their financial functioning in order that they are recognised as being creditworthy by banks. Partner organisations have protested this limited view of training and assessment.

Apart from disallowing staff members from promoting justice- and equity-related agendas, there are also implications for the ability to perform even their narrowly defined roles, given that capacity building for staff is so focused on

A large proportion of groups do not receive even a single capacity-building input—this figure is as high as 47% in the case of government-sponsored SHGs. An analysis of the nature of capacity-building inputs offered to SHGs shows that there is an overwhelming focus on 'group formation', 'leadership development' and 'financial management and bookkeeping'.

There is a much lower percentage of learning inputs provided that related to livelihoods and income generation (9.3%) or access/management of natural resources (11.4%). The least provisioning was of inputs related to 'gender', 'health' and 'legal rights'. When analysing the inputs in terms of the numbers of groups that had received particular inputs, we find that only 0.4% of the learning inputs received by government-

the financial. With INRECA, we found that field-level staff often seemed to be constrained by their own perceptions regarding tribal women. Very inexperienced, they struggled to conduct meetings and were unable to address women's problems effectively. Unaware of the problems related to the livelihoods struggles of women, they had not undertaken any social or economic analysis of the community.

With the exception of Anandi, training inputs provided to functionaries of organisations have been largely focused on programme concepts and strategies for implementation of project activities, seldom backed up by any analysis of local realities or constraints. Consequently, there have been few opportunities for reflection on problems and possible alternatives. Training has been a functional requirement for effective implementation rather than enabling processes of change and transformation. This has serious implications for the ability of the field-level staff to take the agenda in the community beyond predetermined programme-related activities. This is a situation for which the organisations are responsible, not the field staff, since they have very limited exposure of how to support empowering processes.

EQUITY IN LEARNING OPPORTUNITIES

Cadre of Organisations vis-à-vis SHGs

The study has provided clear evidence that access to

sponsored SHGs related to gender; the comparable figure for NGO-sponsored SHGs was not much better at 4.8%.

With respect to the focus on group formation, leadership development and financial management, there are two issues that need to be highlighted at the outset. First, as detailed in the sub-section on equity in learning opportunities, the vast majority of these inputs are provided to leaders of the groups, not members. Second, the findings of our qualitative study show that the inputs related to group formation and leadership development tend to focus on management, efficiency and discipline. There is virtually no justice and equity content to these trainings.

learning opportunities is inequitable. First, the senior-most leadership of all the interventions have a far greater clarity of perspective and objectives compared with the cadre down the line. While this is to be expected, the difference in levels of understanding is such as to negatively impact the work at the level of the community. Second, the study found that, even if insufficient in most instances, capacity building of the cadre receives much greater attention than the SHGs. Most often, there is no architectural design to ensure that the members of SHGs benefit from this learning. Capacity building of the cadre is critical. We are not pitting one against the other, but the disproportionate nature of inputs needs to be acknowledged and redressed. Also mechanisms for the community to benefit from these inputs need to be designed. Third, within SHGs, the study found that leaders of SHGs are much more likely to have access to these opportunities than other members. This is addressed in detail later.

The study found that a dilution of the recognition of a broader capacity-building mandate down the line in all four government-sponsored programmes. In SGSY, although discussions at the state level revealed some concern with enhancing opportunities for the groups on various issues including health and Panchayati Raj, these were not shared at the district or the field levels. Staff at one Taluka office, in fact, referred categorically to the guidelines and stated that the SGSY was a credit- and subsidy-based programme and their role was to ensure that women saved regularly and that bank linkages were made. During the interview, questions related to women's status and opportunities for women's empowerment were considered beyond the scope of the programme as well as the promotive department of Rural Development, and were referred to as the subject matter of the ICDS programme of the Women and Child Department.

The diluted recognition of the need for inputs to SHGs down the line aggravates a situation in which the

The inputs focus on women in terms of roles as mothers and reproducers, without any analysis of their roles in the economy or in the public sphere.

programmes in any case choose to focus more on the cadre than the women. If the district or block levels of leadership are themselves not convinced about the need for women to be empowered, it makes it more difficult for women members of SHGs to access learning opportunities.

Even in a programme like Velugu, which talks about a strong capacity-development strategy for women's federations, interviews with the SHG selected in the study as well as with village-, Mandal- and district-level staff members, show that inputs are targeted at the cadre rather than at ordinary members. Velugu sees capacity building of the cadre as a way to ensure that the processes are understood by those who need to facilitate them so they can transfer and initiate activities more effectively. However, given the absence of inputs to women, this implies that there is a continuing dependence on the staff. Moreover, the concepts introduced by the training do not challenge structures of power, either economic or social. They do not equip cadres with the means to undertake reflection and analysis of the processes of impoverishment that the programme seeks to address, nor does it give them any trainer skills.

A preliminary gender sensitisation of the staff at all levels has been organised followed by issue-based sensitisation. The understanding relating to gender evidenced in group interviews was low. The perceptions of the Community Co-ordinators, even after having participated in a gender training session, were very confused. They saw women as non-productive. They did not see the neglect of the girl child as related to the status of women in the economy.

Moreover, in the SHG that we focused on in the study, we found that the inputs that had been provided to Govind (the village-level worker) were not shared with the SHG members. The two issues that he did share related to literacy and unity. What Govind learnt at the training was expected to be 'transferred' to the group in programmes which lasted two to three days. However, he said that this was not feasible due to their workload. (The experience of NGOs working with rural women shows that if the content and design of the training is relevant, women will invest time in participating in trainings of this duration and even longer.) The strategy was changed and now the 'transfer' is meant to take place at the regular meetings. From what the women shared, we did not

If we consider the three most provisioned capacity-building inputs—group formation, leadership development and financial management/book keeping—we find that the participants of these trainings are mostly leaders of the groups, not members. 42.3% of the group formation trainings involving only leaders. Leaders have multiple advantages in terms of access to capacity-building opportunities in the sense that they also tend to be the more literate, and that the more literate members of the group have greater access to such opportunities.

Once again, if we look at the categories of the most commonly provided inputs—formation of group, leadership

development and financial management/bookkeeping—we find that the focus is on literate members of the groups. 67.6% of the trainings on group formation involved participants who were 'mostly literate'. The figure for leadership development was 78.2%. The differentials, although reduced, exist for all categories of capacity building. In the category of gender-related inputs, for example, 53.9% of the groups reported that the training that they had received involved a majority of literate members. The differentials were, on the whole, not less in the case of the NGO-sponsored SHGs.

Nirantar Survey

This is a source of concern because the group has been in existence without receiving an input on gender, an aspect of social justice which the programme declares as critical.

Differential Access to Learning Opportunities between Leaders and Members

In every SHG interviewed, there was a sharp differential in access to learning opportunities between leaders and members. In SGSY, the exclusion of members from such opportunities extends to participation in events like the March 8 rally in Gandhinagar to which only the leaders were sent by the Taluka officials, despite all the members wanting to go. Even a programme like Velugu, which lays so much emphasis on capacity building, has chosen to focus first on the cadre and then on the group leaders, once again excluding members from the charmed circle of learning. Interestingly, DW CRA, West Godavari, has realised the limitations of providing inputs only to leaders and now all members participate in the basic training programme, although it has been a rather delayed realisation. The first input to members of the group we studied was provided in 2003, seven years after it began.

The NGO interventions (not including the NGO implementing Swashakti) have made efforts to make available training opportunities to members. In the case of Peace, this has happened with the WELLD project. When we asked the Cashe team at Peace what their dream was for SHGs, the first thing said was that the focus should not

members should also be active like group leaders.”

Anandi has also consistently built capacities of all members. One of the ways in which it has sought to enable equity of opportunity for learning is by having a system whereby different women from each group attend trainings in order that capacities of more and more members is possible.

Literacy is a key determinant of the access to learning opportunities, as detailed in the section below. The experience of Anandi also shows that levels of poverty play a role in determining whether women are able to access learning opportunities. The commitment to address inequities related to learning is located in a larger concern for inclusion of those who are marginalized.

One of the other norms the groups supported by Anandi follow is that training is a precondition for members to access loans as well as to come into positions of leadership. While on the one hand this evidences the importance that is placed on training, it also raises issues of equity that the organisation is seriously engaging with. The reality is that the poorest among the women could not afford to lose out on their daily wages and therefore are unable to participate in the trainings. One of the solutions discussed is to be more flexible in the application of this norm. While the option of provision of compensation for wages to enable participation in the training has been discussed, the older members having been through the process themselves feel that this is not desirable and that

this have been raised by the cadre, an important part of whose training is perspective-building on equity. This has resulted in the field staff acting as conscience keepers to the groups in the context of women's ability to participate in trainings, accessing loans and food security, as well as come into leadership, as the call for a change in leadership of groups as a process of democratisation becomes louder.

LEARNING INPUTS

Learning Inputs and Livelihoods

In the previous chapter we have already seen how SHGs are not being provided inputs to enable them to choose truly livelihoods-strengthening activities, or the inputs to enable entrepreneurial initiatives to translate into income-enhancing activities, because of the absence of forward and backward linkages. Here we look more closely at the nature of the inputs which are being provided, related to livelihoods.

The document which details the course content of the Basic Orientation for SHGs linked to the DWCR programme, given at the Mandal level in West Godavari, indicates a clear focus on income generation/micro-enterprise (and excludes other livelihoods-strengthening possibilities, such as those related to natural resources). This module deals with raw materials, skills, marketing and the benefits of collectives. These benefits are explained as being that packaging and marketing can now be done in bulk. There are also trainings at the district level that were provided by TTDC (Training and Technical Development Centre, an initiative of the DRDA). In these trainings, the skill trainings relate only to saree painting, tailoring, embroidery and crochet lace cap-making. Other inputs which hold greater potential to address existing livelihoods options and a lower level of dependence on the programme were only included as demonstrations of machinery. The 24 machines at the TTDC included carpentry tools, charkhas, chilli powder

Spiral of Learning

In the case of Velugu, group leaders do not receive trainings as such, but have had opportunities for greater exposure than the members. The Mandal Samakhya leaders illustrate eloquently the spiral of learning. Selected from among the leaders of their groups, they are now the focus for all learning and exposure programmes, interface with government functionaries and visiting dignitaries. The responsibility of keeping the model active lies with them and therefore the programme seeks to provide them the requisite inputs. Similarly, in Swashakti, it is the leaders who are the focus of all learning in the groups, as they visit the office of the NGO on a monthly basis and have been for field and exposure visits. While other women may accompany them, they are the core of the learning process.

Being from the more educated and empowered in the group already, these women are then able to capitalise on the learning experiences much faster and access benefits for themselves and for the group. While the reason for focusing on them in the first instance is reported as being in the group's interest in the short run,

the non-tangible outcome of such a process is manifold: such women emerge as the centres of information, coupled with being marginally better-off than other women in the group, and therefore wield greater power over the group and its agenda. They are also able to access greater information and sift it according to their needs, sharing only some of the same with other group members. They then exercise discretion in applying norms as well as in asserting discipline in the group. Other, especially resource-poor women in the group, can neither assert such a position for themselves nor can they question the discretionary assertion of power of those in leadership position lest they fall out of favour. In our own observations, this delicate balance was barely evident initially but came to the fore as we were discussing norms for lending, where we found that none of the women in the SGSY or Swashakti groups are willing to confront the leaders for having taken the single largest loan or for defaulting on its repayment. Expectations of future gains obviously outweigh current equity concerns.

machines and coir rope-making machines. Merely showing women the machines had very limited value, as became clear in the interview with one of the SHGs which had participated in the training.

When we asked the women about the training, they responded playfully and said, "Ask us what they said there!" On repeated questioning, they responded: "We don't know," and, "We went there, ate our rice and came back!" They said later that they were shown several machines, but could not save enough to purchase them. They were told about 'big businesses', which was inappropriate. The women in turn suggested that the trainers show them what was more realistic—"the small things we can do". In the interview, women communicated to us a clear rejection of all the micro-enterprise-related options that had been suggested during the training. There had been no process of engagement with the women regarding the feasibility of the suggestions.

During the course of the discussion we probed further and asked women why they felt that the micro-enterprise options were unfeasible. We asked why it was not possible for them to use the Revolving Fund money to invest in one of these options. The women told us that DWCRA officials had also told them to undertake some of these activities. We gathered from what they told us that there had been no facilitation of an engagement with these possibilities.

A similar experience was narrated by women of the Swashakti programme. "They took some of us to see income-earning projects, we saw machinery for making candles, keeping bees, making plates from leaves, dairying and other things. But no one was there to explain, we did not touch or use anything, all this happened in one day. So how can we decide which is good for us and what we can do? We do not even know what needs to be done for all this," said the group leader in frustration. Instead the organisation has taken the initiative based on its own abilities to access technologies and markets and has started training to provide work in sal leaf plate-making to the women on a piece-rate basis. The model of organisation or the potential of women undertaking this activity collectively has not been considered or suggested. The organisation has chosen to minimise inputs to teaching rudimentary skills while undertaking the other value-chain activities on its own. This implies a lack of

The State constructs women as recipients of information who will act upon the information towards fulfilling its development agenda.

can maximise community engagement and benefits.

Washing powder, soap, shampoo, agarbatti, candle-making, leaf plate-making—these are options which years of experience of DWCRA and NGO interventions have shown to entail a high degree of vulnerability to competition from industry, dependence on the sponsoring agency and a low capacity to challenge gender stereotypes. Even if one were to accept that these activities were better than no additional sources of income, it still remains a problem that the organisation does not articulate a role for women beyond that of piece-rate workers. This is reflective of the larger problem of the absence of an empowerment focus in the vision.

The inputs provided with a view to strengthening existing livelihoods (rather than micro-enterprise) have been such that the women felt they had not learnt much from them. We heard from women from a village site in Gujarat about a training on agriculture. They felt they were already doing whatever they were 'taught' at the training. The only new information was on the application of insecticides. However, there was no discussion on the merits and demerits of chemical insecticides or the possibility of falling into a debt trap that could result from a dependency on pesticides. In this case the danger is that of promoting commercial interests, without equipping women to take informed decisions. We find a similar danger in the nature of provisioning of information related to government programmes that construct women as recipients of information who will act upon the information towards fulfilling the development agenda of the State. Not providing women with any tools for a critical engagement with this information means a furthering of the instrumental use of women, their resources and labour.

The training content of the Swashakti programme as well as the SGSY programme on income generation

Sharing her understanding of poverty, the WELLD participant said, “You have money, I do not have money. So people listen to you. If I talk, they say I am egoistic. If you talk they listen. So poverty means making some people ‘lesser’ than others.”

feasibility studies and so on with the functionaries of the programme, but these are not considered relevant or necessary for grassroots women, for whom the training is limited to exposure to technologies and business ideas.

The study also provided evidence that the task of moving beyond this extremely limited realm towards strengthening perspectives with women from economically marginalised communities would be a rewarding one. There was a sharp contrast, for example, between the middle-class understanding of poverty of the leadership of conventional government programmes and the understanding of poverty which was articulated by the SHG members who were also participants in WELLD, the educational project implemented by Peace. Sharing her understanding of poverty, one of the participants said, “You have money, I do not have money. So people listen to you. If I talk, they say I am egoistic. If you talk they listen. So poverty means making some people ‘lesser’ than others.”

Another participant added, “We are not able to survive. We have no money. We have no income, no yield, no rains, no good seasons, no timely season, we have no literacy, we did not get the opportunity to study, our parents were not rich, there are caste feelings, we are Malas and Madigas!—that is why we are poor. And we are backward. We worked like slaves in the houses of upper caste people in those days. They exploited our labour. They just took services from us and did not give money. We were always forced to take loans with a lot of interest from the village heads, those upper caste people. We had no land, we were like beggars. So that led to inequality and poverty. The upper caste Reddys never allowed us to live peacefully. We worked for them for one

worked as bonded labourers in their houses... We have no support from the State, so we have no power.”

There was also a high degree of clarity on the linkages between poverty, education and knowledge.

“People who are rich often do not have common sense and intelligence. But they have power and money so they show it as knowledge. But we are poor... We have intelligence like rich people but they say that we are poor in knowledge... We are poor but we have lot of knowledge about land and nature. We also have intelligence. But it has no opportunity to grow. Educated people are able to do something or the other... If a poor student passes also he is not able to study as he cannot give money to study. Our parents could not afford to give us education, but we should make our girl children educated. That is why we want a night school.”

It needs to be contextualised here that the radical articulation that we hear probably has much to do with the influence of the People's War Group in the Telangana region, where Peace works. It is also difficult to say to what extent the WELLD programme has contributed to this understanding because the understanding of poverty which is reflected in the WELLD material is not as in-depth as that articulated by the women and is somewhat erratically spread over the span of the primers. However, the women spoke with a profound understanding, passion and confidence of a different order to that of other SHG members linked to Peace that we interviewed over the course of the study. This indicates a marked difference between WELLD learners and other women. We interpret this to mean that even some inputs provided in a regular forum for women, combined with the existing understanding that marginalised women have about their status, goes a long way.

We saw in the previous chapter how Anandi had a more holistic engagement with livelihoods with a focus on existing means of livelihoods. A staff member said: “We decided that the best thing will be to give information and support for ongoing livelihood security, and then communities themselves can come together to undertake new initiatives once the income from the current ones are secured. Without this being assured how can they explore other options?” This was a pragmatic approach which was also based on the organisational goal of education as a

offering short-term solutions to long-standing problems. The results of this approach are apparent in the strength with which women are able to negotiate their interests with the forest department for forest produce as well as for labour, with the state department for food-for-work and drought relief, and with banks for waivers on default or for release of larger loans. All these have been negotiated by the women's federation as entitlements and rational arguments are placed by the women to state their case.

The food security campaign evolved from an expressed anger within the women's groups about the absence of accountability of the government on the selection of worksites and labourers for work sites as part of the food-for-work programme. Based on this initial expression of the problem from one cluster and the shared expression of similar situations in other areas, a decision was taken to initiate a process to collect information and to understand the dimensions of the problem through discussions in cluster-level meetings. Women at the cluster level, in turn, took the process back to their villages. The outrage expressed by communities revealed that despite this being the third

consecutive year of drought, the State continued to be lax in its response and the poorest were invariably left out of the process of distribution of work and benefits. Thereafter these discussions were shared at the federation meetings and suggestions were sought from members in decision-making positions—cluster representatives, committee members, federation members—for their resolution. The women leaders at both these levels have become the core of the decision-making process as they have grown in their learning and experience. The role of the organisation has been critical in this process, a process of 'walking it through' with women, enabling them to define problems; define and analyse the causes—structural, institutional and others—and define the actors and their roles in the context of the problem.

Training inputs were determined along the way as the need arose for deconstruction of concepts and issues and to consolidate information and strategies, in which the women and the organisation invested both time and resources. These efforts would not have been possible in the absence of learning processes, since women have had an opportunity to understand their entitlements and explore alternative

Clarity of Understanding

"Our poverty is not just our problem—the government needs to think about what it is doing that makes us poor. Our forests are not ours any more, our water has been taken, our children cannot get work in our fields and have to go far away to work, very soon there will be nothing that we can grow and nothing that we can eat. My son is sick not because he has some illness—look at him. How can he live and support his children when he sees all this around him?" Jamuna asks, pointing to the dry, sparsely cultivated fields and the emaciated cattle.

She says that her husband, two daughters and grandson spend many hot hours collecting mahua in the forests these days to supplement the family income, as the fields have little to offer in the absence of water facilities and the other resources that were once available from the forest the year round but are now either depleted or are inaccessible to them. Many of the family members now have to migrate for months

together, where earlier they had enough to survive from their own fields for at least part of the year.

"Do you think we migrate because of choice? It is all because the government ignores us—we are tribal and we are poor and there is no one who cares for us. Only our Sangathan gives us a voice and helps us to reach our issues right up to the correct officials and departments. We learnt all this and now we complain and surround officials who are dishonest or try to exploit us. We can even take them to court!" she declares, referring to an instance when the women had of their own accord decided to take action against an errant Forest Department functionary for his misbehaviour with a member of the Sangathan. The women, of their own accord, decided that the instance called for stern action, to assert their rights to minor forest produce as well as to challenge the authoritarianism of the government functionaries.

Lack of Linkages with Literacy

There was an absence of linkages being made between livelihoods interventions and literacy in almost all cases.

This was true even of the livelihoods components of the Continuing Education programme in West Godavari, a district famous for the pioneering SHG-targeted literacy intervention that it designed. For example, if preparation of a product like detergent is being taught, there is no use of reading materials. The quantities to be used and method to be employed are read aloud, and all who are able to, write it down (and this surely excludes neo-literates). There was a State Resource Centre (which was established to support Adult Education programmes) booklet from which the Adult Education staff learnt the recipes and taught the women. But they have not given this booklet to the women, because they said that it covered too many items. Nor has any effort been made to create material based on this booklet. During one of our visits we saw that the recipe for detergents had been photocopied, but the material was not written in a way that would make it accessible to neo-literates.

In the case of Swashakti, although a literacy initiative has been undertaken with the help of the Gujarat Vidyapeeth literacy extension programme, the content and material is the prototype developed for the State. This content and material focuses on mainstream agricultural practices—which may not be relevant, in several instances, to the context of the tribal community. There are also references to cultural practices that are alien to and unfamiliar in the region. The literacy material does not refer to the main occupations of these people nor can women relate to the references on crops and so on that are not grown in their region.

The learning opportunity this offers is lost when the material is not directly relevant and does not add to the knowledge and skills among people about issues related to their own lives.

strategies on how to negotiate for these collectively.

Within the realm of livelihoods, other than issues of health, concerns related to education have also been taken up by groups linked to Anandi. One Sarpanch was intensely concerned about the condition of the school in her village. The master used to teach children in the Gram Panchayat office because the condition of the school building was so bad. The Sarpanch constantly asked the Taluka official to sanction a school and the Taluka official would keep telling her that he knew that only four children went to the school in her village. She told him to make a school and see “kitne bachhe padhne aate hain”. She pursued the matter right up to the level of the district government officials, who ultimately sanctioned the school.

Learning Inputs and Governance

The study found that trainings provide the State with an opportunity to give members of SHGs information about schemes. This makes easier the task of dissemination of information. It is also part of involving leaders of the SHGs in implementing schemes, by taking women for sterilisation camps, spreading information in the village about planting trees etc. From the descriptions that the leaders provided of their involvement with these programmes, it is clear that it was instrumentalist in nature. This manifested itself in the nature of the inputs given to the leaders. Women linked to the Velugu-sponsored SHG reported that while information on government programmes and the status of the girl child was shared, issues of denial of subsidies and malpractices in the Fair Price Shops were not discussed in the groups. Likewise, members of the SHGs in Swashakti and SGSY confirmed that no discussions had taken place within the groups on problems such as the low wages paid at government worksites and the harassment by forest guards. It is clearly not in the State's interest to enable women to actively engage in processes of planning, feedback or ensuring accountability of its interventions.

While the government finds in trainings and meetings a useful opportunity to impart messages to women, it is not necessary that women act on all of the information provided, some of which they recognise as lacking in utility for them. The nature of the information provided, however, does not

them to unquestioningly accept the services on offer.

In the DW CRA group, the members reported that the content of the monthly meetings to which they were invited by the Mandal Development Office related to topics like 'clean and green', pulse polio, welfare schemes, family planning etc. The women said that they are exhorted at the meetings to send their children to government schools and to use government hospitals. The reason offered by the officials as recalled by the women was, "We are spending so much money on paying masters' salaries for all your children and you, isn't it wrong of you to send your children to convents?" During the discussion the women indicated that they did not think that the programmes they were being urged to adopt and promote were necessarily beneficial. When we asked whether the women had adopted the saplings programme, for example, they said, "Yes, but what's the point? The goats would come and eat them up..." We asked, "But shouldn't you put tree guards around them?" One of them answered, "Only the metal guards last... Only the tree near the school has lasted, and that's a neem tree, which is bitter so the goats don't eat that." She concluded her account with, "Now all this I learnt only after going to DW CRA." Obviously, there is little discussion to address these issues or choice in the species etc adopted to ensure 'ownership' of these inputs by the community.

Other than trainings and workshops, DW CRA includes in capacity building the two-day monthly meetings of programme staff, which is addressed by the district-level Project Director. From the interviews as well as the minutes of the meetings, we found that these meetings were in the nature of monitoring and planning meetings. The most frequently mentioned topics included orientation about new schemes, evaluation of performance (the criteria for which was quantitative targets) and information about future targets to be met (such as NABARD loans to be disbursed).

What is required is that relevant information be provided, combined with building capacities for women to act upon the information. In the study, we found that even when the former was provided, the latter was not. Thus while INRECA, the NGO implementing Swashakti in Gujarat, invites individual functionaries from government departments to provide information to women, it has not facilitated processes to

Training Beyond Issues

The issue-specific trainings imparted by Anandi need to be located in the context of the leadership trainings they provide. Leaders have been imparted training systematically and in phases, in keeping with their roles and increasing responsibilities. The first phase is an orientation to the group concept and strategies to address problems of exploitation. The second seeks to equip women with skills to analyse problems and seek ways of addressing them effectively as a group. In the third phase, the emphasis is more on livelihood issues, initiatives based on credit as well as core issues of economic well-being. Accordingly, the current set of leaders in the Sagtada group have undergone three stages of training apart from the issue-based training inputs and interactions held from time to time as well as the learning inputs organised for the committees that they are a part of. Currently, a second line of leaders has been selected from among the members of such older groups who are now undergoing such training to enable them to come into leadership roles. This it is hoped will enhance their outreach to other villages, as it is now the leaders of the federation and the cluster representatives who reach out and help other villages form groups and initiate operations. They support groups and help conduct their meetings in the initial stage. Hence the second line can take over the operations of their own village while the present leaders can concentrate on strengthening and expanding the outreach of the federation.

Training is now organised at different levels depending on the nature of responsibilities of the organisation. The training curriculum and inputs are also informed by the experiences gained by the organisation in other locations of its work in partnership with other NGOs in Rajkot district where Anandi works with a capacity-development strategy. Training is organised for Mandal-level staff, for village-level workers, for community members as well Panchayat

any issues of governance at the local level.

Anandi's learning agenda related to governance has ranged from information about government schemes, processes required to access them, to analysing the State's role in development. Learning events have included taking women to government departments to understand how to process various forms and requirements, forums to which government functionaries are invited that provide women an opportunity for direct interaction in order to negotiate and lobby for their interests.

During the health campaign, for instance, women went through a process of analysing their health problems and relating these with their household status and availability of food and health care, and the access to resources and work in their region. They also made connections with the institutional framework of the State for provision of health care and the factors that influenced its access and the nature of services available. Based on this analysis, and an analysis of their status in society, in the household, as workers and as tribal families, community members began to realise the reasons for their lack of access to healthcare and the increasing deterioration of health as related to depleting natural resources and income.

As is evident from the processes adopted in the case of Anandi, a political-awareness agenda enables women to have access to critical information for analysis and reflection and for collective action based on such analysis. Processes of critical reflection and action are essential to ensure that the fundamental factors underlying poor women's status are understood and addressed by them towards the goals of justice, equity and autonomy. This strategic approach has been followed in the structuring of learning inputs in the organisation, whereby women are enabled to gradually examine any issue, from the issue of access to government programmes and access to and lobbying for flexibility in bank norms, to protesting against harassment by forest guards and against charging of fees by health functionaries. The key principles of such a process were evidently:

- Provision of information and access to sources of such information as a basis for analysis
- Analysis of the norms and processes underlying any activity against parameters of justice and equity
- Collective reflection of analysis to reinforce or challenge analysis as a necessary step—this provides the basis for information sharing as well as validation of their analysis
- Determination of a collective course of action to achieve the set goals, and to ensure role clarity
- Selection of strategies for negotiation and action that were best suited to the achievement of strategic gains

Inputs Relating to Gender and Social Issues

We undertook an analysis of the content of an interview and a training document from DWCRA, West Godavari. The programme places value on the human resource development of the staff. Trainings are provided by APARD (Andhra Pradesh Academy of Rural Development), an institution which provides inputs to staff members of DWCRA at all levels. The trainings include perspective building on poverty and the importance of women's empowerment. Through an interview with the Sphurti Sevika² who participated in these trainings, we found that the articulation of women's empowerment is still largely instrumentalist, and the analysis of poverty still one which holds the poor responsible. The understanding expressed during the interview was also reflected in the course content of the Basic Orientation for SHGs linked to the DWCRA programme, given at the Mandal level in West Godavari.

In all the interviews in the study, the importance of the 'collective' was talked about. When we probed further as to why collectives were important, in several of the interviews, particularly with the leadership and staff of the conventional government programmes, the reason offered was in terms of the financial gains accruing from women being members of a group rather than as individuals.

In the interview with the Sphurti Sevika, it was clear that although the training had meant some exposure to new

In the absence of political awareness-raising content in the training and orientation of groups, women are vulnerable to being targeted by multiple actors.

The 'Group'

For women in the Anandi group, however, the group concept preceded the advent of a predetermined agenda, and represented a forum for collective action and to fight for justice. The processes and actions of the collective at the village level as well as at the federation are viewed in this perspective. Even on the economic issues, therefore, the group is viewed as a space for mutual support. "Since we are already helping each other and fighting for justice in other aspects—in our homes, at work, with contractors and the government—this is one more chance to show our strength."

Women consider the financial aspect as one more aspect associated with their efforts for collective action, rather than at the centre of the process. The organisation's inputs and the clear articulation of a feminist rights agenda are the overriding principles. Lending and borrowing are issues of empathy and support rather than of discipline, they explain: "What is

the use of insisting on repayment when she cannot even feed her four children?" One woman leader explains about Kavita's defaulting on a loan repayment for the past four months. "When she has the money she will give it. Her husband is out [has migrated for labour], her father-in-law weaves baskets and contributes to the household. She goes to collect mahua these days to fill their bellies. Now there is a lot of pressure on all of us to make ends meet, so how can we insist?" says Jamuna Behn. Somewhere, the thought also lurks that insisting with one may also mean others will be pressurised to repay, and Jamuna Behn appears to be empathetic yet cautious in her comments. The collective operates as a larger forum to address rights in various spheres, and a few of the women are also members of the savings activity. But the group does not make a distinction between the two in their articulations, which may account for the high levels of mobilisation around issues.

concepts, the perspective was largely one which reflected the new constructions of empowerment which we encountered in other areas of the study. While terms relating to empowerment are often referred to, when one probes what the person means by these terms, the analysis is revealing.

What the Sphurti Sevika recalled from the training was that the objective of an SHG is to empower women economically and socially. Also, that there was an advantage to being part of a collective, as opposed to functioning as an individual, in that one can do more collectively. When asked to explain this further, she said that it is not possible for DWCRAs to give Rs 10,000 to each individual member of an SHG, but it can give this amount to the group. A similar refrain was voiced by the SGSY and Velugu workers. The Velugu members spoke of realising the merit of groups as collective fora to disburse and collect financial resources, while the SGSY worker said, "Now with the group concept our headaches are reduced. Women can talk about all the things they want, so long as they are

coordinator was even more candid, "On the pretext of forming a group, anyone can manipulate it to suit their purpose." Pointing to us researchers, she said, "You can teach them your feminism, we can teach them enterprise and business, the health department can target their health messages. Once the group is made, anyone can use it to suit their needs." The malleability of the women in the group to such manipulations as suggested by the middle-level functionary is alarming if a little dramatic. What it implies is that in the absence of political awareness-raising content in the training and orientation of groups, women are likely to be vulnerable to be targeted by multiple actors.

The superficial nature of the engagement with concepts related to empowerment was also reflected in the struggle to articulate exactly what is meant by these concepts. One of the values of the group stated by the Sphurti Sevika was said to be 'unity'. It took considerable time and effort on our part to evoke a clear articulation of why unity was important. She finally said that what the individual cannot do, the group could do. We asked what it was that the group should do.

Sangathan leader: “We also no longer see things as they seem but tend to remove as many layers to understand the nuances.”

precisely what that meant. The example that she eventually gave was that instead of individuals saving small amounts, when they save together, they can save more. This can then be used for individual benefit.

This reconstruction of the benefit of collectives is also present in trainings for SHG members. In the course content of the Basic Orientation for SHGs, the module on income generation/micro-enterprise explains why collectives are beneficial by saying that packaging and marketing can now be done in bulk.

The manner in which collectives are defined in these trainings reflects the larger logic of microcredit—that of a collective that is based on individual interest related to savings and credit. This logic also explains the absence of educational processes aimed at moving from individual experience to social analysis and collective.

Lateral Learning

An important aspect of the learning-related pedagogy adopted by Anandi is that of lateral learning. The method of learning for new groups has largely depended on interactions with the older groups, which are also involved in their training as well as in the mentoring thereafter. Women from the older groups recall having been taken for exposure visits and interactions with women’s groups in other locations to understand the processes of development and change adopted. Lateral-learning strategies were also adopted in the training of functionaries through the fellowship programme. The process of mentoring and briefing and debriefing that followed such events and the analysis that ensued have contributed in large measure to the political understanding that women have evolved towards various issues and the macro scenario in general. As one Sangathan leader said, “We

would be a great deal of preparation. And after coming back and during the visits in the evenings and mornings, there would be intensive discussions on the observations and experiences. So we no longer see things as they seem but tend to remove as many layers to understand the nuances.”

There have been very limited efforts on the part of the other sponsoring programmes to promote lateral learning between women. In the West Godavari DWCR programme, the federation members said, “When we women sit, we share our experiences, these are our learnings.” This reaffirms what the study evidenced in terms of violence-related issues also—the women might well take up cases but more ‘in spite of’ than ‘because of’ support from the sponsoring organisation. It is also in keeping with our finding that some positive elements of change will be there because of what women make of the space.

Exposure visits and exchange programmes have become the ‘flavour of the season’, in that all projects organise such visits as an option to training, since the responsibility of learning is transferred to the learner and their own perceptual abilities. Rarely do organisations and projects ensure that these are maximised through a structured process that incorporates issue-based observation, debriefing and feedback. In most instances included in the study, women went on such tours and visits as a motivational and exposure process with little preparation or any specific agenda. Velugu leaders, for instance, had little to share of their visit to other SHG-based microfinance organisations in the region. Little effort was evident in the nature of sharing what they saw, which might have enabled them to articulate their observations a little, or assess how their trip was relevant to them. “We went along with the functionaries, they did all the discussions while we observed.” Asked to describe the process, the women had little to offer except that there was “a large amount of savings and rules were observed strictly”.

A potential source of learning for the SHGs could have been the federation. However, with the government programmes, the role of the federation is narrowly defined to include monitoring of member SHGs or minimal task responsibility assigned to member SHGs by the functionaries, which restricts the space and opportunity for

EDUCATIONAL CONTENT OF LITERACY

How does the space of the SHG impact the content of literacy programmes? We seek to answer this question by looking in detail at the WELLD programme implemented by Peace. A programme that has an explicit articulation of social change and its links to literacy, WELLD represents an opportunity to assess a programme against its own stated claims to equity and social change through literacy, and to show how, even with the best intentions, the dynamics of the SHG model impact the content of material. It also provides an opportunity to understand the positive potential that such a programme, with all its limitations, holds for empowerment.

In the WELLD programme implemented by Peace, the stated objective was to link literacy, livelihood and women's empowerment. Here, we use an analysis of the content of the primers developed by WELLD as well as interviews conducted with women who participated in the programme to assess how effective the content of these primers were.

Savings and Credit

The perspective on savings and credit reflected in the content of the primers predominantly centres on the financial aspects of both programmes. When the concept of savings is first introduced, it is stated that saving at an individual level, while desirable, is not enough. Collective savings will be much 'larger'. When the savings are deposited in a bank, this will benefit the country, the group and the individual. The concepts of 'self help' and the collective are therefore equated to the quantum of financial gains that accrue. A later module states the rationale for SHGs is based on empathy, unity, self-reliance and self-confidence. However, it is not clear how being part of an SHG will enable these. There are few instances of collective action in the primer, such as negotiating with a woman's husband who is violent and has a drinking problem. Instead, the lessons focus on efficiency and how an SHG can be managed well. There is no discussion of how an SHG can be a forum to deal with social issues. At one point, it is stated that, in the meetings "we also

talk about other [than savings and loans] things" but what these consist of is not spelt out.

It is not surprising that the material has a strong focus on enabling women members of SHGs to use their literacy skills towards managing their financial transactions efficiently. The material seeks to increase levels of information relating to financial systems—understanding what a bank is, why interest rates are calculated on an annual and not monthly basis, or why interest rates are different for savings and loans. Literacy is linked only to the performance of important tasks such as record-keeping, writing receipts, maintaining ledgers etc. The material does not promote perspective building to enable SHG members gain strength in spheres other than savings and credit. Although the material includes issues such as gender and its linkage with division of labour, health etc, the analysis often lacks depth.

In the three basic literacy primers, there are a number of illustrations that the facilitator is meant to use to generate discussion on gender issues. One set seeks to compare a woman and a man's situation vis-à-vis work, wages, savings and control over savings. Since the only element which is different in the two sets of illustrations is that one has a woman and the other a man, the illustrations in themselves are insufficient. The accompanying text is also cryptic. For instance, the text that seeks to make the point that a woman has no control over her savings provides no explanation about why this situation exists. The overall questions that the facilitator is provided with to generate discussion on these images are: How are you using the money that you save? How else could you use your savings? There are no questions relating to differences in work, wages, savings or control of savings. The nature of these questions indicates the primacy of encouraging women to save and take loans.

Poverty, Livelihoods and Development

The primers allow women to gain an exposure to possibilities related to sustainable and organic agriculture. There is, however, no exposure to other livelihoods possibilities. For

In most instances included in the study, women went on such tours and visits as a motivational and exposure process with little preparation or any specific agenda.

example, in the section of the primers that seeks to enable women to use SWAT analysis, resource mapping etc, livelihoods are reduced to micro-enterprise. Instead of a focus therefore on work that women are engaged with, or in terms of natural resources, the examples of the functions that the tools (such as SWAT analysis) can be used for are in terms of identifying new products and services, none of which reflect or give any importance to the work that women perform in their everyday lives.

At various points in the curriculum, there are references to key development- and poverty-related concerns. However, the description and analysis of one particular aspect often leaves out crucial elements. For example, in the module on income, while there is mention of phenomena such as migration, industrialisation and inflation, there is no reference to the fundamental issue of access to resources such as land or water. Unequal access to land is mentioned but only in the module on 'The Farmer'.

The solution offered at the end of the conceptual section of the module on income is that we should save by not spending beyond our means. An attempted analysis of low levels of income and high levels of inequality is reduced to the agenda of convincing women to save. The tendency is to place responsibility on the individual is reflected also in the module on work. After a description of the changes brought about by industrialisation, it is said that migration is leading to an increase in the population of the cities, which means a spread of disease in urban areas. Other than virtually holding the rural poor responsible for this situation, the module also sees them as the ones who need to change the situation.

Those who have developed the curriculum are clearly aware of some of the critiques of mainstream development, however, and the information offered to the women is fragmented and sometimes confusing. For example, in terms of the use of chemical fertilisers, there are several references in different modules. Some of these state that chemical fertilisers should be used. There is one reference which even gives the desirable proportion between chemical (60%) and

organic fertilisers (40%); on what basis this proportion has been arrived at is not mentioned. It is said at another point that organic fertilisers are better because anything that is natural is better. However, nowhere is there a mention of the dangers posed by chemical fertilisers. The expectation is that the women will simply follow the advice on the desirability of organic fertilisers without being provided the information on why they should not primarily use the chemical fertilisers which powerful market forces are selling as being necessary for them. The absence of information about the beneficial or harmful aspects of modern agricultural practices is part of a larger uncritical perspective on development. In fact, the farmer (referred to in the masculine) is urged to become literate in order that he can read about the changes that are taking place in the market and learn about the changes that he needs to make in his practice.

Sustainable agriculture was already an area of strength for the organisation and an issue of special interest for the founder member and director of the organisation. Therefore, we were able to meet with some women who have been able to make a substantial difference to their agricultural practices because of their engagement with WELLD and Peace. On the basis of group interviews conducted, it appears that this is not a large number of women. There were some, however, whose names were often mentioned by the staff of the organisation. They are in a sense the 'stars' of the programme. One of them is Pochamma.

There were other positives: we were also told by WELLD learners that they had had discussions about capital and the moneylender's attitudes. "So we came to know about calculations, how much interest he is calculating, how much loan he is giving, what benefit he is taking etc. We started questioning. When we question then he has to agree that he is taking advantage."

The women who had participated in WELLD saw a clear linkage between the classes and changes they perceived in themselves: "We were united due to the class. Before these classes we used to be very afraid of the moneylender, but

The material has a strong focus on enabling women members of SHGs to use their literacy skills towards managing their financial transactions efficiently.

Changes...

Pochamma said that she had always been the primary breadwinner of the family. All that her husband did was wear white clothes and move around with politicians. Pochamma used to sell goats for a living. When she joined the WELLD classes, she gained exposure to the possibility of undertaking agriculture. One of the lessons in the primer was on agriculture and related issues such as the burden of women's work in the family. She said, "The words were few in the lesson but discussion about these words were many." She said that she began to understand what she could do to increase her income with the help of the discussions that went on in the classes. She decided to go for farming. She needed the income but she also needed money to be able to invest. She discussed with her husband her plans of selling some of the goats and investing the money in agriculture

on their barren land. Initially, her husband was not agreeable, but she finally convinced him of her plan. She sold two goats, purchased two bulls and started farming. She had to spend her time on agriculture, so he was forced to take care of the grazing of goats. She added, "Men do a little work on the field but most of the work is done by the women." He helped her only with ploughing but she was on her own for the rest of the work. Since she had to take care of the fields, they had to share the labour. He is not able to wear white clothes anymore. He also started feeling responsible. They had made an investment in agriculture. So, he had to work. She bargains and argues with him about the work and also about what is needed for the development of their children. She said she feels that literacy has influenced her life. It has given her knowledge.

now we are not afraid. They all used to taunt us. We dealt with cases like domestic violence. We also spoke to men in the Panchayat when an upper-caste man beat one of our women." These benefits need to be linked also to the programme physically bringing the women together.

Wages

In the lesson on work in one of the primers, there was a section on minimum wages and equal wages. Discussion on this lesson triggered a struggle for equal wages in Gollapalli village. The wage for men used to be Rs 40 and Rs 20 for women. Although the women succeeded in getting the wages increased from Rs 20 to Rs 30, this was still not the wage that the men were earning. The women did not convey a sense of frustration about this. In fact some of them at points during the discussion argued that the men were earning more because they worked more than women. At other times they said that men and women work equally hard. One explanation for the contradiction lay in the fact that they were not factoring in their domestic work. The other complicating factor in the discussion was ploughing. When we asked them why they thought women couldn't plough,

renegotiating gender relations with her husband) said, "No, ma'am, we can't do it. It's a tough job. Only men can do that. We can't tie the ox, plough and manage the ox. We can't do it." The categorical response needs to be contrasted with the first chapter of the first primer that begins with an image of a woman ploughing. In the course of the women's struggle for wages, they were unable to counter the mindset that women do not work as hard as men. It seemed that they themselves had not had the opportunity to be entirely convinced of this.

Clarity about the gender-based discrimination underlying unequal wages becomes the more important because the struggle is not neatly defined as being between wage labourers and landlords. Even among the women who were part of the struggle for higher wages, there were women who were both landowners and wage labourers, since they had small landholdings. It was not simply a matter of convincing the 'enemy'—there was a conflict of interest closer home!

Overall, it appears that the content of the primers and the opportunity to come together at the WELLD centre enabled the women to recognise the injustice of unequal wages and even to take action. However, the engagement

depth analysis of the gendered division of labour. Such an analysis would have contributed to enabling the women to be clearer about their claims and stronger in their struggle.

Bringing together what we learnt from women's sharing of their experiences of participating in the WELLD programme as well as our review of the teaching-learning material, it appears to us that although the perspectives reflected in the primers need to be stronger, there was a substantial difference between WELLD learners and the other SHG members linked to Peace whom we interviewed. This has possibly much to do with the fact that WELLD provided the women the opportunity to meet on a regular basis. The approach of the WELLD programme was also such that discussions on social issues found space and encouragement. This combined with the inputs provided by the primer strengthened women's considerable existing understanding of their situation, particularly Dalit women's understanding of caste and class oppression. Learning inputs, with all their strengths and limitations, provided in a regular forum for women, combined with the existing understanding that marginalised women have about their status, go a long way.

LITERACY

From the broader realm of education, we now move to the situation with respect to literacy. The Nirantar Survey reveals several telling facts about the relationships between SHGs and literacy.

What explains these figures? This section explores the reasons why the literacy status of SHG members is low and the implications. First, we map and record women's own perceptions of the value of literacy in their lives, in order to understand the diverse ways in which they interact with literacy. Against the baseline of these perceptions, we examine the nature of literacy interventions being provided both by the government adult education programmes using SHGs, as well as those being implemented by sponsoring

extent and nature of literacy interventions.

WOMEN'S PERCEPTIONS OF THE VALUE OF LITERACY

Several articulations related to literacy by women were familiar to us as practitioners and researchers working in the area of women's literacy. We argue that there is a need for 'standard' articulations about literacy to be decoded and located in relations of power—be it the power inequalities between the literate and the non-literate, literacy's role in empowering new roles that women could enter into, the greater need for literacy as SHGs and microcredit change social and economic interactions, and the role that literacy plays at a barrier of access to these roles.

The Desire for Greater Autonomy

In an interview with the SHG linked to Velugu, one of the members said, "Sometimes while travelling, when we ask anyone a question about the bus, they scoff at us and say 'Go away, why are you troubling us'. If we know how to read, we don't need to depend on others." Women from the same group often said "without education we are blind". One could argue, as is often done by practitioners in the literacy and education sectors, that this is an expression of the internalisation of mainstream, power-laden constructions of illiteracy. And to some extent it is. But, according to the women, it also seems to be much more. They explained that when they can read bus numbers, they "can't be fooled by others. The bus goes before us and we do not know which one it is. We need to depend on people, we have to keep asking everybody. If you can read, you can travel easily. You can live anywhere. If you are educated, you can talk to new people." The ability to read the bus number is symbolic of something more fundamental: a desire not to be dependent, and the perception that literacy enables greater autonomy.

These expressions of the perceived linkage between literacy and reduced dependence related to different realms,

In the course of the women's struggle for wages, they were unable to counter the mindset that women do not work as hard as men. It seemed that they themselves had not had the opportunity to be entirely convinced of this.

to personal freedom, there is a sense of agency vis-à-vis the sponsoring agency. A federation member linked to Anandi said, "If we were literate, our accounts and minutes could be written in the same month. At present the system is that the staff member of Anandi writes these... We are not literate, so we need the staff member." We need to consider that literacy holds a symbolic value that reflects existing power as relations as well as aspirations. One of the federation members linked to Peace said, "If we are educated, we can read and do our own accounts in our village. Why should we come to Peace? We can deal with things in another way. We can go for external loans. We can manage accounts, applications and other bank-related work independently."

As literate people, we often take for granted how pervasive literacy is in our day-to-day lives. Women who have acquired literacy skills, however basic, were acutely aware of this pervasiveness and said that it was empowering for them to now know what writing is, even if they cannot decode what is written. A member of the DWCRA SHG said "If we saw papers with letters written on them, they did not mean anything to us. Shopkeepers give things by wrapping them in the paper. They were full of letters. I used to wonder what they are. But now I can recognise a few letters."

Communication Abilities

Interviewer: Do you find any difference between the WELLD participants and yourself?

SHG member (not a WELLD participant): There will definitely be a difference. They have learnt songs, words, and many things. They have become intelligent. We do not know things like they do.

Interviewer: What is that they are doing that you are not able to do?

SHG member: They are able to speak better about issues

and incidents. And write letters, understand appeals, what happened in the meetings etc.

This excerpt from an interview shows that within the changes that literacy has meant in the lives of neo-literate women, communication abilities find an important space. Once more we interpret what is being said not in terms of whether access to literacy necessarily means these changes will occur, but instead to show that these are qualities associated with literacy. This is significant not only in terms of perception, it also has tangible material consequences given that in mainstream society, those who are literate are 'heard' more. This was said by many other women, both non-literate and literate, during the course of the study.

Access to Information

Literate women were perceived to be important in terms of their ability to access and provide information to non-literate women. Non-literate members of SHGs encouraged literate women to share information that they had received at meetings, trainings etc. Unlike other resources such as land, with literacy we find that women speak of it as a resource which they consider within their reach. This also resonates with the dynamic referred to above whereby non-literate women feel comfortable demanding that literate members of the group provide them with information.

A Buffer against Exploitation

A common statement on literacy was: "If we are literate no one can misguide us...we can avoid exploitation." Again literacy acquires a symbolic value as part of which it is imbued with an ability to ward off exploitation by those who are powerful (who are, more often than not, literate). It also relates to non-literate women's clear perception of the power-

- 39.3% of SHG members can read and write, far below the national average for rural women, which stands at 46.6%.
- A high percentage of SHG members can only sign their names (approximately 28%).
- Beginning from the ability to sign, there is a large

differential in literacy levels within the groups. A significant proportion of SHG members who were literate had fairly high levels of literacy. Almost 30% of all SHG members had formal school education between 6th and 10th standard.

laden constructions of their non-literacy.

A woman in the Anandi group said, "We were seen as illiterate, not able to argue when the trader would pay us less than the value of our produce, or we would not get the right wages and would be unable to see the muster roll to see how much had been recorded against our wages. But now with our Sangathan and the leaders becoming literate we are known and feared even by the government contractors and no one dares fool us anymore. We can create a big noise."

Enabling 'Checking'

Women were clear in their articulation of the linkages between literacy, power and transparency. This was reflected, for example, in what neo-literate women said about no longer being cheated by shopkeepers. Women also articulated such linkages between power and literacy in the context of the household. An SHG member linked to Peace said, "If the husband is educated and we are literate, we can understand

his calculations. Otherwise when he goes to the market, whatever he says we have to believe."

Similarly, in the context of the SHG, the value of literacy was expressed in terms of the security of knowing that those who were in a position to handle money were not cheating them. SHG members linked to Velugu said, "We trust the bookkeeper and accountant, but it is better if literate women go there (to the federation). A literate leader is better, but we don't have literate people, what can we do? Even if they do something wrong we have to listen. If the leader was literate, she would have noted down points and told us correctly."

In Peace we found that with neo-literate SHG members who had participated in the WELLD programme and in the book-keeper training, even if they could not perform the role of a book-keeper, were able to check accounts. One such participant said that she kept an eye on accounts. She also mentioned an instance of questioning the book-keeper, who gave her a receipt for her savings deposit, but did not enter

Redressal of Denial in Childhood

Several women spoke about how literacy opportunities in their adult lives were significant in terms of redressing a denial of this opportunity in their childhood, which many associated with poverty. An SHG member linked to Peace said, "Our parents neglected us when we were small. Sir (the director of Peace), is taking care of us now." A federation member linked to Anandi said, "I went to school as a child. But my mother died when I was in the first standard. After that no one was interested in sending me to school. If I had studied till the second or third standard, it would have helped me. But what can I do? I realised this very late."

The acute experience of denial during childhood also meant that women were now very keen to enable educational opportunities for their children. When one of the women linked to the SGSY-sponsored group said, "I am illiterate but I pay for my children to study", it indicated a need to compensate for the lack of literacy in her own life by ensuring that the children have access to education. A WELLD participant also said, "Our parents could not afford to give us education,

but we should educate our daughters. That is why we want a night school." The recognition of the bias in girls' access to education also articulated the link to their workload. "Girls become old faster because of the burden of work. So we must send them to school. Literacy is important for girls because they must become self-reliant, know what is happening in the world. Even after getting married, she can use these skills for her children. The whole atmosphere changes with education."

The desire to educate children was also related to the perceived linkage between education and the ability to change one's material realities. "My son never used to study. I now make him go to school and I pay the fees. I feel that my children should not do the work that I am doing now. Now I understand the value of education," said a Peace SHG member. In the group linked to SGSY, all the members had sought to ensure that their children receive elementary education. Women in the group also said that they wanted their children to have an easier life, not to have to labour in the sun.

the amount in her passbook. Another group leader linked to Peace, a woman who has studied till the fourth standard and also participated in the WELLD programme said, “I check the savings register, everyone's passbook and receipt book—I wait to see whether everything is written correctly or not. I see the calculations. I check to see whether Nirantar [a senior staff member of Peace] has written correctly or not.”

Although SHG members mostly spoke of the value of literacy for checking with respect to book-keepers and accountants, there was evidence to suggest that this also held true for group leaders as well. Although SHG members did not say this to us directly at meetings, there were indirect references as well as references made by others. The official linked to the District Adult Education Association, West Godavari, for example spoke about the prevailing suspicion on the part of SHG members because they do not know whether the leader actually deposits the money or not.

Literacy as a Basis for Leadership

The Nirantar Survey has provided strong evidence to establish the significance of literacy as a criterion for leadership of SHG. 69% of the group leaders could read and write, while the literacy rate for members was 39.3%. In the enumeration of the criteria that SHG members use when selecting a leader, literacy emerged as primary. The other two criteria that most of the groups stated were the ability to maintain the accounts of the group and interacting with the bank. It is significant to note here that both these criteria are also linked to literacy, given that women require literacy skills to maintain accounts and it is often the literate woman who is perceived as being capable of interacting with bank officials.

Our findings of the qualitative study also confirmed the importance of literacy in the selection of leaders. The women in the SHG associated with Velugu linked literacy to the opportunity to run institutions as leaders. In Peace, SHG members said that they had chosen their leader “because she can speak in meetings as an educated person and will also lead us and do something good for women”. They also said that because she is educated she is capable of maintaining accounts. “She moves things at a faster pace because she is educated. She does not have to wait for somebody to write an application, to read a

Literacy was the most significant criterion for leadership of SHG: 69% of the group leaders could read and write, while the literacy rate for members is 39.3%. In the enumeration of the criteria that SHG members use when selecting a leader, literacy emerged as primary.

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would have had to depend on another, educated, person.”

The perception of the importance of literacy as a qualification for leadership varied depending on the level of leadership. For example, the members of SHGs linked to Velugu felt that literacy is important as a qualification for leadership in the Mandal-level federation (the Mandal Samakhya) but not necessarily at the level of the village-level federation. Therefore, the women members of the village-level federation said, “A literate woman can write everything that was discussed in Mandal Samakhya and can come and tell us.” Also, the Mandal Samakhya was seen as a forum that involved interactions with officials, formal institutions etc, and that required the women to be educated. While agreeing that literacy was important at the village-level federation level also, the women interviewed said, “Yes, but there [in the Mandal Samakhya] we have many other things to do and other people to meet, therefore the members need to be more educated to be able to understand and interact.” Some of the other reasons offered for the importance of literacy at the level of the federation are that there are also letters to be read and understood, the level of money being transacted is higher and accounting processes more complicated and difficult to do mentally. The Mandal-level federation members confirmed these perceptions. “Women ask us and blame us if we do not tell them anything. Then they tell us that you do not understand what is happening.”

The relative importance placed upon literacy vis-à-vis levels of leadership is also reflected in the actual levels of literacy at the different levels of federation linked to Velugu. In the Mandal level, the proportion of literate members was much higher than at the village-level federation, where only two of the 14 members were literate. At the level of the federation, a neo-literate member can be a President but

Opening Up Possibilities

Many of the claims made about the value of literacy quoted do not manifest themselves in a literal way. It is not as though the shopkeeper stops cheating the women because they acquire literacy, it is also not as though if women had literacy skills they would achieve the level of autonomy vis-à-vis the sponsoring agency that they hope for. It is important, however, that the acquisition of literacy brings such changes into the realm of the possible.

Evidence from the study suggests that, other than the symbolic use of literacy, there is also a need to examine its usage and value in specific and nuanced ways. The neo-literate person might not be using a particular literacy skill that has been imparted in the 'complete' manner in which it might intend to be used by the providers. She might, however, still be using and perceiving aspects of her literacy in ways that are significant and empowering.

For example, the group leader of the SHG linked to Peace reads and writes in all the passbooks and writes

receipts. She also reads the ledger (which is written by the bookkeeper). Even though she does not write the ledger books, she had said that she "does accounts". When asked what this means she said, "I do calculations during the meetings, I calculate mentally and sometimes enter it afterwards. I went for two [phases] of the bookkeeper training. I could not go for the third time because I delivered a baby." In addition to these literacy functions, she also reads minutes, although she does not write minutes (a literacy function of a much higher order, demanding that the person writing keep pace with what is being said). She also reads letters and her children's schoolbooks. While buying provisions and selling yield, she calculates whether she is being able to save anything in the process. When we asked her whether she writes attendance, she said, "Yes. I do sometimes... I did it once." Although we later found that it is the bookkeeper who does that it, is significant that her response indicated a confidence, an assertion that she can do it even if she does not always do it.

transactions that the Secretary has to deal with. The preference of the women members for literate leaders was strengthened by a similar preference on the part of the staff members of the sponsoring organisations. In the case of SGSY, it was the Gram Sevak who selected literate women as leaders because he felt that it was necessary for the leaders to maintain records etc. The women members endorsed this selection.

Linkage with Pursuit of Justice

Other than the perceived importance of literacy with respect to the role that leaders are meant to play, SHG members interviewed also spoke of the significance of literacy in terms of pursuit of the social agenda of SHGs. A member of the Peace-linked SHG shared with us what literacy and education meant to her: "If we learn one letter of the alphabet, it will help us learn the second letter. Then these letters will help us in investing, calculating and speaking

In the case of federation members linked to Anandi whom we interviewed, 12 of the 18 were non-literate. Women mentioned several instances when, in the course of their activism, they felt the need for literacy. These related to the need for written documents vis-à-vis authorities such as the police. For example, the women said that they needed to read FIRs, especially to know which sections of the law cases had been lodged under. Women in the Nyaya Samiti (a committee that intervened in cases of injustice) also reported that because they were non-literate they would need to contrive actions to elicit information from the police about the laws and sections under which a certain person was being penalised or could be arrested. They would soon forget the information thereafter. "We then learnt numbers and a little writing and we started to quiz the police and asked them pointed questions about cases that would compel them to tell us what law applied to which cases. Slowly we learnt to write the law and statute that was applicable. So we

started challenging the police constable when he would not apply the appropriate statute or would try to hide facts to suit some people.” It was clear from the discussions that their activism had enhanced their need for literacy.

Non-literate federation members said, “When we meet the Forest Officer, we cannot give our demands in writing, we have to talk.” Kamla, who is literate, said, “We can read the nameplate of the government officer... We have done lots of work, but we need someone who can write resolutions for us. In offices, everything needs to be given in writing, and it is at this point that we become weak.” As activists, women are acutely aware that the context in which they are working is a literate one. In the power equation with mainstream players, their lack of literacy is a significant issue.

Linkage between Literacy and Self-Management of SHGs/Decentralisation

New activities created by the advent of SHGs—accounting, bookkeeping, recording of minutes—and the activities critical to their functioning have also changed and created the demand for literacy. A need for documentation and record-keeping was also expressed by literate members of the federation linked to Anandi. Apart from keeping records of meetings and credit-based activities, the federation maintains its own record of the recovery of the grain loan. “Earlier we waited for them [the staff members], but now someone among us writes.” There was a sense of pride in the ability to perform some of these functions. “See Padma, she was not able to even hold a pen but now she keeps records of our meetings and even shares [makes presentations] with the office as well as before the bankers,” said a federation member. Others were as keen to acquire literacy skills, but did not “because we did not persist as she did. She is alone [a single woman], but now she can manage so many other people, she has nothing to fear”.

Continuing with the theme of the need for literacy for documentation related to their regular work, the federation

members linked to Anandi said that literacy would mean less of a burden on their memory. “In some meetings there are 30-30 women. They discuss various issues. Sometimes we forget some. It is necessary to write down all things that are discussed.” This incident points to the significance of literacy when there is an expansion of the scale of activities that women need to provide leadership to.

LITERACY INTERVENTIONS

Out of the six SHG programmes included in the study, both the NGO-based groups—Anandi and Peace—had designed literacy interventions aimed specifically at SHG members. Anandi had done this only on an experimental, small scale. Peace had implemented the WELLD programme. As mentioned earlier, WELLD is one of the programmes of World Education, an international NGO, which sought to make linkages between literacy, empowerment and livelihoods within SHG programmes being implemented by partnering organisations.

Among the government-sponsored SHG programmes, Swashakti in Gujarat had sponsored a special literacy initiative for their groups. However, the inputs were provided by the Gujarat Vidyapeeth (an esteemed institution in the field of adult education) with little involvement of the programme itself. The other programmes left the literacy agenda to the ongoing governmental Adult Education programmes running in the district, with varying degrees of effort being made to link women to these. In the case of DWCRA in West Godavari, historically there have been strong linkages between SHGs and the literacy programme. In fact, SHG members were the focus of the Akshara Mahila programme, an Adult Education campaign designed around this target population. At present, however, the linkages are weak. In the case of SGSY, the programme left the linkage to be made by the members themselves. Velugu remained between the above categories as it chose to engage in literacy for women who had been left out of the earlier

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government literacy campaign.

We briefly describe the above literacy interventions in an annexure 3—here we proceed to identify key concerns that emerge from our findings relating to literacy and the SHG/microcredit model.

KEY CONCERNS FOR LITERACY INTERVENTIONS

Lack of Vision

Sponsoring agencies of SHGs articulate the importance of women's literacy only once their primary focus on income generation and credit is fulfilled. Even then, the emphasis is on a functional and extremely narrow definition of literacy, which is often reduced simply to the ability to sign their names. This view of literacy is in direct contradiction to the perception of literacy held by women themselves, as articulated in an earlier part of this chapter. Even in the case of programmes such as Anandi, Velugu and Swashakti, where connections are being made with empowerment and rights at the level of discourse, there is no vision as to how to make literacy meaningful for women, how to sustain literacy, and how to make linkages with the activities of SHGs and literacy provision.

Levels of Literacy Achieved

In three of the six interventions (SGSY, Swashakti and Velugu), problems have begun at the stage of literacy provisioning itself. An environment where literacy is accorded a low priority and the resulting lack of financial and curricular inputs has meant that volunteers are not motivated. They are unable to build on the interest shown by women initially because of which classes have often been terminated. The result has been very low levels of

A functional and extremely narrow definition of literacy is often reduced simply to the ability to sign. This is in direct contradiction to the perceptions of literacy held by women themselves which are linked to power.

literacy acquisition by the learners, often limited to the ability to sign. The approach seems to be one of providing “a little bit of literacy”. Not only does this approach not work, our experience has shown us that it can, in fact, be harmful to the women's interests.

Lack of Appropriate Materials

Much of the motivation to pursue a literacy agenda seems to emanate from an enthusiasm to enable people from a similar socio-economic background to benefit from literacy in addressing their situation of poverty or exploitation, as expressed by the teachers.

The content of the literacy curriculum did not, however, reflect any of these concerns. The materials used were from the Gujarat Vidyapeeth, and had no particular content relating to poverty or gender concerns. According to Gujarat Vidyapeeth personnel, there were no modifications made in the curriculum for the Swashakti programme nor were any additional materials produced or pedagogical changes made specific to the needs of the Swashakti programme and its focus as a women's empowerment programme.

Low Priority of Organisations

In the case of NGOs in particular, we find that even though there is an articulation of the importance of literacy, this does not translate into an organisational priority.

Anandi has had a successful record of having run a literacy camp for women leaders and members of various committees to enable them to overcome illiteracy as one aspect of their empowerment process. The literacy materials were designed based on available materials and words commonly used by women in the course of their work. Women whom we interviewed recalled words used during the teaching learning at the literacy camp such as justice, rights, land, water and forest. Songs and poems were also part of the curriculum as were the objectives of their work. The success of the intervention lay as much in the literacy imparted as in the opportunities created for women to utilise their newly acquired skills. These included writing minutes, reports, banners and campaign materials. Women in the Nyaya Samiti reported instances where they have used inputs provided during trainings, especially those relating to

Some members of the drama team reported that they are now using their literacy to write scripts.

Despite the value of literacy that was expressed clearly by the women, Anandi was unable to sustain the literacy interventions. The task demanded resources to be committed to literacy, which the organisation was unable to release.

Lack of Resources

A serious problem faced both by State-sponsored and NGO-sponsored literacy interventions related to financial resources. The lack of resources constitutes a serious concern in terms of the commitment to women who have invested time and energy in the acquisition of literacy. It is all the more problematic given that literacy is a skill that has a certain rhythm of learning. Once the rhythm is broken, it is difficult to capture it in a new context or environment. Literacy is also a skill that requires sustained use in order to prevent relapse. The damage that lack of resources can do is best captured by the experience of Peace.

For members of SHGs, WELLD provided an opportunity to access literacy skills, information as well as the space for discussion on social and economic issues. In our group discussions with WELLD learners, their levels of engagement with these issues were higher than those of other members of SHGs. WELLD learners were also more active in taking up issues of gender justice.

With the project period coming to an end, however, Peace was unable to raise resources to continue. Care was one of the funding organisations it approached, which ultimately supported the microcredit programme in the form of Cashe. Peace expressed strong resentment at what they perceived as an abrupt closure of the programme. Given the time required for mobilising, and inevitable operational delays, there was insufficient time for the project. The director of Peace said, "When the women were about to study, and ready to learn more, they lifted the programme. We requested them to extend the programme. They said they are not going to give funds. There was some money left so I extended the project another six months. If there had been more centres and for longer, it would be more successful."

Learners also felt that given the time that it took them to

Signed Out

In Andhra Pradesh, efforts have been made to dovetail the state government Adult Education programme with the Velugu programme in order to deliver literacy to SHG group members. The aim was to get Velugu to 'mop up', i.e. reach the women who had been left out of the Adult Education drive. However, our fieldwork revealed that a large number of women in the groups are indeed non-literate, who have only managed to learn how to read and write through the total literacy campaign but are not being included in the 'mop-up' operations. The Mandal Literacy Officer informed us that this could include only those who cannot sign their names. Women in the groups were indignant: "We are being punished for having learnt to sign our names." One of the members said, "The irony is that it was Velugu officials who declared that that 'No Velugu woman' would give a thumb impression in the bank."

grow, the closure of the programme meant an abrupt ending of the learning process. One of the WELLD participants said, "They used to teach, I learnt somehow. The income lesson was interesting. Then we did some maths. Then slowly I was getting interested in numbers, in subtractions and additions. Then the centre was stopped." One of the questions that we asked both the staff and the women who had participated as learners, was whether they could have not have sustained literacy even after the project ended. It was clear from the responses that this was not feasible.

Lack of Inputs to Enable Use and Sustainability of Literacy

In nearly all the interventions, there are no provisions to ensure the sustainability of literacy interventions, even when the importance of doing so is recognised. In Swashakti, for instance, no discussions were held with organisations regarding plans to continue or sustain the input, or extend its outreach to other villages.

The Swashakti programme assumed on its part that partner NGOs would take over this activity and provide for

the other hand, expressed an inability to do so and stated that a separate project would need to be initiated for a comprehensive literacy component to evolve. This was difficult to actualise given the low priority given to women's literacy in the scheme of other donors. In the absence of such a vision, literacy is reduced to one more short-term target with no opportunities envisioned to enhance its sustainability as a means of empowerment for hitherto disenfranchised communities.

Finding ways to help women to continue engaging with literacy is difficult, and one easy answer that continuing education programmes find is to involve SHG members in an income-generation activity, without an educational component. This happened both in Swashakti and to some extent in DWCRA. The woman Prerak (the Continuing Education worker at the village level) had herself taken literacy classes for four months and then shifted to the income-generating activities through catering and making papad vadi. She managed all accounts and payments, with the group working solely as the labour in the venture.

There is a literacy pro forma to track the achievements i.e. the literacy achievement of learners who have been enrolled in literacy classes with SHGs, but this stops at the numerical achievements and targets, and is not reported within the larger Swashakti programme performance indicators. The monitoring of literacy indicators was therefore

When asked about the inputs important for empowerment, the responses of the NGOs included in the survey, ordered in decreasing levels of frequency were as follows: Literacy, Collective/group Formation, Information about Legal Rights, Health Education, Income Generation/Livelihoods Development. Despite the stated desirability of literacy, in a majority of cases women were merely being taught how to sign their names. The literate members are being encouraged to make the others literate. Organisations were encouraging women to join other literacy programmes. Only in approximately 9% of the cases did the organisations specially appoint a literacy teacher.

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limited to the levels acquired by learners to complete the primers rather than to engage with any other reading or writing materials. No attention has since been paid to how these skills are currently being used or how they can be sustained. The neo-literate women we interacted with in three villages of INRECA's field area were concerned about lapsing into illiteracy in the absence of such opportunities.

The experience of West Godavari is significant as one where there was an effort to link SHGs with literacy, and one that was successful during the phase of the literacy intervention but failed to help women sustain their literacy. This is even more significant because SHGs were deployed strategically in the pursuit of literacy.

Given the significance of enabling women to sustain and use their literacy in a manner that strengthens their engagement with SHGs and move this relationship towards greater autonomy and transparency, in the next section we focus on the challenges and potential that neo-literate women to use their literacy skills.

Challenges of Enabling Neo-Literate Women

The evidence that emerged shows that the literacy interventions are largely benefiting those women who already had some years of formal schooling by allowing them to revive and strengthen their skills. They were also able to put these skills to use. Although it is true that women who have already had an opportunity to go to school have been able to revive and use literacy to a far greater extent, it is also important to note that the use of these skills is limited to the personal realm. For example, in West Godavari, members reported reading books, letters and maintaining accounts at home. However, when it came to the 'public' realm, including that of literacy functions related to the SHG, they reported that they did not have the confidence to use literacy skills to fill in the passbook or to maintain accounts of the group. They said that they were also daunted by the presence of women who had higher levels of formal education. This is despite the fact that they were often performing literacy functions of a higher order in the 'private' realm.

When we move to considering women who have higher levels of formal education, the challenges related to enabling women to use their literacy skills come into sharper focus.

Failure to Sustain Literacy

West Godavari is a district in which an adult literacy programme well-known in the Adult Education sector called Akshara Mahila Programme was launched in 2000 by the District Adult Education Association. The programme was considered highly innovative and effective in its strategy of 'targeting' SHGs. This came to be known as the 'group-based approach', which marked a departure from the earlier Total Literacy Campaign approach in which the entire non-literate community was approached. As part of the programme, SHGs took up literacy as a group activity. Learners were identified from within the group. The group bore the costs of the volunteers' training, teaching material etc. The volunteers were identified by the group; in fact, they were often members of the group, or daughters of members. The strategy of deploying SHGs for literacy was clearly very useful for the government. It effectively took care of mobilisation of learners and volunteers, and even used the financial resources of the women learners themselves.

Interviews conducted during the course of the study as well as secondary sources indicate that the spirit of the programme was that of a campaign. West Godavari district in Andhra Pradesh has been running its Continuing Education programme for the past four years without funds, because of a delay in release of funds from the National Literacy Mission. It is important to note here that the experience of West Godavari is not unlike most other districts in the country, which have also experienced delays in release of funds from the Central or State government. However, it has been unique in its

efforts to mobilise funds from the community to reduce its dependency on the government as part of a larger strategy of community participation and ownership. It is believed that it has been possible for the programme in West Godavari to continue without funds even earlier only because the programme had a campaign mode of functioning.

Yet there were some fundamental problems. During the interview with the village-level Executive Committee of the Continuing Education Programme, members of the committee were asked how neo-literate women are using their literacy skills. Only one of the members responded by saying that he had "not observed what neo-literate women are doing with their literacy". The committee members also said that they had not undertaken any measures to promote the use of literacy among SHG members.

While there are some activities, at least at the level of planning, that are meant to include the use of literacy by learners, there is no broader strategy to ensure that the planned literacy targets will be sustained. For example, the Action Plan for the Akshara Sankranti Programme Phase VI, 2003 in West Godavari makes no mention of how literacy achieved so far will be sustained. Another problem is that although the Akshara Mahila Programme was rooted in the linkage between SHGs and literacy, at present there is no collaborative, institutional linkage between the educational programme and the department through which the SHG programme is being implemented.

writing anything related to SHGs. For example, even Lalita, the group leader of one of the SHGs in West Godavari, who is educated up to the 6th standard and extremely powerful vis-à-vis others in the group, does not fill out the bank form. It is interesting to note that a bank form had been included in the West Godavari literacy primer. This inclusion is recognised as an example of innovative literacy teaching-learning materials developed in the district. However, as is

person who at a technical level might 'know' how to fill out a form to enabling her to actually performing the task in a 'real' situation, will involve meeting pedagogical needs other than merely teaching literacy as a skill.

Padma, the member of an SHG linked to Anandi, on the other hand, illustrates the difference that can be made if the learner is helped to apply the literacy skills to the reality of their work sphere. Padma, who has never been to school,

Women lacked faith in their own abilities to read and write. Microcredit-related literacy functions also demanded precision. This was compounded by the assumption by officials that neo-literate women cannot perform these functions.

with a little guidance from time to time from Lata, the coordinator. She also fills out complaint details and files FIRs as a team member of the justice committee. The federation members linked to Anandi who had acquired literacy skills were even more willing to experiment with them, compared to SHG members, and were eager for the chance to enhance their skills further with more training opportunities.

Part of the lack of confidence to use their newly acquired skills relates to the perception on the part of the women that they cannot write 'properly'. Even women who have finished 5th standard said this to us. The implications of this perception are even more severe in the context of microcredit. It is true that many of the functional literacy and numeracy aspects of microcredit work require precision. The fear of making mistakes in such tasks is even greater than the anxieties that exist about any use of literacy in other 'public' realms. "It is a matter of calculations, one small mistake can lead to fights among ourselves," said a (10th 'pass') woman from the SGSY group.

A staff member of Peace voiced a similar view. He said, "If the women don't write properly, then there will be problems in the groups. They are trying to write receipts correctly. But when they were asked to write minutes, they hesitated. Then came bookkeeping and the ledgers. It was difficult for them to continue. So they dropped out. If the groups' accounts are not maintained well, then there will be a big boom."

The systems set by microcredit programmes for maintenance of accounts that allow them to analyse and streamline data across a large number of groups, also tend to complicate the bookkeeping process. This further deters neo-literate and even women with substantive levels of

other hand, where groups are permitted and encouraged to manage their own accounts and there is no attempt at such standardisation, as in Anandi, the groups have managed their accounts with some support in bookkeeping forthcoming from the staff from time to time. This support has also been adequate to allow such groups to access bank loans when required. Hence the complexity that organisations introduce in an attempt to manage SHG credit activities efficiently itself militates against women's ability to manage these functions themselves.

The lack of faith that women have in their own abilities and the demands of precision made by microcredit-related literacy functions are compounded by the assumption made by officials that women with low levels of education cannot perform these functions. In fact, in the case of the first leader of an SHG in West Godavari, although she was confident that she could write, the bank officials did all the paperwork for her. In their perception of her, and perhaps of rural women generally, they assumed that she would not be able to manage.

In West Godavari, the official interviewed at the District Adult Education Association was doubtful about whether neo-literate SHG members could manage accounts, but he hazarded a guess that 30-40% of them could. He also estimated that 30-40% women could maintain passbooks. However, since uses of literacy by neo-literate SHG members is not part of the monitoring system developed by the District Adult Education Association, he could not back these estimates with data. Nor had the Adult Education or Velugu functionaries in Chittoor undertaken any such estimation of literacy skills among group members in the SHGs, preferring to leave the record-keeping and book-entry tasks to the Village Activist who in turn was accountable only to programme staff rather than to the group itself. Neo-literate and literate women in the group had, in fact, never built up the courage to demand to look at the account books or to learn how to maintain them.

No one engaged in literacy interventions with SHG women was in a position to assess to what extent women can actually acquire bookkeeping and accounts-related skills. There are many different kinds of literacy and numeracy functions that are involved in accounts and

of the literacy and numeracy functions involved to study what level of education enables what functions to be performed. It would also be necessary to innovate with pedagogy to see what teaching-learning methods would be effective in enabling women with lower levels of education to undertake functions related to accounts and bookkeeping. These should draw upon the considerable numeracy-related abilities that non-literate people already have, as evidenced

by research conducted both within India and internationally.

All this calls for an investment in capacities of staff to evolve appropriate literacy packages for different functions and different levels of learners. Sponsoring agencies are seldom willing to make the investment, opting to “move on with the real work”, as the Velugu programme’s Block Manager put it, even at the expense of groups’ autonomy.

The willingness to provide ‘a little literacy’ rather than

The Potential in Enabling Use of Literacy for Record-keeping

Other than bookkeeping, an important area which entails the use of literacy skills is record-keeping, through minutes and the like. Not only in the context of neo-literate women, this is a significant aspect given the need for transparency in the group’s functioning. We present an extract from an interview with the SHG linked to DWCRA:

Interviewer: Do you write minutes of the meetings?

Member: We did earlier, not now. We used to maintain a diary. [The last entry was in August 2000.] First there were no books, later they gave us and we wrote... then they stopped. See that diary, we spent Rs 50 to buy... (Indication of value of minuting that they bought a diary when the programme stopped providing such support.)

Interviewer: Even after spending so much money on it, why have you put it aside, why don’t you use it?

Member: We didn’t know how to write things down... you tell us how to write it...but that’s it, nobody told us how to write...earlier the inspector, Shantamma, used to come but we never asked her how to write, and then we didn’t have books also. She used to write in her own book and go away...we never asked her.

(No effort on the part of the programme to write minutes, the functionary did it, with the result that the women do not have a record of their own. There are women who are literate but need inputs to perform the function.)

Interviewer: There are 4 or 5 of you who can read and write. Why don’t you start writing down whatever you talk about? Will you do it from now? Why I say this is because, say, you have some doubts, or problems, or difficulties... at such a time, to know when you talked,

what you said, what happened... it’s only what you write down that will help you later. So if you don’t write any of that down how will you know later?

Member: Hmm...

(In ‘peace times’ they did not accord much importance to the passbook but it became important enough to take it away from leaders when trust broke down. It is perceived as a document which can track whether leaders are cheating them or not.)

Interviewer: Why I am asking you this is to know how many of you have the interest to look at what is actually in the passbook.

Member: We were supposed to check how much was in the book to see if they were pocketing anything...

Interviewer: Apart from that, to know that this is how much we have been paying and what has been saved by the group on the whole?

Member: They said they would look at it; if someone doesn’t know they ask ‘those’ who know maths to look...

Interviewer: How many people in your group look at the accounts? How many know what is in the book?

Member: Everyone knows; once there was one book in which ‘they’ thought there were some irregularities, so ‘they’ had it checked, and found it was ok. ‘They’ gave it back then, but asked to see the books after we all paid again, and we have not been given the books since then. All ten of us went and asked; and ‘they’ said that we hadn’t given the books, so what could we do?

(Another indication of the value placed on records: when officials did not return their accounts register, all of them went. But they felt helpless when it was not returned.)

sustained literacy inputs only ensures that the groups report higher levels of literacy, since those recorded as able to sign are reported as literate. The de-prioritisation of literacy is not surprising. It reflects the lack of importance given to women's needs though women are supposed to be at the centre of the microcredit paradigm. If sponsoring agencies are serious in their articulation of building people's institutions and enabling women to own and control their own resources, there is no option but to invest in literacy. The existing situation, however, is one where, at best, token efforts are being made, the severe implications of which are shared below.

IMPLICATIONS OF LACK OF PRIORITISATION TO LITERACY

Leader-Member Divide

Access to Leadership

The Nirantar Survey findings related to literacy and access to leadership of SHGs are striking. The survey shows that the leadership of the groups is highly representative in terms of caste, religion, caste and class. Levels of literacy, however, show that the more literate are 'over-represented' in the leadership of SHGs. 69% of leaders of SHGs can read and write, compared to only 38% of the members. This differential becomes even greater when we focus on the leadership within government-sponsored SHGs. Here, the percentage of leaders who can read and write rises to 76%. Only 6% of leaders of SHGs are non-literate (including those who cannot sign) while the comparable figure for members is 32%. In what follows, literacy and leadership work in tandem to determine inclusions and exclusions.

The existing de-prioritisation of literacy reflects the lack of importance given to women's needs in the microcredit paradigm. If sponsoring agencies are serious about building people's institutions and enabling women to control resources, they must invest in literacy.

Access to Trainings

The study found overwhelming evidence to show that leaders had a near-monopoly on training and other learning opportunities. In the SGSY-linked group, only the leaders had received training on bookkeeping and record maintenance. They had been selected because of their literacy levels. The other members were aware of this and agreed with the rationale. They felt, however, that their not being able to participate in other events was unfair. "At Modasa there was a training on writing records and accounts. So it was all right for those who are literate to have gone. But for the mela in Gandhinagar [the March 8 rally for which the Taluka-level officials decided that only leaders would go], we would only have had to listen... We should all have gone."

During the group interview with the federation leaders linked to Velugu, we conducted an activity that sought to understand the nature of mobility and its linkages with literacy. From the activity, it was clear that Soshamma, the only non-literate leader of the federation, had the fewest opportunities for mobility. It was significant that the one example of her mobility was that of being part of the distribution of the rice after it was lifted from the Food Corporation of India godowns, as compared with participating in other opportunities such as the market survey which involved travel to Bangalore and Chennai. In West Godavari there was a recognition on the part of the DWCR programme of the disparity in learning opportunities between leaders and other members that had been prevailing for several years. This recently led to a change of policy whereby all members now receive trainings.

Part of the greater learning opportunities is the leaders' higher level of engagement with outsiders, such as government and bank officials. In the SGSY-sponsored group, for example, all the members were keen to be part of transactions with the bank, but only leaders and Rita (the more educated member) go to the bank to deposit money.

Rita participated in the group interview very actively. She even volunteered information about members who were not present at the meeting. In terms of how Rita was perceived by the group leaders, it was apparent that they looked to her for support, particularly in interactions with

In trainings related to financial management and leadership development, in more than 40% of the groups, only group leaders participated. In nearly 25% of the groups, leaders participated in the majority of such trainings. Thus, the participation of group leaders in trainings related to leadership development and financial management was higher totally from nearly 65% of the groups.

Nirantar Survey

leaders to the bank to deposit the group's savings. The leaders have in the past asked her to come with them for meetings with the bank officials. Although Rita is younger than most other group members, she asserts a certain authority within the group because of her status as an educated person.

Greater Access to Resources

The leaders' greater access to information also extended to greater access to financial resources. In the SHG group linked to Velugu, we found a recognition on the part of the non-literate women of the group of the danger of the more educated women usurping the group's resources. In the SGSY-linked group, too, we found that it was the leaders who availed of the first dose of credit. Other members did not question this. Informally, two members later revealed that this was because they owed so much to the leaders' initiative and efforts. Loans given to both the leaders are long outstanding but this has not been discussed. In West Godavari too, the Prerak spoke to us about widespread corruption on the part of group leaders. He held this to be one of the reasons why group leaders did not want him to be involved in any way with the groups. Group members openly accused leaders of corruption. So high was the level of mistrust that they asked the leaders for bank passbooks and then took them away, later refusing to return it to the leaders.

While on the one hand we find a concentration of power in the hands of the leaders, the study also revealed that the leader-member divide can also in some ways leave the leader 'alone'.

Membership of Other Forums

Not only are leaders likely to have greater access to resources, they are also more likely to gain membership of other forums. For example, federation (MACS) leaders in West Godavari were much more likely to be members of other forums than those who were just SHG members. Several MACSs leaders said that they are members of other forums—one was a member of the Red Cross, one of them was a CEC Prerak, the third a ward member as well as a member of the Village Education Committee. One of them was undergoing training for the Streeshakti.com computer service provision programme of the government, some had contracts for the midday meal scheme and another was running a tailoring centre along with the Panchayat president. There was also a correlation here with levels of literacy, with the more literate MACS leaders enjoying a greater possibility of being part of other forums.

Often it is the case that other forums only approach the leadership to join them. For example, in the SHG linked to Peace, the group leader Geetha said that it was she who was asked to be a member of the Vidya committee, not any of the other members of the group. Although she was unable to commit, no other group member has been asked to join the committee.

Power Dynamics between Literate and Non-literate Members

The study enabled an understanding of the power dynamics in interactions between the literate and non-literate members of SHGs, located in the related class and caste inequities. Although no simple equation emerged (the marginalisation based on literacy status was not unrelenting and expressions of power not always so tangible), the patterns were clear. The evidence ranged from body language to material implications

- 46% of those getting large loans are group leaders, and 54% group members.
- 68% of the women taking large loans are literate group leaders, and 38% are literate members of the group.

Nirantar Survey

of inequality in literacy status.

For example, in SGSY, the interactions between Maya, one of the educated members of the SHG, also provided us insights into the literate/non-literate power dynamic. Maya was someone who had joined the group after it had started and in a sense replaced a poorer member who could not afford to continue saving every month. In order to join, Maya paid the amount that she would have had to save if she had been a member of the group since it began. Maya said, “We [educated women] try to teach the women but they do not learn. Educated women started this group.” To this, a non-literate member of the group said, “This educated woman [Maya] joined later, after two to three months. She gave Rs 90...and joined.” There were undercurrents of power dynamics associated with literacy in this exchange as well as in the following banter which showed that non-literate women are aware of the benefits enjoyed by the educated.

Mira (a non-literate member): To be the head of the group you need to be educated.

Madhu: The person has to be sensible and experienced—

education cannot make you a leader.

Mira: You have education so you can say that—you go to meetings and to the bank.

Officials in West Godavari provided a clear articulation of the linkages between literacy and power. One of the officials of the Adult Education wing at the Mandal level felt that the SHG leaders were ‘selfish’ and that they had a vested interest in the members not becoming literate, so that they could maintain their power. A similar observation was made by an official at the District Adult Education Association, who said that the literate SHG leaders will not allow the neo-literate members to use their literacy skills, even if they were given accounts training.

There were also instances of the older non-literate women reacting to this situation. Soshamma, the older, Dalit, non-literate Mandal Samakhya leader linked to Velugu, was keen to illustrate the abilities that she has despite being non-literate. She said that she could count and calculate exactly the number of groups to whom grain had been delivered as part of the rice credit scheme, and could even recall how much was outstanding on each route.

It’s Lonely at the Top

Sharda is meant to be one of the ‘star’ farmers linked to Peace. She is not, however, being able to do agricultural work because her financial situation is such that she does not have the resources to invest in agriculture. Part of the financial problem is that her husband has not been paid for the work that he has done as a helper to an electrician. There are also payments that the Panchayat has to make to him. He also wants his work with the Panchayat to get regularised. Sharda has raised these problems with the group, but she said, “They don’t bother about it because it is my problem, na! It is not faced by everyone.” During the meeting this was disputed by one of the members who said that Sharda did not tell them about this problem otherwise they would definitely have talked to the Sarpanch. It was not possible for us to confirm the veracity of this claim, but even if it were true that Sharda did not approach the group, why she did not remains an issue, as does her

sense that she had not been supported.

We did know for certain that Sharda has not sought help from Peace. When asked why, she said she did not think of it. This struck us as surprising since this is a village to which several members of Peace come, either because they are working here or because they have family here. Sharda said that earlier her worry about her husband’s work was the risk involved in climbing electricity poles. Now the worry is about the desperate financial situation. She said, “We can’t even leave the village and go,” because of the one remaining cow (they had to sell the other two) which provides some income.

The fact that Sharda is receiving no help is particularly significant in a context in which she has made numerous efforts to help other group members, particularly to access government schemes and, in fact, others in the village.

Enabling the Right to Know

The literate members tended to have higher levels of information. Sree, an SHG member who came across during the interview as someone who was confident and articulate, is a 'model' farmer and has been a participant in the WELLD programme. Sree had a particularly high levels of information. She knew the amount of group savings and loans, the ratio between savings and loans that the federation gave, the difference in the interest rate charged by the federation and the interest paid by the group. When asked about whether the group's bookkeeper, Leena, had more information than her, Sree said, "She just writes. Even I did bookkeeping earlier." She said that she checks what the bookkeeper

writes. It needs to be remembered here that Sree had participated in the bookkeepers' training, and although she was not able to acquire the levels of skills required for her to continue to perform the role of a bookkeeper, it did enable her to play this important role of checking the accounts. It is clear from her articulation that this has been empowering for her. The fact that Sree had much higher levels of information than other SHG members interviewed also indicates that this has to do with the levels of literacy she has acquired through her participation in WELLD. It also possibly has to do with the opportunities that she has had as a farmer who has received inputs and levels of confidence.

Her assertion of her skills was an indignant response to the tendency of the younger, more educated, women leaders to rile her. It made her angry to note their complacency as literate women. She also felt that those who were office bearers within the Mandal Samakhya leadership were in those positions because of their levels of education. She, on the other hand, was not part of this senior leadership even though in her view she performed equally significant tasks in the federation.

The qualitative study found clear evidence for the correlation between educational status, caste and class. In Chittoor, the more educated members of the SHG group linked to Velugu were from Backward Caste communities. The pattern is seen even more clearly at the federation level. In the Mandal Samakhya, the average income of the members was over Rs 8,000. This correlates with a fairly high level of education (particularly compared to the SHGs), with 16 of the 20 members having studied from Class 4 up to intermediate. A majority of the educated women were Backward Caste and younger. The Dalit members were older and mostly non-literate. In West Godavari, too, we found that of the group leaders, 57% had formal school education and there was over-representation of 'upper' castes.

Lack of adequate literacy opportunities imply a concentration of power in the hands of the more educated,

castes, and better-off sections of society.

Unequal Access to Information

Although SHGs have an overwhelming focus on financial transactions, even in this realm we find that the membership does not have basic financial information related to their savings. Such information is at best to be found with the leaders of the group, who tend to be literate.

When we asked the members of the village-level federation linked to about the Velugu financial details of the federation, there was much confusion.

Member 1 (non-literate): "Aah...cow...aah no? 9000 each no? Aah... (voice more confident) only for bullocks, 9000 no? Bullock with bullock cart 16,000."

Interviewer: 16,000?

Member 2: "Not that. They are asking the total amount."

Member 1: "I don't know all those things. I know only this much."

Interviewer: "What are your sources of income?"

Leader: "Savings, bank linkages, CIF and membership fees of VO. We also get 60 paise per kg of rice that we distribute as part of the rice credit scheme."

A discussion ensued about whether it was 25 or 60 paise.

Interviewer: "So, how much did you get for rice

There was no clear answer.

During the interview with the SHG group related to Peace, one of the women said in the middle of the meeting, "You are asking so many questions, I want to ask what is the interest rate charged to us." The staff member present at the meeting told us that she said she does not know because she is new in the group.

Leader to member: "Is this the time to ask such a question? Why didn't you ask before? What were you doing before? I have told you this before, in the morning also."

Interviewer: Even if she is asking you again, why don't you just tell her again...

Staff member: Not only the interest, the late fee also goes to your group money. Your money does not go anywhere.

Leader to member: See, what they are saying. When I told you, you did not believe me.

This interaction clearly generated tension and indicated that sharing of information such as this was power-laden. It was also as though the group leader and the staff member were on one side of the interaction and the member on the other. During further discussions it emerged that only one member, other than the leader, knew the amount of the group savings, the other members knew only the individual savings. Three members knew the interest rate that the group was giving to itself on savings.

The study found that in a vast majority of cases, the bank passbook and other documents are kept with the leaders. In most cases, even the individual passbooks of SHG members are kept with the leader.

High Levels of Dependency on Sponsoring Organisations

Having examined the implications of literacy status for the leader-group member divide, we now look at the implications for the relationship between the group/

federation leadership and staff members of sponsoring organisations (who are meant to be working 'under' the groups/federations.)

As part of the group interview, the group linked to Velugu was requested to simulate a meeting. During the simulation, the Community Activist (Velugu village-level worker) wrote the minutes of the meeting. When he read out the key points he had noted in the minutes at the end of the meeting, it emerged that only the financial transactions had been noted, negating all else that transpired. No one else read the minutes despite two members being literate, nor did anyone add anything.

Shikha is the Secretary of the Village Organisation (VO), the village-level federation sponsored by Velugu. She is not literate and depends on the Community Activist (CA) to do all the documentation. She knows the details of meetings of the VO and recalls the nature of engagement of the VO in different activities, but is unable to recall details such as which members of the VO participated in which activity, the financial costs, disbursements etc—all details for which she must depend on the CA. She can negotiate on behalf of her group with others but when it comes to the CA, she feels it would be inappropriate to even ask for the records since it would be an expression of distrust.

This despite the fact that the project is aware that there has been misappropriation of resources in the area and that women have been advised by the district-level Gender Resource Person to deposit their savings themselves and retain the passbooks rather than leave it with a Community Activist. Radha gave the following example from Sadu Mandal, Nariyadal Gram Panchayat. Narrain was the CA. The SHG decided to buy a tractor, but they didn't know how to drive it, maintain it etc. They had applied to Velugu. Radha checked the group. She refused because they thought they wouldn't manage. Narrain felt that on behalf of the women, he would take the tractor and give Rs 10,000 and two cattle to each of the five members. He took the signatures of all

Only one member, other than the leader, knew the amount of the group savings, the other members knew only the individual savings. Three members knew the interest rate that the group was giving to itself on savings.

members. DPIIP sanctioned the cattle. In the minutes book he wrote 'tractor' and bought it. Women kept waiting and asking, when will the cattle come? They complained to Velugu about him. Functionaries came and checked. The tractor was taken back from him and he was dismissed. When they had asked him he said he bought a tractor because that's what they all wanted, and showed signatures in the minutes book. The group members said that we signed blindly. The tractor become a headache for Velugu.

We found a similar situation of dependence in the case of the Velugu Mandal Samakhya federation—16 of the 20 Mandal Samakhya members had levels of education ranging from 4th standard to intermediate. The issue is also one of

investing in processes that allow members with differing levels of literacy—neo-literate or high school graduates—to have the levels of confidence to use their literacy skills in ways that reduce dependence. There was, however, an absence of efforts on the part of the programme to enable members to use their existing literacy skills. There are several tasks that were currently being performed by

the staff of the Mandal Samakhya federation that could be taken over by federation leaders. For example, the rice procurement scheme involves a number of tasks that require literacy, such as demand assessment, checking weights and records at procurement, calculating how much rice has to be distributed per village, repayment-related calculations, mapping for delivery. Undertaking such activities, which would tangibly lower levels of dependence on staff, could form part of a progressive process of learning, with women introduced to different aspects of such processes gradually. There was no such strategy for learning in place.

In the context of Peace, too, it was evident that there was a high degree of dependence on the sponsoring organisation. In the group interview with the MACS (federation) members, we were told that, "Till now we are asking Sir [the director of Peace] to take decisions." Another MACS member said, "If the organisation is not there, the groups will not survive. They are afraid of Peace

won't get help from them. If the organisation is not there then women will not be answerable, the system of checks and balances will not be there. Now we can tell the women that we will complain against them. So that's how it works."

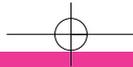
The high degree of dependence of MACs on the sponsoring organisation was also confirmed by the local Care staff who said that, "At present the annual returns of MACS are filed by the managers but when to file and how to file are things that the members do not know." It is significant that it is only a representative of a donor organisation who explicitly articulated the power equation between the sponsoring organisation and SHGs, and the role of literacy within that context. The Cashe programme representative from Care felt

that the value of literacy lay in the fact that it increased awareness. At present there is a danger of community members being exploited by NGOs who take away money towards financing salaries of staff. He argued that NGOs were not part of the community. Community-based institutions needed to take over even management functions and to establish external linkages. As argued

earlier, these strong words are contradicted by the linearity of the approach being pursued by Cashe as part of which financial efficiencies have to be established before capacities of SHGs and federated organisations can be focused upon.

The other dimension of the relationship between the groups, leaders and the sponsoring agency, is that it was often the case that the leader worked virtually as a representative of the agency. This was particularly so in the case of most of the NGOs. For example, in the incident during a group interview referred to above, in which a member of the group asked about the rate of interest, the group leader was the one who acted as the link between the organisation and the group, not just a 'go between', but in some senses 'representing' the organisation. It is also the case that the sponsoring agencies find it much more 'efficient' and easier to interact with the leader. Part of the ease experienced relates to the leaders being more literate and in a certain sense then moving into a mode where the

There was an absence of efforts to enable members to use their literacy skills. There were several tasks being performed by staff that could be taken over by federation leaders.



The Logic of Microcredit

Understanding the Approaches and Assumptions

- Instrumentality: Why do SHGs target women?
- Laissez-Faire
- Linearity
- Sameness Principle
- Focus on the Financial
- Redefining Social Issues
- 'Empowerment happens Automatically'

Benefits of Microcredit To Institutional Players

- Benefits accruing to the Sponsoring Agencies
- Benefits accruing to the State
- Benefits accruing the Banks
- Benefits accruing to Corporations





UNDERSTANDING THE APPROACHES AND ASSUMPTIONS

At the beginning of this report, we said that we had chosen our groups and interventions to be representative of different kinds of programmes so that they would offer insights into the discourse and practice of microcredit rather than be individual, localised case studies. It is critical for us to move from particular examples to more general insights and observations if we are to understand the discourse of microcredit and development, and use this understanding to influence the realm of gender and development.

In this chapter, we try and make this journey from ground realities to the space of discourse. We have seen in the previous chapters how the functioning of SHGs and microcredit is deeply impacting the way the very concepts such as empowerment and livelihoods are being constructed. These changing definitions, in turn, have tangible implications for the lives of millions of women across the country. It is, therefore, necessary that we do not limit ourselves to simply talking about the logistics of credit, but also grapple with its tremendous impact on the discourse of development itself. What have we understood about the ways in which microcredit works? What are the characteristics, the logic, as we term it, of microcredit that any actor engaged with it must deal with?

This chapter seeks to outline the logic of microcredit. In it, we have pieced together the picture that emerged from our investigations, in particular from juxtaposing the views of sponsoring agencies with the perception of the women.

We wish to emphasise that what we are presenting is not the theoretical framework that we began with. These are patterns that have become apparent to us during the course of the study, as we see similarities in the way different organisations grapple with microcredit. These patterns are, we believe, the core of microcredit which informs the day-to-day realities of Self Help Groups. The second part of the chapter relates to the benefits that accrue to the different institutional players in the realm of SHGs. It is not a coincidence that such patterns exist, and indeed they are informed by powerful vested interests. It is critical for us to understand these patterns and the factors underlying them if microcredit is to be anything more than a reason for powerful players to make grand claims about women's empowerment and poverty alleviation.

INSTRUMENTALITY: WHY DO SHGS TARGET WOMEN?

According to the Assistant District Magistrate of Sabarkantha, targeting women in the programme was a practical and pragmatic solution to the problems confronted in IRDP (Integrated Rural Development Programme) of default on loan repayments. By targeting women, the programme ensures repayment, since "women can't go anywhere, they can be located easily—they cannot run away, leaving their homes; they can be persuaded to repay easily as they feel shame more quickly and consider non-repayment as a betrayal of family honour". It is not the interests of women but their vulnerability that makes them

"Women...can be located easily—they cannot run away, leaving their homes; they can be persuaded to repay easily as they feel shame more quickly and consider non-repayment as a betrayal of family honour," ADM, Sabarkantha, Gujarat





attractive loan-takers.

Another aspect of the underlying gender ideologies of many microcredit groups is the invisibilisation of women's productive and reproductive roles prior to their involvement with SHGs. A contrast is made with the sudden, automatic and positive changes that accrue as a result of SHGs. When the Mandal Parishad Development Officer (the official in charge of DWCRA) was asked about the value of SHGs, he said, "Generally, ladies sit idle at home... Ladies should participate. In this way the State will also develop." He repeated again during the interview that "women sleep in the houses idly". This view was also echoed by the Gram Sevak of SGSY, who said that "women who are sitting with nothing to do for much of the day are provided with work through our programme so they too can contribute to their families". Once more assuming that women have 'free time' and that their role is primarily to sustain and support families. Although the programme aims at providing credit at subsidised rates to rural women, nowhere in their articulations did the staff talk about why independent access to credit and savings was significant to women's lives. The refrain, whether in DWCRA or in SGSY, was constantly in the context of benefits to the household and to family welfare.

In the case of DWCRA, West Godavari, officials talk not just of the benefit of harnessing women's energies for the family but also for the nation. When we asked the Mandal Parishad Development Officer, Pedapadu Mandal, why he felt that there was a need to form SHGs, he said: "There is a need to mould women to take up activities related to education, health and social awareness on issues like environment. To inculcate in them habits. Why allow women's power to go waste? We need to utilise manpower in a proper way. Through activities and savings, women will supplement the family income. If the family is in good condition, it will benefit the country also." Implicit in the above comments is the negation of women's

contributions hitherto and the right of women to development per se, as well as a strong instrumentalist understanding of their role. There is also an acknowledgment that through SHGs, women will gain an increase in income only to supplement the family income. They will, in other words, not challenge the man's status as the main earner of the family.

The Commissioner for Rural Development expressed the following view: "We have found that women's participation in SHGs and Rural development enables us to achieve the set goals of development more quickly—messages conveyed to women through SHGs are more effective, and women also learn to value things like child education and family planning." He also made a distinction in the methods to educate women to ensure the efficient achievement of goals. In his view, it is important that women acquire the skills of reading so that they are able to use information more easily. An investment in writing skills was futile given the effort required, since the goal of information dissemination was fulfilled through reading. Women and their learning thus become a means for the achievement of State-sponsored targets, with women as the recipients and beneficiaries rather than as individuals with the capacity to make choices in their own right.

The Swashakti programme offered INRECA an option to expand their work to new areas and, given their lack of experience of working with women's groups, also provided the opportunity of learning. There was no ideological push to shifting the focus to women; according to the leadership, the fact was that this project provided the opportunity to extend their outreach more quickly right up to the grassroots level. The priority of the organisation continues to lie in the provision of educational opportunities for tribal children but, as the leadership acknowledges, the focus on women could well be adopted as a strategy if that is what support is available for, "and women are also easy to convince for any agenda once we have their faith". Women

"Women's participation in SHGs enables us to achieve the goals of development quickly—messages conveyed to women through SHGs are more effective, and they learn to value things like child education and family planning," Commissioner for Rural Development





thus become the conduit for access to resources with little attention necessary for their needs. According to the INRECA programme team, savings and credit is like a self-financed scheme, with few overheads for the organisation, and is a useful way to reach people. This is why so many organisations have opted for SHG-based programmes, which need little supervision and serve many ends as well as visibilise the grassroots presence of organisations, which INRECA did not have hitherto. INRECA thus views SHGs as a convenient mode through which its developmental as well as 'cultural' agenda can be promoted. It neither hinders nor deters from the original agenda, and the organisation is not compelled to address women's needs or incorporate gender concerns into its priority either. Thus, microcredit makes inroads as a strategy, provides a platform for other agendas without disturbing the status quo on gender and power.

In the case of an NGO like Peace, we find shifting articulations of the reasons why savings and credit is important in their work with women. This range of articulations reflects the complexity of a situation in which there is a desire and an organisational history of work for social justice struggling against the superimposed logic and compulsions of microcredit. Peace members said that they were working with women "in order to make the pre-school programme a success, we needed support from the community. We needed to work with women in order to motivate them to send children to school." Others claimed that they were "working with women so that we could work on women's health, education, girl children and labour issues." We also heard in the same interview, a perspective which was based on a recognition of gender inequality. "We thought that with thrift and credit, women will have resources in their hands, they can get property of their own, which will be useful especially in old age since there are no support systems for old age." Finally we heard an explicit articulation of gender justice: "Men, irrespective of their education or political power, are more powerful and have access to resources. So there was a need to give preference to women. Their status needed to be improved. Women do not have an identity. If men get loans they are not giving money at home. Monetary resources are not going to women. If they save they can get loans. If they take

According to the NGO INRECA, savings and credit is like a self-financed scheme, with few overheads for the organisation, and a useful way to reach people.

loans, they will get some benefits. They will also have some value and confidence in themselves."

This multiplicity of articulations on the reasons why savings and credit is important in the work with women indicates that while the role of savings and credit is being related to empowerment, there has been insufficient discussion and articulation of this as an agenda of the organisation. The fragility of this understanding also reflects in the programmatic interventions, with learning opportunities enjoying a fragile status. One of the factors underlying this is the primacy that the funding organisation accords to financial efficiencies.

With Anandi, we found an articulation for the need to include savings and credit in the agenda of the organisation which was located in the realities of socio-economic inequalities faced by the poor tribal women that they work with. Although the situation of tribal women is marginally better in terms of division of labour within the house, for example, there are several areas of deep inequality such as ownership of land and other agricultural assets and decision-making on key concerns within the family. By ensuring that women were the ones who accessed credit and led initiatives, the organisation felt that it would strengthen the self image of the women as well as their image within the community, while assuring them a control over assets in a situation where women own nothing. While this might also appear to be an instrumentalist view of savings, the impetus comes from the ideology of the organisation and the multiple strategies that they deploy towards fulfilling their mandate of gender justice. This impetus was clearly articulated far before microcredit entered Anandi's work.

In government-sponsored programmes, it is clear that microcredit targets women for reasons other than what is at

¹ Even the functioning of the Deepam scheme is ridden with problems. The poor, who are meant to be the beneficiaries, find it more profitable to sell the gas connection to those who are better off since in any case they find the option of paying for gas cylinders more expensive than traditional sources of energy.





stake for the women themselves: whether it is for better repayment, the welfare of family/community/nation, the dissemination of development messages, or the resources and opportunity to reach out to more families at a faster pace. It is only when the ideology of the sponsoring agency has a clear commitment to empowerment that the *raison d'être* for microcredit moves beyond such instrumentality.

LAISSEZ-FAIRE

It emerged that microcredit follows a *laissez-faire* approach. In other words, like the free market principle the term alludes to, it neglects deeper structural inequalities and assumes that all are equally able to participate in an 'open market' system. Therefore, for example, as long as women are given money, they are thought to be automatically able

to engage in development and income-enhancing activities, regardless of other institutional and social barriers that might prevent such access, or the learning inputs they may need to be able to make such decisions.

When DWCRA officials were asked why certain income-generation projects had been identified versus others, the response was that women had made the choice. The process was 'needs based'. While this may be the literal fact, the issue is that even if the women were indeed asked, we need to recognise that their responses are informed by the exposure that they have, the socio-economic, political, and cultural circumstances that they are part of, and what they perceive (or are made to perceive) as the available choices. It is not surprising then that women 'choose' options like papad- and agarbatti-making.

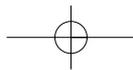
Perceptions related to the Poor

The issue, of course, is not only how women are perceived in SHGs, but the poor as a category too. The Project Director, DWCRA, West Godavari, viewed savings and poverty in the following way: "Income is greater than expenditure. The poor can save if they want to. If the fellow has 'bad habits', what is the point?" The SGSY Gram Sevak's view was little better: "The poor are so because they are not willing to work, we give them work and the government provides them with benefits. If they were to use them properly they would have reached far, but they do not. Some of them, especially the men, just lie around and do not work, they deserve their fate. It is our job, so we are doing it, but we can use the same money more wisely if we invest it in roads and other infrastructure—anyway they are not grateful for what we are doing. They think it is the government's job to give them everything, and that too with subsidy! These people will fight and waste their money and time, there is no point wasting our time. That is why I prefer to call only the leaders and explain things to them."

The Taluka Development Officer was a little empathetic and felt that the poor were impoverished due to their lack of resources, but also shared the view that no amount of credit was likely to change their conditions

until they changed their habits and attitudes, not caring to examine the reasons for either their lack of resources or their attitudes. The government functionaries' mindset indicated apathy towards the poor and their conditions, and an unwillingness across the board to go beyond the prescribed format of programmes to innovate or enable the poor to access resources, skills or take initiative. In one instance, where the leaders of the five SGSY groups demanded skill training to enable them to explore income-supplementation opportunities, the Gram Sevak responded with a shrug, saying, "What will you do with more income anyway, will it change the way you live? We have already identified the activities and the government will decide what [activities] you can do." His and other comments were also coloured by their perceptions of caste: "They cannot change who they are even if we help them with all these programmes." Similar to their views on gender, notions of what it means to be poor, and perceptions of those that are poor, pervade the development sector. In the logic of microcredit, these notions often go unchallenged, and sometimes, manifest themselves in dangerous ways. In the excerpts above, it is clear that, in the eyes of many programme administrators, the poor are to blame for their poverty.





How do we understand the 'choices' made by the women? As analysed in Chapter One, we need to consider what they were choosing between, and whether meaningful alternatives to choose from exist. In the presence of strong existing patriarchal value systems and the absence of being provided with information and the feasibility of undertaking various options, choices cannot be termed 'informed', and they certainly cannot form a basis on which development interventions can be planned. The approach of merely asking women what options they would like, without preparing them with requisite inputs and capacity to make informed choices, is characteristic of how a *laissez-faire* approach manifests itself. *Laissez-faire* is apparent even in the context of the justice and equity agenda where, once again, programmes claimed that the women can decide when and which issues would be taken up. Once again, the constraints to being able to exercise alternative choices were simply ignored.

Take the example of Peace. The senior Care official said, "Whatever issues are identified, should be identified by the people located in their own contexts." While at one level this appears to be in keeping with a perspective which places the subject at the centre of the development process, this articulation needs to be located in the reality of the experience of Peace. The women in the communities with which Peace works were earlier able to be actively involved with radical actions as part of the anti-arrack struggle and actions for Dalit rights. More recently, they were able to participate in the WELLD programme, because the organisation made this intervention and worked hard at motivating women to participate in it. The compulsions of the Care-funded Cashe programme, which Peace is now following, has implications for women's ability to choose options. The policy of sustainability which is central to Cashe entails bank linkages, which in turn requires certification from the District Collector. Any involvement on the part of Peace in what is perceived as radical, anti-State action would disallow it to continue on this path of self-sustainability. There are clear implications for the nature of activism that the women in SHGs would involve themselves in, given the importance of the NGO in determining the social agenda. Even with respect to literacy, despite the women wanting to continue, Peace had

Programmes claimed that the women can decide when and which issues would be taken up. The constraints to being able to exercise alternative choices were simply ignored.

no option but to wind up the programme. Such efforts at delinking women's choices from the larger social, economic and political realities represent a denial of choices in the course of action available.

The study provides a telling contrast in the approach of the donors with their own highly interventionist strategy. The Partners' Capacity Assessment Tool of Cashe states, "...the partner organisations metamorphose and reposition from 'not for profit social change agents' to 'for profit sustainable microfinance service providers'. There is no principle being applied here of supporting 'independent' choices made by the organisation. The donor plays a highly interventionist role vis-à-vis the implementing agency, while promoting an approach of leaving it to 'what SHG members want' at the level of the community. Although it must also be stated here that in today's context of 'participatory' approaches, it is not easy to disentangle what it is the donor wants from what the NGO wants and further from what the SHGs want. This is because of the ease with which agencies can direct processes that lead to the articulation of what is 'wanted'.

The *laissez-faire* approach was also found in the context of women approaching the group for help. We found a worrying, though not surprising, similarity in perspectives down the line and extending even to federations and SHGs. The logic is that help will be given if women themselves come for help, and if they choose not to, the question of helping does not arise. For example, in response to our question relating to the agenda of the SHG, members of the SHG group sponsored by Peace said, "Women don't come with their problems to us." When we asked the federation members the same question they said, "If such cases come to the groups, then we can talk about them. Otherwise how can we talk on the affected





woman's behalf? Unless she comes forward we cannot do anything. How can we take care of them unless they want our help? It is not feasible. Tomorrow, what if they turn around and tell us that it is their matter and we should not interfere?" This is almost exactly what the organisational leadership said to us about the fact that they could help the groups only if the groups themselves approached them on issues of equity and justice.

These responses call for reflection on why women will or will not approach a forum for help, and the processes that need to be put in place for women to access these forums. Once again, we find that the laissez-faire approach is at work. Rather than finding out what the issues and barriers to addressing these issues are in women's lives, the attitude of the programme is "if there is a problem the women will reach out". Implicitly, the organisations exempt themselves from the responsibility of providing enabling conditions for social change.

This position is far more harmful than it initially appears. Particularly in the context of issues relating to the family, the process of women even acknowledging that there is a problem and taking the initial step of seeking help can be a difficult one. It requires trust and the knowledge that there is a strong chance that help will be given when asked for. SHGs, federations and sponsoring agencies cannot assume that all of this will happen without their enabling it through communicating that the forum is open to taking up these issues. Also, as in other kinds of gender injustice, processes are needed to help women recognize that their rights have been violated in the first place.

There is a similar expectation that women should 'automatically' join other processes of development underway in the village. This was the case with a watershed programme being implemented by Peace, which was later converted into a watershed plus programme. There was a problem with the earlier watershed programme in that women did not come forward like the men to join the

committees. This was one of the reasons why the programme decided to start SHGs with the women who did not participate in the watershed programme. The project coordinator in Peace said, "Both men and women were invited to join. But what happened is what usually happens—only men come, and they do not bring women. They do not encourage women to come." The interviewer asked, "So did you not insist that the programme cannot be taken forward if there are no women?" To which the project co-ordinator replied, "They should come voluntarily."

LINEARITY

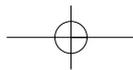
In Velugu, despite an extremely strong articulation of the importance of gender, gender trainings were designed by APMAS (Andhra Pradesh Mahila Abhivruddhi Society), a prominent state-level agency that conducts research and engages in capacity building of SHG programmes. Two years after the programme began, reflecting the lack of significance accorded to the issue in practice. In Swashakti, Gujarat, we find that for the first two years, savings and credit is the all-consuming agenda for the project staff at INRECA. It is only in the third year that issues of enterprise or social concerns are introduced, and they receive much less attention than the financial agenda.

These examples point to a linearity inherent in the logic of microcredit. Even where the provision of learning inputs and capacity building are identified as goals of the group, these are only brought into play at a much later stage of the organisation's work, and are seen as adjuncts to the central work of savings and credit.

This primacy of credit is justified often by a perception that women first want their economic needs met, and only then will they want learning and other opportunities, or want to deal with non-economic issues. The senior Care official who was interviewed said, "There is no sense in education if the next meal is not assured." There are three assumptions being made here. First, that the women have

Rather than finding out what the barriers are, the attitude of programmes is "if there is a problem the women will reach out". They exempt themselves from the responsibility of providing enabling conditions for social change.





a hierarchy of needs in which they deprioritise education (this is clearly countered by what women themselves have to say about the value of education). Second, that it is very poor women (who do not know where the next meal is coming from) that form the majority of those engaged in savings and credit (the reality is that there is a clear exclusion of the poorest from savings and credit programmes). Third, and perhaps most important, that education has nothing to do with women's access to and control over resources.

Evidence to the contrary in Anandi, where the ideology of the organisation and the learning opportunities have enabled women to address their livelihood concerns, clearly establishes the significant role that access to educational opportunities can create for poor women. Women were at the centre of the processes of visualising, planning and implementing. Prior to these measures being taken, the organisation provided sustained inputs through structured training events, planning meetings, workshops and interface meetings with the government and other officials, and field trips to other organisations to explore different strategies to address these issues.

SAMENESS VS EQUITY

Microcredit also tends to compel groups to operate on the principle of 'sameness'. Sameness, or homogeneity, is evident in many different spaces: uniform monetary contributions, interest rates and loan repayments schedules as well as uniformity in the caste, class, linguistic, and religious composition of the groups or in their method of functioning and day-to-day activities. In all the interventions studied (barring Anandi) members of a group pay equal amounts as monthly savings and are charged a uniform rate of interest. Homogeneity based on identity is thought important to enable peer pressure for repayment.

As we have already seen, homogeneity often results in the exclusion of many categories of women, especially the poorest. The majority of members of SHGs interviewed also expressed a reluctance to acknowledge any differences within the group in terms of economic and social status. There is no need considered, nor are any means adopted, to make visible these inequities and deal with them as the basis of planning within the groups, for fear that this may

Parameters such as uniform savings are used to position the group as an equal opportunity space. Equality then is interpreted as sameness. Homogeneity means that the group is able to discipline itself and ensure that norms are followed without differentiation.

create differences and disharmonise the group.

Parameters such as uniform savings are used to position the group as an equal opportunity space in contrast to society at large and also present a lucrative incentive. Equality then is interpreted as sameness and this equivalence ensures that equity issues do not determine group transactions. Homogeneity is assumed as an internal characteristic needed to ensure that the group is able to discipline itself and ensure that norms are followed without differentiation.

Anandi, the exception to this practice of the 'sameness' principle, had, in fact, initially resisted initiating the savings and credit programme for fear that it might change the culture of the groups from empathy and mutual support to one limited to material gains. The organisation, therefore, sees its role as a proponent of equity.

Even as the groups have taken on other responsibilities, Anandi functionaries constantly raise the issues of equity to ensure that these are reinforced as learning and that decisions of groups and of the federation are informed by the principles of justice and equity. This was evident in the case of a staff member's intervention on behalf of a poor group member's request for a loan from the federation in order to pay back a loan taken earlier from a moneylender, for which the group had forwarded her request to the federation. The group was unable to sanction a loan since priority for lending was accorded to returning the food grain loan to the federation in order to avail of the deadline for a discounted interest rate. In the absence of available resources, the group had recommended her case for consideration to the federation.





The official in charge of Monitoring and Evaluation, Swashakti held that inclusion of indicators of women's status would distort the programme. "If we start teaching those things then our whole society will collapse and we will have no values and culture [left]. Whatever we do it should not destroy our family system."

Some federation leaders were of the opinion that the loan could not be considered since the request was for debt repayment, whereas the federation norms limited its jurisdiction to loans for health and educational purposes. The staff member, having listened to the discussion between the federations quietly, interjected only to comment that the request for the loan was to repay a loan that had been taken in the first instance for health reasons, and she had approached the federation only as the last option when all other routes had failed. Her group was her guarantor and if the federation did not extend the woman a loan she would be compelled to go back to the same exploitative moneylenders against whom this structure was established to battle in the first instance. Upon hearing this, another leader commented, "Remember the pyramid plotting exercise we did. She is from the lowest quartile. Every marginalised woman will feel betrayed if we do not think of a way to help her today," she said, reiterating the issue of equity.

FOCUS ON THE FINANCIAL

We saw in Chapter One how the agenda of most SHGs is unable to include issues of social justice and equity. We argue here that this is a result of the focus on a narrow financial agenda adopted and promoted by most sponsoring agencies. Indicators used by programmes themselves to judge and monitor their work can offer perhaps the most accurate insight into a programme's own priorities for itself. Arguably, these indicators reflect the direction that the group's activities have taken, and also

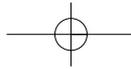
determine the work to come in the future. The Mandal Parishad Development Officer (MPDO) in West Godavari defined a 'well working group' as one which has: regular savings, regular meetings, has maintained a minutes book and other registers, and has undertaken internal lending (use of savings for lending within the group). Yet when the MPDO spoke about benefits accruing from SHGs, he included, "Employment, economic/financial liberty, self-confidence, interaction with outsiders. Also education." It is significant that there is no match between indicators and the benefits claimed to accrue from microcredit. Also, the indicators reveal a lack of seriousness about the equity and social justice agenda. The question is not one of counting financial versus social justice indicators, but to realise that the two are inextricably interlinked, and that more complex measures of performance must be developed to monitor whether SHGs are responding to poor women's needs and interests in a holistic manner. The lack of social justice indicators, we argue, is indicative of an imbalance created by the pressures of microcredit.

The criteria for monitoring at the three monthly monitoring meetings of DWCRA in West Godavari district are similar. These include: maintenance of records, promptness in savings, regularity of group meetings, passing of resolutions, bank linkages and access to Deepam gas cylinders (obtaining gas connections was the most frequently mentioned benefit of being a member of an SHG mentioned in Andhra Pradesh²).

There is a strong resistance to including non-financial indicators. In Swashakti, the state level personnel in charge of Monitoring and Evaluation was adamant that the inclusion of indicators measuring women's status, for example, would only distort the programme: "If we start teaching those things then our whole society will collapse and we will have no values and culture [left]. Whatever we do it should not destroy our family system." He felt that it was far more important to measure the physical achievements of utilisation of infrastructure resources and establishment of linkages with the government departments "as these are goals that will build our society". The fear he expresses is highly revealing—there is a recognition of the potential of empowerment to seriously challenge the existing status quo.

² This information was provided by the district co-ordinators of the Swashakti programme in Gujarat as well as from functionaries of other programmes. Numerous notifications have been issued by various departments that outline the role that SHGs should play in the development agenda of the State.





The same individual had also been charged with the responsibility of designing and conducting a survey to grade groups for their levels of development since their inception. The grading system tends to exclude justice and equity dimensions almost entirely, despite the programme's statement of objectives relating to empowerment. The only non-financial indicator included measured access to existing government health and education programmes. Women from the groups later told us that they did not recall any issues outside of savings and credit being raised when the evaluators visited.

Anandi team members reported to having lobbied for indicators of social change and development to be included in the monitoring framework, but had obviously met with minimum success in the larger project design of Swashakti, although they pursued such processes internally. They reported that they regularly undertook monitoring of their groups to assess how many could actually work autonomously and approach government officials for their own needs, negotiate their needs with local leaders, and arbitrate on behalf of women in times of crisis within the household. These indicators, they believed, were as relevant as financial data because, as a member of the federation said, "After all the aim is to make women visible and capable of fighting for their rights."

Arguments of functional overload on the monitoring process are given to justify the exclusion of social indicators by programmes such as Swashakti, despite its postulated aim of changing the status of women, while programmes

such as Velugu and SGSY rationalise the exclusion on the grounds that they are principally poverty alleviation programs and that the benefits to women are a value addition, not a core component of the strategy. "If women are getting benefited through our strategies, then that is good. But our task is of reducing poverty and that is what we must measure and monitor," said an official with Velugu.

The dominance of the financial in the agendas of the sponsoring organisations is also reflected in the self-assessment that SHGs undertake of themselves. When the SHG sponsored by Peace was asked what was different about their SHG, they said, "We are saving regularly. We have made a penalty rule for latecomers, we are united, we are maintaining time, we are sharing roles and responsibilities—every month one person has to sing..." The first way in which they considered themselves to be different from other SHGs was in the imposition of a penalty.

The relative importance accorded to financial efficiency is reflected in the thoroughness of the former and the vagueness of social justice indicators. The Mandal Parishad Development Officer, Undarajavaram, when speaking of his perception of the benefits women derived from SHGs, responded in specific terms when referring to material benefits such as women getting Deepam connections, access to house loans and midday meal schemes. However, when speaking of social change, he merely said, "There is a change in roles. Now the women are self-dependent." Apparently there is no need to back

Of Resources, Lives and Land

Women also described their change in status in a multi-pronged perspective, describing their exploitation as a social and political issue, and linking it to the economic ramifications. "Earlier they [people from outside—traders, shopkeepers, contractors] would think we are nothing, they came and took anything and did not think we could understand or ask questions. They would oppress us because we are tribals, the police would take the men away on cooked-up excuses. We would not be able to make a living from our own resources, they would snatch

our product and give us a pittance and we would not dare challenge them. This situation is now different—we do not allow them to take our produce, we take it to sell when we want, the forest guards and the traders know that we are aware of many things and can take up a protest any time. We are not alone so he cannot treat us like that anymore. And we do not depend on him—we help each other, and support from the organisations gives us the idea that if we are working together we learn new ways of strengthening our control of resources and our land and lives."





these claims with even anecdotal evidence.

This vagueness when it comes to empowerment applies also to resource groups. Take for example, APMAS in Andhra Pradesh. When quantifying the quality of groups, one of the indicators is awareness, defined as 'awareness of the SHG concept'. Similarly, the organisation providing training and evaluation/monitoring support to SGSY as well as the Swashakti programme in Gujarat also defines empowerment as a process of access to resources and women's awareness of the sources of such access. A senior trainer in the organisation even admitted "when we define women's empowerment, it must mean much more, their material and political awareness that helps them to take action to correct the imbalance, but in the context of SHG-based programmes we must limit it to the economic realm. Otherwise we will have too many things to deal with." For Velugu, too, the senior functionaries are aware that an economic definition and the adoption of mere economic indicators is unrealistic but necessary given the scope and limited time frame of the programme: "Others can follow up on those social aspects. We must not lose our focus, else we will not have results to show at the end of such a tight programme."

The problem of vagueness is compounded by the inconsistency in the sense that there may be well-defined indicators for the same programme co-existing with more vague indicators of empowerment. For example, in the Cashe monitoring and evaluation framework, there is a sub-section called 'gender issues with parameters and checkpoints', which are substantial and include aspects of gender such as 'reduced work burden'. However, when we look at the log frame output indicators and variables, we find that all the empowerment issues are subsumed in the sub-section 'participation of members in decision making' which includes 'participation of members in social and economic issues' but does not detail this any further. It is telling that the same inconsistency of articulation is most

There is a redefining of what social issues are. Developmental inputs are seen as a means of providing the service without raising any fundamental concerns of rights and equity.

Changing meaning of social change

That social change is being redefined is evident in the fact that the indicators being used are informed by a new construction of what social change means.

A district-level DW CRA document quantifies social linkages in the following way:

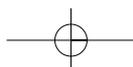
Social linkages

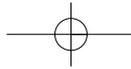
Indicator	Percentage
Children attending school	99.62%
Family planning done	90%
Immunisation of children done	100%
Drinking water facility	60%

apparent (from the six interventions included in the study) in the case of Peace, the NGO being supported by Cashe.

REDEFINING SOCIAL ISSUES

An instrumentalist view of women is deeply linked to, and indeed emerges out of, the logic of microcredit that we have been slowly outlining in this chapter. The argument often put forward for an instrumentalist approach that women might still benefit, since 'education, health and social issues like environment' get included in the agenda for their education and action, is countered further in the report with evidences that reveal that what women are actually doing in these sectors is in keeping with and confined to the State's instrumentalist agenda. For example, in the realm of health, women participate in immunisation drives and population control programmes with little opportunity to make informed choices or determine the agenda otherwise. In fact, there is a redefining of what social issues are. Thus, the developmental inputs are seen as a means of providing the service without raising any fundamental concerns of rights and equity.





The contrast between what is and what should be is brought out by what the SHG member of the Swashakti-linked IRECA programme said, “They [programme staff] tell us to eat vegetables and to check our children for immunization—but they do not come and see if there is any food in our fields or if the sister [ANM-nurse] comes to the village. We have even told these girls [pointing to the INRECA functionaries] but no one comes. You are the first ones to stay in our village, so all the people are curious as to why you are staying and what you want from us.”

‘EMPOWERMENT HAPPENS AUTOMATICALLY’

This case study from an NGO in Orissa supported by Cashe is revealing because it captures the oft-repeated assumption that access to credit and, thereby increase in income, will lead to empowerment. There is a convenient construction of empowerment. In this paradigm, the issue of dowry does not need to be engaged with at all. The in-laws must indeed be happy—they no longer even need to harass her for dowry!

The neat and highly problematic manner in which the economic and social are separated allows the promoters of microcredit to claim that once economic empowerment

happens social empowerment will follow. The separation feeds into the logic that change will happen automatically.

From the above evidence it is clear that in the discourse of SHGs, empowerment can mean anything and that there is an artificial separation between ‘economic’ empowerment and ‘social’ empowerment. Even within ‘economic’ empowerment there is a reduction to the ‘financial’. As though this were not enough, even within ‘financial’ the focus is on the fact of savings. Sponsoring agencies, when speaking of empowerment, have tended to refer to this last and most narrow definition. Although even the relatively narrow realm of the financial should include assessing the extent to which access to credit and increase in income is being ensured, this is not necessarily part of the discourse.

These are extremely dangerous shifts in the discourse of empowerment, and inextricably wedded to the practice and logic of microcredit.

Our observations challenge this new discourse at every level:

■ Ground-level realities show that empowerment is not happening automatically.

A Success Story

Sumitra’s is a small family. She lived with her husband and parents-in-law in Burupada village of Hinjilicut block of Ganjam District. Her only tangible asset was a quarter-acre of land on the outskirts of the village, half of which being unfit for cultivation left a small cultivable patch which was not sufficient for a family to make both ends meet. Her husband’s wage basket largely draws its source from agriculture for a period of 200-250 days in a year with a daily wage of around Rs 30-35. This was just enough to make both ends meet. Coupled with this, Sumitra had been the target of dowry since her wedding and was often accused by her in-laws of not paying her dowry dues for flimsy reasons.

MAA Tarini, an SHG promoted by BMASS in partnership with Cashe, came as a blessing to Sumitra by helping her graduate, both in terms of financial

advancement and social empowerment. That was until Sumitra decided to enrol in MAA Tarini SHG in July 2000. She faced opposition from her family. A skilled tailor, Sumitra bought a sewing machine from the loan (Rs 2,000) she took in January 2001 from the SHG. She started selling garments to fellow villagers and repaid the loan. Today, she is a vocational teacher building the skills of young village girls in professional sewing. Sumitra is now a proud owner of a readymade garments shop. This changed the attitude of her in-laws and now respect and dignity greets Sumitra not only in her house but also in the village. Economic empowerment can often retrieve people out of their social quagmire.

Today her in-laws are heard saying, “Who cares about dowry, when she has made us proud?”





There is an artificial separation between 'economic' empowerment and 'social' empowerment. Economic empowerment is reduced to the 'financial'. Within financial the focus is on the fact of savings.

■ One cannot separate the economic from social. Even if we were to go along with the binary approach, the notion of economic empowerment would have to be much broader than mere financial transactions. It would have to engage with issues like women's control over resources. We have seen how women do not have decision-making powers over the use of credit and this is fundamentally linked to the gendered power relations within the family.

■ Even in terms of financial change, the agenda does not seem to be fulfilled. There are three aspects of financial change: women save, they have access to credit, and increase in incomes. In Chapter One, we saw how the nearest we can come to a certainty is that women will save as a group (whether they have meetings as a group or not), and that their access to credit or the credit leading to an increase in income cannot be taken for granted.

These shifts in discourse clearly serve the interests of the State and other institutional players. If the term empowerment can be interpreted in any way, and if the State does not define it, it can't be held accountable. Further, if empowerment and poverty reduction are meant to happen automatically, then the State does not have to invest in other programmes or make policy changes that adequately address these realities or invest in women's capacities in order to address them. We now turn to sharing and analysing the evidence related to how, in these and other ways, institutional players are benefiting from the SHG phenomenon.

THE BENEFITS OF MICROCREDIT TO INSTITUTIONAL PLAYERS

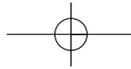
One of the least discussed aspects of microcredit is the benefits—direct and indirect—that accrue to a host of actors engaged in its delivery. Why is it important to know

how the State, NGOs, or banks gain from microcredit? There is one clear reason: if we understand how and what benefits accrue to actors, we can better understand their motivations for practising microcredit delivery the way they do. In other words, actors have stakes in keeping things the way they are, often because they stand to gain more from certain configurations than others. Changing the approach as it stands—believing in capacity building as an essential component of SHG interventions, for example, or recognising the needs of the more vulnerable within a group—can lead to a reduction in benefits, and perhaps even an increase in expenditures. Often, these reasons are a strong barrier to actors instituting a different way of functioning. If we wish to impact the current focus and discourse on microcredit, we must understand the cost-benefit structure that underlies its current configurations.

BENEFITS TO SPONSORING AGENCIES

A senior staff member of Care—the donor agency funding Peace—said, "There are limitations to the extent that gender can be addressed because creating awareness has a financial cost. On the other hand, community-based forums need to sustain themselves. Cashe too is dependent on funding from DFID. DFID wants to support microfinance. The work that Cashe/Peace would do would be part of this. There is no separate grant for gender and rights work." This was similar to the refrain of Velugu officials who said that they had specific aims of creating livelihoods-focused institutions that are self-sustaining. By definition, therefore, it would be wrong to start focusing on things that are not self-sustaining, such as social development, which need consistent inputs and demand support from the workers. "The Velugu programme is time-bound, after all. If we get into all this we will not be able to complete the agenda that we are meant to work on," said the Mandal officer. On our queries as to whether the institutional development process that the programme focused on would be sustainable beyond the project period in the absence of such social empowerment inputs, his view was clear: "That is not our job, let someone else do it." And, "after all, development is a long process, this programme is not the last programme. There will be others after this. Let them think about that problem. Right now we





can only deal with this [livelihoods] one.” On our query about the role of the gender team, he said, “Let them try, but we will focus on our work.” When we asked if there were any other organisations to provide support to work on these inputs, even if Velugu workers were not equipped to do so, he pleaded ignorance.

In this framework, investing in women's learning is often seen as running counter to the role SHGs are meant to perform—of generating or saving resources for the sponsoring agency. As was evident in the case of SGSY, Swashakti and DWCRA, just enough resource investment is made to ensure that groups are able to reach at least the stage of savings and credit absorption. SHGs are promoted and formed at a rapid pace, irrespective of the requirements of support and the quality of understanding that emerges among them so that gradually they represent a financial entity in terms of volume of business. The scale and pace is not conducive to nurturing intensive educational processes that require planning and time. Instead, women learn through their own errors, and a minimal investment in the orientation of leaders ensures a dependence on the promoting organisation in the absence of self-reliance and ability to operate autonomously. Much of the pressure to promote more and more groups stems from the organisations' compulsions to ensure adequate revenues which are invariably proportionate to the volume of transactions and the number of groups, rather than the nature and quality of inputs planned.

In the case of NGOs microcredit provides the means to contribute to the sustainability of the organisations themselves. The incorporation of a service charge component in the credit line extended through NGOs ensures that organisations view this as a viable proposition. The context is also one in which there is increasing pressure from funding organisations to get NGOs to move towards greater sustainability. The larger issue that this trend raises is whether it is feasible or desirable for NGOs working with poor, marginalised communities to factor in the need for sustainability in their approach and strategies. The changes

necessitated by the logic of sustainability will not necessarily be in consonance with the interests of the poor.

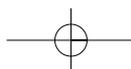
It is also often the case that the need to increase the scale of the interventions is prioritised over enabling processes that need to be pursued with the groups. The greater the number of groups created, the greater the resources that NGOs receive from government programmes or funding organisations. The costs incurred by NGOs in initiating and supporting SHGs reduces with the scale and volume of the financial transactions. The NGOs linked to the Swashakti programme in Gujarat, for instance, are eager to report the volumes and spread of transactions achieved to establish the viability of their intervention. Bankers are also more willing to lend to groups sponsored by larger programmes given the assured repayments of such programmes.

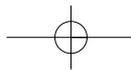
The changes necessitated by the logic of sustainability will not necessarily be in consonance with the interests of the poor.

BENEFITS ACCRUING TO THE STATE

Accessing Funds

The table on the following page reveals that the number of SGSY groups in Gujarat increased exponentially between 2001 and 2003 from 9,635 to 88,817 (with complimentary figures for Sabarkantha district being 1,136 and 5,921). This rapid expansion was made towards the achievement of the state government's target of forming one lakh groups. The quantum of credit assistance received by the groups has however recorded a decline, as the capacity of groups to absorb credit has been limited by the lack of inputs to nurture and enable the groups to function effectively. Figures for 2004 reveal even lower levels of credit assistance to groups, indicating that banks are extending lower credit to groups. District-level officials revealed that bankers are resisting extension of credit to groups in the state, despite their mandate to do so, until previous debts are recovered from the government-sponsored programmes. The state government had endorsed this stand of the banks and were, in fact, encouraging group members to help with loan recovery in their respective villages before any loans were sanctioned to them.





In the case of SGSY, we find also that the state governments get the opportunity to access resources from the central government for the creation of SHGs, a high proportion of which are then declared to be unviable. The SGSY programme is funded by both the central and the state government in a 75:25 ratio. The state government accesses funds from the central government in three instalments—at the time of group formation, at the time of assessment of creditworthiness (when the first dose of capacity-development inputs are provided for groups to forge bank linkages), and finally when subsidy is sanctioned for group loan.

The state-level SGSY functionaries in Gujarat interviewed were clear about the strategy adopted for the state to benefit from the scheme. In order to avail itself of a larger share of the resources from the centre in the first phase itself, a large number of NGOs were roped in by the state government to help set up SHG groups all over the state. The NGOs were engaged in this task on a per-group payment basis. There was, however, little possibility of such groups surviving beyond the initial period since there was little support provided to them by the state department functionaries who were meant to take over after the NGOs had formed the groups. The functionaries were meant to support at least 10-12 groups each over a cluster that tended to be widespread. Secondly, these functionaries, Gram Sevaks, were primarily from the Agriculture Department and their roles had only recently been rationalised to include rural development-related tasks. Taluka Development Officers and Gram Sevaks in a Taluka meeting acknowledged that they had only been able to ensure, on average, the survival of one or two groups in their cluster, the maximum being four groups.

The SHG phenomenon offers real benefits to state governments in terms of access to financial resources that are often not transferred onto the SHGs themselves, despite the huge expectations from them. For the purposes of our study, it is important to show the benefits accruing to the State through SHGs because the desire to accumulate these additional financial resources often directly results in the lack of any investment in learning opportunities or capacity-building inputs to ensure the effective implementation and, indeed, sheer survival of the SHGs.

The quantum of credit received by SGSY groups recorded a decline, as the capacity to absorb credit has been limited by lack of inputs to nurture and enable the groups to function effectively.

Abdicating Responsibilities

With its claims that microcredit is bringing about women's empowerment and poverty reduction, the State finds a reason to lower its accountability for the implementation of other programmatic or policy-level changes to meet these two objectives. As the contexts in which the sponsoring agencies are working show, there is a wide range of violations of rights that the State needs to address. Some of the many measures that need to be implemented included ensuring that the laws related to minimum or equal wages are enforced, food security through effective implementation of the public distribution system, and the provisioning of sustained literacy and continuing education programmes.

The scenario is one in which microcredit justifies the State's insufficient investment in meeting its commitments while poor women struggle to save the resources on which the microcredit phenomenon rests. This allows the State to project itself as the promoter of development while increasingly passing the onus of development to the poor, based on their own resources.

In addition to the saving that the State makes in terms of underinvestment, both in terms of meeting the larger needs of the poor as well as within SHG programmes themselves, we find that SHGs provide the State with the means to deploy free labour of members to meet a range of policy and programme targets.

The multiple uses for which SHGs are being deployed by the government is illustrated by the situation in Gujarat³:

■ SHGs have become the prime vehicles for the delivery of health messages and the achievement of targets related to family planning. Adoption of family planning methods entitled women and their households to benefits from

3 Quoted as a remark offered by the District Collector at the time in a district of AP at an anti-arrack rally in the early 1990s.





government programmes on a priority basis. (Women of the SGSY group in Tintoi wondered if the reason their loans were not cleared was because they had not actively adopted the family planning norms.)

■ The Department of Women and Child Development targeted women's SHGs for participation in mothers' clubs of the ICDS programme, the Swayam Siddha and other schemes of the Department. WCD functionaries at the grassroots level also had targets to form SHGs to ensure women's participation in the delivery and monitoring of services.

■ The Education Department viewed SHGs as targets for messages for mobilisation of the community for the enrolment of girls and as members of education committees. Women's roles within the education committees tended to be gender-stereotypic. Women of a village in Saira block reported that their role as education committee members included cleaning up the school prior to the visit of the Education Department functionaries. They were, however, not invited to the meeting with the functionaries. "Women do not go for the meetings. We were only given the responsibility of cleaning while the men drink tea with the official and have discussions," said one member.

■ The watershed development programme of the Rural Development Department seeks to form women's SHGs to ensure their participation in labour works. The irrigation department envisages women's SHGs roles in the

marketing of treadle pump sets.

■ Groups were being used for the collection of taxes such as water and electricity. As in the case of SGSY, they were also being used as conduits for the recovery of bad debts.

■ The state-level officials interviewed were immediately able to enumerate 16 notifications that call for a focus on SHGs as a priority in the programmes of the state.

In Andhra Pradesh, our study also drew attention to the fact that SHGs might be deployed by the government in ways that are harmful to women. The following is an excerpt from the interview with an SHG linked to the DWACRA programme in West Godavari district:

Interviewer: You said that you send people for family planning operations, and to the eye camp etc. Did you take these decisions yourself or did someone advise you?

Member: The MDO (Mandal Development Officer located in the Department of Rural Development) calls and asks if there is anyone in the village who needs the operation and we then find out. He sends a message stating how many cases we should identify and send for the operation. Sometimes he calls up the leader's house.

Interviewer: What do you tell people? Do you tell people about the problems associated with the operation as well? What do you say?

Member: We tell them that it is very difficult to raise more than one or two children... people worry because women

SGSY GROUPS IN GUJARAT: 2001-2004

Year	SHGs		CREDIT		SUBSIDY	
	Gujarat	Sabarkantha	Gujarat	Sabarkantha	Gujarat	Sabarkantha
2001	9635	1136	784.20	131.13	510.12	76.66
2003	88817	5921	693.89	86.79	413.70	54.28
2004	90161	5928	320.33	67.05	198.92	44.61

Source: Commissioner's office, Department of Rural Development, Aug 2004





can have all sorts of complications [because of a tubectomy]...so then we get a 'big operation' [hysterectomy] done for some women.

Interviewer: Isn't that very expensive?

Member: Yes, it is. Even in government hospitals it costs Rs 1,500. Many women have complications and fall ill after their operation [tubectomy] and need to get the big operation [hysterectomy] done.

While the government issues instructions to SHGs to mobilise women for its population control agenda, it does not assume the responsibility to ensure that the tubectomies are not injurious to women's health. As a result, women have to undertake an operation as invasive and expensive as a hysterectomy. There seem to have been no discussions within the SHG about the responsibility of the State to provide safe methods of contraception. Such hysterectomies were also reported by the village-level federation linked to Peace.

Involving SHGs in these various ways enables the state government to show how it is actively drawing women into processes of development. While such an involvement may have constituted a positive trend, the reasons for the same ensure that it is not in fact a trend that is necessarily in the interest of women. As in the case of the population control measures, in fact the interventions are harmful to women. The evidence makes clear that instructions are issued to SHGs in order that they can perform free labour for implementation of the schemes or as watchdogs for monitoring government services. That women have little say in processes of planning or decision-making is a matter for serious concern. Once more, women are expected to perform stereotypical roles as an extension of their invisible roles in the domestic sphere as caretakers. Far from addressing women's strategic concerns towards empowerment, the State uses and thereby reinforces stereotypic perceptions related to women. This also

absolves the State from undertaking roles for which it is responsible in the first place and implies that women are in fact subsidising the State for its services.

SHGs as Vote Banks

In addition to the material savings that accrue to the State as a consequence of SHGs, we now turn to another significant benefit—that of the SHGs being potential vote banks for political parties. All the groups interviewed during the study articulated an awareness of their allure for political parties as vote banks. They reported that politicians had wooed their votes on several occasions—for Panchayati Raj elections as well as state- and national-level elections.

Given Andhra Pradesh's longer history and much larger spread of SHGs, the phenomenon of politicians seeking the support of the women was found to be more acute here. The context here was one in which there was a higher degree of party politicisation, with linkages between political parties and forums such as SHGs and federation as well as institutions of local self-governance such as Panchayats, Mandals and Zila Parishads, being the norm rather than the exception.

During the run-up to the state elections, Velugu functionaries spoke of how they were expected to ensure the disbursement of the maximum amount of credit possible to the groups linked to the programme. This activity was prioritised and all other activities slated for that period were staggered (including our visit for the second phase of the study). Velugu grassroots workers in Gangavaram mentioned that they had been given the responsibility of disbursing over Rs 7 lakh in their Mandal. They also spoke about being encouraged to promote the incumbent party to the SHGs to ensure the sustainability of the programme. Women joked about how they were pursued for votes during the election campaigns, or about how parties called upon them to campaign for particular

SHGs perform free labour for implementation or monitoring of government services but have little say in decision-making. This absolves the State from undertaking roles for which it is responsible. Women are in fact subsidising the State for its services.

4 Quoted as a remark offered by the District Collector at the time in a district of AP at an anti-arrack rally in the early 1990s.





candidates. Some of them had also been approached to stand for the elections. They had not had any discussions on the basis on which candidate should be assessed or the possibility of placing their own issues on the political agenda for the candidates to respond to.

According to a bookkeeper linked to a Peace-sponsored NGO, during the election campaign a lot of benefits were promised, which is why most women switched to DWCRA. The TDP offered each group Rs 500, the Congress Rs 1,000. They promised loans for less interest in exchange for votes. Women from Backward Caste and Scheduled Caste communities were also offered liquor. They were threatened with violence if they did not accept.

It is not as if women do not have agency. Even more striking than the example thrown up by the study is the role played by DWCRA-linked women all over the state in the overthrow of the Chandrababu Naidu government despite his best efforts at wooing them. The fact that he did not win their votes provided a clear indicator that women cannot be duped endlessly with unfulfilled promises.

Political Deployment of SHGs by Panchayats

At the village level, we found that Sarpanches view the SHGs as a means of furthering their political strength. In the case of the SGSY programme in Gujarat, it emerged that with the collusion of field-level government functionaries, the Sarpanches sought to ensure that groups that agree to support them were bestowed with benefits (which they were rightfully entitled to but were not being able to access because of the distortions created by the vested interests of the banks, the State and local political players like the Pradhans themselves). This process was aided by the fact that groups were initiated at the behest of the Gram Sevak in the first instance. He therefore had a strong say in who would be part of the group. The Sarpanch had intervened to ensure that recognition as an SGSY group is accorded to the groups that had been part of his political lobby. The leaders of such groups had been privileged by the Gram Sevak for all inputs and were the first to receive benefits, such as access to the housing scheme. Women have even been approached to join different parties and to stand for elections as their candidate.

There are other SHGs in the village that had not been

All the groups articulated an awareness of their allure for political parties as vote banks. They reported that politicians had wooed their votes for Panchayati Raj elections as well as state- and national-level elections.

accorded this status as they had a different political affiliation. The Gram Sevak and the Sarpanch thus privileged some groups at the cost of others irrespective of the levels of impoverishment, as long as the minimal beneficiary identification criteria were met. According to the Gram Sevak and the Taluka Development Officer, even these factors were often waived to provide benefits to those favoured by the Sarpanch and the current political lobby.

The Depoliticisation of Struggle

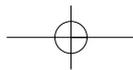
The focus on access to credit as the solution to all the problems being faced by poor women also seeks to deflect attention from the underlying structural factors such as those that relate to access to resources, gender and caste inequalities, lack of infrastructure and underemployment.

During the course of the study, we interviewed women's rights activists in Andhra Pradesh, who drew attention to the State's response to the success of the anti-arrack movement. The creation of SHGs at the point in time constituted a strategy of containment of poverty and socio-economic oppression through 'constructive programming'⁵ centered on microcredit determined, of course, by the State. The state administration sought to 'redirect' women's energies into non-confrontationist developmental initiatives that did not challenge the State and its interests in any way.

Feminist organisations also expressed concern that despite the high levels of violence and oppression, especially among Dalit girls and women, the political energy of women has been wrapped into savings and credit by the State⁵. In their view, the SHG mode has been manipulated into a credit-based mode, wherein the 'construction processes' are repackaged in a 'distorted

⁵ Informal meetings with women's groups were held in the states of AP and Gujarat. Preliminary findings were shared during the course of this study to gather perspectives and experiences of practitioners in the field related to the realities of the SHG phenomenon.





Posing credit as the solution to all problems that poor women face deflects attention from underlying structural factors related to access to resources, gender and caste inequalities, lack of infrastructure and underemployment.

image' in keeping with the State's ideology of growth-led development. Money only serves to create a false sense of security while it thwarts the agenda that women are raising about the State and other patriarchal institutions.

A concern that emerged during the course of the field visits to the interventions being studied related to the implications of bank linkages for the equity and justice agenda of NGOs implementing SHG programmes. A senior functionary linked to Peace spoke of how, in the past, the organisation had made efforts to mobilise women to demand their rights vis-à-vis the State. The situation now is one in which the organisation "can only back the women". For example, in the past, the organisation had mobilised women to hold dharnas on the issue of water. The Sarpanches had complained to the Mandal Development Officer (MDO) about how Peace was misguiding the people. The MDO in turn questioned Peace about its activities. Given that Peace was, during the last field visit, in the process of establishing bank linkages, they were concerned about how local government officials and the banks perceive them. A senior functionary of the Cashe programme sponsored by the funding organisation also drew attention to the need for the NGO to change its 'anti-government' image in order to be able to access credit from banks. The other implication of bank linkages and the increasing focus on financial efficiencies was summed up by the NGO functionary when he said, "We also don't have time now. How far can we go?"

In other sections of the study, there was ample evidence to suggest that even when the State or donors are not actively seeking to depoliticise the agenda, there is either a lack of engagement or a weakening of the earlier

engagement with issues of justice. As mentioned above, the focus on financial efficiency disallows NGOs from investing time and energy in enabling women to take up such issues. At the level of the shifting discourse of poverty and empowerment, we find that both women and SHG programme functionaries grant that certain positive changes are taking place. As part of this changing discourse we have also seen that the very meaning of the term 'social issue' is undergoing a change, with increasingly safe concerns—such as those relating to immunisation and hygiene—gaining strength. It can be argued that given that these changes do not constitute fundamental changes in power relations and material conditions, the 'sense' that an improvement is taking place constitutes a disabling environment for meaningful change to take place both at the level of the women themselves and functionaries who are meant to be supporting them.

BENEFITS TO BANKS

The study provides ample evidence for the failure of the State to invest in women's abilities to engage with the market and other players. It is also clear that the State is continuously pushing a neo-liberal model of development and simultaneously justifying its reduced role in core developmental sectors such as health and education. Liberalisation policies have made the entry of formal institutional players and market-driven processes inevitable even in the realm of development. The microcredit-based model offers the State the attractive option of marrying the two objectives on its path to liberalisation. It is opening up the market to the banking sector by providing opportunities for rural banking as well as adopting a market-based model for its own development strategies, while seeming to address people's need of access to developmental resources. In this process, the State colludes with financial institutions that wish to extend their credit base towards ensuring their viability and profitability.

Microcredit-based SHGs have proved attractive to private and public sector banks alike. On the one hand, this strategy allows financial institutions to meet their mandatory priority sector lending goals and, on the other, it offers banks a viable option for expanding their client base, with the assurance of high recovery rates. The SHG-





based credit process represents a win-win option for these institutions.

While the banks are benefiting greatly from their financial interactions with SHGs, and are also claiming to be contributing to the larger social good, they are clearly indifferent about the high degree of inequity in the access to credit between and within groups. They also display a sharp indifference to whether the credit is increasing women's incomes. Banks and formal institutions have not concerned themselves in any way with whether SHG programmes are providing inputs to enable women to use credit in this manner. The assumption is that the programmes concerned would handle this element, at no cost to the banks. This is in striking contrast to the lending by banking and other financial institutions where projects are assisted and assessed to ensure their entrepreneurial viability before any loans are extended.

The study shows that SHGs are unaware of the nature of non-financial support that can be offered by financial institutions. They also lack information about the possible flexibilities that may be exercised by financial institutions to support their endeavours. This situation is compounded by the fact that the majority of the sponsoring agencies included in the study were also not aware of alternative financial and non-financial products that would be in the interest of SHGs.

The benefits to banks stands in sharp contrast to the severe limitations on access to savings and the availability of credit placed by banks on SHGs, evidenced in Chapter One. Women had also spoken about the money and time invested by them in pursuing loan applications. In addition to the lack of support received from the programme, the women also spoke of how bank managers did not provide them with any information regarding delays in the processing of loans. Members of the SGSY-sponsored group also spoke about the attitudes of bankers towards them. Class- and caste-related prejudices surfaced when

women went to inquire about their loan. The women reported instances of verbal abuse such as, "You are Scheduled Caste women. How dare you come and ask us about how we do our job?" "Leave the credit to us, you take care of the savings," was another typical response from bankers at the local branch of the lead bank when women went to inquire about their credit sanction.

Although in the vast majority of cases, women had not been provided opportunities to understand the motivations and the role that banks play, they had awareness about whose interests were being served. "The bank is giving loans and taking high interest. The bank is gaining profit from our money by giving it to others. But they are not giving it to us as a loan," said SHG members linked to SGSY. There was, however, little that they could do to negotiate with these players, in the absence of support from the programme.

During the course of the survey, disturbing information emerged relating to banks that have closed down, in the process swallowing women's savings, made in the hope of credit from the programme. The State has done little to compensate these women in any way. The government knew of the conditionality of recovery of earlier loans before releasing SGSY credit and took no steps to redress the situation and the fact that no effort has been made to compensate women in the face of bank closures suggests a linkage between the State and banks in disabling women's rights relating to savings and credit.

In the context of learning, it is perhaps not surprising that in addition to the banks being indifferent to the capacity building of SHGs, the State itself does not recognise the need to build the capacities of SHGs to be able to understand and negotiate better with banks.

As mentioned in Chapter One, these dimensions are particularly disturbing when we consider that in the context of the poor, savings are not in the nature of a surplus as they are for the middle class. There are high opportunity costs for these savings, which women bear the brunt of.

The microcredit-based model allows the State the option of marrying twin objectives on its path to liberalisation. It is opening up the market to the banking sector as well as adopting a market-based model for development.





BENEFITS ACCRUING TO CORPORATIONS

Although the study did not look specifically at the way in which corporations are deploying SHGs to further their marketing and profit-making motives, the field visit to Peace threw up an example of what is increasingly becoming an important phenomenon in the world of microcredit.

Care, the funding organisation that supports the credit programme being implemented by Peace, had involved Royal Sundaram to provide insurance services and Hindustan Lever (HLL) to enrol SHG members as dealers for marketing their products in rural areas. The following information was provided by a Care functionary:

At the time of the field visit, HLL had given dealership to 20 women (one woman per three villages). The products are delivered to her house by an HLL van. The dealer sells the products either from home or at meetings. She gets a 3-11% margin. HLL prefers to give the dealership to members of SHGs because they are better able to market the products. HLL also perceives the involvement of SHG members as part of fulfilling its social responsibility. The woman dealer that the Care functionary met the previous day was earning Rs 700 a month. Peace has also been involved in enabling SHG members to become dealers. It appears that when HLL first approaches women, their reaction is either one of suspicion or competitiveness. This necessitates the involvement of Peace. The staff of the organisation also helps identify women who have the capability and how 'progressive' she is, by which the Care functionary meant her capacity to sell.

There was, till that point, no discussion about enabling women to learn how to negotiate with HLL. It is unlikely that such a need would be identified. During the same interview, the response to a question related to whether there were plans to build women's capacities to negotiate with banks, the response was that there was no need to

do so because interest rates were fixed, thereby demonstrating a very narrow understanding of why there might be a need for such inputs.

The deployment of SHGs for corporate marketing raises several issues. In a context in which microcredit has not proved its ability to substantively impact the income levels of the poor, such marketing constitutes an effort to promote consumerism among a population that continues to be impoverished. That microcredit should promote the further penetration of market forces in rural areas is concomitant with the dominance of the laissez-faire logic of microcredit as it is unfolding within the SHG phenomenon in the country. Consultations with NGOs working in other parts of the country provide evidence for the increasing penetration of the rural market by Amway beauty products in states such as Andhra Pradesh and Maharashtra. These marketing drives are taking place in a context in which women have had no opportunity to understand the processes of globalisation and liberalisation that are taking place and how they impact the poor.

In this chapter, we have sought to lay out the foundational discourses of microcredit and show how they underlie the thinking and functioning of all the organisations that we have studied in this report. We have also laid out the benefits that accrue to various actors involved in the provision of microcredit. The linkages between the nature and extent of benefits go a long way in explaining the patterns in approach and functioning of SHG interventions. We have seen earlier in the report how, despite these benefits, there is little investment in the women whose saving and labour constitute the backbone of the SHG phenomenon. In the next and concluding chapter, we focus on the need for a learning agenda that will enable women to understand and engage from a position of strength with these and other realities related to microcredit in their lives.

In a context in which microcredit has not proved its ability to substantively impact incomes of the poor, the deployment of SHGs for corporate marketing constitutes an effort to promote consumerism among a population that continues to be impoverished.



Conclusion

How do we bring together the ground realities that we have found in our study with both the larger discourse of SHGs as well as the stated intentions of the groups in question? How do we move towards filling the gaps between the intentions and realities of SHGs? In this concluding chapter, we seek to bring together key learnings that emerged from this intensive qualitative study, keeping in the background the quantitative Nirantar Survey that we have referred to throughout this report.

Our conclusions and recommendations are based on dual realisations. The first is that SHGs have provided a space for women to come together at an unprecedented scale and have provided them and others the potential to access credit that can address both crisis and consumption needs as well as other economic and social needs. The second is that women within SHG spaces have also been made vulnerable on a large scale to the manipulations of a wide range of interest groups, in the absence of access to knowledge and the space to negotiate their own interests. Recognising both the potential and the danger, therefore, of SHGs, the processes and interventions we define in this chapter are a step towards identifying those elements that are necessary to safeguard women's interests while also allowing them to gain from SHGs. Empowering learning processes are a necessary ingredient of these interventions. The impact of these will be constrained if the logic of microcredit, as we have described it, is allowed to play itself out in an unchallenged manner. We must tackle, therefore, the rapid pace of creation and expansion of SHGs, the exclusion of the poorest and marginalised within communities, and the instrumentalist intent of most of the players in the SHG realm. Our ultimate hope is that empowering learning processes will allow SHG members to reshape the contours of the SHG phenomenon, despite the power of the discourse that often stands against them.

There is a multiplicity of forms that the provisioning of microcredit has taken in India. In this study we have chosen to focus on the SHG model, as it was the most widely used (at least at the point when this study was initiated). It was also the model that was most widely sponsored by the State through its various programmatic interventions at the grassroots level. Within the realm of promoters of SHGs, we recognise that there are NGOs that seek to deploy SHGs as part of the fulfilment of their vision for justice and equity. The NGOs studied in the qualitative study also fall within this category. In a sense, these NGOs represent organisations that make ideal subjects to assess SHGs because they represent the outcomes of equity-driven uses of the SHG model. Their struggle to realize this equity is, therefore, reflected in to the constant negotiation between their mandate and what we have described as the logic of microcredit, which is the context in which they need to operate. The pressures generated by the macro context in which the interests of powerful institutional players are at work in an increasingly profit-driven neo-liberal global political economy cannot be under-estimated. Therefore, while recognizing and appreciating the sincerity of efforts being made by such NGOs, we focus here on the challenges that emerge from the larger picture.

In Chapter One, we focused on the ground realities for women in SHGs. In Chapter Two, we analysed the learning opportunities and educational processes that were available to them, as well as those that were not. In Chapter Three, we drew patterns related to the discourse that emerged from the tangible functioning of SHGs on the ground and the perspectives of the promoters of SHGs. What we present in this concluding section are concrete suggestions on the nature of learning opportunities that need to be put in place to make SHG spaces more equitable and empowering for women. We address these recommendations to the key

actors that we have assessed—NGOs, the State, banks, and women themselves. We hope that these recommendations will act as a blueprint of possibilities, of ways to take the SHG model forward in a direction that learns from the realities of women's lives and struggles and places them at the centre of both planning and implementation of any future interventions.

Before we do so, however, we summarise the key concerns that the study compels a focus on.

SUMMARISING THE GROUND REALITIES

SHGs in Women's Lives

Interviews with SHG members showed that participation in SHGs has meant improved access to credit to meet crisis and consumption needs, particularly those related to health and education. There is also a reduced, though continued, dependence on moneylenders. Participation in SHGs has meant that at least group leaders have greater opportunities for mobility and a legitimate space in the public realm.

It is also true, however, that participation in SHGs has meant that women bear a heavier workload in order to be able to save and repay loans. Despite this, they have limited control over resources that they have enabled the family to have access to, in particular about decisions related to the assets to be purchased with the credit. The access to credit and the possible linkage with micro-enterprise were reported to yield marginal increases in income at best. In terms of support from the group in the face of injustices and inequities faced by members, SHG interventions where there was a greater enabling environment saw women receiving some support (such as if they experienced domestic violence). This support would, however, often be provided outside of the formal space of the SHG, which would tend to be dominated by a narrowly defined financial agenda. We also found that SHG members were trying to access institutions of governance, including the Panchayats and the local bureaucracy, more than before. It was also true, however, that they did not have the wherewithal to pursue the demands towards their fulfilment.

Exclusions

The situation with respect to women who belong to the

poorest of the poor and/including those belonging to Dalit, tribal and Muslim communities was marked by their inability to save regularly, and as per the SHG norms, this often meant that they were excluded altogether from the SHG space. Many are unable to join a savings-based access to credit; many do not see credit as risk-worthy especially since the interest rates are high and kick in immediately. Many others often have no access to their own thrift, as government and other institutional players place bureaucratic bottlenecks in the way of people's access even to their own savings-based resources.

Capacity-building Limited in Content and Reach

Sponsoring agencies have not provided sufficient and appropriate inputs to SHGs despite the fact that SHGs serve the interests of numerous institutional players. There is grossly insufficient ploughing-back of any resources for the women themselves. This is despite the fact that information, skills, attitudinal change and perspective-building are cornerstones of empowerment and poverty alleviation.

There are a large number of government-sponsored SHGs that have not received any capacity-building inputs. The capacity-building inputs being provided are overwhelmingly focused on the cadre of sponsoring agencies and fail to reach SHG members. Inputs on social justice and equity issues either do not reach SHGs or do so in a highly diluted manner. The overwhelming focus is on the functional agenda related to group formation and ensuring regular savings and repayment. Among SHG members it is group leaders (usually more educated) who receive inputs. When issues related to gender are included in the group leader trainings, they receive only tokenistic attention.

IMPLICATIONS FOR DISCOURSE ON GENDER AND DEVELOPMENT

Changing Meaning of What Constitutes a Group

The changes at the level of discourse being brought about by the SHG phenomenon are profoundly significant and inextricably linked to the ground realities of women's lives. Any assessment of SHGs must include these changes in discourse beyond tangible implications of participation in SHGs.

The latter years of the 20th century were marked by women coming together in spaces which were generically known as 'groups'—formal and informal, big and small—to create spaces for women in a society wherein such spaces were previously limited or absent. These groups acted as sites for women to come together and share their problems, support each other through their struggles, and collectively represent their demands. Groups provided the space for building solidarity among women—often transcending class and caste categories—towards a common gender identity, especially in the assertions against violence against women.

In the SHGs that are currently to be found in the development space, we found the culture defined more by the maintenance of discipline and distrust as the marker of relationships between the women members. While homogeneity was a common factor, the marker of gender was less explicit as the unifying principle than the markers of caste and class as the factors that brought the groups together.

The Construction of the Good Woman

The SHG discourse is constructing new dimensions of the 'good woman' as being one who saves and repays regularly, puts pressure on other group members to do so similarly, and is motivated by the welfare of the family. Paradoxically, the good woman also bears a greater burden of work through her involvement and this is her burden to bear as a 'progressive' woman, with all the symbols of outward and upward mobility as well as the responsibility to keep those symbols intact. Women themselves as well as promoters of SHGs say that they are now 'finally' contributing to the domestic economy. Part of this insidious process is an invisibilising of the critical contributions that women have always made to the survival and well-being of the family—activities that are indirectly being denied the label of 'productive work'. Further, it once more privileges the income provision-tasks, as credit inflow is viewed as a tangible inflow over the reproductive and care economy. The evidence that men are happy with women's involvement with SHGs is in keeping with the reality that this engagement in no way challenges unequal power relations within the family. Men see women's involvement in SHGs in the interest of the benefits that accrue to them as heads of family with no effort

and a little reluctant benevolence. This is also an issue that needs attention, especially since men are absolved of any responsibility of engagement with development as women are increasingly targeted as the carriers of this agenda.

This overwhelming focus on the family undermines the idea of a woman as an entity, with rights, interests and needs of her own, which the women's movement has long been struggling for. The study shows that women are not being enabled to recognise the patriarchal nature of the institution of the family and to negotiate their interests within the family. We see how, in fact, microcredit processes are pushing women to be even more closely identified with the institution of the family.

The good woman as the good debtor was a feature that was repeatedly reinforced in all our case studies, and has often been used as an argument by women's organisations themselves in an attempt to create the image of women as a sound investment and as 'credit-worthy'. Yet the repetitive use of these arguments without enabling women to gain greater control over the credit serves to reinforce the age-old stereotypes and places a growing burden on women. The study showed clearly that access to credit does not ensure an entitlement to financial resources or assets.

Narrowing and Distortion of the Term 'Empowerment'

The study also reveals the shifts in the discourse of empowerment that are taking place as a result of the SHG phenomenon. There is an artificial fragmentation of the concept of empowerment into social empowerment and economic empowerment. The lived realities of women's lives show that such a divide is not only inappropriate but that it also runs counter to the interests of women. For example, a greater control over financial resources by women cannot be ensured unless women are enabled to recognise and negotiate the gender dynamics that place men in a position whereby they are the ones who exert greater power in decision-making within the family. A separation of the social and economic also seeks to hide the fact that tensions generated within the group (around issues such as who within the group gains access to credit) threaten group solidarity. In these and many other ways it is not possible or desirable to try to separate the

factors that impinge on women's lives into the social and the economic. To separate the cultural and the material impedes women's advancement.

Another danger that this polarisation and fragmented view presents is that it validates the claims of the proponents of microcredit, that once economic empowerment occurs, social empowerment will follow. The separation feeds into the logic that change will happen automatically, and that therefore the proponents of microcredit need not invest in the agenda for social change since that will follow as a spontaneous outcome.

Ambiguities around the definitions of the term empowerment leave it open to myriad interpretations, many of which are made to suit the agenda of the promoter of a certain view of empowerment. Thus, the banker proposes that access to credit is a means of empowerment for those who have hitherto been denied such access, but may not enter into a debate about the terms of such credit or the means of its recovery etc. Similarly, if the State does not define empowerment, it cannot be held accountable for it, and it can also claim that all the work that it undertakes includes the agenda of empowerment.

Economic empowerment, even in its limited use, actually refers to changes in the much narrower realm of the financial. Even if a term like economic empowerment were to be deployed, it should include within it dimensions such as women's ability to critically assess different livelihoods-related options in order to decide which ones best serve their interests. It would also include the realm of control over resources mentioned above. When the term 'economic empowerment' is used, what it actually refers to is the mere fact of access to credit. It fails to address the myriad processes that lie between this access and processes that will enable women to recognise and negotiate with power dynamics towards greater equity and justice.

The microcredit model foregrounds and validates the cash economy, whereas the cash-substitution economy has been the basis of sustainable livelihoods for the majority of the rural poor. For example, it would be incomplete to talk of economic empowerment in the context of women in Dalit communities and tribal communities without an engagement with the issues of entitlement and rights over public resources.

From a reductionist discourse that views the economic as financial, the frameworks will need to be expanded to include the parameters of entitlements and control as well as changing gender relations in the public and private domains, if it is to be a means of empowerment in any significant way.

Redefining Social Issues

An instrumentalist view of women is deeply linked to, and indeed emerges out of, the logic of microcredit that we have elucidated above. The argument often put forward for an instrumentalist approach is that women might still benefit, since 'education, health and social issues like environment' get included in the agenda for their education and action. This argument is countered further in the report with evidence that reveals that what women are actually doing in these sectors is in keeping with and confined to the State's instrumentalist agenda. For example, in the realm of health, women participate in immunisation drives and population control programmes with little opportunity to make informed choices or determine the agenda otherwise. In fact, there is a redefining of what social issues are. Thus, the developmental sops are seen as a means of providing the service without raising any fundamental concerns of rights and equity.

Narrowing and Distorting of the Meaning of Poverty Alleviation

Part of the discourse of poverty alleviation is a narrowing of the concept of livelihoods to income-generation through micro-enterprise. The multi-dimensional nature of the livelihoods framework recognises the linkages between dimensions such as health, education and survival as well as the significance of access and control over natural resources. The focus on micro-enterprise, on the other hand, immediately focuses on one particular possibility in the realm of livelihoods-enhancement. Parallel to the increasingly narrow focus from empowerment to economic empowerment to financial change to mere access to microcredit, we find here too a narrowing from poverty alleviation to micro-enterprise. Even within micro-enterprise what is, in fact, on offer is access to credit without forward and backward linkages such as those related to marketing or access to the inputs required for the micro-enterprise to succeed.

In the realm of empowerment and poverty alleviation, there are also other terms that have not been defined by the sponsoring agencies. These include words like 'collective' and 'social issues'. From the feminist perspective, the term 'collective' refers to a group which strives to practise processes that promote transparency and democracy that can together strive for justice and equity. In interviews with the leadership and cadre of sponsoring agencies, 'collective' often simply meant the existence of a group that could ensure that individual savings were pooled in order that greater amounts of credit could be accessed than would be possible for an individual. The term 'social issues' also tended to be limited to a realm of concerns that would not challenge the status quo with respect to power, such as inoculation, population control and hygiene.

While these terms are often not defined, questioning reveals a specific narrow interpretation. This is highly problematic because it is not conducive to a process of holding sponsoring agencies accountable for the claims that they make.

Placing the Onus of Poverty-alleviation on Poor Women

Another clear thrust of the SHG discourse is that it places the onus of poverty-alleviation on the poor. Sponsoring agencies tend to work on the assumption that all that is required to alleviate poverty is the provisioning of microcredit or, at best, the provisioning of micro-enterprise activities. There is a concomitant neglect of the many causes of poverty, such as unequal access to economic resources and the failure on the part of the State to enable the fulfilment of basic rights such as the right to food and employment. In effect, it is the poor who are held responsible for poverty and its alleviation. This was clear also in the manner in which the leadership of a majority of the sponsoring agencies studied spoke about the poor as being lazy and often unwilling to gainfully deploy opportunities to extract themselves out of poverty.

A Focus on Access

The discourse of SHGs we have seen is one of access. The focus is on certain tangible elements and not on process.

Even with respect to the tangible realm, such as those related to assets, we have seen in the study how access does not translate into entitlement. The undervaluing of process has clear implications for the extent to which the SHG phenomenon can be promotive of empowerment and poverty alleviation. This is also part of the reason why SHGs are not currently providing the space for empowering education, which entails processes of learning and critical reflection. The choice of women in itself is based on a notion of efficient access, rather than the stated goals of empowerment and poverty reduction.

Linearity of Vision

A linearity of vision and actions emerged as markers of the processes within SHGs. Beginning with thrift, then moving to credit, to then bank linkages and finally self-employment is the course that SHGs are expected to traverse sequentially. Linearity also relates to the provisioning of learning inputs only much after savings and credits are initiated. In the Velugu programme, for instance, despite an extremely strong articulation of the importance of gender, gender trainings were designed only once the savings groups had been grounded, the institutional frameworks instituted and the village-based community initiatives fund introduced—two years after the programme began. This reflects the lack of significance and centrality of gender in practice, even as women have been dealing with and addressing issues of gender justice within their communities simultaneously.

RECOMENDATIONS

While, on the one hand, these shifts in discourses within gender and development are inimical to the interests of poor women, they serve the interests of the State and other institutional players. For example, as mentioned above, if the term empowerment is being interpreted in particular, narrow ways and yet remains officially undefined, it is difficult to hold players accountable. If empowerment and poverty alleviation are happening 'spontaneously', then the sponsoring agencies do not have to invest in empowering educational processes or other enabling factors. These shifts in discourses then have strong implications for the realities of women's lives.

This brings us to the point of what the study indicates in terms of the nature of changes that need to be made in order that the gap between the claims being made with respect to SHGs and the ground-level realities can be reduced. We would argue that the nature of the changes required is of a fundamental nature, and not in the realm of tinkering and fine-tuning. The logic of microcredit pushes for a highly instrumentalist framework within which there is an overwhelming focus on financial efficiencies, which is at loggerheads with objectives of equity and justice. It becomes imperative, therefore, that SHG interventions clearly commit themselves to the interests of poor women and keep them at the centre of the vision and design. This then has implications ranging from investment in human resources and providing an enabling environment for women to addressing issues of equity and justice in their lives to designing indicators that help the SHG intervention remain firmly on this path.

Even as we articulate some of the desired changes in greater detail below, we recognise that the changes that are brought about will be informed by a process of negotiation between the needs and interests of sponsoring agencies and those of poor women. In this process, the role of civil society players such as women's organisations, NGOs, people's movements, academics and other individuals will be critical in bringing into the negotiation process the focus on the rights of poor women.

The other process that needs to take place relates to an enabling environment within which poor women themselves can represent their interests in the negotiations that we suggest. This will need to be part of the educational processes which are required in order that women linked to SHGs are able to recognise and respond to the factors that are currently impeding their ability to gain greater control over resources.

We outline below two sets of recommendations. The first relates to the need for empowering learning processes that have emerged from the study. This is by no means meant to be exhaustive or prescriptive. We have worked with the findings of the study, based primarily on what SHG members have shared, and extrapolated the implications for learning opportunities. Once again, we recognise that the response to this set of recommendations

will depend on the existing perspective of the sponsoring agencies and the extent to which there is an openness to envisioning SHGs in a manner in which the interests of poor women is at the core. The second set of recommendations is particularly directed at the State as a key player in the SHG phenomenon. Many of these recommendations have been made to the Ministry of Women and Children and to the Planning Commission, as part of the 11th Five Year Plan process.

LEARNING INPUTS AND PROCESSES

The findings of the study clearly indicate the significance of educational opportunities for SHG members as well as what the content and pedagogy of education should be. We list below the key areas that the educational agenda for SHGs needs to address to enable analyses of the norms and processes against parameters of justice and equity and help in the determination of collective action towards empowerment. Given that microcredit operates in a neo-liberal framework ridden with unstated assumptions and overstated impacts, an important aspect of the learning agenda would be to make visible these assumptions and their implications. The learning agenda will also need to span a wide range, from enabling women to recognise and negotiate with internalised notions such as those relating to the construction of the 'good woman' to the linkages between their lived realities and the macro contexts.

The challenge at the first instance is to restore the focus on women as the actors and learners, and to transact processes of learning based on the women's experiences, rather than modulating inputs based on a trajectory determined by the supplier of credit. A related issue is that of the pace and direction of learning. Women's learning needs are likely to evolve as their horizons of exposure and understanding broaden. Hence, any learning process within the SHG as a forum for empowerment or redressal of poverty must first address their immediate priorities while enabling them to explore beyond the boundaries of their current experiences. Ongoing learning and structured training processes would need to evolve in a multi-dimensional way, rather than along a single trajectory that overemphasises the financial aspect, if the gains from microcredit interventions are to be maximised.

A major aspect that is focused upon currently as a training requirement of groups is the ability of group leaders to manage groups, invariably interpreted as the maintenance of discipline and regularity. This marks the culture of groups as policing and impositional rather than nurturing and enabling. This can, in fact, impede the process of trust and solidarity building which are essential for women in their quest for long-term solutions to poverty and empowerment for women. This implies the need to view the process on learning and capacity-development in a holistic way, if it is to lead to the achievement of empowerment and poverty-alleviation goals. This is also significant if groups are to evolve from understanding the reasons for their existence beyond the function of credit, to the assertion of their identity, and their engagement with the outside world as groups or, increasingly, as federations. The emergence of groups and federations must be viewed as the creation of spaces for women to transact change increasingly based on their articulation of priorities and rights as the poor, marginalised, Dalit, tribal, etc, beyond the identity of debtor and client.

It also needs to be recognised that learning is happening experientially and continuously, even as the group undertakes certain actions and engages with various players. The opportunity to maximise these actions and convert them into learning is presented by the meetings of the groups, as a space for reflection and analysis not only of one's own actions but also of those one engages with in the socio-political context that one is confronted with. It is important at this point to view the group meeting as more than a site for transaction of financial dealings, as a space for learning—to analyse actions, seek and give information that may strengthen the actions towards a defined goal, analyse the responses of society and other players to a set of actions, explore alternative strategies to maximise their benefits, deconstruct the challenges to address poverty and the subordination of women, collectively define and reiterate solidarity and identify strategies to deal with and transact the change that they seek. Group meetings present an opportunity to sow and foster the culture of groups as solidarity spaces, as nurturing spaces and as spaces that enable women to visualise the change they seek and define the course of its attainment. Thus, the

significance of the meetings cannot be over-emphasised, and the provision of structured learning inputs in the form of training inputs or exposure tours can at best serve to reinforce these learnings and practices rather than to alter them significantly, as they represent the culture of the group as an organisational space that defines women's relationships with each other and with the outside world.

The current practice of provision of training and capacity-development opportunities focuses on women leaders, assuming a minimal level of literacy among the women leaders. Other women have little exposure to training opportunities. The challenge is to create opportunities for the group and all its members. Our studies reveals the possibility of non-literate women undertaking leadership in actions related to the agenda of gender discrimination and social justice. For neo-literate women, the realm of opportunities can enhance their interventions in the group and give them an opportunity to reinforce their literacy skills.

The linkage between learning processes and the vision for the SHG needs to be recognised. Groups may be viewed either as instrumentalities for access to credit for family benefit or to bring about a process of empowerment and sustainable poverty reduction. If the vision is one of autonomy, then the process of learning is oriented in such a way that women are gradually enabled to undertake the tasks for which they are currently dependent on sponsoring agencies. Significant from the perspective of autonomy are the processes by which they are enabled to discern, analyse and articulate their needs and challenge impediments. These are, in effect, the elements of a political process of empowerment which will ensure the solidarity of the group and its existence beyond the project period rather than the mere inculcation of management skills.

Finally education needs to address the aspect of critical analysis of the world without as well as the attitudes of self. The latter need to be addressed specifically and on a continuing basis in order to enable women to move from the conceptual acceptance of their status as the 'good woman' in a patriarchal mode to that of a woman who may challenge those elements of family and society that constrain or discriminate against them. Equally significant is the need to encourage the transaction of change in a

framework that encompasses an equity framework, with priority accorded to the more marginalised.

EDUCATIONAL CONTENT

The findings of the study clearly indicate the significance of educational opportunities for SHG members as well as what the content of education should be.

We begin with literacy as the first measure of an educational agenda. Intriguingly, literacy has virtually been obliterated from the educational processes where women are concerned as an unnecessary encumbrance by those in policy and programmatic planning positions. Yet we must feel compelled to pay heed to women when they say that literacy is empowering in and of itself. Given the strong linkages between literacy and empowerment and the reality that literacy is a highly significant determinant of access to leadership, credit and learning opportunities, and that the lack of literacy then serves as an impediment and an exclusionary factor, sponsoring agencies need to ensure that SHG members are provided literacy learning opportunities that are designed in a manner that is rooted in local contexts and, in particular, in a manner and idiom that draws upon people's existing knowledge. The interventions will also need to enable women to be able to use the literacy skills in their lives as well as in the context of the arenas of engagement of the group in order that they are sustained. In the context of SHGs, the numerous possibilities of deploying literacy skills towards the aims of transparency, accountability and reduced levels of dependence on the sponsoring agency need to be drawn upon.

In outlining the other areas in which members of SHGs need to receive learning opportunities, we follow the same categorisation of spaces used earlier in the report—the group, household, market and institutions—that we followed when outlining the ground-level realities in the first chapter. Even before we venture into these categories, we identify key arenas of learning that cut across these categories. These relate to building an understanding of ideologies and mechanisms of power and the construction of power relations such as those related to gender, caste, class, religion, sexuality and disability. This becomes critical in a context in which players ranging from the family to the State seek to exercise control over women through

restrictions as well as processes of internalisation of certain values and attitudes. In order to challenge both external controls and internalised notions, SHG members need to have the opportunity to understand the various ways in which power operates in their lives.

■ Role of education, including literacy, in enabling empowerment and strengthening livelihoods. It is critical that SHG members are enabled to understand the role of education in their empowerment. This will ensure that they demand its provisioning and participate in the determination of its content and process.

■ Distinction between access and entitlements. Enabling SHG members to understand the distinction between access and entitlements becomes critical in a context in which the discourse on gender and development has an overwhelming focus on access. When women recognise the significance of entitlement they are enabled to demand and negotiate what is theirs as a right. The perspective of entitlement needs to be brought to bear, whether it is in the context of credit, assets, education or government services.

All recommendations that we make below for learning inputs therefore contribute to one or the other of these three cross-cutting themes.

Group

There are two categories of suggested areas of learning with respect to the group. One relates to processes with respect to the nature of the group itself and the second relates to the agenda of the group. Before segregating these two categories, it needs to be stated that first and foremost the group needs to be enabled to envision the broader objectives of the group, its *raison d'être*. This would clearly impact both the nature of the group as well as its agenda.

Nature of the Group

The learning processes in this realm relate to organisational form, processes and normative principles related to SHGs. These would enable an understanding related to:

■ What constitutes a 'collective', including an understanding of the importance of principles such as transparency, mutual support, trust and democratic means of functioning.

■ What organisational form to choose and what norms the group should follow (or minimally to critically engage with existing norms). This would involve an exposure to different possibilities in terms of organisational forms as well as norms, the ability to assess the pros and cons of different modes and norms in terms of which ones would be most enabling of the vision of the group/federation.

■ Issues of equity within the group in terms of

■ how inclusive the SHG is with respect to caste, class, religion and other axes of marginalisation, such as those relating to sexuality, disability and marital status

■ access to credit, leadership and learning opportunities, including the role played by literacy in determining this.

The significance of inputs related to the nature of forum and the norms is tremendous in a context that seeks to homogenise in order to serve the interests of financial efficiencies. Issues of the architecture of a forum, which include both design elements as well as the culture of functioning, become critical also in a context in which there are increasingly federated structures coming into place.

Agenda/Mandate of the Group

These learning processes would enable the group to strengthen the agenda/mandate of the group so that it is more holistic in its response to the needs and interests of poor women. The inputs would be aimed at ensuring that the SHG members recognise the need for the group to have a holistic approach in which intersecting aspects of equity and justice related to economic, social, cultural and political are addressed. This would include an understanding of the dangers of a narrowly defined, efficiencies-oriented financial agenda. The inputs would also need to help SHG members understand what constitutes an enabling environment for women to bring to the group issues of injustice and inequity that they face in their lives.

These inputs would equip SHG members with the ability to have a greater say in determining the agenda of the group. The objective of the inputs would not be the precise determination of the issues and concerns that the group should take up; they should, however, be aimed at enabling the group to place at the centre the mandate of addressing equity and justice and to protect the importance

being accorded to these, in a context in which several institutional players in the external environment will continuously push for the financial-efficiency agenda to prevail over all others. Members will also need these inputs in order to recognise that even the ability to bring issues to the group is determined by factors in the external environment as well as processes of internalisation that need to be countered with the creation of enabling conditions in order that women might come to recognise the group as a space that can provide them support.

Household

The learning agenda for SHG members as it relates to the realm of the household should include awareness and understanding related to:

■ Women's contribution to the domestic economy, particularly with respect to unpaid work and the gendered division of labour as well as the means to gradually negotiate shifts in the traditional gendered division of labour

■ Control over resources including credit

■ Burden of repayment of credit

■ Violence against women

These inputs will enable SHG members to interrogate and challenge gendered norms in order that they may exercise greater control over resources, including leisure, as well as towards ensuring bodily integrity. An increasing sense of dignity of self and their contribution to family economy will enable them to also challenge their sole responsibility for well-being in its multiple facets.

Market/Economy

Learning processes related to the market/economy would need to enable SHG members to undertake an analysis of the local livelihoods situation in order to understand the various factors that impact their livelihood security. The understanding of livelihoods that is built would need to be a holistic one, which includes factoring in linkages with aspects such as education and health. Based on this analysis, SHG members can be enabled to identify means of strengthening livelihoods, and choose from different pathways. The range of options would include strengthening access and control over natural resources, moving beyond a narrow focus on income-generation/micro-enterprise, to

increasing skills and knowledge around the management of resources and, finally, the rights over resources, including entitlement. It is only with this understanding in place that credit can play a role in enhancing the returns from existing and new economic activities.

Given the significance of access to credit on non-exploitative terms, SHG members need to equip themselves with an understanding of the basic concept of what a bank is as well as the terms and conditions of financial arrangements. SHG members will also need to be enabled to negotiate with financial institutions, including the terms of credit and its interest rates.

In the realm of income-generation and production, women's capacity development would need to incorporate aspects of production that include drudgery reduction, technology choice and innovation, occupational health, promotion of sustainable options and cost reduction through application of local materials. The effort should preferably be on the promotion of activities that are locally feasible so that women can transact and negotiate the terms of trade themselves and benefit through collective negotiation, rather than being dependent on distant buyers or middlemen. This is not to suggest that women be denied entry into realms that are beyond the local but that the key factor of control and direct interface would enable women to gain more in terms of their own visibility and empowerment than if these tasks were performed by others on their behalf, however well-meaning. Value addition is another area that needs to be explored in terms of benefiting women locally. Mere production capacities, however, are not adequate to address the goals of empowerment, as women must be enabled to understand the terms at which their produce is negotiated in the marketplace. The awareness and knowledge of the operational and management aspects will enable women to monitor their own interests even if they choose to appoint an intermediary on their behalf.

Interface with the market needs to be analysed with the group not only as producers of goods and services but also as consumers, as poor women have little bargaining capacity in the market. Exploring options for collective sourcing of products that are consumed by all, or foraging and management of resources available locally for income

substitution have proved to be viable options for women for substitution of products that they were hitherto dependent on the market. Groups have negotiated with government departments for lease of land and ponds to cultivate and manage their own fodder requirements or fish requirements, often having surplus to sell locally. Women have also explored the option of pooling resources to undertake collective activity, for instance, to grow vegetables and then market them either individually or collectively. Hence, for the majority of the rural poor whose livelihoods are dependent on natural and common resources, options need to be explored that can create local viability while ensuring sustainability and self-reliance as well, rather than replicating a chain of dependencies on players and markets they have little or no control over.

Sponsoring Agencies and the State

SHG members will need to be provided learning inputs which underline the need for greater autonomy vis-à-vis the sponsoring agency as well as being enabled to acquire the skills to negotiate greater autonomy.

It is critical that SHGs be made more aware of the right to demand accountability from the State. This would entail both an ability to assess the existing situation and what the State needs to provide to its citizens. In order to be able to demand accountability, groups need to understand the structures of governance, including elected representatives and the bureaucracy, and be exposed to the various aspects of its functioning. An interface with the persons and their workspaces often serves to overcome the initial barriers of accessibility and class constraints as women take courage from even the brief interaction. In a context of how difficult it is to successfully ensure that demands are met, SHG members need to be equipped with knowledge regarding the different avenues of redressal as well as exposure to various means whereby their demands vis-à-vis the State can be met. They also need a greater knowledge of their rights and entitlements and the corresponding purview of the State, for instance, on issues of common lands and minor forest produce, forests and grasslands, revenue lands and protected forests etc.

The learning agenda will also need to address the significance of Panchayati Raj institutions as pillars of

democracy. This is important in terms of enabling SHG members engage with Panchayats in a manner that they respond to their needs. It will also help avert the danger of SHGs being deployed by the State in a manner in which institutions of local governance are undermined. Women's interface with traditional Panchayats will also enable them to ensure that women's rights are not violated and that they are able to negotiate on their behalf in instances of injustice or exploitation.

Understanding the Macro Context Underlying Microcredit

Finally, a critical element of the educational agenda relates to building an understanding of why the macro scenario is such that there is an overwhelming focus on microcredit as a key development strategy, so that women are able to negotiate and incorporate an inclusive agenda to address their needs to address poverty and empowerment goals. Why microcredit focuses overwhelmingly on women, including in a global context, would also be part of this learning agenda. An understanding of the logic of microcredit, such as the assumptions of 'automatic empowerment', 'sameness', etc would also need to be enabled. This is critical also in order that women are more able to negotiate the realisation of their rights and entitlements. Towards this end, SHG members also need to be aware of the manner in which a wide range of institutional players are benefiting from microcredit, a phenomenon which rests on their savings and ability and compulsion to repay.

RECOMMENDATIONS TO THE STATE

Women's subordination as well as poverty are both deep-rooted and complex phenomena. Microcredit provisioning through women's collectives in the form of SHGs can contribute to the process of addressing gender and class inequities, but it cannot be a substitute for empowerment strategies which enable collective reflection and action to challenge gender subordination. Nor can microcredit provisioning be a substitute for poverty-reduction strategies such as employment generation and the redistribution of resources in the interest of the poor. This implies, for example, that there should be no cut-backs on social sector

spending since SHGs cannot substitute for the basic rights that every citizen of the country is entitled to. Promotion of SHGs can only form part of the larger strategy of the State to secure these rights. The State needs to invest sufficient resources and plan in an innovative manner so as to address women's subordination and poverty in a holistic manner. Within the realm of SHGs themselves, the following recommendations require urgent attention:

Holistic Approach to Empowerment and Equity

It is imperative that there be clarity on how policies related to SHGs and the programmes that flow from them conceive of empowerment and equity. There needs to be a clear articulation of the desired objectives. Rather than perpetuating the false divide between social and economic empowerment, there is a need to restore the adoption of holistic development processes and inputs, based on the recognition of women's realities.

Adoption of the Livelihoods Approach

■ There needs to be broadening of the vision from narrowly defined enterprise activities (which typically involve starting new, non-viable income-generation activities) to a livelihoods approach. Interventions need to be identified only after existing livelihoods situations have been mapped. This would include mapping the socio-cultural and entitlement status to identify the interventions.

■ A survey needs to be conducted on the nature of economic activities being selected and their viability. Strong measures need to be taken to ensure that non-viable activities that fail to contribute towards strengthening livelihoods are not selected and, instead, that resources are invested in ensuring enhanced incomes, control and entitlement of assets.

Right to Holistic Capacity-building

■ The capacity-building inputs provided by sponsoring agencies need to ensure that these are not limited to the cadre of the agencies or to group leaders. In terms of the nature of the inputs, a minimum of 15 days of inputs need to be provided to all group members in a year. 50% of the total time should be committed to issues of gender justice, violence against women, legal rights etc. In the initial

phase, women's organisations that have substantial experience of working for gender justice should be involved in a manner that they directly train SHG members.

A linkage with the Mahila Samakhya programme would prove to be valuable for this, given their vast experience in gender training. The process of training trainers involving the cadre of the sponsoring agencies should take place only once the vision and design of the trainings have struck root.

■ A core-curriculum framework should be developed for the trainings at a national level. Although there needs to be a space for innovation and changes at the local level, the curriculum framework would ensure and support a shift to a more in-depth capacity-building on gender and equity. The curriculum framework should be designed jointly by those who have substantial expertise in the field of gender and those who have experience of SHGs.

Designing Indicators in keeping with a Holistic Approach

SHG programmes should evolve empowerment- and equality-based indicators that are reflective of a holistic approach, along with programme implementation aspects. For example, the extent to which women are engaged in decision-making regarding use of credit and their entitlement to assets created by the use of the credit need to be monitored. Also given the reality of the exclusion of the poorest, it is imperative that the indicators map the extent to which microcredit-based programmes are inclusive of the poorest, including members of marginalised communities such as Dalits, tribals and Muslims.

Access to Sustainable Literacy Opportunities

■ Literacy should be organically linked to the information and perspective-building needs and roles played by SHG members. The sponsoring agencies need to design curricula that specifically cater to SHG members.

■ The responsibility for ensuring this must lie with the sponsoring agency of the SHG programme, although it may seek the assistance of the Adult Education programmes.

■ The literacy interventions must include indicators which monitor the usage and sustainability of literacy skills gained.

■ Adequate resources must be made available for the literacy component of SHG programmes, which should be

for an adequate length of time. Past experience of literacy programmes that have sought to enable acquisition of literacy skills in a fast-track manner has shown that such interventions are highly unlikely to take the learners up to a sustainable level of literacy.

Women's Crises Fund and Responding to Violence Against Women

All agencies that sponsor SHGs (banks, microfinance institutions, government departments, NGOs, donor agencies) should contribute to a Women's Crisis Fund at the Panchayat level to be managed by SHGs which will address women's emergency needs related to violence, health, food etc. Women members of SHGs should be expected to make only a nominal contribution to the fund as a means of strengthening a sense of ownership rather than further drawing upon scarce resources that they have access to.

■ Institutional mechanisms need to be designed that will enable SHGs to access the redressal mechanisms being designed as a result of the recently passed Bill on Prevention of Violence Against Women.

■ Dovetailing with existing programmes of the Department of Women and Child Development (DWCD), such as the shelter homes, should be ensured. This will strengthen DWCD's efforts to meet its mandate of supporting women survivors of violence.

Ownership of Assets Created through Credit

State policies must ensure that assets created through microcredit should be in the names of women. This policy is already being pursued in states such as Andhra Pradesh.

Right to Information regarding Government Schemes

The SHGs provide the State with a forum through which it can provide information about how SHG members can access government schemes that they are entitled to as well as how to overcome obstacles in actually being able to benefit from them.

No Instrumentalist Deployment of SHGs for Schemes

The government must invest in its own infrastructure and

delivery mechanisms and not pass the burden on to SHGs. SHGs must also not be used for the collection of bills and user fees.

Financial Institutions

The Reserve Bank of India should issue guidelines to restrict banks from using SHGs to recover other loans. There should be regulatory mechanisms that delimit the rates at which interest rates can be charged by micro-finance institutions (MFIs) and the recovery mechanisms that they deploy, so that women's access to credit is based on principles of equity and justice rather than arguments of financial sustainability and the potential to profit for the MFI. Any such regulatory mechanism should specify the scope of what is being regulated, averting the danger of the imposition of a profit/efficiency-driven logic on other sponsoring agencies, such as NGOs who seek to use SHGs as one of the tools of empowerment and poverty alleviation. The objectives and design of the regulatory mechanisms should be determined in a consultative process, with the active participation of women's organisations and NGOs engaged in the implementation of SHG programmes.

Support to NGOs

■ Sponsoring agencies, such as NGOs, committed to processes of enabling justice and equity will need the support of the State and donor agencies in order to perform the role of providing an enabling environment and mechanisms for SHGs. They must not be made to bear the burden of viability based on the transference of the burden on the women.

Committee on SHG and the Status of Women

A committee on SHGs and the status of women should be constituted. The members of the committee should include eminent academics and practitioners who have substantial engagement with issues of women's empowerment, poverty and livelihoods. This autonomous, high-level committee should be mandated to:

■ Review the existing vision, policies and programmes related to microcredit in order to assess the extent to which these address the social, economic and political rights of women.

■ Make recommendations related to the framework, approach and design of SHG programmes, as well as changes that might be required in the larger policy and programme environment to enable the necessary changes to have an impact.

■ Make recommendations for the manner in which the State will generate/strengthen data in order to improve the performance of microcredit-based interventions. Some of the critical areas on which information is currently lacking relates to:

- ◆ Number of functioning (as opposed to defunct) SHGs
- ◆ Financial impact of microcredit on poverty alleviation
- ◆ Inclusion of the poorest
- ◆ Number of women/groups being able to access credit and the terms of credit
- ◆ Data on capacity building: extent to which these are being provided and to whom; nature of the inputs, including time allocated to justice and equity issues
- ◆ Data on lending practices and norms: both formal and those being practised even though unwritten
- ◆ Identification and analysis of existing macro data on indicators that will enable an assessment of the impact of SHGs. This could include macro data related to poverty reduction, distress migration, violence against women, inclusion of marginalised communities etc
- ◆ Recommend the process whereby indicators that can monitor progress in terms of empowerment and equity can be designed

Annexure 1

SECONDARY LITERATURE REVIEW

Our study comes at a time when various SHG programmes and models have had a significant time span to play out. Here we attempt to take stock of those records and experiences, and their analysis by other researchers, even as we acquaint ourselves with the existing arguments and analysis of impacts.

Experiences and conceptual frameworks

Documentation and research from practitioners of SHG and microcredit processes allows us to capture current trends, perspectives and experiences on gender, empowerment and development in the sector, its present and dynamic practice. Current priorities reflected in this documentation reveal underlying assumptions that inform s, pointing to the limited notions of self-help that bind the current discourse.

A plethora of literature exists on the operational aspects of microcredit programmes and their success stories and strategies. NGOs as the forerunners focused more on group building and mobilization and the need for solidarity, and outreach to the poor; they also attempt to lay the context for SHGs beyond the microcredit process. Documentation¹ focuses on the development of systems and institutions for democratization in a developmental perspective with the community as the focus of the content. Linkages with development agenda such as education are viewed as part of the purpose of SHGs to enable women and communities to engage with the agenda of governance and access to services. MYRADA's "Blue book"² succinctly highlights the operational and ideological basis of the initiative. It makes the distinction between SHGs formed to

foster solidarity, as against groups formed for a predetermined programme delivery. MYRADA defines the underpinning feature of the concept of the Self-Help Group as an affinity group wherein the linkages are forged with livelihoods and community based participatory action for development, with the role of the NGO being social intermediation. Fernandez points to the hazard of "microcredit becoming a macro mess" if these processes are compromised³. MYRADA's book on participatory impact monitoring⁴ points to the institutional strengthening of SHGs towards a role in community resource management and development based on their enhancing autonomy, and compels the reader to acknowledge the potential of the approach towards decentralized and devolutionary structures of governance provided these processes are deepened. MYRADA's engagement with issues of gender as reflected in the literature ranges initially from women's participation to a gender equity framework, although it does not make the connections with the initiatives of the women's movement. MYRADA has developed its generic training materials to provide training resources for its training to groups all over India with topics such as gender equality and education included in the form of training materials and manuals.

The Pardon literature on SHGs highlights group formation and organization as a precondition to seek livelihood solutions and address poverty, with group processes built around the SHGs as the sites for negotiating and delivering change processes and inputs. Material ranges from experiential and operational strategies as a means of learning cross regionally; methodological

1 Fernandez A P: The Myrada Experience: Alternate management systems for savings and credit of the rural poor, first ed 1994, second ed 1998.

2 Fernandez A P *ibid*.

3 Fernandez A P: Putting institutions first-even in micro finance, Myrada, 2001

4 "A resource book on participation enhancing ownership sustainability", IFAD et al and "Participatory impact monitoring of SHGs and Watersheds", Myrada, 1995

and transactional materials to address issues of transference and scale-up and quality improvement, including the development of learning tools with a focus on enhancing systems for women's learning, and more recently a series of impact assessments and specific thematic areas that need to be addressed to strengthen their work and "to push the specific frontiers of knowledge in a specific area of development"⁵ In this context significant steps taken recently are the initiatives undertaken in collaboration with Helzi Neponen⁶, a reflection of the organizations reflective culture to deepen its efficacy to impact poverty and more recently its impacts on the lives of women.

Leading women's organizations such as SEWA and WWF have produced their own materials that describe the evolution of their own strategies, even as they were in the process of organizing women for struggles for rights and identity as workers. The documentation that emerged about their work in the mid 90s highlighted the organizing principle around issues of the working class un-organized sector women and their attempts to deal with the multitude of issues confronting them in the urban environment, in terms of identity and entitlement as well as access to services including credit and child care etc, and the solutions that their collective/group efforts offered. SPARC worked on strategies to address issues of the urban poor from a women centered approach, and the evolution of its work is well documented in several papers. SPARC's efforts were significant in organizing women pavement dwellers in Mumbai around issues of housing, with thrift and credit activity initiated to enable women to save resources to

access housing loans as and when housing sites were allotted. Approaches of these organizations are centered around poor women and their emerging needs, with savings and credit as a supportive component to enable women access resources to address their needs based on the fundamental strength of their collective solidarity. They position credit as a necessary component of a gender based development process.

Each of these urban initiatives was the forerunner for the emergence of a rural strategy to address rural women's needs. SEWA's union-based membership strategy was transformed into an SHG based strategy in its rural format, with the SEWA Bank being the means for extension of credit based on their savings. The SPARC initiatives in fact led to the formation of a network centered around its functional role known as Swayam Shikshan Prayog⁷, wherein a number of women centered organizations came together to share and learn strategies and experiences. Focused on a peer-learning framework, SSP significantly engaged with discussions on the development of strategies for bank linkage with NABARD and also lobbied at critical junctures with the RBI⁸ for the issuance of guidelines to render the schemes pro-poor and women oriented.

SSP and other vocal organizations represent the autonomous savings and credit federative structures that have evolved forums to address developmental, rights and governance agendas with the women members as a federation. SEWA on the other hand has a banking institutional framework on the one hand, while the Union enables the members to gain identity and address rights as self employed women and women in the unorganized

5 PRADAN website: <http://www.pradan.net>

6 Helzi Neponen: Internal learning systems : A review of existing experiences in "Sustainable Development for women's empowerment : ways forward in Micro Finance" Ed Linda Mayoux ISBN 81-87374-18-7 forthcoming.

7 "Experiment in Self Help education and mutual learning network"

8 SSP bank linkage report

sector. The manuals and materials from a number of organizations therefore offer a range of issues based on the needs identified by the communities or the women they work with: Sampark has prepared a series of booklets to enable women in the area of microenterprise development to be able to address generic issues as part of its "empowering women" series⁹. The plethora of literature indicates a preoccupation of NGOs to implement and manage microcredits and thereafter to direct them into realms of microenterprise. More recently the focus has shifted to examining the means of livelihoods strengthening and capacity development towards the same as reflected in the material of BASIX etc we also see the emergence of documents highlighting methodologies for impacts to be assessed by support agencies such as APMAS in Andhra Pradesh. In the government realm however the nature of material available is more typically focused on savings, credit and book-keeping, and on the nature of government schemes available to address the agenda of convergence. These lay out the rules, functions and principles of the schemes, and the desirable outputs. One finds a major part of the materials and training reports that seek to enable the learner to implement microcredits to the level of implementation of record keeping and accounts and to understand their roles as managing and ensuring that groups are sustained. The content on engagement with the issues of bank linkage, enterprise and other realms are far more ambiguous.

In programmes like Velugu, SAPAP and Swashakti one finds a plethora of training and learning materials that have been prepared for learners, with the grassroots worker in focus. Velugu materials are in the forms of flip charts, booklets and manuals on a range of topics. The manuals refer primarily to the functions and structural frameworks that the programme proposes to institutionalize, as well to the challenges that the programme proposes to address in the course of its implementation. The nature of the projects themselves being time bound and with a specific

preconceived strategy, compel the programmes to invest in training materials to expedite the process of transfer of key messages and institutional frameworks for the programme as a critical input.

CHALLENGES FOR POVERTY REDUCTION AND EMPOWERMENT

Since the early 90s, organizations are increasingly examining ways to address poverty through group formation. Subsequent promotional programmes and materials of NABARD¹⁰ also referred to these examples in their programmes to address these issues and promote SHG bank linkage. Recent literature acknowledges the need to have a focused attention to the learning and empowerment needs of women in pursuing the microcredit based poverty alleviation programmes. These trends are also significantly highlighted by Fischer, Sriram and others as they call for a people's perspective rather than from the perspective of the deliverer of microcredit and related institutional services.¹¹ They explore the current status, potential and future of the microfinance sector in the Indian context and based on an analysis of 4 microfinance Organizations analyze the developmental outcomes of microfinance initiatives, thereby restoring the place for development discourse in the microfinance debates. They raise the critical fact that the link between poverty reduction and microcredit has not been proven, and that the assumptions of microcredit, that it will deliver higher incomes; increase assets to poor through microenterprise do not hold true. The authors note with concern the trend that the microfinance industry is fast becoming dominated by techno managerial perspective with large number of technical manuals and courses on how to manage microfinance services and how to achieve financial sustainability and outreach. They note that in this process the development impetus which first gave rise to microfinance is getting lost. Focusing on the organizational issues confronting microfinance, SHGs are found to be

9 Smita Premchander March 2001. VIEWS - 6 booklets. Themes included in the series: Microenterprise development, Business Counseling, Conflicts, Gender and Leadership for NRM, Using Leadership Imaging as a Research tool, Empowering People Or Empowering Institutions.

10 NABARD Manual 2000-01

11 Fisher, Thomas and M.S. Sriram: Beyond Microcredit, Putting Development Back into Microfinance. Vistaar Publications. New Delhi 2002.

12 Burra, Neera; Joy Deshmukh Randive; Ranjini K Murthy: Micro credit poverty and empowerment – Linking the Triad, Sage Publishers, New Delhi, 2005

more autonomous and democratic, influencing cost, sustainability and empowerment outcomes as compared to the more widely projected “Grameen Model” wherein regimentations are greater. The authors point to the potential of SHGs as opportunities for women to engage in formal and informal democratic spaces and make a case for MF to be shaped by an understanding of developmental outcomes sought rather than financial outcomes, and provide a framework for capacity development that places development at the heart of MF practice.

Even as Fisher and Sriram call for a centering of microfinance debates around their analysis of developmental outcomes, studies commissioned by UNDP¹² draw attention to the need to address gender and social development outcomes in the microfinance debates, especially in the context of the fact that the majority of members of SHGs are women and any developmental intervention can only succeed if it adopts a gendered and holistic approach. In the same volume the paper on SSP Maharashtra¹³ written by one of the authors of this report, while pointing to the strengths of the programme in its learning approach and its inclusive agenda, points to the pitfalls if the processes of social analysis and capacity development towards agency and entitlement with women are compromised. The book aims at providing insights and alternative strategies for empowerment while incorporating the microcredit component and suggests a conceptual framework to design Microcredit programmes that are more sensitive to the poor and to women. The framework views increase in entitlement of poor households in such a way that poor households are able to reproduce themselves in a sustained manner, and to overcome a shift into another cycle of formalized indebtedness.

Some papers that analyze the processes and learning from the field (by Ramachandran and Nath for instance) throw light on different aspects of the process from a gender and equity perspective as well as the implications for autonomy. The connections are made with the overall

economic restructuring process as women are brought into the framework of the reforms agenda in Premchander's¹⁴ report of CARE assisted programmes in Orissa. She seeks to capture how one movement led to another (literacy to anti arrack to Podupalakshmi)¹⁵, and identifies generic issues that allowed success of the initiative such as a diversity and inclusion of multiple groups and removal of shackles of bureaucracy. Most significant however was the fact that outreach and pace were carefully balanced without targets, keeping regional saturation as the aim to ensure deepest impact. Lessons are also drawn on the role of government officials, flexibility requirements and the role of NGOs. The analysis points to the potential for sustainability and empowerment in SHGs. Nath¹⁶ identifies governance models to be of two types in SHGs, and seeks to establish the supremacy of the nuclear model - in terms of measures of autonomy - concept, member control, leadership, leverage and monitoring. Capacity building of members – through education package and numerical literacy has been better designed and systems have been designed to complement oral abilities. Such groups also have greater leverage and their attention to issues of equity is also more evident. Impact is more where design strategies are consistent with the empowerment objective rather than only administrative issues; focus is on living standards of women and processes encourage active decision-making. Nath concludes that “credit may not necessarily be the most appropriate for all social groups to enhance income and livelihoods and should be viewed with other components to meet more effective objectives of greater relevance to community”. In another study of a government sponsored microcredit initiative, Nath analyses the UNDP programme in Andhra Pradesh with a focus on poverty alleviation¹⁷. The absence of concepts of empowerment in the delivery of inputs which include capital and training has had serious implications for the impact of the programme. The high cost of the project has caused large external debt of members and diluted peer pressure, which in turn leads

13 Parthasarathy Soma K: Awareness access and agency: Experiences of Swayam Shikshan Prayog, Micro credit for Women's Empowerment, Burra et al ed, Sage Publications

14 Premchander Smita

15 Ramachandran Vimala: Critical Consciousness, Credit and Productive Assets: Key to sustainable livelihood (Women's mobilization in Nellore and Anantapur Districts, AP) UNICEF, New Delhi and Dept of RD, Govt of AP, 1996.

16 Nath Meenakshi: Thrift & Credit groups in AP and N Karnataka – A Review; Oxfam India Trust, Hyderabad, 2000

17 Nath Meenakshi ibid UNDP Project in AP

to dissolution of groups after they access credit on the appropriation of expected benefit and inequities between villages and communities get accentuated due to such intensive (non-replicable) investment.

A study by Pitt¹⁸ et al finds that credit programmes have quantitatively important effects on children's health, particularly if the programme participants are women. It evaluates the effects of three group-based credit programmes - Grameen Bank, Bangladesh Rural Advancement Committee (BRAC) and Bangladesh Rural Development Board (BRDB) - by gender of programme participant on the nutritional status of children to conclude that these credit programmes have important effects on household well being particularly if the programme participant is a woman. In another paper Pitt¹⁹ examines how credit affects male wage labour. There is strong evidence to suggest that participation in group-based microcredit programmes substantially alters the mix of agricultural contracts i.e. significant increase in own-cultivation, increase in male hours in field crop self-employment and reduction in male hours in the wage agricultural labour market. There is no strong effect of credit on the fixed rental of land. It is a type of contractual relationship that is not common among the landless poor in Bangladesh. This leads him to conclude that microcredit financed non-agricultural self-employment projects induce households to choose higher risk agricultural contracts. Hossain and Kabeer observe trends in Bangladesh with agricultural sector employment on decline²⁰. SHG loans have been linked to women's aspirations for girls to be self reliant in situations of multiple marriages, accompanied by increase in employment opportunities for girls in the garment sector. Kelkar and Nathan²¹ find a similar resonance among women in Bangladesh, who speak about their aspirations and abilities to negotiate change, and

present a nuanced analysis of the claims made by women to finally conclude that microcredit is not all that it claims to be. Sidney, Hashemi and Riley analysis of the influence of women's changing roles and status in Bangladesh's fertility transition²² examines qualitative data describing how the credit s empower women, and speculates about other factors which may influence contraceptive use. None of these studies however problematise the instrumentalization of women in the model while using women's labour and resources.

In a study of the CMF programme in Nepal²³ the author seeks to inquire as to whether there is a relationship between targeting women and women's retention and control of loans and finds little support for enterprises beyond credit disbursement. microfinance participants vary in the degree of control of loans and savings accessed through microfinance services; women have generally claimed more control over their own savings than over loans accessed through microfinance institutions and married women retain the least degree of individual control over loans. Female headed households de facto or de jure have greater control over their savings and loans. Goetz and Gupta²⁴ inquire as to whether women's continued high demand for loans and their manifest high propensity to repay is often taken as a proxy indicator for control and empowerment. A significant proportion of women's loans are controlled by male relatives. The study concludes that a preoccupation with "credit performance" affects the incentives of fieldworkers dispensing and recovering credit and may out-weigh concerns to ensure that women develop meaningful control over their investment activities. Recommendations by Goetz point to the need to adopt a comprehensive approach incorporating various elements – leadership training, move women from production skill for enhancing productivity to social development inputs; long

18 Pitt M.; Khandker, S; Chowdhury, Osman H.; Millimet, D.L. Providence; Credit programmes for the poor and the nutritional status of children in rural Bangladesh. Brown University, Population Studies and Training Center, 1999

19 Pitt M: The effect of nonagricultural self-employment credit on contractual relations and employment in agriculture: The case of microcredit programmes in Bangladesh Providence: Brown University, Population Studies and Training Center. 1999

20 Hossain Naomi, Kabeer: Achieving University PE & Eliminating Gender Disparity. EPW Sept 4, 2004 4093.

21 Kelkar Govind, Dev Nathan: We were in Fire, Now we are in Water: Micro Credit and Gender Relations in Rural Bangladesh. Rounak Johan, IHD Working Paper Series No.19

22 Sidney R.; Hashemi, S.M.; Riley, A: The influence of women's changing roles and status in Bangladesh's fertility transition: evidence from a study of credit programmes and contraceptive use. World Development 25 (4): 563--575 (1997)

23 CMF, Microfinance and women's control over savings and loans in Nepal (Occasional paper No.6) CMF, 1999

term investment in literacy and numeracy and training for attitudinal change.

Another study raises the question whether women can gain independence without paying a price. The study explores relationships between men's violence against women in the home, women's economic and social dependence on men, and micro credit programmes²⁵ to conclude that microcredit s have a varied effect on men's violence against women. They can reduce women's vulnerability to men's violence by strengthening their economic roles and making their lives more public. However when women challenge gender norms they may indirectly exacerbate such violence. In a situation where these issues do not form the frame of the interventions of most microcredit programmes they can well lead to an increase in the incidence of violence. The case studies by Scoggins in Nepal²⁶ provide evidences that involvement in a credit programme does have the potential to empower poor women in Nepal. Women developed self identity and status as men claim to confer with their wives on important issues, as loans are mainly used for household livelihoods activities. Chen and Donald²⁷ present an assessment of the impact of SEWA Bank in India, based on baseline findings of a two-stage study on the impact of participation in microenterprise services of the SEWA Bank, a sister institution of the Self-Employed Women's Association. The study compares borrowers and savers in the SEWA Bank with a control group on a number of variables. The results suggest positive impacts at the household, enterprise and individual levels.

Macro Linkages And Implications In A Neo-Liberal Context

Literature that situates the microcredit phenomena in the macro framework of development is diverse and divided in the opinions that are expressed. Although it is not possible

to include an exhaustive review, the critical readings that have helped inform our work from a gender framework are covered herein.

The beginning of the decade of the 90s was marked by the emergence of literature related to macro trend programmes and microcredit as a development strategy at two levels. Apart from the plethora emanating from Bangladesh and India, it was the World Bank study by Bennett and Goldberg that flagged the significance of the approach for the World Bank strategy in the region²⁸. The paper reviews 14 World Bank projects in East and South Asia and draws comparisons with the African region. It concludes that credit is the most popular financial service offered for women, although savings is less frequently included. The study notes a distinction between a minimalist model with emphasis on few key services (including short term credit) and an integrated model (eg. business and production training as well as technical assistance); it emphasizes the role of "social intermediation" as a means of strengthening socially and economically marginal clients to organize into SHGs as small low income borrowers "on a financially sustainable basis by reducing risks and transaction costs," alluding to the benefits from the model for all stakeholders.

Jain while not specifically referring to the microcredit phenomena draws trends in the macro economic framework and points to the two sides of the debate in feminist discourse²⁹ to economic reforms (in India) and the structural package. Noting that feminist discourse incorporates a bias towards deprived sections including women, their livelihoods, basic needs, human, equity, justice and peace, the pro Structural Adjustment Programme responses in the debate were for deregulation to make policies genuinely pro-poor. On the other hand State abandonment of responsibility to make choices that suit the poor and adoption of policies by the global North to

24 Goetz, A; Gupta, R: Who takes the credit? : Gender, power and control over loan use in rural credit programmes in Bangladesh. World Development Vol. 24(1): 45-63, 1996

25 Undermined or exacerbated by microcredit programmemes? Development in practice, 1998

26 Scoggins A: Women's Empowerment Through Micro-Finance? The Case Of The Micro-Credit Project For Women (Occasional paper No.2) CMF, 1999

27Chen, Martha Alter; Donald S: Assessing Impact of Micro enterprise Services; Management Systems International / USAID Washington, DC, 1999

28 Bennett, Lynn and Mike Goldberg: Providing Enterprise Development and Financial Services to Women – A Decade of Experience in Asia World Bank Technical Paper 236, Washington, 1993

29 Jain , Devaki: Women and Trade Liberalization - South Asia's Opportunities, Workshop On Global Trading Practices And Poverty Alienation In South Asia UNIFEM-SIDA Conference, New Delhi, 1995

30 Dev S. Mahendra: Agriculture, Employment & Social Sector Neglected, EPW, April 5th '03

protect their economies, were some of the negative trends observed by those who held a counter view. Jain highlighted the social consequences of these economic paths, especially on women. Dev³⁰ analyzes the budgetary implications and notes that budgets fail to address major problems of the social sectors in the liberalizing economy. Employment creation, an important food security and poverty alleviation strategy, is not addressed and cuts are made to SGRY allocations, instead of using this to mitigate the impact of drought. He observes a worsening situation with states receipts from centre declining and states therefore having less resources for agricultural and social sector spending. A report of the department of WCD had also expressed fears that the decline in job prospects for women due to economic reforms may not be offset by likely expansion in export, cash crop or service sectors and that technological transformation in agriculture restricts the chances of employment for women³¹. Jain identifies preconditions for women in the SAP era: a place in advising and influencing institutional arrangements for greater say decision-making, and participation of all sections of society in governance, for making the State and market more accountable to public and to benefit women.

Sudarshan and Debroy examine the reasons for India adopting the SAP, its rationale and implications from a gender perspective³² and call for policy changes with investments in infrastructure and Human Resource Development that will create conditions conducive to the operation of market forces. They note the adverse effects of India's import substitution industrial policies.

The desirable ingredients of liberalization policy according to them are reduction in budgetary deficit, infrastructure services/social sector balance in government expenditures and increased direct tax base and VAT. They call for removing licensing and deregulation in industrial policy and making choices between the investment in infrastructure like irrigation and rural communication or input subsidies in agricultural performance. Identifying the social dimensions of the liberalization process as fall in real

wages, elimination of subsidies on food transport, education, health and rural social services, increasing poverty (expected to be overcome in the long run) in absolute terms, the implications of poverty for women are starker. Intra-household variations in growth and poverty impact women's entitlement to resources and access to plans of production, their nonliterary social status and household chores reduce their social security especially in the unorganized sector. "Stabilization impacts vulnerable sections much more adversely" through decrease in health and education expenditure, fall in nutrition, morbidity, increase in child labour and food subsidy withdrawal. Shortages, spiraling prices and diversion from food crops to cash crops all have gender implications.

Noting the characteristics of women's work as intertwining of productive / reproductive role, and invisibility, women's work is constrained by social boundaries of skill, education, access to work, flexibility of time and social accessibility. Reforms' and liberalization's impact on women is marked by reduction in social sector spending and on infrastructure. Increased demand for local natural resources will impact food and livelihood security due to increased extraction, change in land use and resource use towards market orientation. Impact on local security and environment despite cash income will occur as women remain concentrated in agriculture increasingly in main worker categories and cash incomes are decreasing, increasing numbers depend on women's earnings, food crop to cash crop shifts will adversely impact livelihood security accompanied with diversion from local markets causing price rise. As women seek employment in unorganized sector as cheap exploitable labour and male employment declines, the domestic equation changes but DOL does not. All these issues become significant in a situation of decreasing incomes and increasing prices, with women bearing the survival load of families increasingly. The advent of credit through SHGs can therefore lead to increased burden of indebtedness while women struggle to meet consumption needs in the absence of food and social

31 Ahmed Saina: Times of India, Jan 23rd '94

32 Sudarshan, Ratna and Bibek Debroy: Global Trading Practices and Poverty Alleviation in India: A Gender Perspective in Global Trading Practices and Poverty Alleviation in South Asia UNIFEM-SIDA conference, New Delhi, 1995

33 William, Issac T, Chakraborty P and Thampi B: Women neighborhood groups: Towards a New Perspective – Paper presented at seminar on "Decentralization, Sustainable Development & Social Security;" ILO

security.

The paper by Issac et al makes a connection between the current liberalization paradigm and increasing interest of international finance in microcredit. The World Bank microcredit programmes promoted through NGOs in several countries are critiqued³³ based on the evidences in Kerala. The endorsement of the microcredit strategy of the World Bank by the UN in 1997 is seen as a point for a dramatic increase in microfinance spending in the world, with active participation of international commercial lenders to buffer aid donors. Based on its argument that the poor can afford and are willing to pay commercial interest rates, the World Bank opposes subsidies on interest and promotes dismantling of priority sector lending subsidized credit systems and traditional rural credit institutions. The result - a microfinance industry of the World Bank, MNC banks and MFIs at an institutional level, which lend to national MFIs which in turn lend to NGOs, with SHGs at the bottom of this pyramid.

Claiming that the microcredit model has sparked a movement to dismantle development initiatives and decentralize anti poverty s with the ultimate privatization of welfare³⁴, “shoeless women lifting themselves up by their bootstraps” is how Neff describes the objectives of microcredit policies. Her critique of Graven bank’s policies is in terms of only house owners being accepted as loanees; women working as ‘middle men’ to ensure collection; daughters being eliminated if is a mother loanee; and that control of women over loans decreases over time. She quotes Patrick Bond, (African Agenda 95) who points to the Grameen model in Zimbabwe, where repayment default rates are 80%.

Reviewing the performance of Indian MFIs in providing services to rural poor³⁵, Ramola and Mahajan note the emergence of rural bank branches in contrast to the model in other parts of South Asia. Their study examines issues of practices and attitudes in banks relating to rural poor and mechanisms for client interface that impact access by rural

people to improve access to financial services for rural poor and women. Roth examines the limits of microcredit as a Rural Development Tool, and examines three options for provision of microcredit to rural poor³⁶: State provision schemes which are politically motivated and collapse; private sources such as moneylenders; and innovative Development Finance Institutions. He observes that lack of recognition of local variances in microcredit schemes may result in inappropriate and unsuccessful use and at worst may result in the return of a blueprint approach, where microcredit is promoted irrespective of local and specific causes of rural poverty and its causes. Rankin observes that the onus to devolve rural lending is transferred by commercial banks to rural banks and women become the target of an aggressive self-help approach in Nepal.³⁷ Microcredit thus constitutes social citizenship and women’s needs in a manner consistent with neoliberalism. It illustrates clear connections between State power and gender oppression. Theorizing microcredit, the author connects the trends of deregulation of markets as complementary to facilitate the flow of capital. Kanwaljit and Wysham at the eve of the Microcredit Summit³⁸ in 1997 analyze the reasons for various players’ jumping on the Microcredit Bandwagon and observers a shift from “development as charity” to a potentially more profitable “development as business” approach. They note the profitability in transferring charges up to 30% to community by lending institutes and distinguish between micro lending for profit and micro lending for empowerment and call for more of the latter. They conclude that “Microcredit at best can lead to micro solutions” and that more than “band-aid of micro credit is required for the gaping wound of poverty and unemployment”. They call for proper regulatory and supervisory framework for micro lenders to ensure public scrutiny. Another paper by McIssac argues for non-financial data over long term to understand impacts.³⁹ NGOs should consider alternatives to direct provision of credit. He also emphasizes a need to look beyond microcredit to other

34 Neff, Gina: Micro Credit Micro Results. Left Business Observer, Oct 1996

35 Ramola B and Mahajan V: Financial services for the Rural Poor in India. Policy issues on Access and Sustainability. AIM, Manila Philippines, 1996 sponsored by the World Bank

36 Roth, James: The limits of Micro Credit as a Rural Development Tool, 1997

38 Singh, Kawaljit and Daphne Wysham . Micro Credit: Band Aid or Wound PIRG, New Delhi, 1997

39 Mac Issac: SAP Canada, Lessons from Microfinance and Poverty for SPPD, GDA, 1997

financial services including income increase and income protection to benefit the poor; household income gains offset by workload and dual burden. Poverty is not only of income, but also of vulnerability, therefore flexibility of financial services is necessary to take into consideration short-term risks and vulnerabilities.

The EPW Research Foundation Study⁴⁰ compares social banking to investment in the agricultural sector, small scale and village sector and note the reduction in branches in 90s, which created an institutional vacuum. A Study by Krishna et al⁴¹ shows that government schemes for assets and improvement to agricultural technologies were most helpful along with schemes for minor irrigation. Not one household escaping from poverty was associated with better-known forms of government assistance such as IRDP. Another study shows a falling into poverty in villages of Andhra Pradesh and makes a case that poverty avoidance policies are needed rather than broad based approaches and concludes that education is not significant with escaping jobs – only a third translated into jobs, although education is important for overall advancement.

Conceptual constructs and policy implications

Despite much change since the women's decade, feminist agendas have been added into economic development agendas only superficially according to Bardhan⁴². Close correlations between problems of female poverty and larger economic frameworks are often overlooked. The last few decades have marked a focus on women's needs as part of policy measures in the development debate. State led processes lost ground, as market emphasis increased in the 90s, with assumption of addressing poverty and gender equity. Bardhan lays out the pillars and assumptions of current economic development processes, and the view of women as potential human resources. Her paper analyses the gender biases as: Conceptual biases: the way that many policy makers conceptualize men and women in processes. Concepts behind equity sweep feminist concerns of gender subordination under the carpet by

locating equity in a household framework, rather than intra household and in the world of 'production' as it ignores intra household inequities and women's invisible reproductive roles and unpaid work. ii) Structural Biases: That gender is added on either as a minor sector, with separate structures or making little demands on mainstream structures. iii) Ideological Biases: women as a means of economic change and not as having capacities to influence change themselves, only as productivity potential. "Almost mechanically increased", "integration" and "IGA" are conceived as solutions to women's problems, as problems of women in development are assumed to be due to lack of their participation. The issue is not lack of "participation" she espouses but the level at which development strategy and structure limit and facilitate women's participation. Bardhan questions adequacy of policy per se as a means to address issues of gender subordination and gender biases in the distribution of resources. Mayoux observes donor interest in microcredit as a financial self-sustainability paradigm and raises issues of positive and negative impact and questions the principles of the model for donors⁴³. High interest rates and service charge (to cover costs of delivery), rapid growth to gain advantages as economies of scale kick in, narrow focus to minimize staff costs, voluntary contribution as basis, failure to incorporate empowerment indicators in MIS are some of the dilemmas and constraints she points to from a gender viewpoint. She suggests the following as elements of a gender policy for microfinance to support empowerment - cost effective services and institutional mainstreaming⁴⁴. The paper by Ditcher examines motivations and takes an altogether critical view of NGOs that are converting their finance operations to banks and the trade offs involved⁴⁵. He suggests that the credit system to be viable needs a strong credit bias. He points to the tension between imagery of compassion and that of capitalism, engagement with poorest and impact on recipients. In the absence of other inputs many borrowers have difficulty making productive use of loans, have less absorptive capacity, lack of knowledge and confidence.

40 Critical Neglect of Social Banking: Page 2072. May 22, 2004

41 Krishna et al: EPW July 17, 2004

42 Bardhan Bina. Gender Biases in Macro Economic Policies. Paper Presented In The Workshop On Global Trading Practices And Poverty Alienation In South Asia UNIFEM-SIDA Conference, New Delhi, 1995

NGOs that shift into sustainable credit s often lose the real advantage of development to engage with the poorest and help people change. This marks a shift to keeping scores – financial numbers rather than talk of intentions or social effect. The American mode of sole appropriate criteria being return on invested capital is questioned not only on grounds of moral principle but on the basis of evidence that suggests that adherence only to economic rationality is often at the cost of lasting social returns. “Financial viability of delivering institute becomes the Sin qua non for microfinance best practice”.

Linda Mayoux makes a distinction between the ‘market’ and ‘empowerment’ approach to micro credit initiatives, and presents the elements of variance as related to the use of technical and economic devices vs the commitment to a women centered bottom up process wherein the focus on economic interventions is only part on a wider process of support and empowerment. While the former is primarily conceptualized and driven by economics sector specialists, proponents of the latter approach are located in the social and behavioral sciences. They argue for the centering of the human being in the process if goals of poverty alleviation and improvements in the quality of life are to be addressed. The evidence indicates that the majority of programmes fail to make any significant impact on women’s incomes. Most programmes, including co-operatives, have on the whole benefited better-off women. They cannot be assumed to have a beneficial impact on gender inequalities, but may increase workloads without increasing access to incomes within the household. They also cannot be assumed to be of greater benefit than other types of employment s to women labourers. The author argues that the diversity of the small-scale sector on the one hand, and the complexity of constraints posed by poverty and inequality on the other, make the likelihood of any easy blueprint for successful women’s microenterprise development extremely slim. Both the market and empowerment approaches to microenterprise development contain a number of inherent tensions. These are

complicated rather than resolved through the co-option of participation within the market approach, and greater attention to efficiency within the empowerment approach.

What is clear from this paper is that microenterprise development for women is unlikely to be an all-win, bottom-up solution to a wide range of development problems, It cannot be seen as a substitute for welfare s or direct efforts to support labour and address gender inequality. Even in terms of narrow aims of increasing beneficiary incomes, microenterprise development is unlikely to succeed for the vast majority of poor women (rather than a small number of better-off women) unless it is part of a transformed wider agenda. There are particularly serious implications for any reliance on micro-enterprise s as the main focus of a wider strategy for poverty alleviation and change in gender inequality.

Kabeer⁴⁶ notes that there are conflicting - both positive and negative - evaluations of the impacts of the same projects depending on the methodology applied. The evaluation of the SEDP is used to draw attention to how the findings differ when they are gathered from the viewpoint of women loanees. It underlines these findings: empowerment as a multidimensional process of change and impact is relative rather than absolute in terms of personal achievement, intra-household relations, community standing and financial control. The stress women placed on their own sense of enhanced self-worth was underplayed in previous evaluations. She then makes a case for a local definitional framework for empowerment, and emphasizes that any assumption of a direct correlation between empowerment and women’s access to credit has to be ruled out. A significant conclusion is that credit programmes’ success lies in provision of subsidized access rather than subsidized loans. Enhanced productivity of livelihoods efforts due to repeated doses of credit, with benefits to women’s status in family and society are observed in the SEDP programme but men use socially conferred power to control or appropriate resources. The significant contribution of the paper is in the analysis of

43 Mayoux Linda: From Access to Empowerment: Gender issues in Micro Finance. Paper Presented To CSD Virtual Conference, October 1999

44 Mayoux Linda: The Magic Ingredient ? MF and women’s empowerment. Briefing paper for Micro Credit Summit, Washington, Feb 1997

45 Dichter Thomas N: Questioning The Future of NGOs in Micro Finance; Journal of International Development, 1996

46 Kabeer, N: ‘Money Can’t Buy Me Love’: Re-Evaluating Gender, Credit And Empowerment In Rural Bangladesh (Discussion paper/Institute of Development Studies; 363) Brighton: Institute of Development Studies, May 1998

definitions of empowerment reviewed in the paper and the connections that various studies make between credit and violence. Kabeer notes that differing interpretations of similar data may occur due to judgments that reflect differing models of power and that positive evaluations focus on outcomes attributable to loan access while negative evaluations tend to base analysis on process of loan use and management.

Khan specifically examines loans and wage employment⁴⁷, in the context of Bangladesh. He examines loan use of women involved in wage employment and the benefits they receive from loans and explores effects of wage employment on gender relations. Women value wage employment over credit, because of stability, a collective workspace, which provides information and solidarity, and status and material benefit of income. Wage employment helps to promote economic and social empowerment as women have a greater degree of control over money they earn in employment. He concludes that interventions should be designed to create more employment opportunities for women and in doing so, women should be consulted. Nigam explores whether poverty decreases more when microcredit is combined with increased access to basic social services based on UNICEF's experience in five countries - Nepal, Viet Nam, Egypt, India, Kenya⁴⁸ - and states that the lasting impact of credit in reducing the worst manifestations of poverty can be enhanced when it is combined with basic social services and key social development messages. He concludes that the combination of access to microcredit and basic social services is an effective and cost-efficient approach to enable the poor to pull themselves out of poverty. Repayment rates among poor women borrowers are high, and significant improvements are seen in the health, nutrition and education of the most disadvantaged children. Finally Mayoux presents for us a charter from the Women's

Caucus Recommendations On Gender & Microcredit⁴⁹ which emphasizes that existing evidence of the impact on gender relations of microfinance is limited. The paper states that there are a number of ways to increase women's empowerment through repayment schedules and interest rates to maximize impact on incomes, registration of assets used as collateral or purchased with loans in women's names or in joint names, incorporating clear strategies for women's graduation to larger loans, 'multiple choice' options based on participatory consultation including loans for new activities, health, education, housing etc, range of savings facilities which include higher interest deposits with more restricted access outreach and advertising of loan availability to women and women's groups.

Analytical literature on education in SHGs is found in the context of the WELLD programme and its operational and impact assessments with partners, as well as the REFLECT programme that sought to enhance learning opportunities for SHG women in various parts of the country. The BGVS literature points to the learning on SHG operationalisation issues, rather than the integration of gender issues in SHG processes and discourse. Helzi Neponen's recent paper on the Internal Learning System for Impact assessment adds a new dimension to the analysis of the impacts of development while balancing the learning needs therein. Materials on issues of development and poverty have enhanced our understanding of the concepts and the ways in which issues of gender and equity are currently subjects for analysis, and deepened our own understanding and analytical frameworks. Amartya Sen's⁵⁰ seminal works, Dreze⁵¹, Ghosh, Patnaik and others have enabled us to broaden the frame of our variables in examining the ramifications of SHGs on the poverty dimensions, while Batliwala's and CWDS papers and seminar reports have enabled us to unravel the gender and empowerment context of these issues⁵². Sen and

47 Khan, M: Microfinance, wage employment and housework: a gender analysis. *Development in practice* 9(4): 424-435, 1999

48 Nigam Ashok: Give us credit: how access to loans and basic social services can enrich and empower people. New York, UNICEF. 2000

49 Mayoux L: UNED-UK Outreach: Voice of the NGO community at the UN CSD 5(2): 4-6, 2000. Also available as "From access to empowerment: Gender issues in microfinance" at the Virtual library on microcredit-<http://www.soc.titech.ac.jp/icm/wind/mayoux.html>

50 Sen Amartya: *Development as Freedom*, Oxford Univ Press, 1999

51 Dreze Jean: Democracy and Right to food. *EPW* April 24, 2004

52 Batliwala Srilata: *Women in Self Help Groups and Panchayati Raj Institutions*, 2004

53 Nussbaum Martha: *Women and human development*, Cambridge University Press, 2000

54 Cohan, 2000

Nussbaum's⁵³ work on capabilities present alternate positions to explore the focus and purpose of capacity development itself. Apart from these there are numerous other readings that are not included here, but have influenced our framework and our theoretical and analytical frameworks in the process of this study.

LIVELIHOODS APPROACHES AND EXPERIENCES

Our quest was to understand livelihoods approaches (there are several) and experiences as a viable alternative to the minimalist microcredit initiatives burgeoning in various parts of the country, and to explore their potentiality as a strategy for poverty reduction and women's empowerment. The Chambers and Conway framework and others were analysed to understand the linkages of SHGs, poverty and livelihoods, in order to examine their potential to enhance livelihood security and sustainable solutions to address poverty in a people centered framework. The sustainable livelihoods (SL) approach first appeared in the report of the Advisory panel of the World Commission on Environment and Development (WECD), linking sustainable livelihoods to livelihoods security and basic human needs, food security, sustainable agriculture practices and poverty as an "integrating concept"⁵⁴. Conway and Chambers⁵⁵ proposed a framework wherein the key features identified were capabilities, assets (material and human resources) and activities required for a means of living; enabling to cope with stress and shocks and able to maintain capabilities and assets ...both now and for the future, and without threatening or undermining the natural base⁵⁶. The authors also highlight the need and focus on participatory planning processes as an integral part of the SL approach.

The frameworks by DFID, CARE, IDS, OXFAM etc have all elaborated on the connections between these

factors, while UNDP has adapted them. The DFID framework talks of outcomes as more community driven⁵⁷ in the setting of priorities, as it "leads to a focus on achievements, indicators and progress"⁵⁸. It stresses on the importance of various assets: natural, social, physical, human and financial with a concern for long-term impacts of development activity rather than only about immediate project outputs⁵⁹. The approach proposes the applications of assets - social, human, financial and physical and natural towards the transformation of structures and processes.

CARE in its approach emphasizes household livelihoods security linked to basic needs of a household, and identifies three broad categories appropriate to different points in the relief-development spectrum: livelihood provisioning; livelihood protection and livelihood promotion focused on building resilience to withstand shocks. CARE approach places less attention on the structures and macro linkages. OXFAM has recognized the right to a sustainable livelihood as one of its corporate aims and adopted the SL approach as far back as in the early 1990s. Taking its definition from Chamber and Conway, OXFAM stresses several perspectives/lenses to be applied in its approach to SL: the focus of OXFAM's framework is transformatory change rather than a limited view toward ameliorative practices and processes (DFID)⁶⁰ or a preoccupation with security, as is CARE's focus⁶¹. The OXFAM framework offers potential for making macro-micro linkages and addressing structural change in a comprehensive strategy⁶².

An analysis of the livelihoods approaches reveals a vast improvement on earlier approaches, for people's participation, inclusive agendas and engagement with structural issues, in fact for transformatory change, while adopting a flexible approach for engagement with issues. On the other hand our analysis leads us to recognize that

55 Chambers R and Conway G.R: Sustainable Rural Livelihoods: Practical Concepts for the 21st Century. IDS Brighton, 1992

56 Scoones, 1998

57 Cahn Miranda: Sustainable livelihoods approach: Concepts and Practice. Massey University, 1994

58 Carney D: Sustainable Rural Livelihoods: What Contribution can we make? DFID National Advisors conference, 1998

59 Carney Diana, M Drinkwater, T Runisow, K Neefjes, S Wanmali and N Singh: Livelihoods Approaches compared- A brief comparison of the livelihoods approaches of UK Department for Institutional Development (DFID), CARE, OXFAM, and the UNDP. DFID 1999

60 DFID Sustainable livelihoods guidance sheets 2001. www.livelihoods.org/info/info_guidance_sheets.html

Drinkwater M and T Runisow Application of CARE's livelihoods approach www.livelihoods.org

61 Drinkwater M and T Runisow: Application of CARE's livelihoods approach www.livelihoods.org

62 OXFAM GB: Exchanging Livelihoods- pilot edition, food security edition, natural resource edition (Unpublished) OXFAM Policy Department 1994, 1995, 1997

livelihoods approaches currently being articulated also often fail to address factors underlying poverty such as access and control over resources and the focus is on the household, rather than intra household inequalities. Such approaches to livelihoods also run the danger of viewing the poor as the cause of poverty and therefore place the responsibility of addressing poverty on them. Postulated as a people centered approach, it runs the danger of absolving the State and other agencies of needing to respond to poverty through investment in poverty reduction measures.

Numerous other experiences and approaches have been attempted in the country some of which have been documented, but for which there is little comparative analytical material. A few of these experiments stand out for their larger outreach and for their innovative strategies to empower communities towards sustainable livelihoods, some of which are listed. This list is a beginning of a process to understand perspectives and strategies to address concerns for sustainable livelihoods. There have been documents of the experiences of PRADAN, DDS, MYRADA, CCD, DHAN FOUNDATION, GDS and numerous others relating to their attempts to secure livelihoods in various parts and regions of India. The compilation of case studies preceded by a conceptual overview of the debates in the realm of gender and livelihoods contained in the volume "Livelihood and Gender-Equity in Community Resource Management"⁶³ is a landmark attempt at consolidating the available experiences on the subject from a gender perspective.

Nirantar's own workshop held in 2005⁶⁴ May brought together a number of practitioners of gender based and/or equity based strategies for sustainable livelihoods. The workshop however highlighted a need for a sounder analysis and understanding of livelihoods approaches, as distinct from income generation or conventional rural developmental approaches. In our view, an equity based livelihoods approach focuses on poverty in a manner that

recognizes that while access to resources/assets is a right that economically marginalized sections must have, it is not enough. The multiple vulnerabilities mean that, other than access, there are several other factors that need to be addressed if poverty is to be impacted. The recognition that the poor experience multiple vulnerabilities entails enhancing multiple capabilities to enable them to move towards the realization of rights and entitlements. While keeping the marginalized at the center, an equity based livelihoods approach places a responsibility upon the State and other development agencies to respond to the situation of poverty and related vulnerabilities in order to meet their stated commitment to enabling fundamental rights related to life and liberty.

The Aga Khan Foundation publication⁶⁵ contains case studies and analyses the gender dimensions in NRM. Bina Aggarwal's book⁶⁶ presents a situational analysis of women's rights to inheritance of land and the implications of the same on women's status and empowerment. It highlights the debates around entitlement and inheritance from a gender perspective and comprehensively convinces us to the significance of change in an empowerment process. Cahn Miranda.⁶⁷ Based on her thesis work, the author presents an analysis of the key components of the livelihoods approaches adopted by donors. Fernandez⁶⁸ highlights the struggles of women and marginalized communities for land as a key resource for livelihoods. Jhabwala⁶⁹ analyses the options available for women to survive as workers in the context of SAP, and analyses the structural issues such as licensing for access to raw materials. She analyses implications of cutbacks in health expenditures and calls for social security policies to protect women and secure the social and workspaces for women. Krishna's edited book⁷⁰ is a compilation of series of articles on engendering development experiences in the realms of livelihoods and NRM. There is a range of experiences as well as analysis of government initiatives presented. In Part

63 Sumi Krishna ed: Livelihood and Gender-Equity in Community Resource Management, Sage Publications, New Delhi

64 Nirantar: Learning For Livelihoods; Report of the Consultation held in New Delhi, May 2005 and report of National consultation on SHGs and women's empowerment, New Delhi, December 2004

65 Understanding Women's Experiences in Natural Resource Management, ANANDI team, India, 2001

66 Agarwal Bina: A Field of Ones own: Gender & Land Rights in South Asia, Cambridge Univ. Press, 1994

67 Sustainable livelihoods approach: Concepts and Practice. Massey University, 1994

68 Fernandes Jyoti: Andhra Pradesh: The land is ours. www.opendemocracy.net/debates/article-4-64-1391.jsp

69 Jhabwala Renana: Women Workers under Structural Adjustment: Some issues and Strategies for India, Based on Paper presented at ILO/NCW workshop, 1993

In the editor highlights the current trends and participatory approaches from a grassroots viewpoint. She analyzes PRA in the context of adult learning process and the emergence of SHGs as potential for women's autonomy. Krishna's analysis of approaches to gender and to women in NRM provides useful insights. The initiatives described underpin institutional strategies to integrate gender and ensure women's rights. Part 3 is significant in analyzing issues of community institutions and the State in eroding women's rights. She identifies the need for recognition of traditional knowledge systems in the promotion of collective gender rights. Patnaik⁷¹ highlights the significance of labour as a livelihood and survival strategy and highlights the imperative of an Employment Guarantee Scheme in the context of the current impact of reforms in the country, and the dire situation with respect to food security. Sarin⁷² analyses the impact of the Joint Forest Management on the lives of communities and specifically on women. The JFM has been operationalized on community forests and denied women rights to natural resources through adverse changes in the management structures. Scoones⁷³ paper highlights the imperatives for a livelihood sustainability process while Dutta⁷⁴ analyses the outcomes and equity concerns of current livelihoods approaches in the rural development scenario in India. Girija and Nathan⁷⁵ explore the potential of leasehold strategies as a means of creating access to land resources and enabling change in gender relations and economic power relations. Each of these and many more reports and papers reveal a broadening of the frameworks required to address poverty and to bring about a change towards livelihood sustainability. The debates on the various networks such as the right to food, the right to work and the gender and livelihoods e-networks and struggles have also informed our analysis in various ways.

70 Krishna Sumi ed: *Livelihood and Gender-Equity in Community Resource Management*, Sage Publications, New Delhi

71 Patnaik Prabhat: *On the Need for Providing Employment Guarantee*, EPW

72 Sarin Madhu: *Empowerment and Disempowerment of Women in Uttarakhand*. In *Gender Technology and Development*, Sage Publications, Vol 5 No 3 Sept, Dec 2001

73 Scoones: *Sustainable rural Livelihoods-A Framework for analysis*. IDS working paper No 72.

74 Shanker Datta: *Through the Fields of Rural Livelihoods*, Newsreach, Vol3, No 5, New Delhi, May 2003

75 Girija and Dev Nathan: *Leasehold Forestry in Nepal: Crafting an Alternative for the Poor*, EPW Special Article, October 2004

22. Swaminathan Madhura: *Structural Adjustment, Food Security and System of Food Distribution*, EPW June 29, 1996

Annexure 2

EVENTS RELATED TO SHGS AND MICROCREDIT ORGANIZED BY NIRANTAR

'Dilemmas and Questions: Microcredit and Women's Empowerment'

Seminar at the World Social Forum, Mumbai, 2004, in collaboration with Asmita and ASPBAE.

'Microcredit based Self Help Group approach and Women's Empowerment'

State level workshop, Gujarat, in collaboration with Swati, 2004

'SHGs, Women's Empowerment and Poverty Reduction', National Consultation, New Delhi, 2004

'Women, SHGs and Microcredit – Issues for the Women's Movement', Workshop at the Indian Association of Women's Studies (IAWS) Conference, Goa, 2005

'Challenges and Dilemmas related to Self Help Groups and Microcredit', State level workshop, Rajasthan, in collaboration with Vividha, 2005

'Dilemmas of Gender and Micro Credit', Session at Association for Women's Rights in Development (AWID) International Forum on Women's Rights and Development, Bangkok, 2005

Annexure 3

LITERACY INTERVENTIONS

Velugu

In Andhra Pradesh, efforts have been made to dovetail the state government Adult Education programme with Velugu in order to deliver literacy to SHG group members. The aim was to get Velugu to 'mop-up', i.e. reach the women who had been left out of the Adult Education drive. However, our field work revealed that a large number of women in the groups are indeed non-literate, but are not being included in the 'mop up' operations. The volunteer in the Total Literacy Campaign (TLC) phase for the hamlet that we focused on was none other than the village level worker (VA) of Velugu. Women complained that their classes during the TLC phase had not been conducted regularly. According to them only 3-4 classes had been held. They said that they had also not been provided any learning materials. "We only learnt how to sign, nothing more." The VA on his part said that there had been 'too many' learners and he could not handle them. Out of the four groups only one woman had pursued literacy.

Regarding the current 'mop up' operation, the Mandal Literacy Officer informed us that this can include only those who cannot sign their names. This meant that even if someone had learnt only to sign their name after enrolling in the TLC, for the purposes of the mop up operation they would be considered as having been covered. Women in the groups were indignant about this explanation and cursed the day that they learnt how to sign. "We are being punished for having learnt to sign our names. For no fault of ours we are being denied this opportunity," one of the members.

The irony is that it is precisely because the TLC was able to teach the women only to sign, that they are now being denied the opportunity to learn. The irony is greater because it was Velugu who like many other government programmes pressurized women to learn how to sign their

name, as though that were a substitute for acquisition of literacy skills. SHG members were 'motivated' by programme staff to learn how to sign through a clear message that if they did not they would not be 'allowed to' open bank accounts. "No 'Velugu woman' would give a thumb impression in the bank," declared the GM at the Gangavaram block office. This has now led to denying women the possibility of becoming literate.

SGSY

Women of the SGSY group in Tintoi and two other villages we visited in the course of our field work in Sabarkantha were aware that an adult literacy programme was being run by the government but knew little beyond that. In Tintoi, women linked to the SHG that we interviewed intensively were aware of the literacy classes being run in their own village. They were keen to attain literacy they said, but did not think it would be possible since the Continuing Education (CE) Prerak (village level cadre) was unwilling to come at timings suitable for them. The Prerak also expressed an unwillingness to come to their part of the village at night, which is when they would prefer to be taught. The women were unaware that there were 3 literacy workers appointed in their village. Interviews with them showed that they viewed their role to be running the library and remedial classes for school children. This was also easier for them since their programme was located within the government school premises in the Patel section of the village.

The Prerak mentioned above had formed two groups in the vicinity of her home, one with Muslim women, and another with OBC women. The OBC group was now involved in income generation through catering and making papad vadi. We were unable to meet the group but the interview with the Prerak revealed that the group was about

2 years old. Although she had initially started with reading and writing skills, the focus has shifted now to income generating activities and their viability. She maintained the accounts and picked up orders for the group herself. After the first four months literacy was not pursued and the literacy/continuing education component, according to the Prerak, collapsed into the economic activity. She saw the CE programme as constituting a shift away from reading and writing skills to the formation of SHGs for savings and credit. The Prerak herself had a share in the venture of the group and was also a self appointed manager of the group's income generation activity.

Swashakti

Although the Swashakti programme has taken the concerns of literacy articulated in the project proposal to a higher level in the other 5 states where the programme has been implemented, in Gujarat, literacy has been included as a minor component which entails only functional and legal literacy. The literacy inputs provided by the programme in Gujarat were initiated as a state level initiative of the project director (PD), whose previous experience with the Mahila Samakhya programme motivated her to incorporate a literacy component as part of the social development initiatives in the third phase of the programme. In the PD's view literacy is a key component to enable women to gain access to information and resources for economic empowerment.

INRECA, the NGO implementing the Swashakti programme in Narmada district of Gujarat, has been rooted in educational programmes since its inception, and runs ashramshala schools for tribal boys and girls as well as balwadis and anganwadis. Its focus however has been drawn to adult education and literacy only with the advent of the Swashakti program. Much of the motivation on the part of the teachers to pursue a literacy agenda emanated from an enthusiasm to enable people from a similar socio-economic background to benefit from literacy in addressing their situation of poverty or exploitation.

The content of the literacy curriculum did not however reflect any of these concerns. The materials used were from the Gujarat Vidyapeeth, a reputed organization in the field of education, and had no particular content relating to

poverty or gender concerns. According to Gujarat Vidyapeeth personnel, there were no modifications made in the curriculum for the Swashakti programme nor were any additional materials produced or pedagogical changes made specific to the needs of the programme and its focus as a women's empowerment programme. Nor did Swashakti view it as necessary to undertake the development of any specific literature or materials to be incorporated in the material.

Nevertheless the program pursued literacy as a significant social development agenda and pursued it by allocating resources for functionaries at the district level to motivate, monitor and coordinate the input. The personnel charged with this responsibility however were junior staff in the district hierarchy, and received little support from other team members. Within NGOs also time and resources were invested in selection, training and motivation of teachers/instructors at village level and payment of honoraria for the period when the literacy classes were ongoing. Thereafter however no inputs have been provided and the initiative has petered out in the absence of resources to support the teachers by way of an honorarium.

The Swashakti programme assumed on its part that partner NGOs would take over this activity and provide for its sustainability in their ongoing programmes. NGOs on the other hand expressed an inability to do so and stated that a separate project would need to be initiated for a comprehensive literacy component to evolve. This was difficult to actualize given the low priority given to women's literacy in the scheme of other donors.

The literacy performance to track the achievements ie the literacy achievement of learners who have been enrolled in literacy classes with SHGs stops at the numerical achievements, and is not reported within the larger Swashakti programme performance indicators. The monitoring of literacy indicators was therefore limited to the levels acquired by learners to complete the primers rather than to engage with any other reading or writing materials. No attention has hitherto been paid to how these skills are currently being used or how they can be sustained. The neo-literate women we interacted with in 3 villages of INRECA's field area were concerned about lapsing into illiteracy in the absence of such opportunities.

Anandi

Anandi has had a successful record of having run a literacy camp for women leaders and members of various committees to enable them to overcome illiteracy as one aspect of their empowerment process. The literacy materials were designed based on available materials and words commonly used by women in the course of their work. Women whom we interviewed recalled words used during the teaching learning at the literacy camp such as justice, rights, land, water and forest. Songs and poems were also part of the curriculum as were the objectives of their work. The success of the intervention lay as much in the literacy imparted as in the opportunities created for women to utilize their newly acquired skills. These included writing minutes, reports, banners and campaign materials. Women in the nyaya samiti reported instances where they have noted inputs provided during trainings, especially those relating to the nature of crimes and the relevant sections of the law. Some members of the drama team reported that they are now using their literacy to write scripts. All the participants of the literacy camp said that they now help children in their school work.

Anandi has recently revived its efforts towards women's literacy in another field area using a centre based learning approach which is currently implemented by a young volunteer, with little field experience. Our queries about the previous effort revealed an anger among the women that the previous experience was not sustained. They spoke about the need to sustain the literacy initiative over a long period. "We do want to learn but do not want to have to deal with frustrations of a process that starts and stops". With the earlier initiative having been halted women now wanted assurance that any future effort would sustain before they were willing to commit time and energy.

Anandi was also unable to sustain or design a strategy that would enhance the levels of literacy of neo-literates, despite the recognition of the need to do so. The task demanded resources to be committed to literacy, which the organization was unable to release, and nor did the leadership feel that the gains would be significant enough to justify the dogged dedication that literacy demands given the situation of extreme impoverishment of the women and their communities in the region.

Peace/WELLD

Women's Empowerment through Literacy and Livelihood Development (WELLD), as is apparent from the name, sought to combine literacy with concepts of savings and credit, group formation and management, empowerment and livelihood improvement. WELLD was developed by World Education as a pilot project in collaboration with the Society for Participatory Research in Asia (PRIA) funded by the Ford Foundation and implemented in two Indian states, Andhra Pradesh and Madhya Pradesh. World Education provides technical assistance to organizations in India that want to use or adapt the WELLD package to meet the needs of the women who participate in microfinance programmes.

The programme was able to convince NGOs, including those such as Peace, which were initially sceptical about its value, to take on board the agenda of literacy. WELLD also provided substantive inputs to the cadre which was part of the implementing WELLD, and these inputs were appreciated by staff members who had participated in them.

For members of SHGs, WELLD provided an opportunity to access literacy skills, information as well as the space for discussion on equity and justice issues. The fact that Peace was willing to participate in the WELLD programme and appeared to have done so with sincerity and enthusiasm reflected the desire of the organization to provide learning opportunities to SHG members. Peace proved itself to be extremely committed to mobilizing women for literacy. During the course of the programme, the leadership as well as other members of Peace were convinced of the value of literacy in their work. In fact when we asked the team involved with SHGs within Peace what their dream for SHGs was, second on their wish list was that there should be a spread of literacy.

The literacy centre was a space where women could engage with social issues. A participant of the WELLD programme told us about how she thought the centre was helping them deal with social issues such as the following: "One of the women who came to the centre was beaten up very badly by her husband. He threw a stone on her head because of which she had a severe injury, a hole in her head. She bled very badly. We took her to the

hospital and got her medicines. There was a Panchayat the next day. After the panchayat everybody abused her husband. They also tried to get them together. But the husband kept fighting with her. She continued attending classes to relieve herself from this husband of hers at least for some time. Finally she left her husband and married some other fellow. And the husband also married again. In fact she married first. Other women who were not part of the centre did not take care of the woman. Since we were in the class we took up the issue.”

A lack of funds has meant closure of the WELLD programme. The organization was keenly interested in continuing with the literacy work. Peace expressed a strong sense of resentment at what they perceived to be an abrupt closure of the programme. Given the time that was required for mobilizing, compounded by operational delays, meant that the time for the project was in any case insufficient. The director of Peace said, “When the women were about to study, and ready to learn more, they lifted the programme. We requested them to extend the programme. They said they are not going to give funds. There was some money left so I extended the project for six months more. If there would have been more centres and for some more time, it would be more successful.”

Learners also felt that given the time that it took them to prepare themselves for the classes and for their interest to grow, the closure of the programme meant an abrupt ending of the learning process. One of the WELLD participants said, “They used to teach, I learnt some how. The income lesson was interesting. Then we did some maths. Then slowly I was getting interested in numbers, in subtractions and additions. Then the centre was stopped.”

One of the questions that we asked both the staff and the women who had participated as learners, was whether they could have not have sustained literacy even after the project ended. It was clear from the responses that this was not feasible.

West Godavari

West Godavari is a district in which an adult literacy programme well known in the Adult Education sector called Akshara Mahila Programme was launched in 2000 by the District Adult Education Association. The programme was

considered to be highly innovative and effective in its strategy of ‘targeting’ SHGs. This came to be known as the ‘group based approach’ that marked a departure from the earlier Total Literacy Campaign approach in which the entire non-literate community was approached. As part of the Akshara Mahila Programme, SHGs took up literacy as a group activity. Learners were identified from within the group itself. The group bore the costs of the volunteers’ training, teaching material etc. The volunteers were identified by the group, in fact they were often members of the group, or daughters of group members. The strategy of deploying SHGs for literacy was clearly very useful for the government. It effectively took care of mobilization of learners and volunteers, and even used the financial resources of the women learners themselves.

Interviews conducted during the course of the study as well as secondary sources indicate that the spirit of the programme was that of a campaign. West Godavari district in Andhra Pradesh has been running its Continuing Education programme for the past four years without funds, because of a delay in release of funds from the National Literacy Mission. It is important to note here that the experience of West Godavari is not unlike most other districts in the country which have also experienced delays in release of funds from the Central or State government. However it has been unique in its efforts to mobilize funds from the community to reduce its dependency on the government as part of a larger strategy of community participation and ownership. It is believed that it has been possible for the programme in West Godavari to continue without funds even earlier only because the programme had a campaign mode of functioning.

Yet there were some fundamental problems. During the interview with the village level Executive Committee of the Continuing Education Programme members of the committee were asked how neo-literate women are using their literacy skills. Only one of the members responded by saying that he had “not observed what neo-literate women are doing with their literacy”. The committee members also said that they had not undertaken any measures to promote the use of literacy among SHG members. The EC members saw their role primarily as one of motivating new learners.

While there are some activities, at least at the level of planning, that are meant to include the use of literacy by learners, there is no broader strategy articulated to ensure that the planned literacy targets will be sustained. For example, the Action Plan for the Akshara Sankranti Programme Phase VI, 2003 in West Godavari makes no mention of how literacy achieved so far will be sustained. One of the problems also is that although the Akshara Mahila Programme was rooted in the linkage between SHGs and literacy, at present there is no collaborative, institutional linkage between DDAE and DRDA (the department through which the SHG programme is being implemented.).