THE MICROCREDIT BUSINESS AND WOMEN'S EMPOWERMENT IN INDIA:
Myths and Realities

A thesis submitted by

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My interest in the microcredit study was aroused in 1999 when I first came to the ISS to do a PG Diploma in Rural Policy & Project Planning. Some lectures on credit got me interested and I later visited the Grameen Bank in Bangladesh. It gave me the first glimpse and understanding of the gigantic and booming sector. It made me rather curious too. I was fortunate to be awarded a fellowship under the Netherlands Fellowship Programme to pursue a doctoral degree. It gave me the chance to explore the sector better. It also brought me back to the ISS, which I leave with fond memories.

Truly multicultural and international in spirit, ISS has allowed me to put development in perspective and understand theories rarely put into praxis. It gave me the opportunity to expand and experience the wider world through various networks and communication channels. It has given me unforgettable friends.

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Malika Basu
The Hague
February 2008

Contents

List of Figures and Tables

Figures

Tables

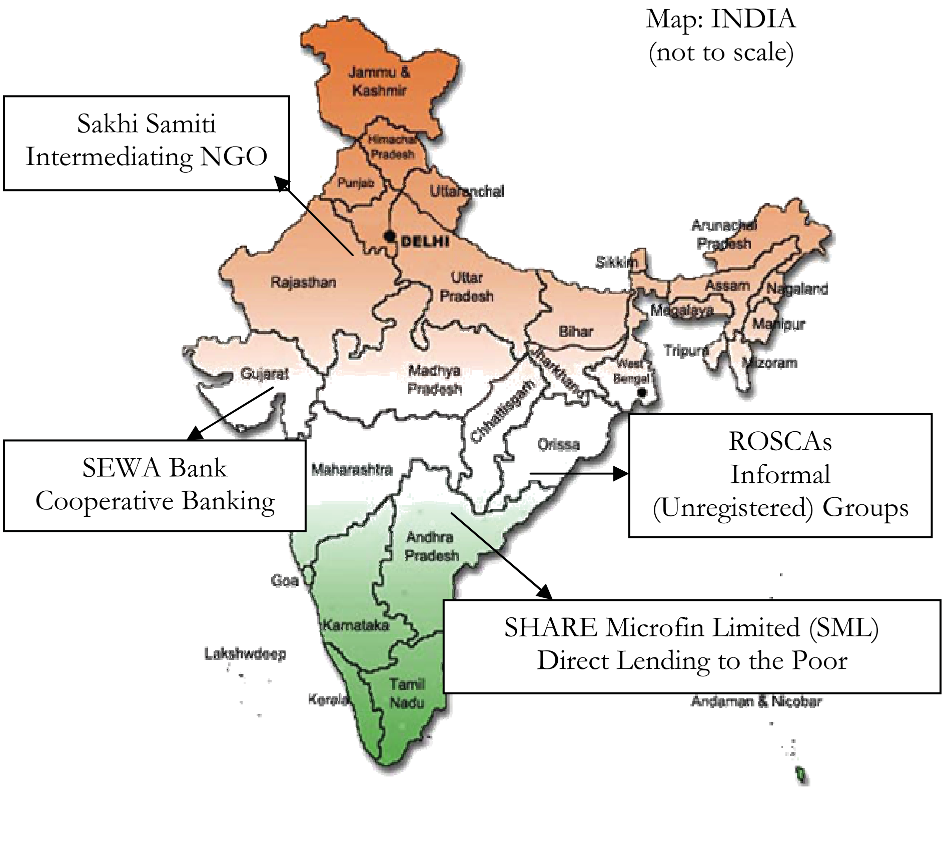
List of Abbreviations

BDMSA	Shri Banaskantha DWCRA Mahila SEWA Association
BMASS	Block Mahila Sanchayika Sangha
BPL	Below Poverty Line
CGAP	Consultative Group to Assist the Poorest
DAs	District Associations
DWCRA	Development of Women and Children in Rural areas
FCO	Field Credit Officer (SML)
FLS	Forward Looking Strategies
FWWB	Friends of Women's World Banking
GAD	Gender and Development
GDI	Gender Development Index
GEM	Gender Empowerment Measure
GOI	Government of India
HDR	Human Development Report
HPI	Human Poverty Index
IAY	Indira Awaas Yojana
IFAD	International Fund for Agriculture and Development
IFPRI	International Food Policy Research Institute
IMF	International Monetary Fund
IRDP	Integrated Rural Development Programme
MACS	Mutually Aided Cooperative Societies
MFI	Microfinance Institution
NABARD	National Bank for Agriculture and Rural Development
NAC	Notified Area Council
NBFC	Non Banking Financial Company
NES	New Economic Sociology
NGO	Non Governmental Organisation

NIE	New Institutional Economics
NIRD	National Institute for Rural Development
OBC	Other Backward Caste
PRADAN	Professional Assistance for Development Action
PREM	People's Rural Education Movement
RBI	Reserve Bank of India
RMK	Rashtriya Mahila Kosh
ROSCA	Rotating Savings and Credit Association
RRB	Regional Rural Bank
RTC	Regional Training Centre (SML)
SAPs	Structural Adjustment Policies
SC	Scheduled Caste
SEBI	Securities and Exchange Board of India
SEWA	Self Employed Women's Association
SGSY	Swarnajayanti Gram Swarojgar Yojana
SHARE	Society for Helping Awakening Rural Poor through Education
SHG	Self Help Group
SHPI	Self Help Promoting Institution
SIDBI	Small Industries Development Bank of India
SIGE	Standardized Indicator of Gender Equality
SML	SHARE Microfin Limited
SS	Sakhi Samiti
ST	Scheduled Tribe
TLA	Textile Labour Association
TUP	Trickle UP
UNDP	United Nations Development Programme
UNRISD	United Nations Research Institute for Social Development
WID	Women in Development

Map of India

(Showing the State Location of Organisations Covered)



1 The Microcredit Business and Women's Empowerment

Introducing 'Subject of Enquiry'

This study is in response to the global upscaling of the microcredit sector due to a market-led approach, coinciding with diminishing role of the state, under a neoliberal paradigm. It places issues concerning microcredit in the broader context of market liberalisation and assesses its role as a development tool, with particular emphasis on one of its main goals – to promote women's empowerment. In the Indian context, the process of financial liberalisation guided by neoliberalist ideology has altered the microcredit landscape, discernible through the rise of new non-state institutions or actors, enunciating a shift in approach towards rural poverty and the poor,[1] especially women. This in turn has promoted savings amongst the poor and purports increased outreach wherein access to resources like microcredit,[2] assume a hegemonic position in addressing both poverty reduction and women's empowerment. Such a shift, driven by policy has created a new focal point: that of women-centred groups, driven by collective action. The image of women as passive recipients of aid programmes now stands jettisoned in favour of women as active, gainful agents in the new economy, with entitlement, entrepreneurship and empowerment.

Microcredit has been accorded an iconic status as a panacea for poverty and deprivation, guaranteeing a fall back position and transformed conditions of the poor from a vicious circle to a virtuous cycle. Its unfathomable excessive use, poorly structured loans and bad debts continue to be a basis for critics however, who challenge the overriding emphasis on making women primary targets with scant attention to gender relations and the articulation of gender power in specific contexts affecting women's access to and use of microcredit. Success stories on microcredit have simultaneously been marred with pessimistic insinuations. Grounded in a fierce polarised

Part I

MICROCREDIT, NEW INSTITUTIONAL ECONOMICS AND GENDER

Bridging the Gap between Theory and Empirical Research

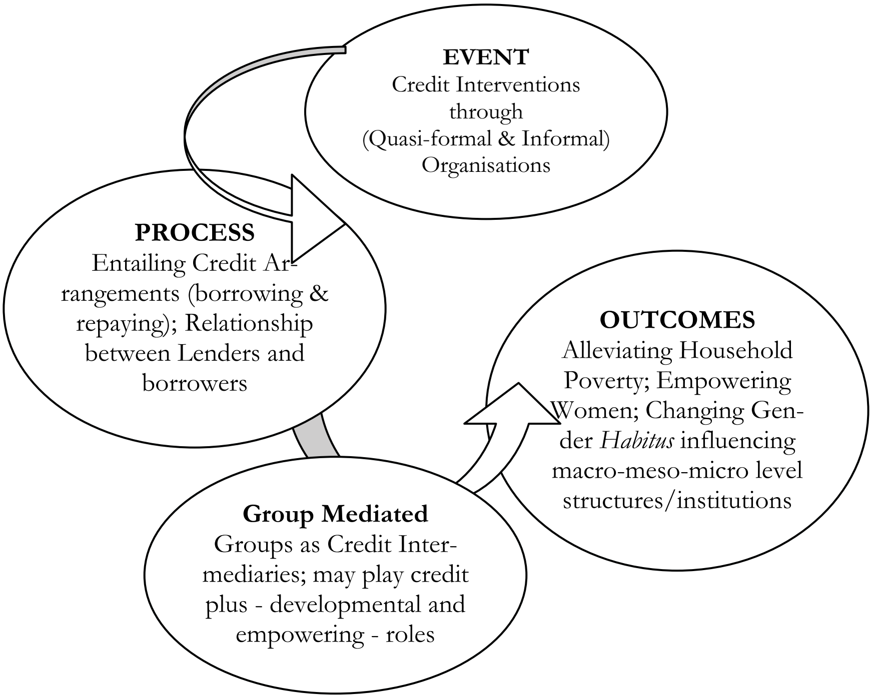
debate, microcredit finds itself on a pathway – 'The Microcredit Promise' to 'The Microcredit Schism'.[3]

India is fast becoming one of the largest microcredit markets in the world, where the practice is rather extraordinary in its diversity. Considering the vastness of the land along with high population concentration, penetration into the hinterlands is a valid issue within this field. As a result, the accelerator model which thrives on acceleration of outreach has become the centre of debate. Also, in an attempt to achieve this outreach, the microcredit industry is getting increasingly dominated in a techno-managerial sense, thereby limiting its potential development ends. Instances like the Andhra Pradesh (AP) crisis of March 2006 have brought into focus the tension between the sectors' social and financial mission. It also led Government of India to hasten its efforts to pass The draft Microfinance Sector (Development & Regulation) Bill to provide a legal framework to regulate and facilitate the microcredit sector especially in rural areas.

Without challenging outrightly the role that credit plays in the lives of the poor, especially rural poor women, this study steers an argument between opposing positions by offering a multi-level analysis that addresses microcredit's role in empowering women. The study draws upon four cases of quasi-formal and informal organisational interventions, viewed as alternative or new institutional arrangements, which are women-centric and primarily target women as their credit beneficiaries. Critics contend that the rise of these institutions is due to liberalisation, resulting in an increase in capitulation of the state to rules of the market, wherein the commitment towards microcredit is in compliance with neoliberal restructuring. Gender though remains a blind spot, even in these new institutional arrangements.

The following multi-level analysis captures gender, especially the process of women's empowerment, as a multi-dimensional phenomenon by taking into account both the gender processes behind borrowing and repaying credit and the gendered patterns of outcomes. In credit transactions, money takes the form of a loan. The interregnum between receiving the loan and repaying it is crucial as an array of factors can influence this. What takes place between receiving and returning the loan constitutes a terrain of social power, in which the lender and the borrower act out their interests. Thus, the course of credit as a development event can trigger a process that may or may not drive itself into many expected outcomes (see Figure 1).

Figure 1
Multi-level Analysis Detailing the Course of Credit
(Event[4]-Process-Outcomes)



This study explores microcredit within macroeconomic trends of a neoliberal political economy. Hence the four cases selected for field investigation are in the same loop of credit event, process and outcomes, though they may differ in the ways they recognise and address gender and poverty reduction. The four cases emphasise, though in varying degrees, that credit intervention leads to alleviating household poverty i.e. credit as a tangible asset draws income and other benefits. Since credit is channelled via the group to the woman in the household, it has a direct bearing on changing her perception about self and her contribution in the household, thus enabling her to play a wider role both within the household and in the community. Through such emphasis, organisations tend to assume a linear approach to the process of women's empowerment wherein empowerment is based on their capability of earning income and participation via the group outside the household. They make poverty and empowerment appear mutually supportive. It is the validity of such linear assumptions that are queried by this study at microlevel, with the focus primarily being women's empowerment and its link to microcredit.

The study bases its views of changing intrahousehold relations on Bourdieu's *habitus* or cultural structure that is active in people's minds, generating gender biases and ascriptive gender norms, which undergo transformation. Such a cultural structure exerts logic of domination, favouring a particular social arrangement dividing the male and female and creating a gender *habitus*. Subsequent chapters discuss the notion of changing gender *habitus* attributed to displacing dominant notions of femaleness that alter women's subordinate position and enlarges their scope of agency. Changing gender *habitus* has much to do with women's agency and how this agency is proactivated.

The following section 1.1 begins with the research problem - encapsulating different perspectives and current debates on the 'monoculture of credit' (Wood and Sharif 1997: 31). Section 1.2 specifies the purpose of this study, with its overriding qualitative concerns, while Section 1.3 sets the central research questions, complementing it with a multiple set of sub-questions raised at multiple levels. Section 1.4 explains the methodology adopted for this study. The chapter closes outlining the organisation of this study.

1.1 Stating the Research Problem: A Background

The field of microcredit and related literature are fast upscaling and diversifying. The gender transcript is overt with the upscaling of the sector and is transformed into 'an ascendant and accepted rhetoric' (Hirschmann 2006: 74). Exemplary cases of success documented at regular intervals nevertheless make a business case out of microcredit, which caters to a different market segment – poor, landless, women, and its seemingly causal link to social transformation i.e. women's empowerment. The Microcredit Business has fostered a new economic ethic. It has led to 'inculcation of the saving habit, encouraged loan repayment as per a pre-set schedule, ensured the separation of the public and private spheres and overseen the commercialisation of economic life' (DN2005: 275).

Financial needs of the poor and the role of credit

Writers and practitioners largely agree that credit is a form of financial service offered to the poor due to their lack of access to productive capital. Reducing their capital constraint could lead to investment, create a new source or enhance existing income. Microcredit can also help supplement investment and generate more income till the borrowers move across the poverty line. Credit results in the 'promotion of poor individuals and households out of poverty' (Rogaly et al. 1999: 59).[5]

'Placing a tangible capital' i.e. credit, 'in the hands of the poor' (Hulme & Mosley 1996: 202) could lead to its 'convertibility into other forms of capital' (Ellis 2000: 34) or asset building. 'The lynchpin of asset accumulation for the poor is credit' (Stein in Shapiro et al. 2001: 270). Without it one is 'sequestered in the ghetto of a new poverty' (ibid.: 292). Credit can also protect the poor from fluctuations in income or at times of emergencies. Credit then has a 'protective effect' (Rogaly et al. 1999: 131), shielding them against risks and vagaries due to vulnerability, deprivation and emergencies. In essence, credit as a financial service for the poor can 'satisfy a wide range of business, consumption, personal, social and asset-building needs' (Matin et al. 2002: 273).

Credit-based poverty alleviation initiatives are critical to rural development strategies in India. Credit is perceived as a service which can break the vicious circle of low capital, low productivity, low incomes and low savings still seen in rural areas. The uncritical view of credit in terms of its multipurpose role enshrouds two critical issues and how these are addressed in practice. First is the fungibility aspect of credit. Second, is the inaccessibility and exclusion of the poor.

Fungibility complications of credit

Credit involving money has a fungible character[6] driven by complex livelihoods and varied needs of the poor (Matin et al. 2002, Ellis 2000). This includes credit for working capital, investment in income yielding activities and for varied consumption-oriented activities like food, housing, health and education. 'In the Indian context' credit is also required 'to meet expenses for a variety of social obligations and rituals' (Ramachandran & Swaminathan 2001: 1).

Consumption expenditure for the poor often substitutes for production expenditure; at times, it is difficult to separate them. For instance, spending on medicines for health reasons can avoid 'liquidation of an essential asset' (Abugre in Bouman & Hospes 1994: 169). Further, credit used to meet costs of education or housing can be viewed as both 'an insurance mechanism' as well as an 'investment instrument' (ibid.).

Monitoring and enforcing credit contracts becomes a challenge due to this fungibility. To maintain rigid norms and strict distinctions between production and consumption credit could be counter productive. Pitfalls of this include a smaller demand spectrum and alienating poor borrowers, especially women, who will then resort to borrowing from informal lenders, who give credit for purposes other than production but charge exorbitant interests.

As significant as fungibility is the varying access to financial services socio-economic groups of society have. Those who need credit the most may find themselves outside the purview of the credit delivery system.

Inaccessibility and exclusion of the poor

'The mere access to credit, not the actual borrowing' is 'an important insurance substitute. Having potential access to credit enables the household to transfer part of its risk to the financial market' (Heidhues in Bouman & Hospes 1994: 37). 'Poor … do not necessarily want a loan now; they want their access to credit … a timely and flexible disbursement of funds to be always there' (Gonzalez Vega in Kimenyi et al. 1998: 16).

Access to credit often remains a challenge for the poor, who are deemed not credit-worthy and risky clients due to lack of assets. Socio-cultural barriers rooted in identities of ethnicity, race and in the Indian context, class, gender and caste further reduce inaccessibility to credit. These 'barriers are particularly difficult to overcome as they operate at both societal and intra-household level' (Bennett in Kimenyi op.cit.: 102). The state itself, despite its social welfare tenets, reflects the interest of dominant socio-economic groups. Its support schemes thus skewed in favour of those socially and politically important, place the poor 'beyond the frontier of formal finance' (ibid.) as the institutions of society – get created to – serve those in possession of bargaining power.

Liberalisation of the financial markets has changed the face of rural credit markets. The advent of non-state quasi-formal and informal actors ostensibly outwit dysfunctional, gender biased conventional rural banking. In their hands, measures of poverty extend beyond income and asset in the classical sense to include resources, entitlements and voices. As the notion of poverty expands, the views regarding the poor stand reversed. They are no longer viewed as unbankable,[7] but as potential business clients. As a result, accessibility and inclusion have become rightful gains for the poor. The new actors are perceived as having a double bottom line i.e. in addition to a financial objective, they have a developmental or social objective (CGAP 2004).

The issues of accessibility and ex/inclusion are interlinked and inevitably draw attention to the operation of the rural credit markets.

Rural credit markets and formal service providers

Indian rural credit markets corroborate the 'financial landscapes' (Bouman & Hospes (eds) 1994) view with their diversity of financial intermediaries i.e. service providers that are formal, quasi-formal and informal (Matin et al. 2002). This financial landscape however is not 'one great market' (Bouman & Hospes (eds) op.cit.: 6) that leads to the most efficient outcome. The neoclassical theoretical construct of a 'perfectly competitive market' thereby lays exposed as untrue (Wolff & Resnick 1987, Feiner & Roberts 1990, Samuelson & Nordhaus 1992, Kaufman 1994).

Many reasons account for credit markets to be fragmented and operating unevenly in rural settings (Pischke 1991, Hulme & Mosley 1996, Schneider 1997, Ellis 2000). Some common challenges faced are high administrative set-up costs, difficulties and costs related with securing adequate information on potential borrowers to combat adverse selection, and the absence of collateral and risk of default countervailing problems of moral hazards. Institutionalised gender based social norms stand to disadvantage women in particular, pushing them to the periphery and automatically making them 'non-clients' in the credit market.[8] Whatever the reasons behind market failures, 'when markets fail worthwhile transactions are not undertaken … Under these conditions, lending is inefficient because opportunities to make good loans are rejected' (Pischke 1991: 103).

Uncertainties and risks are elementary to any credit transactions (Basu 1997). Credit markets 'are inherently imperfect in that there is less initial certainty about the completion of a credit transaction' (Bhatt in Pischke et al. 1983: 43). Credit invariably involves a contractual relationship between borrower and lender, wherein with each transaction the borrower is obliged to repay the lender within an agreed stated period. This relation is guided by various factors and has received much attention under the principal-agent model within the New Institutional Economics (NIE) approach (Harriss et al. 1995, Menard (ed) 2000). It is important to know how effectively this relationship functions as it has a bearing on generating or diminishing credit risks.

As one of the largest countries supplying formal credit,[9] India has adopted a multi-agency approach to deliver credit (dealt with in Chapter 2). The nationalisation of commercial banks in 1969 and the setting up of Regional Rural Banks (RRBs) in 1975 led to a massive extension of commercial banking in hitherto untouched rural hinterland. Alongside, targeted anti-poverty programmes like the Integrated Rural Development Programme (IRDP) were introduced in 1979, meant to work in tandem to ensure supply of credit and subsidies to the weaker sections of society.[10] This quantitative growth with its emphasis on subsidised credit led to low ceilings on interest rates and allocating massive amounts of credit. Efforts that were intended to benefit small and marginal farmers ended up benefiting large land-owning and middle level farmers resulting in severe criticism and 'undermining rural development with cheap credit' (Adams et al. 1984).[11]

The operations of formal financial institutions have thus been shown to be 'inept and lacking accountability' (Braverman & Guasch 1986: 1253). 'All in all'…the formal 'credit system has a long way to go before it can be said to be extensively used or begin to change the weak structures…of the rural credit institutions' (RBI 1993: 39).

Quasi-formal and informal providers

Failures accounted for in the formal financial sector have shifted attention to new quasi-formal institutions comprising of Non-Governmental Organisations (NGOs) and Microfinance Institutions (MFIs) who handle financial services to low income households in rural-urban areas. They also create an enabling environment and fill the gap created by the formal system. These quasi-formal organisations 'are either independent of government and have a high degree of autonomy from bureaucrats and politicians…they are usually registered as NGOs or cooperatives and occasionally as banks with a special charter like the Grameen Bank' (Matin et al. 2002: 285).

Sparsely present though growing in number, NGOs and MFIs report a success that is relatively higher than the 'finance at the frontier' (Pischke 1991). Viewed as 'new wave evangelists' to use Rogaly's term metaphorically (1996), these quasi-formal providers are actors of institutional change, redressing limiting structures of accessibility and exclusion that forbears the poor from formal financial services. They seem to create new governance structures[12] capable of overcoming risks and uncertainties, achieving lower costs and higher levels of productivity through administrative co-ordination.

Microcredit, including small loans and loans without collateral form a substantial part of NGOs and MFIs business portfolio. Their intended beneficiaries are women and they ceaselessly propound women as agents of change. As a result, they are accredited a 'feminised' character. A further characteristic of these quasi-formal organisations is that they induce savings amongst borrowers, allowing them to create their own safety nets.[13]

Besides these quasi-formal bodies, the financial landscape also includes an informal sector of unregistered sources offering credit e.g. moneylenders and pawnbrokers who have a deep entrenched rooting in rural society. Despite widespread awareness that these informal sources charge high interests, the poor still often turn to them for the convenience of their arrangements, the fewer restrictions on borrowing and the lack of other choices accessible to them.

Also included in the informal sector are the effective and indigenous financial services offered by Rotating Savings and Credit Associations (ROSCAs). ROSCAs are a form of self-help groups. Pischke (1991) defines them as 'the economy behind the frontier' which operates under different names worldwide. ROSCAs introduce new credit delivery arrangements in the nature of voluntary self-help groups (Bouman 1989, 1995, Ardener & Burman (eds) 1995); they are 'self selected peer groups which shape their organisation and make their own rules' (quoted in Calomiris & Rajaraman 1998: 208).

It is the credit delivery and ensuing process of empowerment of these quasi-formal and informal bodies i.e. NGOs, MFIs and ROSCAs[14] that form the main interest of this study.

NGOs, MFIs and ROSCAs have adopted different savings and credit delivery approaches given their specific context. This, along with their stated objectives of poverty alleviation and empowering the poor - especially women, draws much attention, even curiosity while critics however point at their exaggerated role. Indeed it is important to realise, such organisations may also be at a disadvantageous position facing difficulties. Failures may occur due to defective information, unpredicted side-effects, poor implementation, poor motivation, impropriety and inefficiency. Though not all such organisations may fully ameliorate the inefficiencies arising from existing market failures, some may even exacerbate the market failure. They have nonetheless shown the potential to provide services at lower cost and with other advantages like lower delinquency rates. A better understanding and clarity of their functioning is therefore necessary. It can lead to delineate factors for effective credit delivery services to the poor. The existing literature on microcredit however misses out on a systematic analysis of these organisations, the context within which they operate and their credit delivery processes.

What is of equal significant relevance is the persistence of quasi-formal and informal providers in targeting women as their core clientele. In so doing, their claim of empowering women raises questions regarding their assumption about gender. How their understanding of gender relations influences their goals, objectives to further influence women members becomes a point of interest.[15] While studies analyse credit interventions through such organisations on women, they tend to overlook the nature and perception of organisations per se, which have a bearing on how it influences both staff and members.

Granted that ensuring women a right to access credit denounces certain stereotypical gender biased approaches that so far left women out in gaining access; however, it does not necessarily make the organisations gender progressive.[16] It is possible that these organisations fail to redefine or even influence the gender conscription within a household, not to forget the biases that transcend household boundaries. In such cases, their role becomes a perfunctory lender-borrower one, wherein the lender's interest is dominated by reducing default risks, though their objectives point to a superficial claim of empowering women.

The group formula

For most NGOs and MFIs, the group formula[17] is viewed as capable of reducing transaction costs for both lenders and borrowers, along with drawing other advantages. The groups have been viewed as 'solidarity groups…attaining economies of scale' (Berenbach & Guzman in Otero & Rhyne 1994: 120). 'The group plays a role in reducing the cost of gathering information about the borrower, but its more important role is in motivating repayments' (Rhyne and Otero in Otero & Rhyne op.cit.: 16). This is done through shared liability for default (Marr 2002). All of them would lose access to finance if any one defaulted.

Social welfare is another aspect these groups are associated with, besides just a means of accessing credit. These groups invoke participation and regular meetings. Peers foster group solidarity while reducing women's isolation by exposing them, through the group to new ideas and potential openness to change. Groups are 'a potent source of grassroots participation and empowerment' (Bhatt & Tang 1998: 623). These solidarity groups tend to create empowerment of their members independently of their economic impacts by creating new bonds and social identification (Mknelly & Dunford 1996).

In its joint liability and other functions, the group is seen as a social asset or to use popular phraseology, a 'social capital' that creates a social support system. 'Social capital refers to features of social organisations such as trust, norms and networks that can improve the efficiency of society by facilitating coordinated action' (Putnam 1993: 163). Interactions between individuals, such as 'collective action' (Olson 1965) 'create changes to the status quo' (Lesser 2000: 8). The strength of these interactions is the trustworthiness that improves relationships and lowers transaction costs of exchange, making it possible for trade to occur with ease and tackle free-rider problem, as well as enabling social and political interactions (Coleman 1990, Platteau 2000, Cook 2001).

Credit is an act of trust between not only the lender and borrower but in the case of groups, between members within the group and the lender. Credit then can be viewed as a pact that binds people to each other. In this regard, to refer to credit as 'the prototype of social ties' (Malamoud 1983: x) is meaningful. The multiple assertions of trust, collective action and solidarity put the group in the centre of the vortex. Different authors and researchers have attempted to define these concepts, but trust, solidarity and cooperation seem easier to observe than to measure or even define. These concepts bring forth the sociological underpinning to understand microcredit in its more than economic business sense and therefore cannot be overlooked.

In the credit process, the dynamism attached to group formation and intra-group interaction call for a careful analysis.[18] Groups have received adequate attention as a management device or a good business strategy that reduces costs and improves loan profitability through shared liability. At the most, it is projected as an important medium for women to become visible and participate in economic terms. This study focussing on the group at an intermediating level renders it a dual role - that of binding and bridging.

Binding creates a bond between different members of a group, which plays a role to increase efficiency while bridging creates multiple levels of interactions which lead to its claim functions i.e. developmental roles other than savings and credit. As a corollary, in its stated multiple roles, the group is seen as a collective agency, capable of influencing women within the household and also influencing the roles and decision making processes at a wider level, beyond their household.

Microcredit business and its empowering role

The client profile of microcredit programmes world across shows that a majority are women. By giving credit to women, credit organisations lay importance on microcredit as the 'missing ingredient' (Berger 1989: 1017) that empowers women economically and impacts on poverty alleviation of the household.

Critics however regard such exaggerated focus on microcredit as 'strategically embedded' (Weber 2004: 356) in the economics and politics of 'neoliberal orthodoxy' (Rankin 2001: 19). Microcredit represents a controversial shift from a 'state-led finance capital to disadvantaged rural poor' to one that 'devolves rural credit delivery to a new set of institutions' (Rankin op.cit.) such as NGOs and MFIs. Microcredit through such institutions 'complements the global financial liberalisation agenda and legitimises it' (Weber op.cit.) through discourses of poverty reduction and empowerment.

With the rising popularity of microcredit as a missing ingredient for the poor, has increased neglect on the part of state and public institutions to address employment and livelihood issues for the poor.

Questions abound over the rise and functioning of NGOs and MFIs. Just because they have turned microcredit into a profitable business through wide outreach and an almost perfect repayment rate, credit cannot be assumed to reduce poverty (Rogaly 1996). Moreover, a continuous high disbursement of loans to women manifested in the woman's high propensity to repay may be 'a proxy indicator for control and empowerment' (Goetz & Sengupta 1996: 45). Another drawback is that since NGOs give credit to the woman alone, man may use her as a conduit for credit, without the woman necessarily benefiting from loans disbursed in her name (Rankin 2001). At times, their growing need for cash to repay debts creates additional tension in the household (Goetz & Sengupta op.cit.). Credit schemes may thus have negative impacts (Wood & Sharif 1997). For many women, the influence on economic and social empowerment appears to be marginal, while some may also be disempowered (Mayoux 1998, 2000). In addition, through emphasis on microcredit, there is a tendency to promote an idea of every poor as a budding micro-entrepreneur. Such perceptions tend to give an all out push to microcredit which then 'risks a return to a blueprint approach to anti-poverty action' (Rogaly op.cit.: 101).

In stark contrast, various scholarly studies (Otero & Rhyne (eds) 1994, Holcombe 1995, Hashemi et al. 1996, Pitt & Khandker 1998) claim that through credit interventions women earn income which reduces their and their household's poverty. Economic effects subsequently affect social relations. Progressive social change then takes place, empowering women in the household and community. Mohd. Yunus, pioneer in initiating the Grameen Bank in Bangladesh and recipient of the Nobel Peace Prize 2006 contends that credit on reasonable terms allows poor people, in particular women, to generate incomes for themselves and their families. And only if they generate income can they establish their right to food, shelter, clothing and a decent and humane existence. In this sense, 'credit is a basic human right' (Yunus 1997: 12). All other basic rights like food, shelter, education, and health are denied when a person is poor. Credit unlocks the door.

The whole family is likely to benefit from credit targeted to women, compared with credit targeted to men (Kabeer 1998). Credit to women is not to be viewed as favouring women over men but as another focussed intervention to improve the conditions of living within the households. Since women manage the household in terms of consumption and other needs[19] it is natural to think that any additional income through them will be used for household purposes to make living conditions of the household better. Whether improved conditions of the household in terms of improved quality of life necessarily signifies or equals the well-being of the woman within the household is a matter of debate.[20] Question like does access to credit via the group enhance women's agency, and enables her to improve her 'bargaining position' and changing of a gender *habitus* remain largely unanswered. It therefore requires critical attention.

The contention that credit leads to a situation out of poverty and since credit is channelled through women it leads to empowerment of women and therefore poverty and empowerment are mutually supportive has not been easy to corroborate.

This has resulted in two extreme arguments - at one extreme are studies arguing that microfinance has beneficial economic and social impact; at the other are writers who caution against such optimism, pointing towards negative impacts (Hulme 1999). While microcredit does have potential to improve the material condition of low-income women, research shows it also has clear pitfalls for women borrowers (Klenk 2004). By making credit available to those who are assetless, particularly women, NGOs and MFIs 'promote a participatory form of capitalism…This broadens the economic growth. But like every other development, this too has its contradictory aspects and there are those who do not make it into successful commercialisation' (DN 2005: 278).

Conflicting views invariably question the role of microcredit and its growing potential. Credit may not be an appropriate development tool for the poor whose only asset is their labour. What also cannot be ignored in credit transactions is the borrower's debt capacity. Sustainability of a credit intervention is linked to recovery of loans. The adoption of certain stringent rules geared to ensure loan recovery is inevitable but these very rules then exclude the poorer sections of the population. The poor become poorer by trying to or being forced to repay the loan. Credit, at best, tends to bring more benefit to people just below the poverty line than to those far below it. The poorest people in some cases are made worse off. They are exposed to vulnerability of bankruptcy, loss of assets and even forced seizure in the absence of repayment. This leads to psychological and physical strains (Hulme & Mosley 1996). Further still, a credit programme for the poor is likely to fail, as rural power structures are too powerful and too entrenched to allow such a thing to succeed. Besides, access to credit cannot form the basis of any long-term movement out of poverty if not complemented by other resources necessary to convert an asset into profitable enterprise (Kabeer & Murthy 1996).

The functioning of microcredit sector has often been viewed by critics in India as fast growing at the cost of 'more client-centred than consumer protection' (Ghate 2007). This came to the fore in March 2006 when the state government of AP, a southern Indian state temporarily closed down nearly all branches of MFIs functioning in Krishna district. What received prominent attention during this AP crisis was the interest rates MFIs seem to be charging. There were accusations of coercive collection practices, leading to borrowers 'having to "abscond", or migrate out of the village and even in some cases, allegedly commit suicide' (ibid.). The AP crisis expedited action on the draft Microfinance Bill (discussed in Chapter 2).

There are equal numbers of critics as well as enthusiasts widening the 'schism' (Morduch 2000) surrounding microcredit. Government assistance i.e. the role of formal financial system creating disincentives for the poor and making matters worse through 'bureaucratic sprawl and unchecked corruption' (Morduch 1999: 1569) has been criticised. The presence of NGOs and MFIs, trying to redress flaws of government assistance by providing financial services to the poor, vulnerable, deprived, powerless and marginalised - those previously excluded from formal banking needs to be acknowledged. Alongside, informal associations like long-existing ROSCAs, as an alternative credit arrangement, draw attention towards them.

As emphasised earlier, fewer in-depth evaluations exist that draws upon or collates from analysis of different credit delivery approaches as adopted by NGOs, MFIs and ROSCAs and their 'gender characteristics'. Further, quantitative evaluations of loan profitability override qualitative assessment of the influence of microcredit initiatives on the given situation of women, changing or modifying their ascribed gender roles or roles of identity. This study is illustrative of both and encompasses many other relevant issues and concerns revolving around microcredit.

1.2 Specifying the Purpose

The nature of the rural credit market, its limiting and discriminatory structures; contesting claims over credit impact on rural poor particularly women; extending boundaries of the finance at the frontier through new innovative routes to deliver credit; financial sector liberalisation on a global scale advancing a steered strategy namely microcredit, to reduce poverty and empower women – all provide a formidable background to the study.

Most literature is limited to post-credit quantitative impact. The upscaling of the microcredit sector is recognised in terms of its outreach and loan profitability (hence business with profit); but the underlying processes and the gendered patterns of outcomes are often sidelined. Various studies whose importance can not be denied, their quantitative analysis at best lays the ground for a debate propagating yes-or-no answers to credit's role in reducing poverty in terms of income and asset building. This income and asset building is viewed as improving the well-being of the household with scant attention to the well-being of the credit conduit, usually the woman. An uneasy linear link between poverty and empowerment gets drawn. Also, most studies cannot rise above the ambiguity the term empowerment entails, which results in abundant definitions on credit, yet empowerment only gets space as a social addendum. Analysis does not give clear indication as to what empowerment is supposed to mean or meant through the credit event process outcome diagram (refer Figure 1).

Critics regarding credit also draw on alternative approaches of offering financial services where varying philosophies and target groups are being adopted by NGOs, MFIs (Rogaly 1996, Morduch 1999) and voluntary self-help groups like ROSCAs (Bouman 1989, 1995, Bouman & Hospes (eds) 1994). Drawing from different organisations has positive implications in the Indian scenario, given the diverse context within which the credit system has to operate. This study chose four organisations that are primarily women-centred. While there is considerable overlapping in their approaches, for purpose of analysis they have been categorised as follows:[21]

a) Cooperative Bank for the poor
b) Direct lending to the poor
c) Intermediating between financial institutions and the poor
d) Informal groups like ROSCAs

This study explores the phenomena of microcredit and its causal link, if any, to women's empowerment. It begins at the meso level to explore ways in which different organisations develop group-mediated, principal-agent relationships to deal with problems of moral hazard and adverse selection to further minimise their transaction costs. Organisations' spotlight on women brings the question of how far organisations, based on their understanding of gender imbibe gender progressive polices and actions. Beyond understanding the organisational approaches and their gender characteristics, the study analyses patterns of outcomes these approaches induce at the micro level i.e. within the household and community at large, thereby enabling women to negotiate their bargaining positions and change the gender *habitus*.

While focussing on NGOs, MFIs and ROSCAs, the study no doubt leaves a substantial population outside its purview. Those people unaccounted for have no access to organised market or any other mechanism, and are solely dependent on moneylenders and the like, despite their exploitative tendencies. This study however includes various quasi-formal and informal operations which may be used as pointers by the formal sector, given its potential reach to a wider area, as compared to other non-state mechanism. It could also guide the formal sector into how best to reorient and restructure its credit delivery system to make it accessible and effective. It could be a pointer to NGOs and like institutions, to further improve and improvise upon their credit delivery operations and enhance the functional capabilities of credit for the rural poor, particularly rural poor women. In addition, the study is devoid of quantitative measurable indicators' often used to pinpoint post-credit outcomes. Rather, its overriding qualitative concerns have led the study to focus on processes and patterns of outcomes. This allows a new understanding by giving more space for women's voices that could give credit and its empowering outcomes a new understanding.

1.3 Setting the Research Questions

Given the purpose of the study, setting research questions guides towards an understanding of the underlying gender processes influencing both the process credit delivery entails and patterns of outcomes such a process triggers, in relation to women's empowerment. Accordingly, the central research question is two-fold. The first relates to different organisations wherein one asks a) how and in what ways do organisations adopting different approaches facilitate the credit process and b) what are the gender characteristics of these organisations and how do these influence the gendered social order within which both the organisations and its women members exist? The second relates to gendered patterns of outcomes wherein arises the question - how does channelling credit through women translate into changing or modifying gender relations and improving their bargaining positions, thereby changing the gender *habitus* within the household and community?

The central research question leads to a multiple set of complementary or sub-questions raised at multiple levels to understand and capture the vicissitudes of credit event –process-outcomes.

Organisational: meso level

- What is the nature, norms and objectives of different organisations? Why do they target women and does this make them gender progressive?

- What are the various principal-agent relationships the organisational approaches create to counter problems of informational asymmetries, enforcement and transaction costs?
- Do groups or member beneficiaries influence organisational policies and actions?

Group (+ community): intermediating level

- Why and how are groups formed? What kind of convention guides the group's relationship with the lender organisation?
- What are the intragroup dynamics and how is trust, collective action or cooperation and solidarity built into such groups or how do group members perceive them?
- Is the group only a means to access credit? Whether and how does the group as a collective agency influence women borrowers within the household and also the parent organisation or any other group?

Individual/women borrowers (+ household): micro level

- Do women have access and control over credit, its use and benefits either by way of income or any other asset?
- Whether and in what ways access to credit enable women in terms of their intra-household bargaining/decision-making powers? Are women's agencies enhanced to enable them to change the gender *habitus*, both within the household and beyond?
- If and in what way do changes in intrahousehold dynamics influence community level participation. Does community involvement in turn influence organisational objectives, approaches and behaviour?
- Whether and in what ways does being members of a group enable women to play a greater and more active role in the public sphere, outside the private domain of the household.
- Is there a link between credit, poverty alleviation and women's empowerment?

Some questions stated herein may appear overlapping as levels are connected and are based on interdependent relationships and feedback.

1.4 Sequencing the Methodology

The methodology adopted for this study is primarily exploratory and participatory in nature and relies on multiple sources. The analysis is based on the empirical data collected at the meso-micro level, with multiple actors and their interface. The study is qualitative in nature without negating quantitative inputs which are used wherever indispensable. At the meso level, case studies of four organisations were undertaken corresponding to each of the approaches identified (refer p17). At the intermediating level groups and at the microlevel, women in the households formed the unit of analysis.

Academic contributions in books, journals and government documents, as well as published and unpublished works by NGOs and development agencies formed the secondary source on microcredit. In addition, numerous updated websites on microcredit and microfinance covering happenings, contributions and innovations worldwide are also included.

Documented works spanning several eras and geographical locations by academicians, activists, organisations, project officials and others sensitive to microcredit highlight the impact of credit initiatives. This literature facilitated both a theoretical understanding of the credit concept, as well as the challenges faced while implementing credit programmes for the poor. The influence of these secondary sources on the methodology applied in this study cannot be denied. Empirical findings will further build upon this theoretical understanding.

Table 1.1
Organisational Approaches to Credit Delivery

Credit Delivery Approaches	Organisation
Cooperative banking	SEWA Bank, Gujarat
Direct lending to the poor	SHARE Microfin Limited, Andhra Pradesh
Intermediating between financial institutions and the poor	Sakhi Samiti, Rajasthan
Informal (unregistered) groups	ROSCAs, Orissa

Meso-micro level data collection

This study identified four organisations corresponding to four approaches of credit delivery (see Table 1.1). These organisations were chosen due to the diverse context within which they emerged and operate, bringing forth typical and atypical elements that exist in the process of credit delivery. Diversity and flexibility in practices in the Indian context are greatly diverse, but not 'irreconcilable polarities' (Fisher & Sriram 2002). They add to learning from different initiatives and present diverse range of potential outcomes credit initiatives can have.

The case of SEWA (Self Employed Women's Association) Bank for example, is that of a cooperative, whose genesis can be traced to the historic trade union movement of the early 1970s when the fight for economic rights, justice and self-reliance of women workers in the informal economy began. Considered to be the pioneer of MFIs in India, the SEWA Bank offers financial needs to its members in order to facilitate their socio-economic and self-development. Though starting as an urban cooperative, SEWA Bank has developed its own distinct way to cater to rural poor women. SHARE Microfin Limited (SML) on the other hand epitomises direct lending to the poor. It depicts the upscaling of a NGO - SHARE, an acronym for Society for Helping Awakening Rural Poor through Education, activities into a Microfinance Institution i.e. SML. Inspired by the Grameen Bank model, SML registered as a Non Banking Finance Company (NBFC), also illustrates the scaling up of microfinance sector which operates on profit without undermining social transformation and women's empowerment.

Sakhi Samiti (SS) is a case of rural semi-literate and illiterate women's initiative, and its key initiatives include promoting self-help groups (SHGs) as well as act as an intermediary between financial institutions and the poor. Earlier part of another NGO, SS independently registered itself as a NGO when the parent NGO moved base, with the stated objectives of socio-economic upliftment of women. Lastly, the informal ROSCAs maintain their own set of rules to initiate thrift and credit. To add to the understanding of differing approaches, this study covered unregistered ROSCAs.

The above four organizations operate in far-flung rural areas and have generally been considered viable and self-sustaining. While these organisations have more or less similar objectives i.e. poverty reduction and consequent empowerment, they differ in their background, operations and day-to-day functioning. However with the exception of SEWA Bank and to some extent ROSCAs, there is not much documentation on SML and SS. The selection of these organisations enabled one to gain a range of useful insights to the multiple questions or concerns raised through this study.

Information was collected either through interactions with the organisation's personnel and key staff members or in the case of ROSCAs, by interviewing group members on the basis of a checklist of questions (see Appendix A.1: Checklist of Questions: Organisational Level). Apart from organisational profile and structure, the checklist covered issues pertaining to organisational culture, strategy and influence. This information was complemented, wherever possible and available, with any reports, documents on the organisation. The organisations were the entry point to the micro level. Table 1.2 mentions the number of groups and women members covered for collecting data.

Table 1.2
Number of Groups and Women Members

	Organizations				Total
	SEWA Bank	**SML**	**Sakhi Samiti**	**ROSCAs**	
No. of groups	2	2 (centres)	4	2	**10**
No. of women members (within individual households)	39	37	38	26 (includes 3 male members)	**140**
Name of village/s	Rangpura	Pallipadu, Mallaram	Chorbasai	Digapada, Gopalpur-on-Sea*	
Name of the block/branch	Radhanpur	Wyra Branch	Kishan-garhBas	Hinjlicut	
District	Patan	Khammam	Alwar	Ganjam	

* This has a special status of a Notified Area Council in the Ganjam district.

The number of groups or individual members interviewed for this study may be viewed by some as being insufficient to draw any inferences. The idea to comply with such numbers emanates from this study as not being a quantitative impact assessment of organisational performance wherein one would want to cite large percentage figures.

Given the nature and interest of this study, it was decided to select one village per organisation and through random sampling, select the groups in the village. Villages were identified on the basis of them allowing scope - wherein while selecting groups one could give considerations to caste and occupation groups, years of existence, high and low performance groups. Once villages were identified, an attempt was made to keep parity across organisations regarding number of groups and members interviewed per organisation. This proved difficult. For instance, the number of members in a Sakhi Samiti (SS) group was less than members in a SEWA Bank group. Hence while at SS one covered four groups; at SEWA Bank it sufficed to cover two. In the case of SML, relevance is given to village centres typically comprised of 40 people who are equally divided into eight groups of five. Since the centre one wanted to cover keeping in mind all considerations had much less number than 40, another centre in another village was added to the list of data collection. The same situation arose with the ROSCAs, hence here too – two villages were covered.

Women interviewed were members of the same group from which data was collected at the group level. The voices of 140 women spread across numerous organisations give valuable insights into what microcredit can, could and should do to women's roles of normative identity.

A brief overview of the stages of data collection, beyond organisational level is noted below.

Village level

Information related to demographic and socio-economic profile of the village wherein the groups were located was sourced from the district census, gazetteers, block offices, government document or by interviewing field staff of organisations. Meeting the village headman or *panchayat* leader also proved useful. In addition, it was also vital to get information on credit institutions that exist in and around the village, the number of credit groups within the village, members therein, market linkages and verify the level of information dissemination regarding credit.

Group level

Ten groups in all were covered wherein Focussed Group Discussions (FGDs) were conducted on the following main areas: Group Composition, Group Activities, Savings & Loans, Group in relation to other groups and Group Benefits (refer Appendix A.2: Group Questionnaire).

Women members/borrowers (household level)

From the groups selected in the villages, women members within these groups were individually interviewed. A questionnaire with open-ended questions (refer Appendix A.3: Household Questionnaire) was administered to them.

In the households where women were interviewed, a supplementary open-ended questionnaire was administered to male members, if available at the time of interview. This was to know their specific views on role of credit, whether it has enhanced women's bargaining/decision making power within the household or changed their status. Some women (n=58) who were non-members were also interviewed to ascertain why they did not join an organisation, if they had access to credit through other sources or if they viewed joining or not joining a group as making a difference in terms of household conditions and their own roles. A random walk method was used to select non-members in the villages where women members were interviewed.

Some other sources

This study also included government officials in the block/district, officials of formal financial institutions, informal lenders and field staff of NGOs working in the area. Informal interviews and discussions were held over issues such as their roles, their efforts towards extending credit, identifying beneficiaries, lessons drawn from their experiences, impediments they face while channelling credit, improvements they seek and the level of participation their work allows from the people. School teachers or other professionals like community health providers were interviewed wherever possible to track changes they noticed with microcredit intervention or intervention of a credit organisation.

Most women were interviewed either before 9 a.m. or after 5 p.m. owing to their work. It was easier to interview women of SEWA Bank and SS in the evening as one was staying in the same village. Such an arrangement was not feasible in SML or ROSCA villages. Further, except for SS, one had to employ interpreters (all university graduates) for the other three organisations. The fieldwork period accounts as follows: August-mid October 2003 (SS); July (one week), November-December 2003 (SML); Late July-September 2004 (SEWA Bank); December 2004-January 2005 (ROSCAs). All case studies started with a visit to the organisation, a self-introduction and getting acquainted with the organisation. Once a village was identified based on the set criteria, a preliminary introductory visit was made to the field/village area and organisational staff introduced group/members in the village.

To use a purely methodological phrase, this study employed a 'multiple embedded case studies' method. Multiple embedded case studies imply 'cases within cases'.[22] In its efforts to understand the microcredit phenomenon the study kept in mind the need to identify the qualitative changes and bring out the perspectives of the poor. Through its intensive field investigations, observation, interviews through close and open ended interview schedules, discussions and interactions, it hopes to have brought, to the extent possible, the perspectives and voices of the poor, especially the rural poor women.

Organising the Study

The thesis conjoins meso level organisational case studies with their micro level interventions and outcomes. The meso–micro does not operate in a vacuum. It is structured and influences the larger macro level dynamics. Divided into three parts, the thesis is interwoven through ten chapters, reflecting on different yet interlinked aspects of microcredit that will open further the debate and deter the intransigent attitude towards microcredit as being only a poor person's burden.

Part I: Chapters 1 to 3, presents the larger frame elaborating upon, reviewing and discussing key areas, issues and concepts within which the study locates itself to empirically explore the microcredit phenomenon. Part II and Part III of the thesis draws from the empirical evidences to further the understanding of adopting microcredit as a development tool mitigating developmental ills and empowering women.

Chapter 1 introduces the object of the study defined as the link between microcredit, poverty and women's empowerment within the broader macroeconomic trends of market liberalisation, setting the research questions and sequencing the methodology. This is followed in the next two chapters by outlining the theoretical approach, the key concepts and the analytical framework the study applies in exploring microcredit's link to women's empowerment. Chapter 2 presents the financial landscape view in India noting both the formal system through programmes and policies of the Government of India and the rise of institutional innovations/non-state actors of the quasi-formal and informal types. The new institutional demarcation using the NIE approach, enables one to focus on these new actors in terms of whether and how they reduce costs, ensure repayments and thereby facilitate the credit process. This chapter also discusses the politics of neoliberalism, and presents a brief overview of the Microfinance Bill in India, which has its influence on the credit operation within the country. Chapter 3 provides a deeper understanding of gender, agency viewed as significant to any notion of social change. Thereafter, taking critical note of the multiple interpretations of poverty and empowerment, it delineates the analytical framework this study uses to understand the link between credit poverty and empowerment.

Part II of this thesis analytically draws upon organisational views, perspectives and people's voices. Chapters 4 to 7 are dedicated to the four organisational cases viz. SEWA Bank, SML, SS and ROSCAs respectively wherein the background and outreach of these organizations is outlined. The chapters critically highlight organisational views and understanding of gender, poverty and empowerment; how this is reflected in organisational functioning, closely interlinked with the linear assumption that views empowerment an outcome of poverty alleviation. Extending rural banking also brings into focus organisations' principal-agent arrangement geared towards reducing transaction costs and credit risks. Alongside this, the chapters recount views of members and non-members on organisational interventions in delivering credit and its consequent benefits, if any. Members own perception of being part of an intermediating group is also highlighted.

Part III: Chapters 8 to 10, is the researchers' own understanding of the microcredit syndrome. Drawing upon the analysis of the four cases, Chapter 8 primarily focuses on the group lending arrangement, an innovative mechanism to enhance credit delivery process. The excitement about solidarity groups leads the attention to the internal dynamics that operates within the group. The group's ability or inability, in playing both an economic i.e. accessing credit and social role i.e. empowering women is analysed. Chapter 9 analyses women's access and control over credit use and its benefits with its poverty reducing impact. The main focus is on whether this entitlement has enabled women to restructure the intrahousehold disparities and inequalities or is there a status quo in the gendered *habitus* wherein imposed and perceived notions of the self, perpetuating women's subordinate role has remained undeterred. The chapter concludes by addressing the core issue i.e. the link between credit poverty and women's empowerment and examining if they fall in the same continuum? Chapter 10, the concluding chapter, briefly summarises the main findings of the study, makes some critical reflections and concludes by suggesting areas for further research.

Notes

[1] While urban poverty and squalor is not to be ignored and can easily become part of any extended research, the focus of this study is on the rural poor in India. 'Indian poverty is predominantly in the rural areas where more than three-quarters of all poor people reside…progress in reducing poverty is…very uneven across different regions of the country' (Dev and Ranade in Parikh 1999: 50). While making no official estimates of poverty; The Economic Survey of India 2005 suggested that the percent level of poverty has come down. Given India's over billion population, the estimated reduction will be no less significant in absolute numbers. A Social Development Report (2006) by Council for Social Development & Oxford, estimated 26 percent/260 million Indians – 193 million in rural areas and 7 million in urban areas – still below the poverty line (The Hindu, 28 Jan 2006).

[2] Microcredit and Microfinance are often used interchangeably. Microcredit is seen to expand itself from a minimalist idea of small tiny loans to encompass credit plus ser-

vices. It is due to this that the term microfinance gained root including not only (micro) credit but also savings, insurance and other support services which enhance people's finances. For the purposes of this study, the term microcredit is used, unless one is specifically citing from other sources, including interviews.

[3] Literally schism signifies a strong disagreement often leading to division between groups. In 1999, Jonathan Morduch wrote, 'The Microfinance Promise' reflecting hope that 'much poverty can be alleviated – and that economic and social structures can be transformed fundamentally' (1999: 1569) by microcredit/microfinancial services. By 2000, he had the sequel, 'The Microfinance Schism', confronting the 'schism between the rhetoric and action', 'between financially minded and socially minded donors and practitioners' (Morduch 2000: 618). Some others (Brau and Woller n.d.) viewed this as a schism between institutionalists and welfarists. Even if metaphorically, the terms used here underline the present microcredit literature grounded in a polarised debate, wherein there are either the proponents ascribing microcredit an indisputable status in development praxis or the critics confounded by its seemingly overwhelming outcomes. There appears no such thing as a 'middle way/path' in understanding microcredit. In that respect, this study offers a different perspective.

[4] In one's view, understanding credit implications may even involve considering what precedes a credit event, more so given the overemphasised inevitable link between credit and empowerment. For instance, the contention of credit as having effects on 'empowering women' may be illustrative of a myopic view of the process of empowerment itself. It precludes all too easily what may precede before a woman joins a group for credit or decides to apply for credit the first time. Votaries of credit tend to overlook the process of empowerment, which may have begun, owing to factors other than credit, within the household through cooperation and conflict, even before the credit event took place or before a woman became part of the credit process. In such a case the interest should lay in finding out what precedes the decision to access credit; whether access to credit then enhances an already ongoing process of empowerment and in what ways.

[5] It is added that by providing loans microcredit provider can also 'become sustainable…recycling resources over and over again…Microcredit deliver(s) the holy trinity of outreach, impact and sustainability' (Fisher & Sriram 2002: 19).

[6] Fungibility implies money advanced for one type of expenditure is substituted for or diverted to another purpose. In rural areas multi-stranded relationships prevail linked with kinship and other social relations. Credit may thus take multiple forms in which money may or may not be involved, contract may be formal or informal; it can be incidental or recurrent.

[7] As is well known, microcredit initiatives are viewed as banking the unbankable – a euphemism made popular with the advent of The Grameen Bank in Bangladesh in early 1970s.

[8] Lack of ownership and entitlement to resources further make it difficult for women to offer collateral thereby scuttling their opportunities to access credit. The gender biases in credit market did not receive much attention till recently when NGOs, other like organisations made women their central focus.

[9] Commercial and nationalised banks, special rural development agencies set up by the government constitute the formal sector. They are 'subject to the banking laws of the country of operation, provide conventional retail services to customers and engage in financial intermediation' (Matin et al. 2002: 278). Also see Ledgerwood (1999: 12-14) for a description of 'suppliers of financial intermediaries services'.

[10] In 1999, the government merged all credit related income generating programmes into a single programme, Swarnjayanti Gram Swarozgar Yojana (SGSY) which focuses on the formation of self-help groups through which credit will be channelised to the poor to initiate income-generating activities.

[11] It is contended, subsidised credit increased the demand for loans at all levels, giving rise to rationing. However commercial banks and specialised government agencies tend to base their credit allocation 'on observable wealth or ability to provide collateral', therefore they tend not to 'ration the large landholders, but the intermediate or medium size landholders are rationed and the small farmers are screened out' (Braverman & Guasch 1986: 1255).

[12] The new institutionalism or New Institutional Economics (NIE) highlights the economic significance of such forms of organisations. Under NIE, such organisations act as agents for institutional change. By institutions are meant rules or constraints, the frameworks within which human interaction takes place. (Hollingsworth & Bayer (eds) 1987, North 1990, Harriss et al. 1995, Platteau 2000, Menard (ed) 2000). Chapter 2 discusses the NIE approach in understanding credit organisations.

[13] The savings mechanism is recognition that 'savings are as important a service for the poor as credit'; also 'savings are crucial in building self-sufficient financial institutions' (Rhyne & Otero in Otero & Rhyne 1994: 16), reducing dependency on external donor funds.

[14] While definitions of 'organisations' (NGOs and MFIs) and 'associations' (ROSCAs) differ in terms of their nature and composition, interest of this study being in different credit delivery approaches/financial intermediation to the rural poor, reference in the text, also for convenience, to 'organisations or organisational case studies/interventions' includes the savings and credit of the informal associations/groups like ROSCAs.

[15] Also, whether these organisations in turn get influenced by their client groups to innovate or redefine organisational credit strategies has not been of any major interest among researchers or evaluators.

[16] How these organisations recognise gender is important. Writers have often noted with scepticism the supposedly progressive assumptions regarding new institutional innovations targeting women. They caution that even through these institutional in-

novations it is likely that not only many gender inequities get perpetuated but also they may be becoming more deeply entrenched and additional ones are being created (Agarwal 1997b, Elson 1994). See also endnote 18, Chapter 2.

[17] The notion of group by itself is perhaps not new. For instance, Emile Durkheim's solidarity groups were attributed features imbued with social mission i.e. to maintain stability of societies. Many sociologists since them viewed groups as 'microsystems … essentially microcosms of larger societies' (Mill 1967: 3). Practise of clinical research evenly added to the efficacy of (psycho) group theory. Even prior to the scene microfinance came to dominate, group concept for giving loans to the poor existed. But it is with the rise of the microfinance sector that the group in predetermined fashion emerged as a virtuous element of the microcredit system.

[18] For instance, the groups' role in reducing costs for the lending agency is much highlighted. Whether this has led to shifting the burden of costs to the group has not been addressed well enough through the literature. Further, groups are promoted as an arrangement, potentially capable of overcoming barriers to financial intermediation between lenders and rural poor. Self-selected groups may not include the poorest people, thereby facilitating the problem of exclusion and accessibility. The group may then prove to be a limiting structure no different from formal institutions. How organisations deal with such issues or influence group formation especially in a caste ridden and class based society needs to be addressed.

[19] Credit programmes may display the tendency to reinforce women's gender ascriptive roles through such arguments.

[20] Improved household conditions include not only an increase in income and assets but also its quality of life such as improvement in food, education, housing and other facilities. Whether such well being of the household also leads to reallocation and redistribution of resources within the household wherein women are then able to renegotiate gender entitlements is an important question to address.

[21] Kabeer & Murthy (1996) make a distinction on similar lines, with a different purpose and objective.

[22] Multiple embedded case studies may be viewed as follows. Within four organisational studies i.e. multiple cases, one covered groups and women within households. And again, each level – organisation, groups and women within households – included covering a further set of issues or parameters.

2 Neoliberalism, New Institutional Arrangements and Rural Credit Markets in India

Introduction

The last two decades have seen the Indian rural credit market metamorphose from a state driven to market-led field under the stimulus of neoliberal doctrines. New non-state actors like quasi-formal and informal organisations whose relationship with the state and positioning in this social field vary, have intensified their activities in the rural financial system and created new institutional arrangements, 'the aggregate of which continually alters the way the economy works' (North in Menard & Shirley 2005:6). These institutions play an undeniable role in extending its reach to poor women, but not guaranteeing transformative processes. They can exacerbate social hierarchies and further entrench gender inequality (Rankin 2001).

This chapter presents a theoretical approach in understanding the new institutional arrangements adopted by the non-state actors, with the aim to delineate new conceptual insights and required revision that will help improve understanding of continued gender biases.

To fully comprehend the impact of non-state actors on gender, an understanding of socially entrenched links between microcredit, new institutional arrangements and gender is crucial. Gender underlies the character of any organisation and its social interactions are embedded in socio-political relations and cultural socialisation, underpinning identities that perpetuate the disadvantage of women as a social group relative to others (Mukhopadhyay et al. 2006, Peterson 2005, Elson in Bakker 1994).[1] Issues of gender-based disadvantage can therefore be seen through the lens of class, caste or ethnicity. Acknowledging the significance of this social embeddedness would mean avoiding approaching women empowerment goals as a linear process or something that can be measured and monitored by quantitative instruments. Such goals must be understood in the broader context of expanding rural credit markets including how women as beneficiaries have become engaged and the type of biases that underlies the terms of engagement.

New Institutional Economics (NIE) regards credit as a type of contract or institutional arrangement 'shaping human interaction' (North 1990) and reducing 'uncertainty in human exchange' (North in Harriss et al. 1995: 18). While different strands within NIE are useful to explain key aspects of credit arrangements employed by new actors, they do not address gender as a key domain of interaction. Gender sensitive theory can ameliorate practices to counter some of the adverse effects of credit market failures and its consequences on gender relations, even the behaviour of women as a group of beneficiaries.

The next section – 2.1 – gives a brief account of various actors in the credit delivery market vying to enhance credit outreach. Section 2.2 brings the neoclassical fallacy of a perfect credit market to the fore by exploring several instances of credit market failures, which necessitated the emergence of non-state actors. Section 2.3, using components of NIE, focuses on the new institutional arrangements adopted by new actors, characterised by incurring low transaction costs and various agency relationships. NIE, as shown, bears a missing gender link thereby disembodying new actors from their social embeddedness. Since organisations' agency relationship is group mediated, section 2.4 draws attention to functioning of groups wherein notions of trust and collective action hold significance. They intensify group dynamism and enable the group play its binding and bridging functions.

Section 2.5 positions innovativeness of the new actors in the rural credit markets in the politics of neoliberalism. As new actors complement the global financial liberalisation agenda (Rankin op.cit., Weber 2004), they highlight a possible disjuncture between the stated intent and achieved goals of expanding and restructuring the rural financial landscape, with reference to poverty reduction and women's empowerment. The chapter concludes with the current status of the financial sector in India, including a brief note on the recently introduced Microfinance Bill 2007 to regulate the growing sector, 'assuming a political constituency of global dimensions' (Rankin op.cit.: 23).

2.1 Government Initiatives and Institutionalised Credit in India[2]

The period around India's independence (1947) was testimony to low agricultural productivity, which in a predominantly agrarian economy was considered to have direct bearing on rural poverty. It is during this crucial period that initiatives were taken within the credit system to align it with the larger goal of accelerating agricultural productivity and rural income.

Poverty alleviation has been an unending concern for successive governments ever since and credit seems the veritable panacea. This preoccupation has resulted in an extensive financial network, perhaps disbursing the largest amount of rural credit in the world, being set up by the Government of India (GOI) together with Reserve Bank of India (RBI). Comprising of a multi-agency structure, this network of cooperatives, commercial and regional rural banks has evolved over time to meet rural credit requirements[3] and appease the variety of needs of rural poor.

Rural financing is so high on the GOI's agenda that in 1969 and again in 1980, major commercial banks were nationalised in order to expand credit outreach in rural areas and support and sustain the ongoing green revolution.[4] These nationalised banks, along with existing cooperatives and the State Bank of India were instrumental in advancing rural banking. As a further fillip to rural credit delivery mechanism, Regional Rural Banks (RRBs) were set up in 1975 to mobilise rural savings like a commercial bank and deploy a comparatively large part of their portfolio in priority sector activities. This also provided thrift and credit services locally to rural people, especially the poor.[5]

Also concomitant with categorical socio-economic goals, policy planners in 1970 made it mandatory for commercial banks to fix targets in financing agriculture and small-scale industry. Today, as per RBI guidelines, commercial banks now have to provide 40 percent of net bank credit to priority sectors while for foreign banks, the requirement is 32 percent including agriculture, small industries, retail trade and self-employed. Within this overall target, 18 percent of the net bank credit has to be in the agriculture sector and another 10 toward the weaker sections including small and marginalized farmers, rural artisans and agricultural labourers. This was an important step in the direction of asserting the developmental role of banks (Nair 2000: 299).

In addition, the National Bank for Agriculture and Rural Development (NABARD) was established in 1982, as a broad based apex body to provide undivided attention to rural and agricultural credit. In order to supplement the resources of banks to priority sector, NABARD provides refinance at concessional rates. In its devise to bring about an improvement in the existing credit delivery system, in 1992 NABARD launched a pilot project, mainstreaming its SHG-Bank linkage strategy. Under the SHG-Bank linkage, the formal financial institutions like banks are taken to the poor through an intermediary non-formal institution say the SHG or the NGOs.[6]

The multi-agency credit structure was also meant to support the country's development programmes, which emerged from the overall objectives of different five-year plans which constitute India's mainstay as far as planning for the country's economic growth and development is concerned. Almost all five-year plans, beginning with the first in 1951, included the objective of poverty alleviation by reiterating the intention of planners to integrate anti-poverty programmes in any rural development strategy and creating self-employment opportunities in rural areas.

Since then, key elements from development programmes initiated under different five-year plans have been integrated to create the Integrated Rural Development Programme (IRDP), the largest microcredit programme in India which optimises gains for the rural poor. In 1999, the government further merged all credit-related, income-generating programmes into a single programme called the Swarnajayanti Gram Swarojgar Yojana (SGSY). SGSY seeks to focus on the formation of self-help groups through which credit is channelled to the poor to initiate income-generating activities.

Despite these initiatives, rural credit continues to be plagued by immense problems. It 'is rarely up to the role envisaged' (Bell 2003: 415). While dominant rural power structures usurp a substantial part of the credit channelled towards the rural poor; the credit system itself suffers from structural weaknesses and poor management. Administrative inefficiencies further compounded by political manoeuvring lead to escalating costs for both banks and borrowers. 'Formal lending institutions … labour under a specific disadvantage' (Bell op.cit.: 425). Their loans often get regarded, not as financial obligations but public grants. 'This pernicious conception … fostered by governments themselves' (also) 'in the forms of electoral promises to forgive all outstanding debts … destroy repayment morale, and with it the very basis on which credit markets function; for demand for credit on such terms is surely unbounded' (ibid.). Poor loan recoveries weaken viability of credit institutions forcing 'banks to depend on external funds at concessional rates, rationing of cheap loans among potential borrowers and to restrict lending' (Karmakar 1999: 25). In short, credit for the poor under the formal sector, seemed to have earned the epithet, it is a business fraught with risks.

Though the dire need for appropriate changes in institutional and procedural arrangements for the smooth flow of credit has been well-documented, programmes such as IRDP continue to be severely criticised as they focus more on credit, than savings. Further, very low repayment rates have led the IRDP to operate as a one-off grant rather than a mechanism to provide financial services to the poor over an extended period of time.

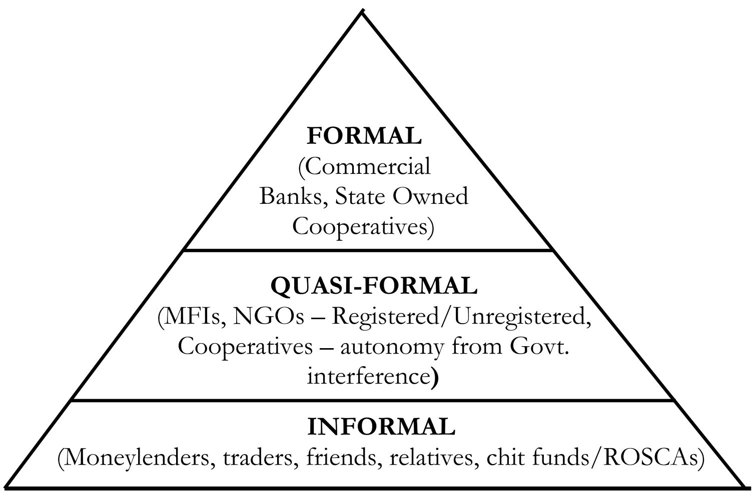
The overall situation related to formal rural credit delivery continues to be one of dissatisfaction, eluding cognisable success. In recent years, empowerment of women has been perceived as a solution, as empowerment is central in determining the status of women (Murthy 2004). This point-of-view has resulted in the formation of various women's groups which promise greater self-reliance to women by giving access to credit. Gender planning in formal banks has thus come to be tied to making credit accessible to women. The procedure to realise this appears to be the indispensable group formula. In this regard, one could say formal banks more or less copy NGO and MFIs in disbursing credit. In their objectives, they still strive to increase women's access to resources rather than fundamentally challenge entitlement rules and rights.

Giving women access to credit facilities is viewed as realisation of 'strategic gender needs'[7] wherein both men and women have equal access to resources. This change in policy towards women does not however mean a change in the mindset of the bank staff dealing with women. Also, it does not guarantee women's participation as decision makers to decide, either individually or jointly, on the use and dispose of assets. Further, it does not mean that women are no longer subjected to legal discrimination i.e. changing entitlement rules and rights whereby say a woman can now have a right to land and property. 'Evidently, there is a dilemma … embodied in mainstream financial institution – a mismatch between its professed social agenda, and what is expected of economic/financial prudence' (Nair 2000: 301).

Such inherent gaps in the formal credit system draw attention to alternative sources of credit providers operating in rural markets. It is with these alternative sources like NGOs, MFIs and ROSCAs, that the link between credit and women's empowerment gained more ground. This study focuses on these players. Figure 2 illustrates several types of actors operating in the credit market.

The pyramid (Figure 2) re-emphasises that despite a wide rural banking network, the formal system does not reach sufficient borrowers and has therefore failed to push traditional moneylenders 'to the margins of the market' (Bell 2003: 416). Within the informal sources there are individuals who operate as lenders e.g. moneylenders or traders and even relatives and friends. While friends and relatives may render an interest free loan, moneylenders and traders have been the subject matter of many discussions, as they tend to levy usurious interests on credit.

Figure 2
Actors in the Credit Delivery Market



Apart from individuals operating as informal lenders, there also exist groups of individuals who have organised themselves for mutual interest and mobilising savings. ROSCAs are such an example. These groups are usually voluntary in nature and formed amongst equals, with little or no outside support or interference. They can be viewed as financial self-help groups, whose functions include accumulation and depositing of savings, granting loans and to some extent even rendering insurance services. Despite being part of the informal financial sector, some associations may also possess organisational structure. As a financial institution, ROSCAs exhibit a 'degree of self-sufficiency, self-regulation and self-control that is exemplary' (Bouman in Bouman & Hospes 1994: 377). ROSCAs covered in this study (refer Chapter 7) are unregistered groups, falling outside the orbit of any officially regulated financial intermediaries.

A major advantage of the informal credit system is that it is highly flexible and has little bureaucracy. It has timely availability and transactions are based on mutual trust and relationships, rather than legally enforceable documents. By itself, the informal financial sector is highly heterogeneous and dynamic. What they have in common is 'informality, adaptability and flexibility of operations, a characteristic which reduces their transaction costs and confers upon them their comparative advantage and economic rationale' (Ghate 1992: 6).

Quasi-formal organisations on the other hand include a wide-variety e.g Non Governmental Organisations (NGOs), Mutually Aided Cooperative Societies (MACs), Non-Banking Financial Companies (NBFC)[8] which fall outside the purview of the formal banking system. While these organizations are registered as non-profit and for-profit under central/state acts, they are not strictly regulated or monitored by the authorities. They have a degree of autonomy from governmental interference and tend to operate in circumscribed areas.[9]

Quasi-formal sources vary in their origin, size, philosophy and approach. They have emerged as an effective agent in improving the outreach of financial services to the underserved poor. As providers of microfinance, they broadly provide services in different combinations including savings, compulsory or voluntary; credit for different purposes, including production, housing, even consumption; insurance and other non-financial services such as training, market and other linkages. Their most noteworthy point is that they demonstrate 'considerable organisational flexibility and dynamism in responding to the demands at the grassroots' (Nair 2000: 304). Their advantage over the formal credit institution given their grassroots link adds to their strategic strength. Their outreach and rapport, which they have with the people, ensures proper utilisation of loan, better recovery and consequently makes microcredit a profitable venture.

Whether quasi-formal or informal, these alternative delivery mechanisms are seen creating a specific niche in the credit market. A prime reason is their nature of credit operation, which has involved personal knowledge and face-to-face communication and transaction with borrowers. In addition, they show flexibility in respect of loan purpose, interest rates, collateral requirements and debt rescheduling. Further still, the notion of empowering women never had such strong proponents in the arena of financial institutions delivering credit services. These quasi-formal and informal organisations tend to put credit-women-empowerment more or less in the same continuum.

2.2 Rural Credit Markets and Neoclassical Fallacy

New institutional arrangements draw attention to the question of how and why new arrangements arise in the first place. In the credit context, they are said to emerge as an efficient solution to credit market failures. Despite the presence of a large spectrum of financial intermediaries or service providers noted as formal with its formidable coverage, quasi-formal and informal, the rural credit market seems beset with a number of dysfunctionalities. Such dysfunctionalities or 'market failures yield social dilemmas and thereby elicit the innovation of institutions' (Bates in Harriss et al. 1995: 29).

In understanding credit markets, applying a neoclassical approach[10] positing a perfectly competitive market idea brings forth discrepancies between beliefs of the model and actual functioning of the market. Neoclassical economics treats the credit market like any other market, containing: 'a demand schedule, a supply schedule and a price, the interest rate that adjusts to bring demand and supply into balance' (Ellis 1992: 152). Supply and demand schedules reflect behaviour of individual sellers or agents of supply i.e. lenders and individual buyers or agents of demand i.e. borrowers, who interact with one another in and through these markets.

In a credit market the lender provides a supply of credit to potential borrowers. This supply of services takes place via a medium of exchange, in this instance money. In a credit transaction money takes the form of a loan. 'Credit markets create value in the form of loans in the present that are exchanged for promises to pay in the future' (Pischke 1991: 5). Once the borrower receives the loan s/he has control over its use, incurring a debt obligation to repay the money to the lender as well as to pay the interest i.e. terms of exchange on the loan.

Neoclassical theory takes perfect competition as the ideal norm, emphasising the neutrality of the price mechanism and its role as the arbiter of all economic decisions. According to the theory, no producer or consumer is able to influence price levels by individual action. Perfect knowledge, for neoclassicists can be obtained at no cost by all market participants about all possible prices for everything now and in the future. Markets exist for the satisfaction of every possible want. There are no economies of scale, externalities do not exist, there is freedom of entry and exit in any branch of activity and competition ensures that inefficient producers are forced out of production while only the most efficient survive. 'In the perfect competition model no coercion, domination, or exercise of economic power, by some economic agents over others, can exist' (Ellis 1993: 10).

Free markets 'bring genuine social justice to the economic interactions of individuals' (Wolff & Resnick 1987: 8). Since 'each individual is assumed free to choose whether and when to enter the market, no conflict between people can arise' (Ellis 1993: 46). In short, perfectly competitive market mechanism is both efficient and equitable.[11] The notion of free market is reflected in present day neoliberal dogmas. However, neoliberal economic agenda of self-regulating markets is now being put forth as an 'anti-thesis', increasing disparities and disempowering resource-constrained poor. Politics of neoliberalism wherein its disempowering effects can not be sidelined is discussed later in this chapter, section 2.5.

Under neoclassical economics, all individuals are assumed equal, with the same knowledge and information. In a credit market, neoclassicists would then assume existence of a clear and shared mental framework about the general rules of the credit transactions, governing contracting behaviour and contract enforcement between individuals. In such a context, pre-selection of contract partners is not necessary and all possible partners are interchangeable. This simply means in the credit market, any lender would give credit to any potential borrower and any borrower could access credit.

A the heart of this neoclassical welfare economics is the 'Individualistic ethic' (Gee in Mair & Miller 1991) which assumes that that 'the individual is the best judge of his own welfare and the individual is rational, in the sense that he has a consistent ranking of alternative economic states in order of preference …' (Gee op.cit.: 87).[12] For neoclassicists, utility maximisation is crucial as it allows individuals to make decisions consistent with their personal objectives and maximise their personal welfare or happiness. Utility maximising individual selects alternatives that yield the highest personal happiness.[13] Competitive markets too maximise total utility. However, it is difficult to corroborate the principle of utility for the poor borrower in a rural credit market, which may be dominated by monopolistic tendencies. Here, the maximisation of utility is restricted by the lack of alternative choices in terms of credit providers. The poor in most cases, in absence of choices tend to rely on informal lenders e.g. local moneylender despite their high costs. (Many authors have however highlighted the positive side of informal lending ensuring easy access to credit.)

The theoretical case as proposed by the neoclassical theorists for free, unregulated markets, depend on many conditions – which rarely exist in reality. 'The market does not always live upto its perfect ideal' (Samuelson & Nordhaus 1992: 41). Hulme & Mosley (1996: 16-19) identified a set of reasons when credit markets may fail the poor. These are risk aversion among borrowers, endured by complex banking procedures and non-availability of credit for consumption purposes. Secondly, inability of insurers to combat adverse selection and inability of lenders to combat moral hazards, of which both relate to information asymmetries regarding the selection of borrowers creditworthiness and probability of default. Lastly, externalities arising out of an unforeseen situation or arise given the seasonality of the rural activities. The internal logic of neoclassical economics is therefore questionable.

It negates the implications of poor quality information, or the complexity of social relations and institutional structures.

'The neoclassical approach…enforces a particular and deliberate homogenisation of human experience' (Feiner & Roberts 1990: 178). It excludes the impact of different distributions of income, wealth, and consumer preferences which restricts the poor from entering the market. In turn, this erases all class and gender difference from analysis (Dewan in Sangari & Chakravarti 2001). 'The human subject of neoclassical investigation is a timeless, classless, raceless and cultureless creature' (Amsden in Amsden 1980:13). Further, creativity and innovation are excluded as these contradict the assumption that economic systems always proceed to equilibrium. Neoclassical theory promotes a mechanical view of human nature. It has no place for communities, only independent individuals but is equally reluctant 'to interrogate social factor constitutive of individual behaviour' (Feiner & Roberts op.cit.: 162).

As a critique to neoclassical economics, prominent sociologists like Mark Granovetter highlighted the concept of embeddedness i.e. economic action is embedded in structures of social relations. This field of thought within sociology has developed as New Economic Sociology (NES). As per NES, economic agents as viewed by neoclassicals are 'undersocialised utility maximisers, who are disembedded from social relations' (Beckert 1996: 829).[14] Such a critique of NES partially applies to NIE as well, dealt highlighting the theoretical limitations of NIE (pp. 46-48).

That markets are by no means perfect is now well-argued. 'Under conditions of incomplete markets not all agents can exchange every good with every other agent, directly or indirectly, with the result of competitive allocations that must not be Pareto efficient' (Beckert 1996: 810). In credit markets too, failures arise as necessary and sufficient conditions for market equilibrium as proposed by neo-classicists fail to hold. Credit markets may be fragmented due to poor transport and communications or they may be absent due to high transaction costs, information failures and other reasons. Further, markets may deny access to potential borrowers for its discriminatory and exclusionary practices. This calls forth institutional innovations, which may make credit accessible to the poor and reduce uncertainty in credit markets by creating a stable structure of exchange. These institutional innovations then draw one's attention to a strand in economics, referred to as the New Institutional Economics or the NIE.

2.3 New Institutional Arrangements

New Institutional Economics (NIE) challenges the static stereotype notions of a market as seen by neoclassicals, highlighting new institutional arrangements coping with market failures. It provides a basis for analysing quasi-formal and informal organisations, which address the inadequacies of the credit market, often exacerbated by the formal sector, and 'providing critical stimulus to change' (Doward et al. 2005).

NIE unfolds itself within the framework of neo-classical economics. It retains neo-classical axioms of methodological individualism: i.e. all social phenomena in principle are explicable in ways that only involve individuals but modifies the rationality postulate of neo-classical economics. Implications of perfect individual rationality or instrumental rationality, the fundamental assumption of neo-classical economics, was contested by Herbert Simon, who introduced the concept of bounded rationality taken up by Williamson[15] as an important element later in his writings.

Bounded rationality takes into account cognitive limitations of individuals i.e. although human beings make rational decisions, rationality is constrained due to limitations of knowledge i.e. incomplete information and computational capacity i.e. limited capacity to process information. Douglas North (1990) calls it procedural rationality and adds yet another dimension within NIE – that of mental constructs. Individuals possess different mental models to interpret the world around them. Choices are therefore based on incomplete information and these mental models. A procedural rationality postulate (North op.cit.: 108) not only accounts for the incomplete and imperfect markets that characterise much of the present and the past world, but it also leads to key issues of just what it is that makes markets imperfect. This, the imperfect market leads to the costs of transacting.

The world of neo-classical economics is a 'frictionless one in which institutions do not exist and change occurs through perfectly operating markets. In short, the costs of acquiring information, uncertainty and transaction costs do not exist' (cited in Introduction in Harriss et al. 1995: 8). NIE incorporates elements of friction by introducing market failure and market imperfections in the shape of production externalities, public goods, imperfect information and the free-rider problem referred to as social dilemmas by Bates. 'The core argument of the new institutionalism is that institutions provide the mechanisms whereby rational individuals can transcend social dilemmas' (Bates in Harriss et al. op.cit.: 29).

Institutions and organisations

Institutions differ from organisations in that 'organisations are sites … where institutional rules are played out' (Rao & Kelleher 2003: 143). 'Institutions are multifaceted, durable social structures made up of symbolic elements, social activities and material resources' (Scott 2001: 49). It is important to make a distinction between the two as varying organisations create new institutional innovations or credit arrangements.

Organisations are formed by a group of individuals bound by the common purpose of achieving certain objectives. The existing institutional framework within which human interaction takes place is a strong influence on both the kind of organisations that comes into existence and also on how it will further evolve. Institutions are defined by NIE as constraints that humans devise to shape human interaction. 'They are composed of formal rules, statute and, common law, regulations, informal constraints (conventions, norms of behaviour and self-imposed codes of conduct) and the enforcement characteristics of both' (North in Harriss et al. op.cit.: 23). For Schotter (1981: 11) institutions capture 'regularity in social behaviour … either self-policed or policed by some external authority.'[16] Institutions are thus a system of embedded rules from which constraints may follow determining 'who gets what, who does what and who decides' (Rao & Kelleher op.cit.: 142). This leads to the argument, the poor do not create poverty. That poverty exists is connected with the kind of institutions and policies being pursued, which have successfully created an environment that automatically pushes the poor to the periphery.

Institutions operate at multiple levels, ranging from global to very interpersonal interactions and determine opportunities within society. Organisations meanwhile evolve by taking advantage of those opportunities and as a result alter institutions. Institutional change 'comes about as a consequence of choices that individuals and … organisations make … subject to limited information, diverse mental models and influence of historically deeply rooted norms and conventions' (Introduction in Harriss et al. op.cit.: 11). Institutions here do not constitute a static state of social order. It is a process, which itself undergoes institutionalisation and de- institutionalisation.

Institutions 'encourage trials and eliminate error' (North in UNU-WIDER 2005: 3). NIE sees distinct institutional arrangements shaping organisational behaviour and alternative organisational responses which in turn impact institutions. This cycle is a crucial determinant for reducing costs related to information and transaction in imperfect markets seeking efficiency.[17] 'The theory of institutions is the sociological counterpart of the theory of competition in economics' (cited in Langlois 1986: 15).

Credit delivery organisations make intelligible the interplay between existing norms and practices and how they influence members, for instance, institutional constraints dictates the operations of organisations which try to influence and change the institutional framework. Organisations are thus changing their modes of thinking what North referred to as mental constructs guiding choices when observed outcomes from the existing institutions 'are inconsistent with their expectations' (Greenhill in Harriss et al. op cit.: 197). Doward et al. (2005: 3) note that organisations 'modify institutions in ways that they perceive to be in their interests' and in different contexts.

Similarly, gender biases institutionalised through imposed and self-perceived social norms often put women at a disadvantage. These 'include values maintaining gendered division of labour, prohibitions on women owning land and restrictions on women's mobility. The most fundamental … is devaluing reproductive work' (Rao & Kelleher 2003: 142). 'Constraints on the ownership of property and on women's mobility outside the household limit their capacity to expand markets, invest in technology, or innovate in response to new opportunities' (Rankin 2001: 31). Institutions, formal and informal maintain women's unequal position - from where they find it hard to negotiate over entitlements to resources. While changing such institutions is far from easy, organisations under study hope to strike at this discord of gender incongruity through their 'gender progressive'[18] policies and actions.

Issue of transaction costs

In analysing organisations that deliver credit, the NIE focus on organisations' cost of transacting.[19] Transaction costs emerge 'because information is costly and is asymmetrically held by parties in any exchange' (Greenhill in Harriss et al. op.cit.: 186). Economising on these transaction costs is key to any economic performance, thereby facilitating the credit delivery process.

Credit is a contractual relation with the contract being the loan agreement. A loan agreement incurs various transaction costs, both direct and indirect. Direct transaction costs include costs of negotiation, drawing up and finalising the contract or informing all interested parties of the terms of the contract. Indirect transaction costs include both ex ante and ex post costs. Ex ante transactions are incurred before the transaction and include costs of collecting information about and screening prospective borrowers, designing contracts to regulate behaviour of contracting parties so as to preclude opportunistic behaviours etc. Ex post costs are incurred after the transaction and include costs associated with monitoring and enforcing contracts.[20] Transactions involve 'the cost of discovering what the relevant prices are' and the 'cost of negotiation and concluding a separate contract' and 'the costs of monitoring and enforcing the contract ex post' (Toye in Harriss et al. op.cit.: 53).

According to Williamson (1975, 1985) economic actors carry out transactions in order to enhance efficiency, reduce transaction costs and minimise opportunism inherent in exchange relations. Organisations reduce the effects of uncertainty and create internal and environmental regularities to reduce incentives for opportunistic behaviour viz. cheating, shirking and moral hazard. 'The degree of uncertainty surrounding a transaction is important because the higher it is, the greater the scope for opportunistic behaviour and therefore also the benefit of preventing such behaviour with appropriate institutional arrangements' (Guimaraes 2002: 108).

Neo-classical models assume that there are no transaction costs. In a perfectly competitive market characterised by perfect certainty, no efficiency failures would occur and therefore there would be no need for market regulation. However, the future is uncertain and perfect future markets do not exist. As a result there are several obstacles to transactions-making that generate inefficiencies. The costs incurred in any attempts to overcome these obstacles are called transaction costs. The transaction cost component of NIE draws attention to how organisations tend to lower their transaction costs through monitoring and enforcement arrangements. This also shifts the focus to yet another significant element of NIE and that is, its principal-agent model.

Principal-agent relationship

The principal–agent model addresses issues of uncertainty and performance intrinsic to any contractual relation. Akin to game theory, it strives for efficiency, reduced transaction costs and counter opportunism inherent in any exchange relationships. Credit is a contractual relationship between two parties: the lender and the borrower or more appropriately, the creditor (principal) and debtor (agent). The focus of the principal-agent model is based on the contract between the principal and the agent and ways in which the contract can be made most efficient. It explains how organisations overcome agency problem, like reducing credit costs and risks.

Two types of problems are essentially relevant in analysing any principal-agent relationship (Nilakant & Rao 1994: 652-4). One is the problem that may arise from conflicting goals of the principal and the agent, and from difficulty involved in verifying the agent's behaviour. The second is that of risk sharing arising from differing attitudes toward risk on part of the principal and the agent. In general, it is assumed that the principal is risk neutral and that the agent is risk-averse. In the principal-agent literature, the two problems are referred to as adverse selection and moral hazard, also called hidden information and hidden action respectively. The principal-agent model thus combines two inextricable elements of differential information and risk sharing.

Organisations as principals, 'unless they are perfectly informed at zero cost about the actions of the agent' i.e. their borrowers, the principal-agent relationships could become problematic in that 'the agent is given scope for opportunistic behaviour which benefits himself or herself and usually also reduces the welfare of the principal' (Toye in Harriss et al. op.cit.: 55). The challenge in the agency relationship mostly arises whenever the principal cannot perfectly and costlessly monitor the agent's action and information. The problems of inducement and enforcement then come to the fore. 'Relationships vary in the degree of informational asymmetry they involve' (Pratt & Zeckhauser in Pratt & Zeckhauser 1985: 4).[21]

Credit is a form of exchange or transaction in which the borrower is obliged to the lender for an amount measured in terms of agreed denominations. The relationship is thus 'binary, asymmetrical, quantitative and enduring' (Crump 1981: 65). The lender also acquires an interest in the form of a claim on the borrower, which endures until an appropriate settlement is made between them. In a credit transaction the lender therefore strives to find an efficient contract that provides incentives to the borrower so that s/he complies as best as possible with the lender's objectives, to avoid risk of default. In all the discussions of principal-agent, the problems of monitoring and metering the various attributes that constitute the performance of agents, motivating and ensuring their commitment, is intrinsic. 'Dealing with problems common to all organisations' the principal-agent model 'focuses on the design of appropriate control and incentive systems to manage' (Scott 2001: 45) credit transaction.

Different forms of contract or business can be analysed in the light of the agency problem. To cite an example, in any credit transaction the relationship between A and B can be of two kinds: 'reciprocal and hierarchical' (Crump 1981: 70). Where the relationship is reciprocal, at times A will be indebted to B; at other times the relationship will be reversed. Where the relationship is hierarchical such a reversal never takes place. A is then chronically indebted to B or the other way round. The hierarchical credit brings a clear demarcation of the creditor and debtor. In a country like India, the relative poverty of certain caste predisposes them to remain permanently in debt. In this case, the principle of reciprocity implicitly acknowledged wherein reciprocity refers to the intention of repaying the loan is not always fulfilled owing to several obstacles.

Many types of contracts specify the relationship between an agent and a principal, in furtherance of whose interests the agent is supposed to act. Tying or interlinking credit contract with other input or output contracts is a frequent practice and much too common in rural areas. The principal agent model here draws a parallel in the patron-client relationship, wherein the borrower (client) is tied to a patron; in a rural area it could be the landlord. Credit contract is often found interlinked with sharecropping contract. Bhaduri (1973) and Bardhan and Rudra (1978) found that apart from professional moneylenders in the rural areas, rich farmers/semi-feudal landlords too practised money lending. Conducting surveys in some parts of India, the authors noted that there were even cases of landlords giving consumption loans free of interest. While loans were given free of interest there also existed a practice of rendering small services to the landlord. The practice was nothing short of being a bonded labour tied to a particular creditor for an indefinite period until the loan taken in the past was repaid. Bhaduri's case of semi-feudal landowners in India acting as moneylenders to poor peasants is a case of domination and control exercised by the class of landlords over the class of poor peasants. Bhaduri noted that the landowners perpetuate indebtedness of the peasant even at the cost of reducing their overall income. The peasant being freed from personal debt while on economic grounds is profitable to landowner but it would destroy the political and economic control of the landowner over the peasant. The landowner's attitude perpetuates or perpetuated an asymmetrical relationship between the lender i.e. the landowner and the borrower i.e. the peasant.

Under NIE, organisations are viewed as networks of contracts or governance structures, 'characterised by various agency relationships in which the principal typically devises a scheme of incentives or penalties such that the agent is prompted to modify his actions in a way that suits the principal's interest' (cited in Platteau 2000: 12). The ubiquity of incentive problems is the reason why transaction costs are high. 'In rural areas, relationships among people are strongly personalised ensuring an effective circulation of information. As a result, incentive problems are not important and transaction costs (including monitoring costs) are low. Under these circumstances, risk considerations have the edge on incentive considerations…' (Platteau op.cit.: 13).

Institutional arrangements 'must evolve to ameliorate problems like opportunism either with feasible external enforcement mechanisms or with credible internal ones' (ibid.: 12). The organisations making credit accessible to the poor try to reduce uncertainty by creating a stable structure of exchange or contractual relation. They constitute ex ante agreements such as the need to form groups, which would act as collateral and enforce mechanism as well to offer loans. This entrusting of tasks e.g. using group as the enforcement mechanism by principals to agent may give rise to set of problems. Whenever a principal engages an agent to whom some decision-making authority is granted, a potential agency problem exists. It is also argued that if both parties to the relationship are utility maximisers then the agent[22] is unlikely or will not always act in the best interests of the principal. Principals therefore have a need to monitor agents or alternatively induce them to cooperate by designing incentive schemes. Principal-agent model provides some structure to understand the initiation of a network of interpersonal relation in the form of a group that work towards eliminating the need for formal policing mechanisms and the opportunities for malfeasance.

Reading NIE through the gender lens

The NIE approach, with its focus on both transaction costs and principal-agent model helps highlight the dynamics of organisations and also facilitates understanding of how organisations reduce their costs and enforce repayments to make their credit delivery process effective. NIE, like neoclassical economics, however has theoretical limitations. While it highlights the economic efficiency of organisations, it does not take into cognisance social structures like networks, power relations in which gender is inscribed[23] (Granovetter & Swedberg 2001). Redressing this is crucial to provide a richer interpretation of mechanisms of social exclusion and inclusion in credit operations.

NIE agrees that 'there are a variety of institutions at work enabling information to be transmitted and transaction costs to be reduced' (Johnson 2001: 8) but it leaves unexplained that such institutions are supported by underlying socio-economic, political and cultural factors wherein gender is obviously implicated resulting in an influence on market operations.[24] Arguably, NIE's emphasis on mental constructs, formal and informal institutions provides a starting point to discuss culture, social and political norms as embedded in organisational rules and transactions; nonetheless, it falls short in recognising organisations as gendered actors.

The point here is that gender is embedded in social structures in diverse ways. It is present in all social relationships and works in all interactions (Krais 2000). Therefore, to view organisational functioning as 'gender neutral' 'obscures the everyday reality of gender (and race) subordination' (Acker 1998: 195). The relation between organisations and individual women as borrowers may not be intrinsically gendered in an ascriptive way as say within the family nevertheless 'these relations are bearers of gender in the sense that they are permeated through and … by gender in their institutional structure' (Elson in Bakker 1994: 39).

By bearers of gender one implies that relations carry gender ascriptions even though in themselves they are not designed to do so. Feber and Nelson (1993: 10) viewing this as 'contamination of gender', attribute it to the 'predominance or privileging' of androcentric ideals that 'displays an unjustified affinity with masculine attitudes' of autonomy and perceives women more by their ascriptive roles, such as a wife, mother and care giver. Gender is then 'a constitutive element in organizational logic' (Acker 1990: 147), though the organisation may appear to be gender neutral. With other critical scholars one hence agrees, 'social institutions are not themselves intrinsically gendered nevertheless become bearers of gender' (Elson in Bakker op.cit.: 39).

Razavi (1997: 1116) takes the social construction of gender-ascribed roles within the family to a higher plane, emphatically highlighting 'institutionalisation of gender hierarchies within markets'. Razavi illustrates this point by giving the example of a female labour who does not work in a commercial estate in her capacity as wife, her labour is nevertheless defined as female, thereby carrying her subordinate status with her into the workplace. This is what Krais (2000: 55) views as 'situations prestructured through the gender relationship'; even if the structural relationship of gender is not apparent in the actual interaction. Similarly, in credit markets women enter not as gender-neutral but gendered agents who (must) take into consideration their gender-ascriptive roles.

'The structure of the labour market, relations in the workplace, the control of the work process … are always affected by symbols of gender, processes of gender identity and material inequalities between women and men' (Acker 1990: 145-6). Thus market relations though not gender ascriptive becomes effectively so because of the social context or gendered *habitus*, within which people enter into contracts in the markets and rules behind formations of such markets. Given their gendered nature or understanding of gender power, organisations may have different modality of promoting gender bargaining, as will be seen in subsequent chapters.

To whatever extent NIE incorporates the notion of gender it trivializes it. It is not adequate to analyse the social construction of gender 'fraught with issues of dependence, interdependence, tradition and power' (Ferber and Nelson op.cit.: 6). This is also reflected in NIE's reconstruction of the rationality postulate. Its emphasis on the cognitive limitations of individuals bounded by rationality or mental constructs limited by information and capacity, does not recognise women's rationality – therefore, her choices given her gender *habitus* – as significantly differing from men.[25] This is because gender is neither recognised as an asymmetry nor a system of power like other aspects of social relations. Gender finds little or no place in NIE. This makes it exclusionary, insulated from more adequate perspectives which would allow it to capture the complexity of economic activities more successfully (Ferber & Nelson op.cit.: 14-15). Besides, NIE mirrors the organisations and their operating efficiency in the public sphere, but allows no derivatives to be drawn from the private sphere, say within the household gender discriminatory outcomes. Theoretical limitations of NIE call forth the need to complement it with other concepts and insights derived from other disciplines.

2.4 Group Trust and Collective Action

The success of credit organisations is attributed to their efforts to organise women into groups. But what makes women cooperate to form a group? What conditions can lead to voluntary cooperation? What motivates actors to keep coordination and information costs down? And whether a voluntary group transcends an enforcement role to play a much larger role of empowering its members both in their public and private spheres of activities are major themes that assume importance while looking at group formation amongst potential borrowers.

Groups are favoured by organisations and credited with an enforcement act. The group intrinsic part of principal-agent relationship acts as an enforcement mechanism wherein it is both a means to access credit and also ensures repayment thereby reducing credit costs and risks of transaction. The nature of its functioning aiding organisational economic efficiency also brings forth issues of trust, solidarity and collective action/cooperation.

The group mechanism is an instance of efforts wherein individuals i.e. women establish, monitor and enforce norms as members of a social group. The pressure to conform to this group takes a collective action dimension. But the problem is not to explain particular cases of cooperation but rather how groups are constituted in their disposition to cooperate.

'Collective action requires more than consensus or even intensity of need.' It requires conditions under which individuals find in their interest 'to allocate resources to their common interests – and not be free riders' (Popkin in Bates 1988: 252). Lot of scepticism regarding collective action highlight issues and problems of cooperation. It focuses on the prisoner's dilemma[26] and explores the difficulties of collective action, especially in large groups to eliminate free rider problem. The prisoners' dilemma presents recurrent problem in which sub optimal outcomes result from the conjoint actions of self-interested individuals. A characteristic feature embedded in prisoner's dilemma is that it involves higher transaction costs – monitoring – because it is always in the self-interest of individuals to free ride or defect.

Formation of a group is a collective action that serves as a bond to ensure honest behaviour and promote trust between group members. How trust binds group members in different ways is interesting to note. Trust arises from the repetition of interactions within the same group. 'The observed honesty equilibrium is … the spontaneous outcome of common cultural beliefs of the 'collectivist' type. It reflects a reputation mechanism among self interested individuals whereby an agent can establish ex ante that his most profitable course ex post is to be honest: in other words, the transactor can credibly commit to honesty' (Platteau 2000: 250). Trust improves exchange s in relationships or significant social and political interactions. The absence of trust is the source of the free rider dilemma. 'Trust affects the trustor's calculation concerning the probability that s/he will be better off, or atleast not worse off, as a result of taking a risk' (Coleman 1990: 100). Some others have viewed trust as 'interpersonal relations' among those with considerable knowledge of each other's incentives. Further, trust could enhance acting on each other's behalf. It is interpersonal trust that is a key component to social capital put forth by Putnam (1993).

Although vast amounts of literature exist on social capital, this study restricts its use to elements central to the term, such as trust and solidarity, used here in understanding the functioning of groups. Such components of social capital have much in common with social network theory or social resource theory, due to its emphasis on coordinated or collective action or networks. 'Theorists may have taken different stances towards social capital, the focus is on networks, norms and trust and resources, and the relationship between them' (Edwards 2004: 2). Edwards further writes, 'Social Capital points to a comfortable way forward. It provides a link between ordered families, ordered communities and an ordered society through shared values. In this, however, it is cross-cut with troubling presences and absences around gender and generation' (ibid.: 4-5).

For instance, Coleman (1990) and Putnam (1993) while pointing out social efficiency of interactions between individuals and communities do not give specific attention to gender relations. Their focus on generational socialisation within families 'is a process of social capital building' – linked to 'social capital as a resource outside the family', where family is 'embedded in close community relationships' (Edwards op.cit.: 6). 'What is absent or silenced, however, are issues of power and conflict' (ibid.: 7) marked by asymmetrical gender and intergenerational dependencies within families. Bourdieu (1990, 2001) however does bring the gender *habitus* while referring to social capital. Such *habitus* manifests itself in women's subordination. For Bourdieu, social capital is 'inevitably shaped by the material, cultural and symbolic status of the individual and family concerned … it is ubiquitous and continually transmitted and accumulated in ways that produce and reinforce social inequality …' (Edwards op.cit.: 6).

Within a group, credit is about interpersonal relationships linked with kinship and other social relations (Rogaly, Fisher & Mayo 1999). For example, failure to repay can involve conflict and thus diminish relational capital as well as reduce self-esteem. Credit is also an act of faith not only between the lender and borrower but also in the case of groups, formed as a means to achieve credit, between members within the group. Default by one member impacts credit accessibility for the group as a whole. Each in a way, within the group, is then dependent on the others' sense of fairplay. Credit is thus viewed as a pact that binds people to each other, reflecting solidarity[27] and trust. These factors reduce transaction costs of community self-policing.

The evolution of cooperation is also linked to game theory which illustrates the opportunity for norms to improve the collective outcomes. 'It explores the conditions under which cooperation may emerge between two parties, even if both are selfish and potentially in conflict, and the institutional structures that make cooperation the best strategy' (Guimaraes 2002: 104). Game theory framework is explicit in 'how interacting individuals produce particular institutional forms, which will subsequently influence their actions. In other words, in given situations or games, institutions emerge endogenously from human interactions to constrain their behaviour in a self-enforcing manner' (Platteau op.cit.: 16-17). In game theory, cooperative solutions are most likely when the group is small,[28] play is repeated, when the players have complete information about other players past performance.

The groups' role in reducing transaction costs and functioning as an enforcement mechanism highlights primarily its 'efficiency functions' (Stewart 2002). It ignores, as the new institutional economics approach does, the claim functions whereby the group is 'formed to advance the claims of its members to power and resources' (ibid.: 105). Such a claim may be advanced by the group against other members of society or against the government. It is in advancing such claims that brings forth the role of the group as a collective agency, empowering women to play active roles both within the private and public spheres. The trust and reciprocity that operates within the group enhances the collective agency of the group and enables it to play larger roles. The process of group formation amongst women to access credit and the 'larger role' the group undertakes is what adds a sociological perspective in understanding credit process and its patterns of outcomes.

The multiple assertions that eminent scholars make on trust, collective action and solidarity enhancing collective agency do not bring forth clarity in these concepts. How to empirically study trust, solidarity is not automatically resolved by increased conceptual clarity. What is meant by trust and solidarity and how to measure them remains a methodological problem that is difficult to study. There have been numerous attempts but for the most such works draw fuzzy notions of trust and conflate cooperation and trust, trust and risk taking, trust and solidarity. Rather than presenting an 'outsiders view' to the group cohesion and what binds it together, one looked at the concepts of trust, solidarity and cooperation as perceived by group members themselves and how it is enhancing their collective agency. And it brings interesting findings discussed in Chapter 8.

2.5 Politics of Neoliberalism and New Institutional Arrangements

Neoliberalism as a political economic paradigm is 'characterised as free markets policies that encourage private enterprise and consumer choice, reward personal responsibility and entrepreneurial initiative, and undermine…bureaucratic government' (McChesney in Chomsky 1999: Introduction). 'The emancipation potential of the new market-led society is … foiled by the concept of self-government and enlargement of citizenship rights without an effective state as an equaliser' (Truong 2006: 13).

In the 1980s and 1990s, under the auspices of the World Bank and the International Monetary Fund (IMF), structural adjustment ushered market liberalisation or neoliberal economic reforms to developing countries. It accentuated rapid cutbacks in state spending making the market 'become an end in itself ' (Rankin op.cit.: 27). This had 'adverse effects on the ability of the state to promote growth and employment, human development and social equity…' (quoted in Cagatay 2003: 18). Such 'rolling back the state' (Mayoux 1995) led to social polarisation, increasing disparities, destruction of livelihoods and devaluation of local skills, knowledge and cultures. It had 'profound implications for redistribution of income between classes (to the detriment of workers), and between women and men (to detriment of women)' (Cagatay 2003: 18). In some contexts, it produced 'proliferated forms of gender conflict intersected with age, class and race on different scales' (Truong op.cit.: 7).

It is in this context that 'micro-credit emerged as a development orthodoxy' (Cited in Parmar 2003: 469) reconfiguring 'the political rationality of rural finance' (Rankin 2003: 27-28). Such rationality hastened the process of elimination of credit controls, deregulation of interest rates, free entry into the banking sector, bank autonomy and privatisation of the banking sector. It also encouraged banks to embark on a vigorous domestic savings mobilisation, to expand credit delivery at market rates and to experiment with innovative approaches to rural and urban finance. Reforms thus led to increasing focus on microfinance not merely as a banking service but as a development tool. It also recognised the existence of wide variety of microfinance practitioners and sought to draw a linkage between formal and informal institutions e.g. NABARD's programme of SHG-Bank Linkage and tried to redefine the rural credit contours so as to benefit the rural poor, who had earlier little or no access to the formal sector.

Following liberalisation, one benefit has been the diversification of financial institutions (Baden 1996). Various networks and organisations/non-state actors have come up to provide credit on commercial basis to the poor, capitalizing on the willingness of the poor to save money and pay market rates for credit. Donors too consider micro-credit to be a win-win approach. It allows those investing in the business profit and the poor are able to gain access to resources, allowing them to help themselves through the market. In this regard, 'the poor are identified in ways consistent with the financial sustainability of lenders and an ideal of self-regulating markets' (Rankin op.cit.: 28).

P. Chidambaram, Finance Minister of India, has stated, 'the poor of India are borrowers and many of them are good borrowers. Banks should reach out and lend more.' That India is now a booming microcredit market is indisputable. Post the AP crisis, it is hoped that all stakeholders will act in the interest and sake of the rural poor. Seeing this as lucrative business, commercial banks have widely entered the Indian microcredit sector, led by the ICICI Bank, India's largest private bank. Its Executive Director, Nachiket Mor views ICICI's earnings as a very healthy return on lending in the villages. He says, 'there is no way you can do a business without a profit motive. The bank earns a profit comparable with every other business on its rural loans'. ICICI Bank signed the largest ever securitisation deal with SML, a large MFI operating in AP and is later covered under this study

(Chapter 5). In recent times, banks including UTI Bank, HDFC Bank and ICICI 'with a heavy reliance on technology but with a very limited branch network' have taken innovative steps, like bulk lending to microfinance institutions 'using them as pass through agencies to tap the rural credit markets (cited in Tankha 2006).

The gender aspect of these neo-liberal economic reforms is of particular significance due to the implications it has on women. On one hand, downsizing government services and privatization has made social services inaccessible to women, thereby impacting their health and well-being. On the other, the expansion and diversification of the financial sector has led to women's access, particularly in the case of poor and low-income women, to financial assets and savings instruments on much less non-discriminatory terms and conditions. Singh & Zammit (2000: 1264) write, 'if a country opens up its banking and insurance sectors to multinational investment, this may not be in its best developmental interests…' It may nonetheless be of advantage to women, 'as foreign financial services firms' or donors 'may have a more gender-neutral stance in lending and employment policies than do domestic firms' (ibid.).[29] This could 'lead to conflict of interest between that of women and society as a whole' (ibid.). Despite this decrease of barriers to obtain credit, women remain marginalised in many respects[30] due to persistent gender-based distortions operating in financial markets (Staveren 2002).[31]

While microcredit is pushed as a perfect way to actualise self-reliance and eradicate poverty, 'it is least likely to bring about major structural changes' (Isserles 2003: 42). Microcredit demonstrates a prescribed vision of social change with a predetermined structure designed to bestow benefits on women (cited in Parmar 2003). There seems however 'little space for women to articulate their own visions for social change' (ibid.) 'Microcredit programmes do not entail structural redistribution of non-renewable resources as land reform programmes would' (Kalpana 2005: 5401). 'It is marked by the conspicuous absence of the agenda of redistribution of economic resources and asset ownership… and yet constitutes an anti-poverty intervention of tremendous public visibility' (ibid.). Microcredit has indeed become 'a la mode' (Bell 2003: 7) in development discourse, 'perhaps because making…loans to the poor poses a far less obvious threat to the existing social order than reforming property rights in land' (ibid.).

Despite receiving such opposition, reform measures are undoubtedly making headway in rural credit policy whereby a supply driven approach is overridden to make it market-led or demand-driven, resulting in conventional side of credit that is collateral bound and state-regulated to give way to new institutions in a big way, concentrating or specialising particularly in microcredit. These new institutions have an indomitable spirit in providing financial services in the form of microcredit/microfinance, including thrift, credit and other services and products of small amounts only to the poor. Nonetheless they face challenges like any other establishment dealing with a credit process. Such institutions may create imperfections of their own.

For instance, as already mentioned caste and class are obvious social distinctions that structurally preclude women. Development practitioners focussing on women lay emphasis on control over the sources of power as opposed to changing the way in which power is exercised. 'By focusing on the self-advancement of individual women' through group based credit 'within the existing power structure without changing the nature of that structure, the persistence of the current hierarchy and the continuing oppression and exploitation of women is ensured' (Parmar, 2003: 648).

Conclusion

Bouman and Hospes' (1994) use of the metaphor of financial landscapes is discernible in the rural credit markets of India wherein one is confronted with a larger number of competing stakeholders. It has been contended that the rise in new institutions is the result of the economic and political consequences of globalisation and more specifically the structural adjustment programs (SAPs). The commitment towards microcredit is however dogmatic, reinforced by neoliberal notions of development, which have created 'a new style of government wherein economic values are more and more inscribed in the social domain without a corresponding inscription of social value in the economy' (Truong op.cit.: 13).

The present credit market scenario is guided by post-liberalisation policies and financial sector reforms. Financial reforms in 1991[32] accordingly attempted to eliminate various forms of government interventions. Pre-liberalisation years were of heavily subsidised and generally ineffective government and donor financed credit programmes. Not only it failed to benefit the poor to any significant extend, but it also destroyed many of the financial institutions forced to deliver subsidised credit. The post-reform credit disbursement therefore was a response to the inadequacies of the existing agencies.

As a result, there is an increasing focus on new stakeholders to restructure rural credit systems and allow new agents to facilitate the flow of capital and competitiveness of rural markets. It is not that liberalisation has adeptly increased competition in rural financial market nor paved the way for private entries in a big way. Even if there has been an increase in number of credit delivery institutions, there is seldom any competition as each institution has its own areas and target segments demarcated. Some may even face operational restrictions, thereby making the rural financial market less competitive. Thus, whether liberalisation in itself is a sufficient condition for improved financial services is a question asked by both advocates and critiques of market led development.

The liberalisation phase, with its overemphasis on microcredit can have serious repercussions including evasion of reforming social and developmental aspects of banking which are needed to shift from a minimalist approach of financial intermediation. Second, as policies of liberalisation and globalisation act in the absence of any social safety net and bring drastic cuts in social-sector spending, the only option microcredit fosters for the poor is self-employment. Markets however, are prone to external factors, and as the Indian one is an open one, aggressive brand selling and marketing, coupled with strong financial influence of transnational companies places the poor, especially poor women, at a particularly unfair advantage in the global marketplace. Finally, reforms still pay lip-service to gender planning in banking services except for the promotion of the model of SHGs for women. Once women are mobilised to form an SHG, inevitably social and economic changes are expected to accrue, thereby empowering and enhancing the status of women.

Undeniably, the microfinance syndrome is multiplying the number of microlenders chasing the growing ranks of the poor. In view of the rising microcredit activities in the country, the GOI will soon pass a bill providing legal framework to regulate and facilitate credit flow in rural areas. Introduced in the Parliament for discussion, The Microfinance Sector (Development and Regulation) Bill 2007 in its present form has a number of features, including redressal of grievances through an ombudsman, and through officers to be appointed at places easily available to clients with powers to issue directions to MFIs. Second, it seeks to promote orderly growth of the sector by setting performance and accounting standards, which create a reporting system and data base, supporting research, promoting consumer education, disseminating information relating to fair practices and laying down a code of conduct' (Ghate 2007: 1181). In this regard, the bill is viewed as a positive step towards consumer protection, creating a more accountable and transparent sector.

A prime aspect of the bill has however come under scrutiny as it enables NGOs and other such bodies organised as societies, trusts and cooperatives to accept savings or thrift in the form of public deposits from their customers – the millions of rural poor, largely women. Organisations like NGOs, which can raise Rs.500,000 capital could apply for certification from NABARD, the proposed regulatory authority, and accept public deposits. There are apprehensions that this might lead to fly-by-night-operators thereby jeopardising the safety of people's money mobilised as deposits. It is contended that people who run NGOs are not bankers and do not know how to handle money in this way; only banking institutions know how to invest and properly safeguard deposits from the public.

Interestingly, with this provision the bill brings under its fold small microcredit institutions like NGOs and cooperatives, which have formed self help groups, who as mentioned earlier would also be required to meet stringent accounting standards. The draft bill however excludes large well-funded company based MFIs i.e. NBFCs. The reason to exclude could be that these are already regulated by the RBI and do not require fresh directives. By being placed outside the purview of the bill, NBFC-MFI's will not be able to mobilise thrift from their members. Ironically, NBFC-MFIs are much stronger than NGO-led microcredit in terms of 'capitalisation, liquidity, audit and disclosure (because of the regulatory requirements laid down for all NBFCs) and are better equipped to handle extra accounting requirements entailed in collecting and servicing savings' (Ghate op.cit.: 1182). While the NBFC-MFI's under their present regulatory framework monitored by RBI are allowed to accept pubic deposits, the requirements are extremely stringent e.g. an entry level capital requirement is Rs.20mln, something that none of the existing organizations can qualify for.

There is growing apprehension that the proposed bill is creating a two-tier system within microfinance by excluding large MFIs, which also account for nearly 80 percent of the industry's outstanding loan. By ignoring these large players, it undermines the steps MFIs have been successful taking towards efficiency and governance. There is presently a cautious optimism that the bill will help create better access to financial services for all. There is no denial that a proper regulatory and supervisory environment under which different microfinance entities function is much needed. But it is equally important that regulations do not stifle the need of people to to reach organised financial services, as many do not or cannot turn to formal banks or other established lenders.

It may be added that following the AP crisis, Sa-Dhan, the main network of Indian MFIs established a self-regulatory code of conduct'[33] reiterating that services need to be delivered in an ethical, dignified, transparent, equitable and cost-effective manner. While this code of conduct gets limited to Sa-Dhan consortium members only, ensuring sector-wide adoption of these self regulatory norms will improve both credibility and transparency of the microcredit sector. Alongside, concerns of how best to regulate the burgeoning microcredit sector, whether the shift towards market led strategies and the expanding rural financial landscape enabled the credit system to perform efficiently is indeed a critical question. This study dealing with organisations, dealt in subsequent chapters: Chapters 4 to 7, has also tried to contextualise them in a neoliberal setting wherein interest lay in gauging whether such organisations are guided by any subtle external factors or the strong ideological commitment to microcredit is indeed their resolve in addressing problems of poverty and empowering women.

Notes

[1] Empirical findings pertaining to the gendered nature of organisations and how it shapes the contractual relation between individuals, women, and organisations so as 'to challenge institutional norms which work against women's interests' (Rao & Kelleher 2003: 142) is presented later in Part II.

[2] This section largely draws from several documents, working papers and study materials published and made available by BIRD (Bankers Institute of Rural Development) during my visit in December 2003. BIRD, established in 1983 by NABARD is a research cum documentation centre in Lucknow, Uttar Pradesh. It undertakes training, research and consultancy in financial management, microfinance and alternative credit delivery system and other related fields.

[3] The extensive institutionalised structure was to enable banking network and credit packages and programmes to be able to reach out to far-flung rural areas, hitherto neglected. Its intended target included small & marginal farmers, landless agricultural labourers, artisans and other non-agricultural workers, old & destitute and others falling below the poverty line. The objectives were writ large: improve agriculture, strengthen rural infrastructure, generate additional/gainful employment for the unemployed and underemployed and create assets in favour of rural poor.

[4] Green Revolution of the 1960s ushered in mechanised farming, bringing high yielding variety crops but is said to have aided farmers with large landholdings.

[5] The banking infrastructure that evolved, emphasised the role of each segment. Cooperatives met short-term agricultural needs; others such as Land Development Banks were meant for medium and long-term credit needs. Commercial Banks carried out the general banking business apart from prioritising rural banking. RRBs in different states with equity participation from (sponsoring) commercial banks, Government of India and State governments emerged as an institution engaged both in microcredit and commercial banking activities.

[6] There are broadly three different models evolved and promoted by NABARD under its 'SHG-Bank Linkage': (i) NABARD-Bank-SHG, where the bank itself acts as Self Help Promoting Institution (SHPI), (ii) NABARD-Bank-SHG, where other agencies like NGOs act as SHPI facilitated by banks. Banks however directly finance groups, (iii) NABARD-Bank-NGO-SHG, where the NGOs and MFIs act as SHPI and also as intermediaries (on-lenders) between banks and groups. Other government agencies such as Small Industries Development Bank of India (SIDBI) and Rashtriya Mahila Kosh (RMK) established in 1990 and 1993 too have programs for lending to NGOs for on lending to SHGs. RMK particularly is meant to enhance the flow of credit to women and support promotional measures for those in the unorganised sector.

[7] Following the use of the term women's practical and strategic (gender) interests first by Maxine Molyneux (1985) the dual concept of women's (and men's) practical and strategic interests/needs was developed by Caroline Moser (1993) as a tool to understand/challenge the (sexual) division of labour or women's subordinated position in terms of 'control and power'. It is argued that meeting strategic gender needs/interests help women achieve greater 'gender equality.' In the microcredit context, access to credit is meeting a 'strategic need' as it enables 'control over (a) resource' which was earlier restricted. Such 'access and control' has socio-economic empowering repercussions. Chapter 3 deals with the concept of gender, empowerment and 'women's agency'.

[8] A number of Non Banking Finance Companies (NBFCs) have come up as specialised agencies undertaking microfinance activities. One of NBFC's innovations is its agent system of collection of savings or recovery installment. Rather than the client going to the NBFC, as is the case in formal banks, it follows doorstep banking, meeting clients at their doorstep. The case of SHARE Microfin Limited (SML) – registered as a NBFC is dealt in Chapter 5. Other 'quasi-formal' cases that of SEWA Bank - a cooperative bank, and Sakhi Samiti - a NGO, are dealt in Chapters 4 and 6 respectively.

[9] The line of distinction between formal and quasi-formal gets easily blurred. Quasi-formal nature is attributed to the degree of autonomy such organisations possess in their functioning though they may be registered or even regulated by RBI. Lack of governmental interference distinguish them from government run banking services; further unlike the formal sources, the quasi-formal organisations are said to be devoid of bureaucratic entanglements.

[10] The neoclassical school, as the mainstream economic school emerged as an extension of the classical political economy of Adam Smith, David Ricardo and other early 19th century economists. The period from 1870 to 1930 is the period when most of the basic propositions of neoclassical economics, some of which are dealt here, got established into a notable and remarkable economic theory.

[11] Efficiency means that all available resources are used efficiently to produce those goods and services consumers most value. Equity refers to the distribution of these goods and services between individuals or social groups within the society. Under the conditions of perfect and complete markets, neoclassical economic theory serves as a normative theory for determining how scarce resources are allocated by rational agents in order to achieve optimal outcomes and market clearing equilibria. The notion of complete knowledge allows for the functioning of markets and for the development of equilibria that fulfil the conditions of 'Pareto optimality' (see also endnote 13 below).

[12] Kaufman (1994:30-32) summarises the several fundamental assumptions made under neoclassical theory about human behaviour that collectively give rise to the model of economic man. Neoclassical economists hold that individuals seek to maximise their level of well being, always striving for the best or optimal outcome, given the constraints they face. A second key assumption is that human beings have the cognitive ability to exercise rational choice, implying they have the ability to calculate the value of alternative outcomes so as to choose the optimal outcome. A third assumption is that human beings are individualist; their behaviour and preferences are largely independent of what others outside of the family think or do.

[13] This condition for welfare maximising is known as the Pareto welfare criterion, after Vilfred Pareto (1906). Under Pareto criterion either everyone can be made better off or atleast some people are made better off while no one is made worse off.

[14] For a detailed discussion on ' embeddedness of economic action' refer to Mark Granovetter (1985) and Jens Beckert (1996) articles. See References.

[15] The name, New Institutional Economics, was popularised by Oliver Williamson (1975) in his book on Markets and Hierarchies.

[16] By regularities, Schotter implies rules, norms, routines, etc. and applies it within a game theoretic approach whereby institutions have a clear informational function to overcome say prisoners dilemma, a concept dealt under Group's collective action and trust (see Section 2.4).

[17] Neoclassicals argued that social relationships and institutions do not alter fundamentally the choice-set of actors, since it assumes perfect information and stable preference and therefore efficiency. These assumptions were challenged by Ronald Coase (1960) in his 'Problem of Social Cost', which laid the theoretical foundations for bringing 'institutions' into economics.

[18] By 'gender progressive' one means not only having a liberal view on gender equality as a sign of progress but also creating equality of opportunities and enabling outcomes that influence/ challenge or transform the 'gendered *habitus*' perpetuating inequalities, subordination/marginalisation of women. How 'gender

progressiveness' is reflected in organisational culture/values, mission/objectives, activities/procedures is dealt in Chapters 4 to 7, dealing with each of the organisations.

[19] The extensive focus on transaction costs in NIE owes itself to Oliver Williamson's work, who carried out a systematic development of Ronald Coase's seminal work concerning 'The Nature of the Firm' (1937) and on 'The Problem of Social Cost' (1960). Coase, who pioneered the use of transaction cost, argued that efficiency of firms stems from the fact that they allow for the reduction of information and transaction costs.

[20] Bhatt and Tang (1998: 624) conceptualise 'transaction costs' in credit delivery as costs incurred by lenders and borrowers during 'pre-loan disbursement, loan disbursement and post-loan disbursement activities'. For lenders these may include costs associated with searching for loanabe funds, designing credit contracts, engaging community outreach screening borrowers, evaluating loan application, monitoring and enforcing loan contracts, etc. For borrowers these may include costs associated with screening potential group members, group formation, agreeing on formal and informal group rules, negotiating with the lender, filling out paperwork, time spent on meetings, monitoring groups activities, enforcing group rules, transportation to and from lending agency.

[21] They emphasise (1984: 2): in real world where full information is rarely freely available to all parties, 'the problem becomes how to structure an agreement that will induce agents to serve the principal's interest even when their actions and information are not observed by the principal.'

[22] Agents have opportunities to misrepresent information and divert resources to their personal use.

[23] Bourdieu has captured this 'social embodiment' in the notion of *habitus*, discussed in Chapter 3: 'the *habitus* is what enables the institution to attain full realisation' (McNay 1999: 99).

[24] This is what NES views as 'social embeddedness of economics agents' influencing economic outcomes (see also endnote 14 above).

[25] One has used Dewan's (Dewan in Sangari & Chakravarti 2001: 313) argument regarding the role of 'rationality', which she uses to critique 'gender in neo-classical economics'. It is relevant for NIE as well. Dewan argues, 'the existence of a gender-based division and segmentation of labour in particular, and patriarchy in general, ensure that a women's choices and rationality differ significantly from a man's.'

[26] Prisoner's dilemma is closely allied to Mancur Olson's (1965) free-rider dilemma, with its focus on problems of human cooperation and coordination. Olson is at the origin of the theory of collective action.

[27] Solidarity arises among individuals when they share a common end. To attain this common end, actors must establish a set of obligations as well as a mechanism that enforces compliance to these obligations.

[28] Olson under his 'collective action' is of the view that small groups need fewer special incentives because each member's contribution has a notable effect on the overall output of the group.

[29] From the perspective of donors and lenders, women's participation is considered to enhance the financial sustainability of microcredit programmes; ultimately contribute to the broader goals of deepening financial markets to areas that typically fall outside the purview of capitalist markets.

[30] Increase in credit flows during financial liberalisation may positively affect women's bargaining power, it may also increase household's financial vulnerability, given its now greater cash-flow dependence, and force women to bear a disproportionate share of household related adjustment costs (Floro & Dymski 2000).

[31] Staveren (2002) points to these gender-based distortions in financial markets as marked by under-representation of women in financial decision making, increased gender gaps in the economic positions of women and men, gender based instability of financial markets and inefficient resource allocation in financial markets due to gender discrimination.

[32] Report of the Committee on the Financial System (1991), also known as the Narasimham Committee, in the wake of liberalisation in India called for a 'vibrant and competitive financial system…to sustain the ongoing reform in the structural aspects of the real economy' (cited in Ramchandran and Swaminathan 2001). The committee proposed that banking policy be guided more by the market than by state regulations, recommending that a new institutional structure 'market driven and based on profitability' be created and that the part played by private Indian and foreign banks be enlarged.

[33] The salient guidelines of this code of conduct includes a) MFIs will indicate interest rates on an annual percentage rate basis; b) MFIs will not take original land titles, house pattas, etc. as collateral security for loans; c) MFIs will strictly instruct staff members not to use abusive language or intimidation tactics while collecting repayment; d) MFIs will adopt high standards of corporate governance, fully involving independent board members in policy related decisions (source: www.Sa-Dhan.org).

3 Credit Poverty and Empowerment: Locating Gender

Introduction

This chapter takes further the gender debate on women's empowerment, advocated by microcredit practitioners. It provides a deeper explanation of gender power as manifested in the interaction at many levels: at the level of epistemology or theoretical reasoning - the inscriptions of gender in theories or lack thereof; at the level of administration - the inscription of gender in institutions guiding organisational functioning; and at the level of everyday practices of people - driven by cultural barriers, and androcentric interpretations of structures, 'facilitated by the symbolic power men hold in society' (Truong 1997: 16).

An understanding of gender as social relations and hierarchical regimes of power is imperative. It helps situate women as active agents, rather than passive objects, who exercise 'independent authority and control' and challenge 'oppression and exploitation of women' by existing power structures and gender hierarchies therein (Kabeer 2001, Parmar 2003).

For the purpose of analysis, this chapter will focus on the potential role of multiple actors including organisations, groups and individuals, especially women and their interface in the constitution and reconstitution of structures within the broader framework of structure, agency and actor legacy. The chapter proceeds to examine the relevance of gender in meso level organisational interventions, through microcredit, to its microlevel outcomes, wherein gender intersects with a variety of other social categories. The deterministic linkages that organisations draw between credit, poverty reduction and women's empowerment necessitate new ways of assessment. They also require reconsidering terms like poverty and empowerment, two highly contested issues and both conjoined with credit. Taking into account, explaining and illustrating multiple interpretations over poverty and empowerment, the chapter closes by drawing up a particular framework of analysis.

It enables one to examine linear assumptions that microcredit espouses within the discursive context of neoliberal development paradigm. The framework brings forth the gendered link between the process of credit delivery and its patterns of outcomes in terms of household poverty reduction and more specifically women's empowerment.

3.1 Locating Gender

There is a range of positions on gender as a concept. While feminists 'share a commitment to the centrality of gender, they do debate how to study it' (Peterson 2005: 499). 'The conceptualisation of gender implicit in… writings on development endorses the multiple, contested and contradictory meanings associated with the male-female distinction, but remains committed to a social relations approach which analyses how this distinction reproduces inequalities between men and women at every institutional level' (Kandiyoti in Jackson & Pearson 1998: 145). 'The core of the definition' thus 'rests on an integral connection between two propositions – one that gender is constitutive element of social relationships based on perceived differences between the sexes, and that gender is a primary way of signifying relationships of power' (Scott 1988: 42). Gender is never simply an arrangement in which the roles of men and women are decided in a contingent and haphazard way. At any given moment, gender will reflect … interests of those who have power and those who do not (Brittan in Gould 1995: 113).[1]

This study draws its understanding of gender from Diane Elson, who like many directs attention to the interaction and power relations between men and women,[2] but without making any direct references to patriarchy. Gender according to her deals with social relations and 'interactions between more powerful and less powerful social agents, buttressed by social institutions imbued with male bias' (Elson (ed) 1995: Preface). By referring to social institutions and male biases, Elson points towards the intersectionality of gender with other factors that together form and sustain gender relations, such as men, women, institutions, law, religion, art, education, etc.[3] In this way, Elson brings epistemological, administrative and dimensions of everyday social interaction into understanding gender.

For Elson (Elson op.cit.: 7), male bias is encouraged by 'male bias in everyday attitudes and actions'. This may be the 'result of prejudice and discrimination at the conscious level'. Bias may also be deeply 'embedded in unconscious perceptions and habits, the result of oversight, faulty assumptions and a failure to ask questions… *Such unconscious bias is not unreachable and* *unchangeable*' (italics mine). Male bias is however contradictory as it is often a barrier to the achievement of development. 'For instance, male bias distorts resource allocation by denying women adequate access to productive inputs. This lowers women's productivity and reduces total output in comparison with what could be achieved if resource allocation were free of gender distortion' (ibid.). Palmer (cited in Elson op.cit.) highlights two forms of gender-based distortions referring to them as reproduction tax on women and the quasi-monopoly power of male heads of households. Reproduction tax is symbolic of women's unpaid domestic, reproductive and caring labour; quasi-monopoly power of male heads of households over other household members is illustrative of the unequal terms of exchange within households which are to women's disadvantage and men's advantage. Peterson (2005: 500-501) sums up, 'women's work and feminised qualities, in whatever sphere, are devalued and deemed 'economically irrelevant, characterised as subjective, 'natural' and 'unskilled', and typically unpaid.' Male bias thus has costs for society considered as whole as women's time is not efficiently allocated from the point of view of the economy as a whole (Elson op.cit.).

To avoid distraction from the main subject matter and enquiry of this study, the enormously vast and enriching literature on subject/object dualism will not be touched upon. Suffice it to say, it has been argued by feminist writers that much of the dualism is also result of a male epistemological stance, which is hierarchical and gendered.[4] Those advocating a feminist epistemology appeal to the uniqueness of women's experience, arguing that this uniqueness provides women with a privileged epistemological standpoint vis-à-vis the masculine. Salleh (1984) writes what women and men need to do is recognise the value of women's experiences, something which patriarchal societies fail to do. While Salleh does not elaborate upon the traditional feminine role, she does imply that women under patriarchy are socialised into it. It is a role assigned to women under conditions of sexual oppression or patriarchy. Patriarchy is the systemic, structural unjustified domination of women by men.[5] At the heart of patriarchy is 'the maintenance and justification of male gender privilege and power' (Warren 1994: 181).[6]

Many have analysed the phenomenon of male domination within the concept of patriarchy, which perpetuates women's subordination akin also to a culture of silence wherein 'the fish do not talk about the water' (Risseeuw 1998).[7] This culture of silence operate systematically and consistently through 'biases of values, beliefs, rituals and institutional procedures ("rules of the game")' (cited in Risseeuw op.cit.: 157) thus perpetuating what Bourdieu calls 'an established symbolic order' or *habitus*, whereby the disadvantaged, here women, comply with masculine domination i.e. unequal gender relations. How gender power transcends this domination bring critical dimensions of agency-structure interface (discussed in section 3.2).

It is more than two decades since the global community affirmed gender equality as a central developmental concern, following it with the adoption of Forward Looking Strategies (FLS)[8] to accelerate women's advancement. Women in Development (WID) thus emerged as visible field of policy and action. Deliberations later led the nomenclature WID change to Gender and Development (GAD), the argument being WID focused primarily on women, while a gender approach by focussing on the socially constructed roles of both women and men looks at women in the context of society and is better suited to cross-sectoral analysis (Moser 1993). A gender approach has greater flexibility than a WID approach. For instance, an emphasis on gender relations tends to 'permit greater awareness of the different ways that different women experience gender' (Elson op.cit.: 2)

A gender-aware perspective facilitates the design of more gender progressive or human centred development strategies. To talk about women's gender needs rather than just women's needs emphasises how women and their needs are viewed. It is a reminder that these needs arise out of the social positioning of women in the gender structure: a culturally constructed inequality between men and women. The fulfilment of gender needs contribute to changes in the gender structure. To illustrate this, Moser distinguishes between 'practical gender needs', the needs identified to help women in their 'existing subordinate positions', and 'strategic gender needs, the needs to transform existing subordinate relationship between men and women' (Moser op.cit.: 94).[9]

Sustained advocacy has led to greater understanding and awareness of gender issues. For instance, feminist economists have underlined the social construction of gender in the conception of the economy (Ferber and Nelson 1993) by persistent questioning of male biased structures, gender dynamics within households and consequences of economic policies on women. From such a perspective, even if microcredit initiatives attempt to bring a change in women's economic condition, this change alone is not enough. Appraising microcredit initiatives in the light of economically empowering women i.e. getting them involved in income-generating activities does little to change the embedded socio-cultural practices of say gendered division of labour.

Further, as noted in Chapter 2, organisations may claim to have a women centred approach and are gender aware; yet, they have difficulties achieving gender equality as organisational structures by themselves may be gendered or they still have to operate within existing patriarchal, institutional macro-political and economic contexts, overridden by male biases. Further, while microcredit may still be argued to usher gender equality through equal access to credit resources, whether it leads to gender equity wherein given the equal access, the outcomes are distributed equally still remains questionable. But organisations as one would find, would like to view it otherwise.

3.2 Structure–Actor Linkages

Organisations as service providers, groups as mediators and individuals, especially women beneficiaries are actors continually acting in important ways to create, maintain and transform existing credit barriers. These barriers owe themselves to multiple factors. They are influenced by institutions like social structures, wherein class differences and class power are played out in symbolic and cultural realms. In the Indian context, the caste and gender dimension assume equal importance, which tends to perpetuate a hierarchical power relation. Structures involving 'rules, norms, meanings, communication and much else' (Hodgson 2004: 12) then can impose relations of exploitation, domination and subordination. 'There is inseparable connection between individuals and social relations in which they are embedded' (Tucker 1998: 75).

Earlier scholars tended to emphasise the ways in which institutional structures constrained organisational activities.[10] Gradually the focus shifted to the ways in which both individuals and organisations as actors innovate, act strategically and contribute to institutional change. In sociological theory, both institutions and actors are interrelated. In particular the work of Anthony Giddens (1979, 1984) on structuration has provided a productive framework for examining the interplay between the two compatible forces. Giddens envisions what he terms as the 'duality of social structure', recognising it to be both product and platform of social action. Social structures exhibit a dual role in that they are 'both the medium and the outcome of the practices they recursively organise' (Giddens 1984: 25).

Giddens' Structuration theory views actors creating and following rules and using resources as they engage in the ongoing production and reproduction of social structures.[11] Social structure is thus both enabling and constraining; it also involves the patterning of social activities and relations through time and across space. Hodgson (2004) however provides a classification of several types of understanding as exists in relation to agency-structure (conflation).[12] He finds Giddens' theory limited conflating structure and agency into processes acting together, not only mutually constitutive but also conjoined. This then disregards any idea that structure and agency can work on different time intervals. Giddens' theory also appears 'inadequate to seek out power differentials as well as differences in orientation among the various actors involved at different levels' (Dwivedi 2001: 24).[13]

Bourdieu's notion of *habitus* allows a more sensitive understanding of the intersection of agency and social structure (Tucker 1998: 71). *Habitus* is a social field within which agents operate. *Habitus* is thus connected with agency. Bourdieu locates *habitus* within the bounded structure between self and society, viewing the structure as an embodied state operating through schemes of perception, thought and action and which 'functions as an immense symbolic machine' (Bourdieu 2001: 9) ratifying the masculine domination. *Habitus* imbues people 'with a tacit sense of how to become competent social agents, which is realised in practices that are constitutive of social life' (ibid.). Structures are 'the constituted dispositions of agents' *habitus*' (Risseeuw 1988: 171). In this sense, 'structures produce *habitus*, which determine practices, which reproduce structures' (Cited in Risseeuw op.cit.: 172). Women therefore as actors, 'with their multiple positions in the family, the home, the workplace and the community, respond to the sometimes reinforcing, sometimes contradictory pressures' (Chhachhi & Pittin 1995: 19) but 'the very structures and institutions which define the public/private ideology, which has served to define and constrain women, are changing, and being changed by women's action' (ibid.: 21)

Social structures necessarily imply a relation of power enforced by institutions. How and whether individual and collective action predisposes the relations of power is reliant upon what agents make of the given context. Actors are viewed as knowledgeable and reflexive, capable of understanding and taking account of everyday situations. They, 'albeit with varied degrees of resources and power, exercise agency and influence outcomes' (Dwivedi op.cit.: 25) which may have a transformatory impact on systemic tendencies or social practices.

Treating people 'as agents means giving them a chance to be heard, and to be involved in collective evaluations and decisions' (Agarwal et al. 2003: 5). Archer (2000: 254) views this as the emergence of 'social selves … which occurs at the interface of 'structure and agency'. Agency[14] refers 'to an actors ability to have some effect on the social world, altering the rules or the distribution of resources' (Scott 2001: 76). Social agent and the social actor are not different people. The distinction is only temporal and analytical.[15]

Organisations' microcredit interventions are enabling actors to use resources that create abilities or enhancing agency to restructure social anomalies. In conflicts of gender power relations, agency in its ability to counter structures of hierarchy and subordination may give rise to different degrees of empowerment. Women actors, both individually and collectively as part of a group, possess some degree of agency which may vary. Agency is situated. 'A person's agency aspect can not be understood without taking note of his or her aims, objectives, allegiances, obligations and in a broad sense the person's conceptions of the good' (quoted in Peter 2003: 17-18). 'Agency highlights how acts themselves may have value' (Peter 2003: 17). 'Agency brings to the fore a broader conception of social choice …participation and inclusion in democratic decision-making' (Ibid.: 24). Women's agency or women as situated agents by means of their participation can bring about social change.

At all levels of society there is interplay between structures and actors which is constitutive of social reality. 'A double morphogenesis (transformation) is involved: agency leads to structural and cultural elaboration, but is itself elaborated in the process' (Archer 2000: 258). Thus analysis of the functioning of organisations and groups cannot be looked in isolation from the socio-economic context within which it exists and operates.

3.3 Poverty Redefined: Resources, Entitlements and Voices

In this study references to poverty become inevitable as organisations delivering credit services begin by emphasising the need for credit to address poverty situations; implicit within this notion of poverty is the process of empowerment. Whether credit leads to poverty alleviation requires one to first define what constitutes poverty.[16] Successive academic work has drawn poverty out of its narrow conventional emphasis, poverty is low income alone.

Deconstruction of the narrow definition of poverty focusing on subsistence income has ignited a re-conceptualisation of the term. Poverty is no longer 'just about food, material basic needs and income gaps' (Saith n.d.) – a reductionist view that overlooks complex, diverse local realities and deprived conditions the poor experience (Chambers 1992). Such a view 'renders a good deal of poverty invisible, distorts the understanding of poverty, and thereby does disservice to the cause of poverty reduction' (Saith 2005: 4601). Poverty needs to be situated through time in relation to social and institutional structure and is not simply denoted by relatively low disposable income.

There is a growing debate that now acknowledges poverty as being influenced by 'deeply entrenched class attitudes, meagre interpretations of human needs, timid and fundamentally conservative approaches to social change' (Townsend foreword in Golding 1986). Thus specific real life counterparts need to be understood against the social context from which they are drawn. This emphasises the relative nature of poverty and that the conclusion drawn from one country context might be very misleading in a different setting (Saith n.d.). In its relative connotation, poverty is 'social subjective and not individual subjective' (Desai in Golding op.cit.: 4) as it is 'determined by the norms and expectations of the community relative to whom certain individuals are poor' (ibid.) and thereby stand socially disadvantaged.

Poverty is a broader concept. 'In a broad sense, it describes the whole spectrum of deprivation and ill-being' (Chelliah & Sudarshan 1999: 172). It is the 'lack of real opportunity and economic poverty', which 'indicates low income, meagre possessions and other aspects'. Poverty is 'capability deprivation 'of range of options a person has in deciding what kind of life to lead (Dreze & Sen 1995: 10-11). UNDP's (1997) Human Development Report (HDR) referred to poverty as the denial of opportunities and choices most basic to human life – the opportunity to lead a long healthy and creative life, and to enjoy a decent standard of living, freedom, dignity, self-esteem and respect for others.[17] The summation of this definition is that poverty manifests itself where people are deprived to lead such a life (Danziger and Weinberg 1986, Golding 1986).

Deprivation has many dimensions.[18] It is a relative term and can be viewed as the lack of access to resources suffered by a particular group in comparison to others. 'Lack of resources' leads to 'the state of being poor, inability to fully participate' in social life and it is a 'process through which poverty is experienced, continued and further developed' (Macgregor 1981: 75). Relative deprivation also finds explanation under the concept of social exclusion. 'Exclusion is a metaphor for the social polyphony of post-modern society' preventing individuals and groups 'from negotiating on common recognition and belonging …this… entails a risk' which is 'a threat to society as a whole in terms of loss of collective values and destruction of the social fabric' (Silver in Rodgers et al. 1995: 64). Social exclusion further reinstates the notion of denied access to some groups of the population, 'to the principal social and occupational milieux and to the welfare institutions' (Room 1995: 243). This results in multidimensional disadvantages that make these groups vulnerable, owing to 'inadequate social participation… lack of power' (ibid.).

One agrees that understanding poverty needs to incorporate 'dimensions of deprivation, social (and spatial) isolation, marginalisation and exclusion as well' (Saith n.d.). 'Poverty …is part of… social exclusion' (Berghman in Room 1995: 20). Social exclusion does not just refer to 'poverty or inequality or unemployment or citizenship but also to social status, identity and isolation' (Silver in Rodgers et al. 1995: 65-6), an outcome of which leads to deprivation of different forms, thereby exacerbating the situation of poverty.

Inextricably linked with the conceptualisation of poverty is the operational definition of who constitutes the poor? It is important to know who is experiencing poverty.[19] The poor are not a homogeneous group and their heterogeneity complicates the task of identifying the most-in-need or deserving poor[20] for specified welfare programmes.[21] The changing composition of the poor is a reminder that poverty is both created and recreated by social structures and social policies within which it is situated. Desai (in Golding 1986) is of the view that measuring poverty is an exercise in demarcation. The notion of poverty threshold needs to demarcate who is poor and who is not. 'Society as a whole finds it difficult to identify the poorest families' (Williams in Golding 1986*:* 22). The need for defining who constitutes the poor is necessary for operational strength. Any ambiguity and indecisiveness regarding who is poor and who among the poor are most in need can lead to difficulties in implementing successful credit programmes. The definition can however vary depending upon the given socio-economic context of a particular area or region.[22]

Social exclusion, deprivation and poverty have structural connotations and dimensions. Therefore, to target the poor is to target or understand how the poor manage to exist the way they do, tightly intertwined in the bonds of existing socio-economic and power structures. This has further implication on feminisation of poverty. Feminisation of poverty plays a necessary part in the perpetuation and deepening of poverty; at the same time it plays a key role in the perpetuation and reinforcement of discrimination against women. The unequal distribution within the household both in terms of material deprivation and power relations relegates women to a dependency relationship and vulnerable.

The gender dimension of poverty occurs because men and women experience poverty differently and unequally. 'Poverty is experienced more severely by poor women than poor men with the resultant feminisation of poverty due to less access to food, education and health care, unequal inheritance rights, lack of equal opportunities, etc' (Bhat 2002).[23] Women can become poorer along with the rest of the household 'through a deterioration in its collective (household's) entitlements' (Kabeer 1999: 141). Women also become poorer, where 'women's interests diverge from, and may indeed conflict with, those of male members of the household' (ibid.). Further, women's social position by itself is an important factor influencing their relative deprivation. Sen (1990) regards this social positioning of women as perceived contribution wherein perceptions about women's contributions, needs or even abilities are undervalued. Incorrect perceptions 'affect intra-household allocations and bargaining power' (Agarwal 1997a: 11).

'From a gender perspective, broader concepts of poverty are more useful than a focus purely on household income levels because they allow a better grasp of the multi-dimensional aspects of gender disadvantage, such as lack of power to control important decisions that affect one's life' (Razavi in Razavi 2000:9). Organisations under study seem to fail in delineating poverty's gender dimensions. Their focus on poverty alleviation is constitutive of the *well-being* of the household in terms of income raise and assets, which then is argued to have an impact on improved quality of life. Income raise or asset building is attributed as economic empowerment since women's access to credit seemingly led to such changes. Income poverty made at the household level does not capture intra-household disparities which is a pointer to how well individual capabilities are or can be strengthened.

Complementary intellectual frameworks exist which provide insights on how to analyse poverty beyond its poverty income line measurement. The entitlement and capabilities framework of Sen (1981, 1992) argues poverty and deprivation as a result of entitlement failures rather than scarcity per se.[24] For Sen, poverty has to be analysed as the failure of basic capabilities of individuals to function as a person lacking the opportunity to achieve some minimally acceptable levels of functionings that relates to *well-being*. The failure occurs due to lack of command over resources. As a critique to Sen, Gasper and Staveren (2003: 142) argue that Sen's capability model centrally voices the choice of opportunities to individuals yet 'contains only partial and somewhat implicit views about which opportunities people should have'.[25]

Caroline Moser's (1998) asset vulnerability framework introduced to reassess urban poverty links vulnerability to asset ownership. The more assets people have, where assets include labour, human capital, housing and infrastructure, household relations and social capital, 'the less vulnerable they are, and the greater the erosion of people's assets, the greater their insecurity' (Moser 1998:3). Moser does not view all vulnerable people as poor. Vulnerability includes two dimensions: sensitivity (response to an external event) and resilience (recovery from stress/shocks). What distinguishes the vulnerable poor is their means of resistance and entitlements that they mobilise in the face of hardships.

Bebbington (1999) provides another asset-based framework under '*Capitals and Capabilities*' – to address issues in rural poverty. Under this framework, analyses is drawn on the basis of a) people's access to five types of capital asset (produced, human, natural, social and cultural); b) the ways in which they combine and transform these assets to make a living (instrumental action) c) the ways in which they are able to expand their assets and d) the ways in which they are able to deploy and enhance their capabilities to make living meaningful (hermeneutic action). This has an impact in challenging the dominant structures governing the ways in which resources are controlled and distributed (emancipatory action). Ellis (2000) presents his livelihood framework as distinguished from ideas of capability and entitlement. Regarded as 'asset – mediating processes – activities' framework by Ellis himself, this is a tool for micro policy analysis of rural livelihoods. It begins by noting the asset status of rural households. It is meant to focus on the asset status, mediated by social factors and exogenous trends or shocks i.e. number of contextual social, economic and policy considerations. This results in the adoption and adaptation over time by the rural poor of different livelihood strategies.

Alternative frameworks with similar concerns use similar words in different ways. Deprivation and asset ownership or entitlement appears as key indicators. Kabeer's framework (1999: 137) further adds to an analysis by looking at poverty 'from an ends perspective – the actual levels of deprivation – or a means perspective – the adequacy of resources to avoid deprivation.' Ends relates to basic needs and to the extent these basic needs are met; means relate to entitlements – to the extent which basic needs could have been met.

In its limited analysis of poverty, the study is not about income poverty or any other quantitative assessment. Its interest in poverty lies primarily in understanding credit's link to empowerment. In this regard, it defines poverty as a lack of choice and opportunities, which denies the poor to lead an improved quality of life.[26] 'Poverty of choices and opportunities can be more relevant than income…for they focus on the deep-seated structural causes of poverty and lead directly to strategies of empowerment' (Fukuda-Parr 1999: 100). The denial of choices is the result of lack of access to resources, which enables one to make choices.

Credit is a resource that creates opportunities, for instance diversifying livelihood opportunities or expanding limited asset and also mobilising them into groups to further develop capabilities of both the household and individual to enhance the well-being of both. The concern is whether the well-being of the household in terms of out-of-poverty situation with improved quality of life is a sound indication of the well-being of individuals i.e. women within the household. In looking at the well-being of women, how their agency is enabled to negotiate and bargain within the household brings in the key issue – that of empowerment.

3.4 Empowerment as a Process

Like poverty, the concept of empowerment is faced with a range of competing definitions, drawing attention to the innate complexities empowerment involve. Before stating what one perceives as women being empowered, it is worth noting how women's empowerment has been subjected to varied interpretations.

Women's empowerment cannot be relegated to a status of a static condition. 'There is no empowerment box which can be ticked as complete … it enhances capabilities and wider scope for choice and action …' and to do so '… it requires and implies changes in power relations and behaviour' (Chambers 1997: 220). Implicit in the term empowerment is the notion of power; and gender relations as socially constructed ascriptive roles for men and women endure 'incongruous equation of power' (Kabeer 1999: xv). This incongruity has been well recognised as is evident by the development debate which has shifted with what are considered progressive decades; its attention addressing women as a category segregated from men, to mainstreaming the term gender. The emphasis that situation of women cannot be dealt in isolation to that of men but in relation to the power relations between women and men is now well laid.

An array of complementary literature that has surfaced equates gender relations to power relations. 'Power relations have three basic dimensions: oppressive/coercive, challenging/critical and creative' (Wieringa 1994: 832-833). The process of empowerment of women relates to all three dimensions: 'exposing the oppressive power of the existing gender relations, critically challenging them, and creatively trying to shape different social relations'. Rather than reversing existing power hierarchies, 'to empower women' means 'empowering women and or women's groups to make their own choices, to speak out on their own behalf and to control their own lives' (ibid.).

Hurrying to empower women however is flawed by the institutionalised traditions imbued with male bias (Elson (ed) 1995) in different context, legitimising gender roles such that it perpetuates in varying degrees 'inequality and subordination within societies' (Moser 1993: 3). Legitimised gender roles manifest themselves in unequal gender relation which then 'include a skewed sexual division of labour, unequal access of women to basic resources, a limited political representation of women, a certain amount of tolerance for male violence against women and other elements which constitute women's subordination position in society' (Wieringa op.cit.: 829). In other words, it creates *habitus* of gender[27] wherein agents – meaning women – stand disadvantaged by the symbolic order which reproduces structures of domination (Risseeuw 1988).

Empowerment could then be defined as a 'process that enhances the ability of disadvantaged (powerless) individuals or groups to challenge and change, in their favour, existing power relationships that place them in subordinate economic, social and political positions' (Agarwal 1994: 39).[28] 'The goals of women's empowerment are to challenge patriarchal ideology (male domination and women's subordination); to transform the structures and institutions that reinforce and perpetuate gender discrimination and social inequality … and to enable poor women to gain access to, and control, both material and informational resources. The process of empowerment must thus address all relevant structures and sources of power' (Batliwala 1994: 130). Elson (op.cit.) suggests, strategies for empowerment of women must focus beyond economic restructuring to a restructuring of the social relations, in essence gender *habitus*, which constrain women.

It is well-argued that empowerment needs to be understood both as a process and the result of that process. Further, it is manifested as a redistribution of power, whether between nations, classes, castes, races, genders, or individuals. Further still, women's oppression is experienced differently by different groups of women and that gender relations intersect with oppressive relations such as those based on class, caste, race, ethnicity, age and sexual preference.

A review of multiple frameworks point to the different ways of understanding the process of empowerment. Different frameworks seem quite exhaustive, incorporating commendable set of indicators to affirm or negate the empowering process any developmental intervention may initiate. These frameworks, involved in explaining the indices of women's empowerment, do not give an adequate indication of the changing intrahousehold dynamics, where the worst form of retrogression, domination and subordination of different kinds and intensities, might be taking place. This form of retrogression gives little scope to women to renegotiate entitlement to resources, negotiate and bargain over private and public spheres of activities. It is the changing intra household dynamics that bears significance in one's attempt to understand empowerment.

If one takes credit as a development tool geared to empower women and apply the frameworks in vogue, one finds they at best give access, control and use over assets and resources within the household as indicators emblematic of women's empowerment. Importance of such indicators cannot be denied at all; it still restricts the empowerment notion. Indicators such as change in women's gender *habitus*, which invariably reflect upon the intra-household dynamics, which entraps women's agency do not find much space through these frameworks. The point is, women's agency, ability to enact one's capabilities to make ider choices within the household and beyond gets restricted given her *habitus.* [29] *Habitus* is understood as a social order of uncontested, unquestioned, dogmatic perpetuation of women's subjugated roe and position. It is such qualitative indicators, which are difficult to quantify yet are key to understand the process of empowerment.

Habitus is further explained by what 'Bourdieu calls a 'double and obscure' relation between individual *habitus* and the social circumstances or 'field from which it emerges' (McNay 1999: 100). *Habitus* is reflective of a social embodiment, unconsciously ruling the cognitive structures ratifying the very structures of the relation of domination that is imposed on women. Women's acts of cognition are then inevitably acts of recognition of submission. While *habitus* throws light on the subordinated position of women, it creates an established order or paradox of doxa (Borudieu 2001), which is one of domination and subordination, rights and prerogatives, privileges and injustices and which perpetuates masculine domination. 'Masculine domination assumes a natural self-evident status … in the … structure of the social world which is then incorporated and reproduced in the *habitus* of individuals' (McNay op.cit.: 99). Intrahousehold dynamics could be said to be transforming themselves when the dominated, so far the women, have a stronger bargaining position so that they can counteract the force of doxa, or in essence, change the gender *habitus.*

Reviewing the existing frameworks reveals the absence of such key indicators. Gender Roles Framework (1985)[30] for instance primarily focuses on gender division of labour within households emphasising on the gender differences in access to and control over resources. Mosers' framework (1993) emphasises women's triple roles in production, reproduction and community management and the distinction between practical and strategic gender needs.[31] Longwe's (1989) empowerment framework sees women's empowerment as progressing through multiple stages of welfare, access, conscientisation, participation and equality of control. Chen's (1997) view of empowerment relates to changes at three levels: material (increased income, access to resources, improved living conditions, increased earning capacity); perceptional change (enhanced perception of the self ability) and relational change (increase role in decision making, bargaining power and participation in local institutions and so on). Rowlands empowerment (1997) is linked with transforming power relations: power from within individual's own perception changes; power to increase skills, access to resources; power over change in power relations and power with organising to enhance individual abilities and change power relations. The Social Relations Framework (1994) to a large extent focuses on both conflict and cooperation within the household with transformation and empowerment as its key elements.

Amongst these varied frameworks, also exists 'composite indices of gender disparities in human development' such as published by the UNDP i.e. Gender Development Index (GDI) and Gender Empowerment Measure (GEM). These do not measure such gender inequalities (Dijkstra, 2000) as indicators within these indices pertain more to areas of political and economic opportunities and access to power over resources. Newer approaches such as the Standardized Indicator of Gender Equality (SIGE) have been developed which is based exclusively on measures of gender gaps in capabilities, opportunities and empowerment (UNRISD 2005). Neither addresses the gender gaps within the households. They are meant more for country comparisons.[32]

In addition, within the specific context of microcredit, three distinct paradigms are believed to lead to virtuous spiral of empowerment (Mahmud 2003). These are the financial self-sustainability paradigm: linking women's access to credit as economically empowering and also leading to increased income, hence poverty reduction and well-being. The poverty alleviation paradigm: credit targeted at women is seen as fulfilling women's practical needs for income and employment thereby addressing gender inequality and poverty; and feminist paradigm: regards women's empowerment as an end in itself. 'Under all three paradigms woman's individual economic empowerment is believed to lead to wider social, political and legal empowerment' (Mahmud op.cit.: 581).

In one's view, it is only some component of different frameworks that tends to come close to the *habitus* issue. For instance, Chen's perceptional change or Social Relations Framework's emphasis on conflict and cooperation or Rowland's component of power from within is indicative of women trying to change their gender *habitus*. The missing link however is, what within the *habitus* is to be countered. By and large economic empowerment through control and use over assets and resources is the major highlight. It is believed that economic empowerment would automatically lead to a change in *habitus*, which may not be so. Concerns in this study move beyond economic empowerment to crucial intrahousehold dynamics, which attributes a greater meaning to empowerment.

Focussing on women's empowerment within the household, one then begins by negating the household as being an altruistic unit – a neoclassical view that looks at household as a cooperative unit. The altruistic conceptualisation treats the household as a place where there is equitability in terms of allocation and distribution of resources that leads to utility maximisation i.e. satisfaction of wants and preferences, for each member of the household. It is worthwhile to mention Gary Becker's approach to household economics, known as New Household Economics, wherein the household and not individual members are the most relevant unit of utility maximisation. In Becker's model, 'household maximise utility subject to a standard production function, a budget constraint and a time constraint' (Evans 1989: 3). Becker's assumption that the household is ruled by a 'benevolent dictator' further undermines any notion of inequality and conflict within the household (Folbre 1986). The benevolent dictator is an altruistic household head who sets the goals of the household in the interest of the household as a whole. Critiques have pointed out that this fallacy has led many development programmes and interventions to target the male as the head of the household with the contention that it would benefit all.

Microcredit programmes seek to reverse the role of the benevolent dictator by placing an important resource capital in the hands of women. Credits' role as a financial service is noted in Chapter 1 (pp. 6-7). How far such an economic resource is translated into entitlements and voices in negotiating and bargaining decision-making roles is what leads to microcredit's intriguing social disposition.

Various studies recording time and again the many incidences of gender discrimination have already put to question the unitary model of the household. 'Household is a complex social institution in which various forms of hierarchy coalesce to give clear lines of superordination and subordination' (Whitehead in Young et al. 1981: 95-96). There is conflict, cooperation, exchange and bargaining within the household and these have 'a wide range of allocational outcomes' (Katz 1997: 25). Households and families (terms used interchangeably in this text) are thus 'constituted of multiple actors, with varying and often conflicting preferences, and interests and differential abilities to pursue and realise those interests' (Agarwal 1997a: 3). Keeping this in mind, 'it would be useful to conceptualise the household as a complex matrix of relationships' (Agarwal 1994: 54) wherein multiple actors exist or coexist 'through cooperation, conflict and negotiation subject to constraints by gender, age, type of relationship and undisputed tradition' (ibid.). 'Gender relations' within the households … their hierarchical character in any given context is maintained through a process of implicit or explicit contestation between actors with differential access to economic, political and social power' (ibid.: 52).

The level of cooperation, conflict and negotiation depends on the relative bargaining power each member has within the household. Bargaining for women within the household is however 'often hidden, involving emotional manipulation and unspoken power games that may not be readily detectable or fundamentally threatening' (Locke and Okali 1999: 275). 'Everyday female agency is very much about patience and tactical bargaining in order to get around male power' (Hammami 2006). As Locke & Okali (1999) opine, women may employ various strategies of bargaining in the context of unequal gender relations. 'The extent to which women risk open conflict depends on the circumstances in which they would find themselves if they lost favour or if the household unit broke down' (ibid.: 275).[33] Hence Amartya Sen and many others have argued more categorically on 'factors' that strengthens one's 'fall-back position',[34] which in turn influences his/her bargaining power or position within the household. A wide range of factors could define a person's bargaining power such as ownership of assets and outside support systems like the group formed by women to access credit or the credit organisations themselves.

Nussbaum's (2000) capabilities approach appears closely linked to bargaining theory; she refers to capabilities as creating 'breakdown position'. Such a position is akin to Sen's fall back position of each member of 'a cooperative bargaining unit' i.e. household is an important determinant of his or her bargaining power. In essence, developing capabilities which strengthens ones fall back position enables one to have better or greater bargaining power. 'The capabilities approach together with bargaining approach helps us to make sense of human dignity' (Nussbaum 2000: 284-289).[35]

'Microcredit in the hands of women' provides useful insights understanding the capability-bargaining approach. For instance, predicament of poor women influenced by restrictive social norms is well understood. In such a situation, increasing their economic option through access to employment and credit, land rights, etc. invariably 'supports women's capability' (Nussbaum op.cit.) hence their bargaining position. Credit through women becomes a perceived contribution of women – and their capability – in well-being of the household.

'It is the juxtaposition of women's lack of economic power' (includes lack of rights to family assets) 'with the unequal allocation of household resources that lends the bargaining approach much of its persuasive appeal' (Folbre 1986: 251). However, mere access to control over resources i.e. credit, does not necessarily translate itself into improving gender relations of power and hierarchy. Several recent studies show a positive relationship between women's access to independent earnings through employment and income generating activities facilitated by credit access and their participation in household decision-making processes; their self-esteem and the treatment they receive. There are also some studies which are inconclusive and which suggest that when women earn, this may not necessarily translate into more control over the earnings or greater participation in household decision-making.[36]

Access to credit and its link to the bargaining status of women can not be overplayed. Understanding women's bargaining position has much to do with understanding what is negotiable and non-negotiable within the household. Women could negotiate to some extent on household expenditures but not on gender entitlements. 'Division of labour within the household appears non-negotiable, women are by and large given the responsibility for the care and maintenance of human resources… what (further) remains non-negotiable is men's control over household, land, capital and other valuable assets' (Pant 2000: 94). In terms of analysing decision-making and bargaining power of women, this contestation between negotiable and non-negotiable is often ignored. What is further ignored is the deliberate distinction of private and public or overtly social activities, which confine women to within the household (Elson & Pearson 1984).

Though the bargaining approach gives more weightage to economic assets as strengthening one's bargaining position, it is useful in understanding the changing status of women. But other factors such as women's own perception, embedded in what one referred to as *habitus* earlier, of her well-being and valuation of her contribution within the family are equally significant in determining one's bargaining position. Women are caught in so as to say a symbolic moral order that subjugates and binds them to gender ascriptive roles that seem to define for them what is private and what is public, also what is negotiable and what is non-negotiable. This symbolic moral order or *habitus* has an impact on the bargaining power exercised by women within the household and outside.

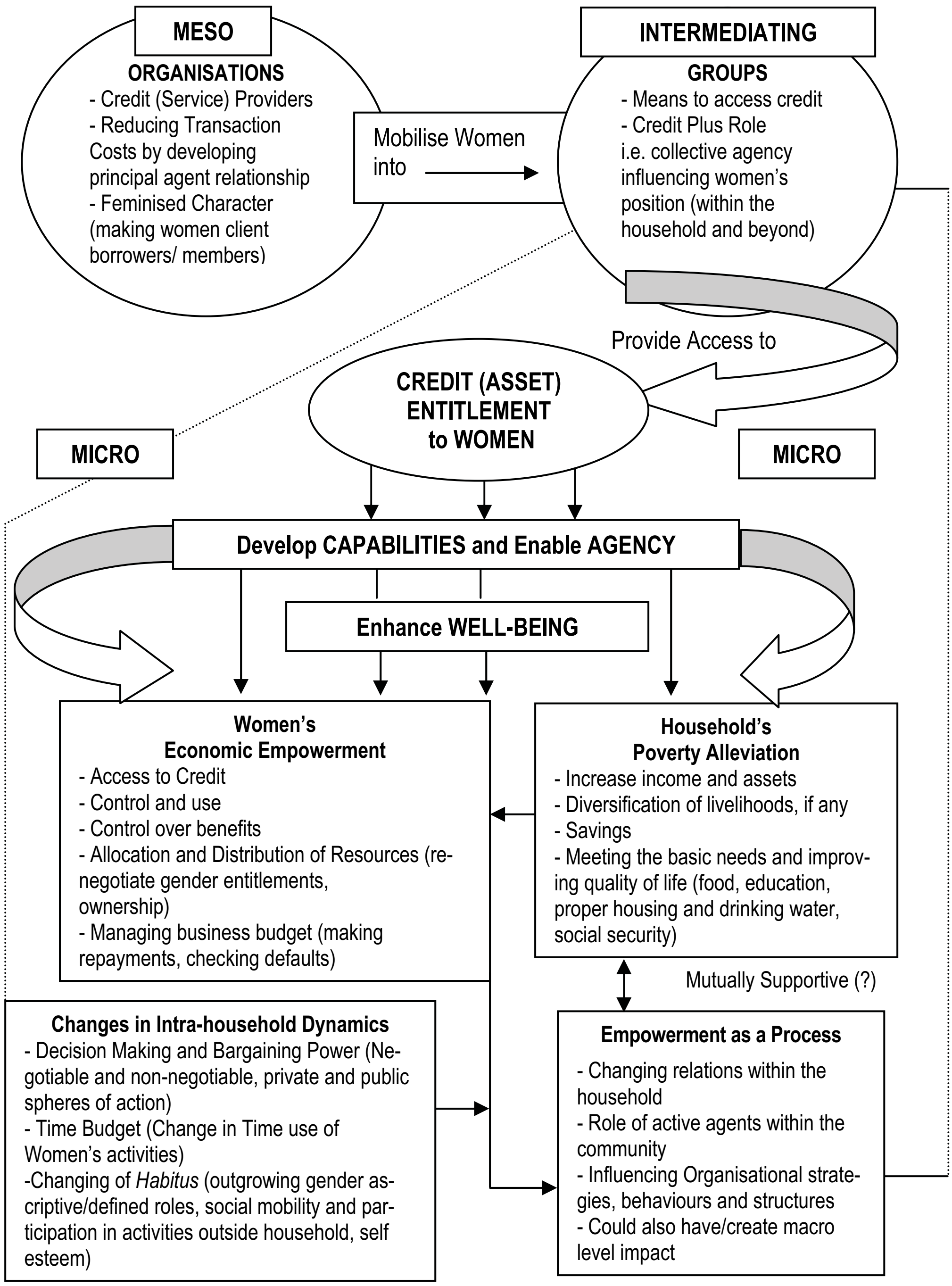
In this study, women's empowerment is viewed as a process and outcome of that process, wherein individual's – women's agency is enabled, which subsequently influences and change their bargaining and decision-making powers within the household. This also has a bearing on how women's own perception about themselves change, thereby transforming or modifying the *habitus* within which gender ascriptive roles are perpetuated. Empowerment is then fundamentally about agency, wherein 'one discovers one's capacity to effect change and acting on one's convictions. Empowerment occurs in an environment where women can exercise their agency through opportunities to take action; as women recognise their ability to make principled choices and bring about positive change, their perception of their own capacities is enhanced and they become empowered' (Parmar 2003: 473-4).[37] In enhancing their agency, whether the link to credit has significance[38] is what the study explored.

3.5 Exploring the Gendered Links: Credit (Asset) Entitlement—Capability—Agency—Well-being

This section is a framework of analysis, drawn on inferences from existing complementary intellectual frameworks and one's own understanding stated above. The framework (see Figure 3) aims to bring out the process of interaction between credit organisations and women as borrowers and the patterns of outcomes it may entail, facilitating the process of empowerment. The Credit (Asset) Entitlement–Capability–Agency–Well-being framework should not be treated as a tool of measuring impacts, but guides one to delineate the link between credit–poverty–empowerment, if any.

As mentioned earlier, the link between poverty alleviation and women's empowerment is hard to draw. For instance, one logic could be that if poverty is a lack of choice, through credit a household is able to create a choice for itself and its members. This in a way is linked to being empowered because empowerment means enhancing capabilities to improve upon one's well-being. This well-being could be interpreted not merely as graduating from material deprivation including enhanced income but also improving one's quality of life. The ability to make choices in life links poverty and empowerment.[39] Being out of poverty creates choices and being empowered enables to make those choices. Credit enhances the process. But the previous sections also observed that increased asset or income and control over it need not necessarily translate itself into empowering women, given the way women's agency is intertwined with other factors. Hence poverty alleviation and women's empowerment may or may not be mutually supportive.

Figure 3
Credit (Asset) Entitlement-Capability-Agency-Well-being Framework



As mentioned, poverty by itself can be a more in-depth and separate study; here one has looked at poverty alleviation at the household level in terms of certain parameters, which are also the ones emphasised by the organisations studied.[40] Organisations tend to view an increase in income and asset, savings, diversification of livelihoods as a result of credit to women as alleviating conditions of households. Such a situation is further viewed as economically empowering them. Economic empowerment is thus interpreted more or less as women not only having access to credit but also control over its use. What is of equal significance, and also added by this framework, is to know whether following access and control over credit and say changing household conditions, women now negotiate gender entitlements and ownership.

As noted, economic empowerment by itself cannot be constitutive of empowerment – viewed as a process and an outcome of that process changing gendered *habitus*. By adding the intrahousehold dynamics therefore, mostly ignored, the framework of 'Credit (Asset) Entitlement–Capability–Agency–Well-being' has been able to incorporate other key factors such as decision-making & bargaining over negotiable and non-negotiable roles, time use of women's activities, social mobility and participation in activities outside household. As the framework shows, it is a combination of factors that leads to empowerment as a process to bear significance. The framework enables one to question or explore whether the process of poverty alleviation as espoused by organisations has anything to do with empowerment or empowerment is just an added addendum to glorify credit in some sense.

Conclusion

Frameworks are useful tools in the face of complex and dynamic social realities if they can help draw attention to the key issues, which must be explored in order to achieve certain analytical objectives (Kabeer 2000: 12). The framework of 'Credit (Asset) Entitlement–Capability–Agency–Well-being used in this study is an effort to examine underlying assumptions about microcredit in development discourse. It may have its limitations having chosen its own standards of assessment; it nevertheless gives scope to explain the course of microcredit both in terms of its process and its patterns of outcomes (refer to Figure 1 in Chapter 1).

Reasons for the popularity of microcredit may have been wide and varied, from populist rhetoric to documented success; it has become a way for both state and non-state actors. Beyond providing women with an escape from traditional social isolation, microcredit through women's solidarity groups are said to foster both general well-being of the family, hence a panacea for poverty, and women's agency thereby facilitating a process of empowerment.

This study's overriding interest has been to explore how the organisational interventions through microcredit programmes with their propensity to espouse change effectively challenge structural and institutionalised gender oppression. The next section deals with the four organisations covered and their views and perspectives as to how they bring about 'socio-economic' change, with women at the centre of their existential vortex.

Notes

[1] Brittan (pp. 113-114) adds, 'masculinity, therefore, does not exist in isolation from femininity – it will always be an expression of the current image that men may have of themselves in relation to women. And these images are often contradictory and ambivalent…'

[2] Elson clarifies, emphasising differences in power between women and men is not to say that (all) women are (always) powerless victims or that no women are in positions of power over men, but it is relatively speaking, women are less powerful than men of similar social and economic position.

[3] 'Since gender does not exist outside history and culture, this means that both 'masculinity' and 'femininity' are continuously subject to a process of reinterpretation' (Brittan op.cit.: 113).

[4] Many contemporary feminists claim the need for a feminist epistemology to replace the masculinist one that has dominated so long. Oppression of women is 'rooted in male-dominated language and a male definition of reality' (Hekman 1990: 33). The theme of feminine writing and its effect is developed most extensively in the work of Helene Cixous. She writes, 'Man/woman automatically means great/small, superior/inferior … means high or low, means Nature/History, means transformation/inertia. In fact, every theory of culture...of society, the whole conglomeration of symbolic systems – everything that is, that's spoken…that's organised as a discourse, art, religion, the family, language, everything that seizes us, everything that acts upon us – it is all ordered around hierarchical oppositions that come back to the man/woman opposition' (Cixous, quoted in Hekman 1990: 43). Catharine Mackinnon further refers to *male epistemological stance*, defining it as men's power to create the world from their point of view, which then becomes the truth to be described. For Mackinnon, although the objectivity and science represent supposedly neutral positions, they are in fact gendered and partial. Feminism not only challenges the partiality, it also 'critiques the purported generality, disinterestedness and universality of male accounts' (Mackinnon 1982: 23-4).

[5] Patriarchy consists of those institutions (including those policies, practices, positions, offices, roles and expectations) and behaviours which give privilege (higher status, value, prestige) and power (power over power) to males or what historically is male-gender identified, as well as a sexist conceptual framework needed to sustain and legitimise it (Warren 1994).

[6] Karen J. Warren (1994) explored some major conceptual connections between the domination of women and the domination of nature by humans, which she referred to as 'an oppressive conceptual framework', justifying *a logic of domination*, which legitimises unequal distribution of power. This framework seem inextricably interconnected to the perspectives of ecofeminists, also known as ecological feminism/ecofeminism. Ecofeminism – an umbrella term captures a variety of multicultural perspectives on 'the nature of the connections within social systems of domination between those humans in subdominant or subordinate positions, particularly women, and the domination of nonhuman nature' (Warren 1994: 1).

[7] Risseeuw's book of the same title draws, among other things, upon existing theories on power and attempts to develop a perspective on their implications on 'gender transformation' through resistance and strategic use of social relations. Risseeuw did her study in Srilanka.

[8] Forward Looking Strategies were adopted in United Nations World Conference on Women in Nairobi in 1985.

[9] See also endnote 7, chapter 2 for a distinction between 'practical and strategic gender'.

[10] Alex Callinicos (1987: Chapters 1 & 2) has provided a conventional elaborate narrative of ' the role of structure' and (limits to) individual/collective action in 'making history' (see also section 2.3, under New Institutional Arrangements, for 'institutions and organisations', pp. 41-42).

[11] In Giddens (1984: 21) model, social structures are made up of rules – 'generalised procedures applies in the enactment/reproduction of social life' – and resources – objects, both human and nonhuman that can be used/employed to enhance or maintain power.

[12] Hodgson's presentation of classification includes the following: first, those who claim individuals are the ultimate explanatory or ontological elements (known as methodological individualism). Second, reverse the conflation: structures are regarded as the ultimate explanatory units (or what is known as methodological collectivism). Third, follows Giddens' concept of 'structuration' that encompasses both structure and agents wherein both are simply two sides of the same coin. Fourth, share structuration theory's idea that agent and structure are mutually constitutive of each other but dissociates, unlike structuration theory, agent from structure by insisting on their differences. Fifth, is both non-conflationary and causally interactive, explaining structure-agency with an over-arching evolu-

tionary framework. For a detailed discussion on these classifications, refer Hodgson (2004: Chapter 2, 'Agency and Structure')

[13] Giddens also underplays the social *gender* differentiations that influence relations of power. Hence women's individual and collective agency is ignored through his structuration theory. Bourdieu's *habitus* is reflective of what could entrap women's agency to play an active role. '*Habitus*… is a relatively constant universe of situations tending to reinforce its dispositions…' (Bourdieu 1990: 61). Change in gender *habitus* – one of masculine domination – is what women's agency individually or collectively strives towards.

[14] Women's agency is discussed under section 3.4 as part of women's empowerment.

[15] Actors as role incumbents cannot be understood without reference to agency (Archer 2000). In Archers' view, unlike agency, which is universal to members of society, not everyone can succeed in becoming an actor – 'that is finding a role (s) in which they feel they can invest themselves, such that the accompanying social identity is expressive of who they are as persons in society' (ibid.: 261).

[16] How different organisations define poverty is discussed in Part Two dealing with each of the organisations.

[17] The HDR 1997 introduced a composite measure, Human Poverty Index (HPI), a multi-dimensional, non income based measure of human poverty. HPI selected four key dimensions – survival (life span), knowledge (literacy), decent standard of living (access to health services, safe water and so on) and social participation.

[18] Chambers (1983) enumerates eight criteria for deprivation, of which poverty (lack of physical necessities, assets and income) is only one. The others include social inferiority, physical weakness, disability and sickness, vulnerability, seasonality, powerlessness and humiliation.

[19] It is also important to examine whether those belonging to particular social groups/social circumstances are more/less likely to suffer from it.

[20] Sebstad and Cohen separate those living above and below the poverty line – poor and non-poor. The category of poor are further divided into destitute (bottom 10% below the poverty line), *extreme poor* (those in the bottom 10 to 50 percentile of households below the poverty line), and *moderate poor* (the top 50% of households living below the poverty line). A further category of *vulnerable non-poor* is also recognised (cited in Simanowitz 2002). The Government identifies those (rural) households as below poverty line (BPL) in India whose annual household income is below Rs.11,000 (approx.250US$). This cut-off point has been raised from an earlier Rs.6400. Rural and urban cut-off figures are likely to differ.

[21] For the poor/poorest families, it is not only a question of being targeted by welfare programmes but also of the role these programmes eventually play in their lives.

[22] In rural India for instance, the poor comprise of the marginal and small farmers (owning 1-2 hectares) and /or the landless. These are also the ones likely to fall under the Government BPL criteria (see endnote 20 above). Organisations under study have their own 'who is poor' criteria which includes for instance household assets other than the land/Government BPL. Problem of exclusion may be inherent in the definitions of 'the poor'.

[23] Bhat adds, 'the domination of market forces under globalisation and privatisation has aggravated the marginalisation of women and poor. The inability of the poor to respond to market mechanism, their lack of bargaining skills and strengths, competitive processes make them doubly exploited.'

[24] In his entitlement approach, Sen distinguishes between ownership endowments (what you have) and exchange entitlements (what your entitlements are/what you can get).

[25] Gasper and Staveren (2005: 143) add, according to Sen 'all the capabilities that human beings could acquire are to be understood as freedoms. This inevitably makes the notion of freedom broad, vague, and potentially confusing.'

[26] This understanding of poverty – as lack of choices, which affects a household's quality of life – by organisations under study is no different. They however seem to consider household's well-being (in terms of its improved quality of life) as constitutive of women's well being. By quality of life, is meant environmentally safe living conditions with emphasis on education, health, social security and reduction in gender and income inequalities (see also endnote 20, Chapter 1).

[27] '*Habitus*' is one of the most important concepts developed by Bourdieu. *Habitus* is reflective of symbolic order, which is arbitrary – perpetuating male domination – and needs to be transformed.

[28] Agarwal's contention is also that such a change is possible not only through women's proactivated agency but also needs to be facilitated by mechanisms where members beyond the family extending to other agencies are gender progressive. 'Empowering' women is thus influenced by exogenous factors as well.

[29] Different women, given their caste and class positions, are likely to respond differently to the gender *habitus* thereby perceiving empowerment differently. Again, while *habitus* is likely to influence women's agency; enhanced women's agency is likely to bring in a change in gender *habitus*.

[30] A detailed and comprehensive analysis of multiple frameworks as existing in literature could be viewed at http://www.genie.ids.ac.uk/gem/index_implementation/pf_coretext.htm (downloaded on 11/12/02). Similar frameworks have

been outlined in C. March, I. Smyth & M. Mukhopadhyay (1999) *A Guide to gender Analysis Frameworks*. Oxford: Oxfam.

[31] Maxine Molyneux (1985), Kate Young (1988), Caroline Moser (1993) interspersed use of terminology – women's practical and strategic gender interests/needs – stem from women's engendered position in society. Practical needs refer to immediate necessities such as health care, employment and so on. Strategic needs involve women's (demand for) control over their own lives.

[32] It is argued that indictors used under these indices may be difficult to use in different socio-economic conditions.

[33] 'Generally women's position in the face of the disintegration of the household is worse than men's and this disadvantage means that these 'cooperative-conflicts' tend to perpetuate existing gender inequalities' (cited in Locke & Okali (1999: 275).

[34] Fall back position implies a position wherein a person has (other outside) options to (substitute or) exercise that could influence outcomes in his/her favour. For instance women's access to credit could influence her economic position which in turn could impact upon how a business budget (income related expenditure) of the household is prepared with the women having a major say in it.

[35] Nussbaum presents a list of ten central human capabilities which ought to be taken as bare minimum (values) for human development. While the list is treated not exhaustive and depends on the socio-economic context, Nussbaum emphasises that developing such capabilities is imperative, mark of respecting human dignity and requires 'favourable (external) conditions.' For a detailed understanding and explanation of Nussbaum's central human capabilities refer to her book, *Women and Human Development* (2000: 70-86).

[36] With regards to access to credit and its empowering attributes many (counter) situations can actually be assumed. First, a woman gets credit and may be able to use and channel its benefits as per her decisions in consultation with other members. There could be a situation when she gets the credit but comes and hands it over to the male 'head' and the routinized gender roles are played. Third and not so encouraging scenario could be one in which the woman may not be willing to become a member of any group to access credit but is forced to be a part of it, hence becomes a conduit for money.

[37] Women's agency then refers to both: realisation of their ability to create and make choices for their own self (and their families) and their ability to influence, challenge and change through conflict and cooperation, bargaining and negotiation, socially constructed gender relations which constraint women economically, socially and politically. One finds at different levels – village/community, group, household-agency can operate with different intensities, either individually or collectively.

[38] Wherein the woman is also a part of a group – a collective agency, which may or may not improve women's fall back position with a bearing on her bargaining power.

[39] Kabeer sees a logical association between poverty and disempowerment. 'One way of thinking about power is in terms of the ability to make choices: to be disempowered, therefore, implies to be denied choice' (Kabeer 1999: 436-7). Empowerment thus refers to the 'processes by which those who have been denied the ability to make choices acquire such an ability … In other words, empowerment entails a process of change' (ibid.).

[40] One however does looks at how their definitions could be restrictive and that the line of poverty and poor is not distinctly drawn.

Part II

WOMEN-CENTRED (ORGANISATIONAL) INITERVENTIONS

SEWA Bank, SHARE Microfin Limited, Sakhi Samiti, ROSCAs

Part II presents four organisations covered under this study viz. SEWA Bank, SHARE Microfin Limited, Sakhi Samiti and ROSCAs, each with their distinctive elements persuasive of a *women-centred approach.* Integrating the group mechanism in their microcredit initiatives, these organisations provide financial and non-financial access for the rural poor women, hitherto excluded by and large from the conventional formal financial system. Located in different parts of India, they seem to cover *critical gaps* in a manner sensitive to the needs of rural poor women belonging to diverse castes and religious affinities, consistent with the principle of equity including gender equity. Beginning with equalised access to credit thereby addressing problems of poverty – they embed an implicit linear notion of women's empowerment.

Drawing from the fieldwork, Part II: Chapters 4 to 7 – deals with each of the organisation separately. Each chapter begins by stating the specific significance of the case (refer also section 1.4 Sequencing the Methodology) given the objectives of the study. Thereafter tracing their background and outreach, the Chapters take into account three key aspects of organisational functioning. These are:

a) Issues of *Transaction Costs and Principal-Agent Relationship* that guides organisation to lower their credit risks and default, thereby facilitating the credit process.
b) The *gendered* nature of the organisations situated within a socio-economic, cultural and political context followed by
c) Their *empowering outcomes,* if any, enabling women proactive their *agency* - both collectively and individually - to transform/challenge iniquitous gender relations within and beyond households.

It is a '*triangulation*' that gives definitive ideas and links the upstream organisational disposition to its downstream implications, affecting its members or women borrowers. It also brings to fore what one described in Chapter 1 (Figure 1) as the *credit event-process-outcomes* to understand microcredit's "double bottom-line" i.e. financial intervention and social intermediation. The chapters equally significantly therefore, bring organisational narratives and claims face-to-face with the compelling voices of women. Women members share intended (and unintended) thoughts on the effects of microcredit; even their scepticism to organisational interventions, providing financial and other non-financial services. In bringing women's voices, their views regarding the significance of being group members, intrahousehold (economic) changes and the 'feeling of empowerment' are the key highlights.

Given their nature, the chapters may not have presented each of the organisations in an exact similar style; three key aspects are clearly discernible and remain at the heart of each.

4 SEWA Bank: Cooperative Banking

Introduction

The SEWA (Self Employed Women's Association) Bank is a registered urban cooperative bank that extends into rural banking. This bank's story cannot be narrated in isolation of the SEWA movement, a historic trade union movement marked by the inclusion and collective strength of a class of workers so far excluded i.e. a 'class of women', self-employed and poor.

SEWA represents the interests of women, specifically women workers (Kabeer 1994). Emerging in and around the west Indian city of Ahmedabad, in the state of Gujarat, SEWA – registered in April 1972 as a trade union – achieved a unique feat. It has and continues to be a movement by the women, for the women and of the women. Hence its undeniable significance; it provides 'an example of an organization attempting to empower women' (Bisnath & Elson 2000) by fighting for their economic rights, justice and self-reliance in the informal economy (Vaux & Lund 2003). Besides, in its organising of women, it also 'constructs the space for women to play constructive roles' (Bisnath & Elson op.cit.) at various levels. To compensate for institutional failures, SEWA, meaning assistance in Hindi and Gujarati also built alternative institutions like the SEWA Bank, for its members (Kabeer op.cit.).

In its urban operations, SEWA Bank deals directly with individuals; for its rural banking, it has adopted the Self Help Group (SHG) method, where groups are mobilised by SEWA's District Associations (DAs) which play a pivotal intermediary role between SEWA Bank and its rural clientele. To understand SEWA Bank's rural banking, one needs to examine the links between the larger SEWA movement, the Bank, DAs and rural women. This chapter will cover a SEWA DA, Shri Banaskantha DWCRA Mahila

SEWA Association (BDMSA) and the SHGs in Rangpura village, under BDMSA in particular.

Section 4.1 traces the story of SEWA Bank, with its genesis firmly rooted in the SEWA movement. Section 4.2 brings to the fore SEWA and its Bank's underlying value- and right-based gendered approach which strives towards economic security for its all-women members, with the objective of enhancing their 'functional capability' with expected outcomes of facilitating their income and well-being. Driven by their commitment for economic security and self-reliance, section 4.3 presents SEWA and its Bank's rural banking structure which is meant to extend its services in the rural areas. The role of SEWA's DAs, with particular emphasis on BDMSA is highlighted as it links SEWA to its rural members. Section 4.4 explores the credit operations as they exist in rural banking, wherein SHGs are promoted to lessen the burden of transaction costs for both the Bank and its members as well as provide for savings and credit services, and enable women to become users, owners and mangers of their own community resources. Section 4.5 highlights the non-financial attributes of SEWA Bank wherein deriving from other institutions of SEWA enables the Bank to promote and facilitate its integrated approach to financing. Section 4.6 brings organisational findings, narratives and views face to face with its rural members who recount what being an SHG member of SEWA means. Section 4.7 highlights views of non-members. The chapter concludes by focusing on the overall importance of SEWA Bank, notwithstanding the constant challenges it faces in its rural banking and also from other quarters.

4.1 From Exclusion to Participation: The Story of SEWA Bank

The story of SEWA Bank unravels itself within a period of struggle known as the SEWA movement, which fought against prejudices and practices that perpetuates social inequalities and injustices.

SEWA stirred the conventional ethos of trade unionism. For the first time ever self-employed women workers from the unorganised sector were mobilised and included as members. 'SEWA organises women who work in their homes, in the streets of cities, in the field and villages of rural India … carving their small niches in the economy, day by day … against incredible odds of vulnerability, invisibility and poverty' (Rose 1992: 16). For self-employed women, it is a struggle against labour exploitation; a struggle for labour welfare and labour rights, whatever be the intrasectoral diversification. In essence, it is a struggle for their social security. Despite their gigantic number,[1] these women constitute the unprotected labour and were kept outside the purview of any social security measures, until SEWA stepped in.

SEWA's chronicle includes not only its efforts towards unionising unorganised women facing exclusion, discrimination, injustices and vulnerability, but also of its own struggle for identity in the face of deep-rooted institutional biases. Interestingly, the formation of SEWA had its origin in India's one of the oldest and largest union of textile workers, the Textile Labour Association (TLA),[2] Ahmedabad. Even after its registration in April 1972, SEWA continued to function from within the TLA, but gradually moved away from its parent body. The reasons were ideological as TLA – like any other trade union was accustomed to working with only male workers and did not adequately understand or support the needs of women workers in the unorganised sector.

During its registration too SEWA had faced difficulties. Since self-employed workers have no fixed employee-employer relationship, it led labour department to argue that how a workers' union be formed in the absence of a recognised employer? SEWA stood steadfast against such conventional ideas. For SEWA, a union was not necessarily against an employer but stood for the unity and welfare of its workers.

These incidents are indicative that SEWA, since its inception had to deal with the disarticulation of theoretical suppositions of equality and justice in the societal and development praxis. In this regard, it can be taken to be more responsive, and more equipped in comparison to other organisations covered, towards addressing or redressing many societal ills including challenging both deep-seated gender relations and harsh economic realities.

SEWA's awareness is reflected in its dual strategy of struggle and development to bring women to position of power, in essence empowering women. While the struggle is against many societal and economic constraints imposed on women, developmental strategies organise women into unions and establish alternative economic organisations i.e. cooperatives and provide women with services such as banking, housing and childcare. The goal of this dual strategy is to attain full employment which ensures food, income and social security, as well as self-reliance which means 'women should be autonomous and are themselves the users, managers and owners of programmes and systems, and have control over decision making and all other aspects of their lives. It also means making viable a woman's economic activity and that of her group and organisation' (Chatterjee in Dayal 2001: x).

Understandably, self-employed women are not a homogenous group.[3] Their heterogeneity stems from the various occupations they undertake.

SEWA, while operationalising its activities, classifies and recognises these women according to their occupation.[4] Though each of the trade or occupation represented under SEWA has its own requirements, collectively these women emerge as a class in themselves. They constitute a vulnerable category of workers who 'do not have the protection of labour legislation, of representative organisations or of employee benefits such as unemployment funds, bonuses, family allowances, health care, training programmes, legal aid or credit' (Bhatt in Dignard & Havet 1995: 87). SEWA purposefully uses the term 'self-employed' to define this large sector, as it assigns a positive status to people often disapprovingly described as informal, unorganised, marginal or peripheral.

Though registered as a trade union, SEWA prefers to view itself as a movement emblematic of a confluence of three movements – labour, cooperative and women's movement, each with a distinct agenda.[5] This convergence causes SEWA to be considered as a 'hybrid organisation, part union, part cooperative, part bank and often considered by the development community as a NGO (Prugl & Tinker 1997: 1477).[6] Since its registration, the all-India membership of SEWA has grown to 320,000 with over 200,000 members coming from its parent state, Gujarat.[7]

Limited access to financial services, lack of working capital and non-ownership of assets has been a major problem for poor women, in particular those self-employed, as it reduces the volume of their trade and income. Some common problems arising as a result of this are expressed by SEWA's members. With unstable and inconsistent meagre earnings, limited assets and inexperience with banking, results in their being turned away from banking institutions, leading them to depend on informal moneylenders, contractors and wholesalers who charge exorbitant interest rates. At times, this ushered the beginning of a downward spiral towards debts and impoverishment. It was primarily to break this vicious cycle of poverty that SEWA members recognised the need for a banking service of their own.

In December 1973, members came forward with their idea – '*a bank of our own*', where they would be accepted in their own right and not be made to feel inferior. As Jayashree Vyas, Managing Director, SEWA Bank recounts,[8] 4000 women contributed a share capital of Rs.10 each to establish a Cooperative Bank – their own, the Mahila SEWA Sahakari Bank, popularly known as the SEWA Bank. The feeling was not that they were poor, but that they were so many. The initiative of 4,000 women sowed the seeds of the first microfinance institutions of its kind in India. Today, over 175,000 poor women are depositors. The SEWA Bank's total working capital is currently over Rs.390 million.[9]

SEWA Bank was registered in May 1974 as an urban cooperative bank under the Banking Regulation Act, 1949. It operates under the dual control of RBI and the State Cooperative Registrar. It is the largest and most important cooperative for SEWA members, who own the institution and avail of its services.[10] Though SEWA Bank is registered as a for-profit entity, according to its founders and board members, the primary objective is not just profits but also welfare of its members. The mission is thus to assist poor women workers in the unorganised sector with financial services for their socio-economic empowerment and self-development.

Initially, from 1973 to 1977, SEWA attempted to act as an intermediary; first the SEWA union and then SEWA Bank mobilised credit for their members from nationalised commercial banks. By 1976, SEWA Bank began to gradually withdraw from this arrangement and started advancing loans to its members from its own funds.[11] SEWA has been reticent in linking with commercial banks to promote the accelerator model. It is propelled more by the vision and conviction to boost functional capability (discussed in the following section, Section 4.2) of self-employed poor women. SEWA Bank has nonetheless explored opportunities with commercial entities like ICICI Bank to bring insurance to its members, which is seen as facilitating economic security.

SEWA's urban banking has received much acclaim; in comparison its rural operations are understated and faces various dilemmas which are not easy to resolve, particularly when majority of SEWA's clientele the rural landless workers tend to be land dependent, working as agricultural labourers. Irrespective of the approach adopted to reach rural women and alleviate their status, the ideology guiding the SEWA movement permeates alike at all levels. Before dwelling into SEWA's rural banking, a further insight is provided into SEWA's understanding on issues of gender, poverty and empowerment, which also guides the SEWA Bank and the DAs.

4.2 Dealing with Self-Employed Poor Women: Economic Security (Empowerment) as a 'Functional Capability' under SEWA/Bank

All of SEWA Bank's clients are women.[12] In principle any woman can open an account with the bank, though for loan purposes she must be 18 years or above. Most women, as the Bank staff explains are poor with low income and mainly self-employed. SEWA Bank assumes importance as it provides these women a secure and exploitation-free way to control their income. For SEWA Bank, it has not only created a space but also been able to award loans to women who can rarely offer collateral at crucial points in their lives when they desperately needed them.[13] Both the SEWA Union and Bank view these self-employed women not as mere recipients of services, but women workers who need to be involved as participants, policy makers and implementers of programmes.

Unlike other organisations, SEWA bank's reference to targeting the poor is not based on set parameters of who constitutes the poor. The bank also does not see any problem in not explicitly defining these parameters as it believe that it has been able to bring under its fold a differentiated class.[14] Inclusion then is of a class of workers – women, self-employed and poor – who face exclusion in terms of being denied the rights or any form of social security. Their existence is indeed paradoxical. Their undeniable contribution to the prosperity of the nation stands juxtaposed to their own state of volatility.

Elaben Bhatt, the founder of SEWA says,[15] '*Poverty is not God given. It is created by us. The poor do not create poverty.*' They are poor because existing institutions and policies create an environment that pushes them to the periphery. Like any worker, the self-employed depend on their labour for survival but unlike many; they are poor because they cannot retain the true economic value of their labour. In SEWA's view, poverty is characterised by vulnerability, powerlessness, dependency and a lack of income that precludes the poor from making choices and seeking opportunities. This effectively reduces one's quality of life.

Vulnerability or powerlessness does not exist in a vacuum but is part of institutions creating multiple constraints that forbid the poor, especially women. Elaben states,

> for poor women, crisis is always there… A woman's development is not at the forefront of anyone's thinking. Her education is neglected. She is married too early. Employment is always on piecework, and unemployment is always a risk. Old age is another risk. She becomes weaker. Widowhood is an even greater risk. She becomes dependent and if she has no savings she becomes vulnerable. (Extracts from a Speech to SEWA Annual General Meeting, cited in Vaux & Lund 2003: 266)

Activism was a conscious choice for SEWA, who concerted its efforts on capacity building, asset building and empowerment as its defiant way of addressing limiting structures that confine and constrict women. Through its activism 'SEWA attempts to bridge the class as well as gender interests of its membership' (Kabeer 1994: 254). 'It addresses the problems its members face within the family as well as in the marketplace, as women as well as workers' (ibid.: 242).

SEWA's understanding of gender inequalities is implicit in its addressing issues such as women's lack of access to productive resources and their difficulties in controlling and benefiting from these resources due to discrimination in property ownership. Asset creation with women ownership has thus been the priority of SEWA Bank. This includes transfer of agricultural land when mortgaged land is freed, houses in women's names when housing loans are taken and acquiring implements, tools, shops, handicrafts or livestock in their name. In addition, the Bank promotes women's own capital, bank accounts, shares and savings certificates. In SEWA one finds a well-informed and articulated nexus between gender, power and poverty which addresses the problems of working women by 'comprehending the lives of its members in their totality' including 'women's reproductive responsibilities long overlooked by (male dominated) trade unions' (Kabeer 1994).

Understanding its members' lives, situations, their demands and constraints is crucial to SEWA and its Bank's efforts to develop its products and services. 'SEWA Bank aims to cover all the needs that a woman faces during her life time' (Duval 2004). For this, it draws a life cycle event of its members. 'Life cycle event is any event affecting the family and incurring an important expense that can be foreseen or that has high probability to occur at a certain stage of household development' (ibid.). This helps members to prepare for key expenses such as marriage of their daughters and it helps the bank to offer an appropriate savings product. This approach is meant to enhance the saving and investment capacity of women to augment their future assets and income, and also absorb shocks like unforeseen or emergency situations.

Reema Nanavatty, a key person in SEWA emphasises,[16]

> Our approach is constructive. We have not adopted a confrontationist way … Men have accepted the leadership of women given SEWA's 'apolitical' functioning… SEWA has facilitated development of the house, of the village… Men now feel and see the difference, how women have been able to access information and other resources which were inexistent earlier and which has led to economic security, for instance.

For SEWA, if women are economically secured, they are less vulnerable and it is then easier to deal with social predicaments. While economic security is emphasised as the step towards empowering women, it appears also to be constitutive of several things. SEWA's ten points in this regard serve as distinct parameters to measure success of its member's security. These ten points are reflective of SEWA and its sister organisations' understanding in gender issues, poverty and empowerment:[17]

1. Health for women
2. Nutritious food for women
3. Childcare facilities
4. Affordable Housing
5. Income generation for women workforce
6. Increase in self income
7. Developing leadership qualities among women
8. Women ownership in property/asset
9. Strong organisation
10. Complete self-reliance.

A closer examination of the ten points indicates developing or enabling capabilities, which in SEWA's view allows women to facilitate entrepreneurship. It enhances their agency and capabilities, allowing them to play a more productive role in economy and society which not only benefits them, but also their families and overall, contributes to women's empowerment. These ten points may or may not appear akin to Nussbaum's *ten central human functional capabilities*,[18] but they do drive a common point home, which is the idea of 'human being as a dignified, free being' shaping one's own life 'in cooperation and reciprocity with others rather than being passively shaped or pushed around…' (Nussbaum 2000: 72). Developing or enabling these capabilities that Nussbaum suggests not only entails 'promoting appropriate development of' women's 'internal powers but also preparing the environment…favourable for the exercise' of such functional capabilities (Nussbaum op.cit: 85).

In SEWA's case, it creates a platform for organising women workers which is key to their success. '*Collective strength is the bargaining power of our women*' (interview, Reemaben); '*SEWA is collective strength*' (interview, Jayashreeben). This organised and collective strength is a continuing process. The importance of SEWA lays in its recognition of the effectiveness of organised and collective action. It is this realisation, which has resulted in the creation of an environment and led women to take initiatives like forming cooperatives. Formation of SEWA Bank is one such product of collective action.

Renana Jhabvala, present Chairperson of SEWA Bank[19] talking of collective strength adds,

> SEWA has created amongst its members, a sense of identity and solidarity. What is important for the women is that they are no longer alone … they have a place … there is an organisation of which they are a part …

About the role of the bank in particular, Renanaben says,

> to say women are organised for credit only would be misleading in SEWA.[20] SEWA Bank came out of SEWA. It responded to SEWA members' needs: better income, better employment, to be less poor. And it is around these issues of income, employment and security – healthcare, childcare, housing, infrastructure, etc. that one can talk of empowerment because if you talk of empowerment it cannot be in the vacuum. It has to be around certain issues.

Besides providing an organised opportunity to a differentiated class of workers to take up risks and challenges, SEWA also builds their inner confidence and latent strength. 'Self-confidence is an indicator of empowerment' (interview, Jayashreeben). Below are a few pertinent points Jayashreeben narrates, which SEWA women apparently mentioned when asked to define empowerment:

- Being able to come out of their homes
- Veils not to be worn as an adornment
- Being able to read bus numbers
- Being able to talk to government officers
- Having a balance in the passbook (bank)
- Having own assets
- Access to knowledge/information

For SEWA, women's self-confidence is visible as they make the above points; and such self-confidence emanates from improved income, employment and resultant security. Issues of gender, poverty and empowerment are hence closely intertwined in SEWA's understanding as they organise and deal with self-employed women who are often poor, illiterate and devoid of access to resources.

To Elaben:

> Empowering process comes only when you as the user, owner, manager manage finance, groups and household resources.' She concludes, 'empowerment is not a noun; it is a verb because it is a continuing *kriya* (an ongoing process). It is not something given or taken back. Sometimes it is there, sometimes not. But economic security translates into women being a form of *shakti* (power) which individually and collectively enables her to

manage one's own resources, take decision regarding one's own affairs and face any situation or conditions. (Interview)

SEWA's banking infrastructure both in the urban and rural areas through SEWA Bank or DAs providing financial and non-financial services is considered crucial, a valuable input enhancing economic security and thereby empowerment – inspiring, benefiting and influencing many of its members. How SEWA's understanding reflects itself on the ground level is what the following sections unravel.

4.3 SEWA's Rural Banking: The District Associations as Intermediaries[21]

Three-fourths of SEWA members reside in rural areas. SEWA's foray into rural areas began way back in 1977 when it started intervening and organising rural agricultural labourers as a union. Rural poor women were in no way less vulnerable and were in as much need of banking facilities as were their urban counterparts.[22]

It was a formidable challenge to extend services in the rural areas. First, the bank itself faced restrictions, limited by licensing laws preventing it from getting into direct rural activities. It was not until 1993 when the RBI gave permission that SEWA's banking facilities could be extended to rural areas. Initially SEWA Bank was allowed to extend its activities to five rural districts viz. Ahmedabad, Banaskantha, Gandhinagar, Kheda and Mehsana. However, while it was seeking permission to extend and expand, SEWA Bank had already appointed a team of organisers to organise savings and credit groups in the villages of Ahmedabad district.[23]

Once into rural banking, SEWA Bank realised it needed to adapt its urban model. Challenges such as rural women's illiteracy, lack of experience in banking services and the advance of loans without collateral were not new to SEWA. The obstacle in rural banking lay in the dispersion of members over a wide-area coupled with poor communication and transport facilities. In such a situation, a bank housed in a single structure as the one in Ahmedabad would be no less than a practical fallacy. And if members were to undertake a journey on a regular basis, the costs of such services could only be exorbitant both to the bank and to most members.

Given these administrative inconveniences, expansion in the villages was decided to be through village level groups or SHGs. It was felt that while it may be difficult for a single woman to come out of the circle of poverty, it would be easier for a group of women to fight their situation together by collectively savings and gradually coming out of the vicious circle. The Bank did not want to start a process of credit but that of savings. 'SEWA Bank believes that savings can contribute in many ways to enhance its member's security' (Fisher & Sriram 2002: 53). 'Savings build members capital for consumption, emergencies and investment and protect them against borrowing from moneylenders … it also secures women's' money' (ibid.). Savings also have significant advantages from an organisational point of view. 'They provide a cheap and reliable source of funds … it also brings other advantages … reduce transaction costs in assessing potential borrowers … Savings … also reduce the risk on loans by acting as collateral' (ibid.: 55-56).

To benefit from savings in these ways, the Bank had to earn and maintain the trust of women. As Jayashreeben (interview) put it, '*In credit you are serving other people; in savings others need to trust you.*' SEWA organisers travelling to villages to organise savings groups had to deal with peoples' constant fear and apprehension. A major concern was women organisers disappearing with their money. A positive point during the time of organising in villages was that in every village at least two to three women took the lead. Women were also brought to Ahmedabad to see the functioning of the bank. Efforts were also made to boost confidence.

While SEWA prefers calling its groups SHGs,[24] their functioning on the field appears more akin to savings and credit groups. The stated objectives of these groups operating at the grass root level, referred to as bank at the doorsteps are:

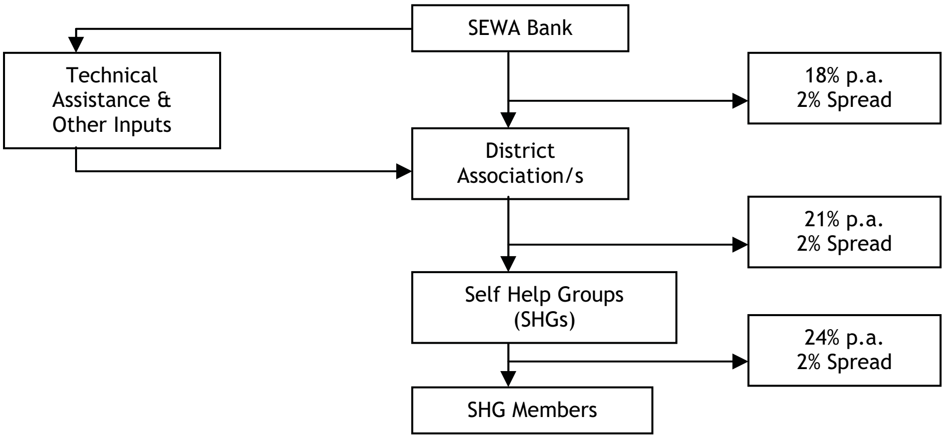
- Socio-economic uplift of women by forming a group.
- To reduce the debt of poor women
- To create assets in the name of women
- To increase women's earnings and
- To develop entrepreneurial skill among women.

SHGs, the bank believes, will help reverse the process of decapitalisation at the micro-level by beginning capitalisation.[25] Groups are owned and operated by women members and only they are beneficiaries of the group. With an objective of speeding up the process of capitalisation at the grassroots and to provide autonomy to the groups, SEWA and SEWA Bank also encouraged groups to rotate their savings and give loans to the members. The groups are encouraged to first revolve their own funds generated through savings and then draw other loan linkages.

SEWA's SHGs function in 11 districts with nearly 3,931 groups and a membership of over 76,000 (June 2004). Initially these were unregistered groups but later, these emerged as a 'federation of savings and credit groups' registered at the district level. These district level federations operate as SEWA's district associations. District level associations were first formed in 1993 in Ahmedabad and Kheda. Banaskantha Association (which the study covered) already had a DWCRA[26] Association (see section on the BDMSA below), which then started performing the role of district level savings and credit association. District Associations were formed, which apart from carrying out other activities, monitor, train and develop the capabilities of SHGs in the districts. While these associations are legal entities registered under a society and trust act, they are not allowed to collect deposits and savings. One of its tasks is therefore to collect savings from the SHG members and deposit it with SEWA Bank.[27] The situations of DAs not being able to mobilise deposits may change following the microfinance Bill (as discussed in Chapter 2).

The main coordinator for the rural department within SEWA Bank differentiates the bank's urban and rural services[28] as individual-based and group-based approaches respectively. In urban areas, the bank directly deals with individuals who can apply separately for loans at the interest rate of 18%. No intermediary exists between the bank and its urban clientele. In rural areas, the bank monitors the groups through the DAs, which acts as an intermediary. Financially stable groups are facilitated with credit options for their individual members. Individual group members however must apply for a loan through their group meetings, following group rules and resolutions. Group members get loan at the rate of 24% interest.

Figure 4.1
The multi-tier system[29]



Instead of providing loans to individual groups, SEWA Bank has started providing loans to district level associations and these associations then forward it to groups, which will then be transferred to the individual members. SEWA's rural banking is thus through its different Mahila SEWA District Associations[30] playing a pivotal role – that of an intermediary. This does not undermine the Bank's role. Rather, it is a decentralised multi-tier system created to provide doorstep banking to rural poor self-employed women. Figure 4.1 presents the multi-tier system.

A consultant to the Rural Department in SEWA Bank specifies the bank's role in relation to its DAs. Bank advances loan to the association at 18% interest on the basis of savings of SHGs in the entire district. While sanctioning cash credit limit, it keeps the districts' savings/fixed deposit under the bank's lien, meaning the district has to surrender its fixed deposits. This is the security for the cash credit limit so that as and when need arises, in case of a default, the bank can liquidate the fixed deposits.

SEWA Bank while lending to the DAs is also responsible for the technical assistance, monitoring and evaluation of these associations.[31] Its other activities therefore include:

- Capacity Building which includes skill development through information and training; training group leaders and district level organisers to run and manage groups efficiently
- Monitoring the functioning of district associations as they monitor the groups in the villages in terms of their savings, loans, keeping records and so on
- System and procedures includes overall maintenance of transaction records and accounts properly by associations, preparing vouchers, etc.
- Any other assistance, which the associations may require

It is both SEWA and SEWA Bank's endeavour that DAs become viable and self-reliant. This is possible when DAs earn sufficient to cover their expenses including travelling expenses, salary, maintenance of infrastructure and other miscellaneous expenses. Income for the DA is from its loan to the SHGs. Presently it gets cash credit limit from SEWA Bank at 18% and advances to the SHGs at 21%, with a 2% spread. But as the consultant remarked, '*to make District Associations self-reliant requires constant input, training and mutual learning on both sides'* (District and the Bank).

As per SEWA Bank, functioning of SHGs strengthen and create opportunities for production i.e. investment and outcome. This leads to development of business and repayment of debt and helps in saving, income generation, increase assets and finally enable families to reach an economically sound position. SEWA Bank's 'banking services at the doorsteps of poor women' is its innovation to pull them out of vicious circle and enable them to become self sufficient.

Functioning of a developmental association: The BDMSA (Shri Banaskantha DWCRA Mahila SEWA Association)[32]

Since 1989, SEWA has been involved in organising rural development programmes in Banaskantha, in north-west Gujarat which is a semi-arid area.[33] Frequent droughts in the area affect economic condition of the people; more so as rain-fed agriculture and animal husbandry are the main prevalent occupation. Irregular and sub-optimal rainfall aggravates the employment situation and as the staff of the Banaskantha DA put it, '*till SEWA organised the women of the district, migration was indeed a common phenomenon.*' Keeping watershed development as one of its major focus of action, SEWA initiated programmes which provided women and their families' alternative employment using existing local skills. 'Women, Water and Work' became the sine qua non of SEWA's intervention, turning a land where people argued nothing grows into a furrow of entrepreneurial hub.

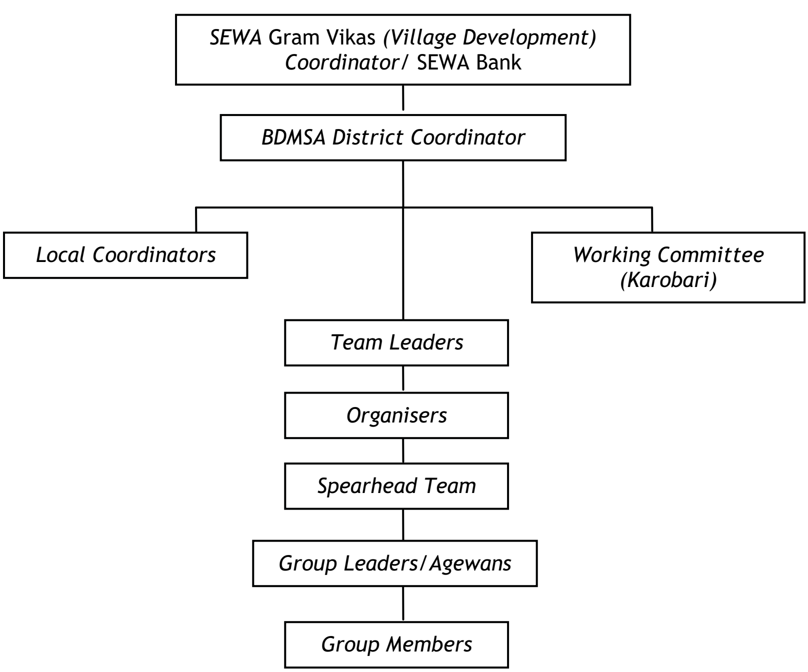
As SEWA unfolded its presence, it decided to provide linkages for government programmes based on the needs of its community members. Many of the activities were started under the Government DWCRA programme. Women under the DWCRA programme were the ones organised by SEWA or some joined SEWA as its members and then were linked to DWCRA. That is how the Banaskantha DWCRA Association came into being. It has more than 30,000 members and over the years has created employment through various economic activities. The activities include embroidery and craft, nursery-raising and plantation, fodder farming, dairy, gum collection, watershed development (and also at some point salt manufacturing). This Association is women's own economic organisation, managed by many unlettered yet capable and experienced local women leaders, tutored and trained by SEWA.

As mentioned earlier, SEWA Bank found it easier to cooperatively manage rural funds through respective district level associations. In the case of Banaskantha, it already had a DWCRA Association which took over the role of district level savings and credit group associations. As the DWCRA Association started handling and became a conduit for SEWA initiatives, it was registered in the 90s and eventually became the BDMSA (Shri Banaskantha DWCRA Mahila SEWA Association), starting work in Santalpur and Radhanpur talukas (two resource-poor blocks). Later it extended its work to five others talukas. BDMSA now falls under the new district of Patan.[34]

Within BDMSA, there exists a loose chain of hierarchy which oversees different activities of the district. It is said to have created a cadre of barefoot women managers, whose contribution through their time and advocacy, direct and continuous link with villages, SEWA members and their groups rekindles SEWA's spirit of decentralised service. The following figure (Figure 4.2) shows the District level administrative break up.

Presently BDMSA has four local coordinators who supervise different projects carried out in the district. The different activities, presently amounting to about 17 have been divided so that each local coordinator has three to four activities to supervise.[35] Local coordinators are answerable to the District coordinator who is an intermediary between SEWA, its Bank and the DA.[36] The Association also has a working committee known as the Karobari comprising of representatives drawn from different activities and villages, who meet to discuss progress reports from different villages and whose approval is needed whenever some work is initiated.

Figure 4.2
The BDMSA Structure



Source: Interview with BDMSA Staff, 2004

Team leaders, organisers and the spearhead team are all part of SEWA's innovativeness to ensure cost effective services to the poor. Each of the association's activities, such as dairy development, savings and credit have team leaders, organisers and spearhead teams to guide, monitor and maintain close interaction with its members and their groups. They strengthen the principal-agent relationship as these are all local women who at some point were group leaders or *Agewans*. BDMSA is said to have nearly 1500 *Agewans*. They are contact points in the villages, representing individual groups.

The local coordinator for savings and credit has been with SEWA for 15 years. She explains an array of function the DA performs with regards to savings and credit:

- Organising and expanding village women's savings and credit groups in the district.
- Helping groups formulate rules and regulations with regards to savings, loans, interest, etc.
- Providing training to groups: organisers, leaders, members – and clarify their respective roles
- Administrative Management i.e. monitoring functioning of groups in terms of meetings, regular savings, proper maintenance of accounts
- Financial Management in terms of fund management, repayment, accounting, calculations
- Help establish linkages, arrange for funds either through SEWA Bank or other SHG Linkage Programmes like that of NABARD.
- Set up credit rating system for groups and members
- Strengthening groups by organising workshops and seminars using SEWA's network or other sources

Till June 2004, BDMSA had recorded a total of 811 SHGs with 12,170 members. The organisers, mainly from the district-level and poor families, have the chief responsibility of organising the members, as well as mobilising and motivating. The job of fostering member interest can be a challenging one. An early step for organisers is to apprise women of their rights and a great deal of time is spent doing just that. It can take hours, spread into several meetings for women to act. The organisers then take the next step to collectively organise women into groups. Even after a group is formed, organisers travel to every village and hold meetings. 'The organizers constitute the mechanism that ensures an informed demand, and sees to it that the supply meets that demand' (Crowell, 2003: 13)

A spearhead team assists these organisers. Once groups are organised, the spearhead team comprising organisers and the group leaders, gets into action undertaking training of the members, including conducting meetings, methods of accounting, record keeping and business planning. Members' individual activities may have specific requirements. The spearhead team then addresses these. Beyond the training, the spearhead teams continue to play a role with the groups by monitoring their efforts.

For each of the activity run under the DA, there is a team leader who keeps herself abreast of developments pertaining to the activity under her charge. For savings and credit groups, the team leader is expected to know the status and functioning of these groups and is able to resolve matters along with organisers and spearhead team members, arising out of group functioning. She is also a motivating factor to keep up the spirit of her team, which has to travel extensively, meeting members day after day. The team leader of the savings and credit activities herself was an *Agewan* some years ago. She says, 'I am not educated but I have reached a position which by itself is inspiring to many others. I learnt to stand on my feet and that is exactly what we do: bring women forward and make them stand on their feet. SEWA gives you confidence and we have the courage.'

At the time of this study, BDMSA was also implementing the Jeevika Project, a partnership with the government and international agencies.[37] In 2002, SEWA was the chosen lead implementing partner of this collaborative project based on a seven-year livelihood programme meant to rebuild lives of earthquake-affected families in rural villages. Jeevika was considered unique since it involved the Government of Gujarat and IFAD directly working with a civil society organisation i.e. SEWA. SEWA has now withdrawn from the project in the wake of recent government allegation of irregularities in using funds and also stopping the release of all funds. While this is bound to affect the very poor families that were to benefit from this project; it has also dealt a blow to such partnerships between civil society organisations and the State. Refuting all allegations, SEWA considers its members strong enough to withstand such a situation, but as Elaben has stated, '*if the government wants to work for the poor, it will have to decentralise resources and power*' (The Hindu, online edition, Oct 17 2005).

To implement the project, BDMSA had organised Jeevika SEWA Mandal i.e. local level committees in each village comprising representatives from poorest of the poor households, from all castes and communities. With Jeevika SEWA Mandals, there existed lot of overlapping between

SHG members and those in *Jeevika*. BDMSA staff said, 'women in SHGs may not necessarily be part of *Jeevika* groups but most members of *Jeevika* Mandal are also members of SHGs.' That actually is quite common in SEWA i.e. members being part of SHGs can also be part of other producer groups. It was not denied that this sometimes creates confusion as a member may be visited by spearhead or team leader of different activities.

4.4 Making a 'Group System' of Savings and Credit Work: Issues of Transaction Costs and the Principal-Agent Relationship

'Starting a group and building it into a self-dependent body is a long process, which may take 5 to 7 years' (interview, Jayashreeben). During this process groups need advice, direction and training. SEWA Bank and other SEWA organisations do precisely this. While SEWA is the umbrella, the guiding force, the process of group formation and management is said to be democratic and based on collective decisions of women who are members of these groups.

Keeping the democratic spirit intact, as Jayashreeben says,

> Sometimes some things are better imposed. For instance, while groups were being formed we preferred women within a same group to save the same amount. This was for two reasons: one, we did not want anyone in the group to dominate others on account of saving more; second, to avoid confusion at the stage of profit distribution. (Interview)

This imposition allows flexibility for women to form different groups in the village, depending on the amount they would like to save. In village Rangpura covered under BDMSA, this study found groups formed on the basis of savings amount viz. Rs.10, 5 or 2 (less than US 50 cents). Women themselves understand that a certain amount of parity is quintessential when they choose their own groups. 'After all', as one BDMSA staff commented, 'if you are dealing with money, people tend to align with their own people.'

Groups are self-selected with women known to each other and residing in close neighbourhoods. After a group is formed, it usually creates an identity by giving a name to itself. The group also formulates rules, regulations and bye-laws regarding membership, savings and loans so as to ensure proper management. Group members also elect their own leaders, the *Agewans*, who are delegated some powers.[38] An ideal group performs the following activities: periodic meetings, regular savings, disburse loans and ensure repayment; maintaining accounts and self – auditing; distribution of profit/income to all members of the group; monthly and yearly (to be read in the Associations' annual meeting) accounts; training of members; and manage the group democratically and resolve disputes amicably within the group. *Agewans* are also the contact points for SEWA organisers. Groups pay an amount of Rs.10 as Association fee when they register.

Managing a group is a task by itself. If after a year, the group is regular in savings, it becomes eligible for borrowings. Groups are encouraged to rotate their own savings as loan. The baseline for such revolving credit is to make groups self-sufficient and prosperous in the long run. The loan from outside the group is sanctioned in the name of the group and is in direct proportion to its savings. It is for the group to decide the disbursement amount, interest levied and repayment schedule. Through its services the bank also provides support for releasing mortgaged land and other productive assets; acquiring assets and creating productive infrastructure. The bank sees loans for housing inputs or releasing mortgaged land as 'productive because they served to protect productive assets' (Crowell, 2003: 99).[39] Further, 'the power and sense of control that comes from owning one's own house is incalculable in patriarchal societies' (Tinker 2006: 296-97). A 'house can be used as a place of work, a source of food, provide income through renting and protection from being evicted should a husband desert or divorce' (ibid.).

To avoid administrative expenses or elaborate paper work, the group maintains an individual account and a combined account. While individual accounts keep a track of individual members' savings, interest on savings, loans and interest on loans; combined accounts are total of all individual transactions as well as income and expenditure of the group like interest on savings, interest on loans, any salary or stationary expenses. It is very important to update both individual and combined account monthly.

On the face of it, the group method initiated seems flawless. As decentralised doorstep banking, it is expected to reduce organisations informational asymmetries and make savings and credit worthwhile. In the Banaskantha region, SEWA the union was already known for its developmental work. Women thus viewed its banking intervention as an extension of its other activities carried under the banner of SEWA. It was easier to mobilise women already part of the larger SEWA movement, to now initiate savings and credit through smaller groups. Despite the familiarity with SEWA and the easy formation of savings and credit groups, problems often occur at the implementation stage as would be seen (Section 4.6) in Rangpura, village covered under BDMSA.

Field experience shows that forming groups and laying down rules is perhaps easier than actually running groups on a sustainable basis owing to lack of several factors. While members own understanding of group functioning may be found lacking; organisational staff adept in mobilising women into groups may equally lack adequate skills to work out the nuances of credit transactions, important for credit success.

Narrating her experience, one of the organisers at BDMSA said,

> Initially large numbers tend to join, may be with different hopes. As rules get formalised within a group regarding meetings, savings, loans and other things to be followed, the number of interested members go down. When the group starts giving loans, the pressure to increase the number tends to grow… There is a lot of fluctuation that one has to deal with. It is only gradually the groups stabilise and one group is already a learning process for us as we organise more groups.

In the Bank's view, groups may take time to stabilise in terms of savings and credit as members need to understand not only the rules but also the dynamics. Group leaders therefore have an important role to play as they are expected to guide members and make the group last long by increasing the capital base.

BDMSA staff presently do highlight the need to monitor the functioning of their groups on a regular basis to cope and counter any problems or mismanagement besetting a group. If monitored properly this is expected to add towards building the principal-agent relationship enabling members to utilise or put their loans to productive use, which then is likely to have other outcomes, beneficial for both members and organisations.

4.5 Non-financial Services: A Complementary Agenda

SEWA Bank has seen that along with financial services, non-financial services too enable the poor to make productive use of credit. 'Access to markets, information, technical know-how and social support services is as important as money if the poor are to share in economic growth' (Vyas in Lemire et al. 2001: 150). The Bank therefore tries to extend its activities beyond mere financial services by giving technical and managerial assistance whenever needed and wherever possible, also linking self-employed women beyond their local markets. In rural areas DAs are expected to perform such non-financial functions with obvious guidance and support by the Bank.

Through its financial and non-financial services, the bank strives towards an integrated approach. For the bank, this helps women increase not only their income, but also the well-being of their own families. Moreover, it places them in a position where they have stronger bargaining powers. In extending non-financial services, the bank works closely with SEWA union and other economic organisations of the SEWA movement such as the Women's Cooperative Federation and the Women's District Associations. 'SEWA Bank members can obtain a wider range of support services from other SEWA projects such as training, marketing, purchasing materials, health care, child-care, legal services and so on. In addition…the bank provides it members with insurance and housing services, in cooperation with government insurance companies, government institutions and other organisations of SEWA' (Awano 1996: 58).[40]

An important aspect of the Bank's many initiations has been it's financial counselling, encompassing training in financial awareness and thrift, skill development etc. This enables borrowers to make long-term financial planning enabling borrowers to plan for old age, children's education and even weddings. The bank, facilitated by its adopting the lifecycle approach, has also included recommending suitable savings packages as well as credit and insurance products for its borrowers given their specific situation.

It is in through this integrated role that strengthens the banks' lender relation with its borrowers. The bank endeavours to make itself available at times and places, where and when women need it. It deals with their issues in a way that is sensitive to their concerns. The complementary agenda or what is referred to as the other side of banking i.e. delivering additional services is all part of it's mission for managing a system better and effectively. It is this other side of banking, which is lauded by many of its client borrowers.

4.6 Voices of 'SHG Members' in Rangpura[41]

Rangpura, a village in Radhanpur taluka, saw an intervention by SEWA's BDMSA in the mid-90s, to organise women and form savings groups. The village on an undulating piece of land houses over 100 households, and has population of nearly 700. There are about 40 landless families; 44 families are recognised as being under the government set Below Poverty Line.[42] Thakore and Rabari,[43] both OBCs (Other Backward Castes) form the two main castes here, with the former outnumbering the latter. There is one government primary school, a Balwadi which is privately run by a trust;[44] a Jeevanshala or informal education centre was also recently started by SEWA as part of the *Jeevika* project. There are no health centres and for higher education or to avail health services people go to Radhanpur town, approximately 12 kms away. Female literacy is reported low; families are primarily land dependent and migration is still common.[45]

On paper, Rangpura is said to have five women's groups with 61 women in all as SHG members (see Table 4.1). The groups are referred to as Shri Rangpura Mahila SEWA *Bachat Mandals* (Savings Groups) and numbered as I, II and so on. My interpreter & I were given the following information:

Table 4.1
Number of Members in Rangpura SHGs

Groups	Number of Members	Amount saved per member/per week (in Rs.)
Shri Rangpura Mahila SEWA Bachat Mandal I	15	10
Shri Rangpura Mahila SEWA Bachat Mandal II	11	10
Shri Rangpura Mahila SEWA Bachat Mandal III	10	10
Shri Rangpura Mahila SEWA Bachat Mandal IV	15	2
Shri Rangpura Mahila SEWA Bachat Mandal V	10	5
Total	**61**	

At the time of this study, the Rangpura groups lay in complete disarray. A group meeting could be organized with Groups I & IV which, mainly due to the group *Agewans,* had managed to collect savings and maintain a loose bonding amongst its members. Members of the other groups had minimal information about their meetings or group records. They were at their own volition saving amounts with the *Agewan* of Group I, who also happened to be an important member of SEWA in the village.

It was through this *Agewan* that this study was introduced to Rangpura and its SHGs.[46] She told us that Rangpura groups were formed in 1996, and even then she held the position of an *Agewan*. The Gujarat earthquake of 2001 led to the groups' disintegration, and peoples' savings were allegedly returned. In December 2003, the groups apparently reorganized, albeit haphazardly. The credit for reorganising the groups goes to her zeal and enthusiasm who, it was for all to see, was an important link for all SEWA activities in this village. Members of the group though feel that she and her husband arbitrarily manage and decide who benefits when and what. The feeling got reflected time and again as one got to meet women individually.

That credit performance is critically linked to credit discipline and management has distinctly emerged in Rangpura. The visit to this village highlights the importance of discipline and management, which if missing is bound to put group's credit role in jeopardy. Groups in Rangpura also provide an example that groups' credit and non-credit role are not mutually constitutive. Further women talk of empowering situation or status without any direct reference to credit.

- ## On the significance of being group members

The two group meetings with Group I & IV and some of the women we met cutting across group II, III & V attributed it to the *Agewan* of Group I and another SEWA staff who motivated them to form groups. Two reasons cited to form groups were savings & loans and secondly, association with SEWA which would incur other benefits. Several women have had experienced this in the aftermath of the Gujarat earthquake, when many of their houses were rebuilt under SEWA's housing project.[47] The women did see a role for SEWA in village development and as a member put it, 'when more than one get together, some things are possible.' But how far and how fast its credit activities would percolate to benefit individual households not many were sure.

The group members saw the role of *Agewans* as collecting savings and going to BDMSA office for meetings. Recently, the members were requested to take health insurance and some took it. Both the Groups i.e. I & IV claimed to do monthly meetings. In Group I, we were told that while the group did not levy harsh penalties, but if a member absents herself twice she is definitely asked to give the reason. Group IV in particular showed appreciation towards the flexibility SEWA offered, i.e. they could save less, in their case Rs.2 (5 cents approx) and still form a group of their own.

Members in general were of the opinion that their savings were low, and it was therefore not possible to seek loans immediately. Many did not have their passbooks (bank account books); at the time of this study not all group members had been issued passbooks. Many women did not even know their accurate balance. Except for the *Agewans* no one was aware as to how much interest they would get on savings or how records are kept. Even the *Agewans* did not maintain proper records. Following the study visit, women sought these account books from the group leader. BDMSA staff, looking after these groups have not been monitoring the accounts maintenance either. They said some new system is being introduced for which they are being trained by the SEWA Bank in Ahmedabad, following which records would be put in place. BDMSA further told us that all credit activities in Rangpura have been suspended for the time being. The reason is that while members have regrouped, there are old repayment problems still to be sorted.[48] Meanwhile effort is not to let women deter from savings and that's what *Agewans* are expected to do. On its part, BDMSA was at that time extending individual loans through its other project, *Jeevika*.

Since internal loaning is not taking place, there were no reasons for monitoring default. But members believed once this process of loaning begins, there would not be any problems, as they know each other well enough. Most SHG members, particularly those belonging to II, III and V said they would not remember to give the money till the *Agewan* drops by their house to collect it. *Agewan* of Group IV said since the amount is Rs.2 many times she only deposits on behalf of defaulting members so that she can deposit her groups' money at the district office before the 5th of each month.

An earlier study on SEWA Bank (Awano 1996) has noted that default on savings occurred as monthly meetings, though required were held rather flexibly. This resulted in a greater burden for the group leaders. 'The group leader has to visit other members to collect money or sometimes pay for those who can not pay or who are not present' (ibid.: footnote 51)

The BDMSA local coordinator for savings and credit said her team is trying to sort out things. In her opinion,

> *Agewans* must know how the group ought to function, and so must the members. If they do not know, it is a matter of concern and the responsibility lay squarely on the organisers and the group leaders. She also added, 'the members must also be forthcoming; they just should not say we do not know… They have the power to ask again and again. Nothing should stop them.

She however agreed that it has not been possible to maintain regular visits owing to increasing number of SHGs and that teaching and informing ought to be a continuous process especially when the groups are in their nascent stage.

Despite its present non-functional credit role and women even confiding that they forget depositing their savings, women believed their groups do provide a mechanism for them to save; it encourages them to make compulsory savings rather than leaving the money idle at home. But groups need to be properly managed otherwise as one of the members said, 'we are yet to see benefits… may be they will come later.'

As women talked about the present state of their groups, what came out clearly is that despite disillusionment over group's credit role, many women would continue their savings more to showcase solidarity, if not for their groups, then for SEWA. It appeared that for the women, being part of SEWA meant much more than being out of it. For instance a member remarked, 'I don't know much. I believe that if you are in a group there is a likelihood of drawing benefits. SEWA has done good work earlier. That is the mindset with which I am saving.' The fear is perhaps that if they decide to opt out of the group, it may in the future lead to missing out on larger benefits which comes with SEWA.

- On intra-household (economic) changes

39 women, saving between Rs.10, 5 and 2 with SEWA *Agewans* in the village irrespective of whether they were part of loosely formed groups (Group I & IV) or don't even meet regularly (Group II, III & V) were interviewed. 32 of these 39 were Thakore (OBC), 5 were Rabari (OBC), 1 Gawaria (ST) and 1 Sadhu (GC) (see Appendix A.4). A remarkable feature working properly within the existing dysfunctional groups was that women still had interest to continue and hoped that things would be better in the future. Of the 39, five were literate and two could sign.

When asked individually as to why they decided to join savings groups, members' gave the two reasons the group had collectively cited. Eight women pointed out that they had hoped to improve upon their agriculture. For most members, their families primarily depend on agriculture. 15 families did not have land while 8 had mortgaged it. Most landless families earn their income by working as agricultural labourers. 19 of the families showed more than one source of income, other than respondent's or her husband's primary occupation. Five families started 'coal making'[49] recently.

What women regret is that despite being members of groups, they have been unable to access much benefit in terms of credit. Of the 35 families who currently owe a loan, only one is SEWA Bank, while the others were mainly sourced from family and friends or moneylenders. 14 members had taken loan for housing purposes,[50] though most members stated it was consumption and other household needs that led them to seek credit. 12 members cited that alongside household needs the loan amount was used for some other purpose as well for instance paying debts, education, housing or buying small (saleable) animals.

At the present moment women are not bound to SEWA by credit, a resource capital that is expected to significantly bear other outcomes. It also means women or their families are accessing credit individually, independent of being in a group. So in such a case given credit's claims, one would think there is less likelihood of the group having any empowering impact on women. The section, 'Feeling of Empowerment', below would state otherwise.

By way of information it may be of interest to also note that of the 39 women, 10 said their household income during past year had increased, while 9 felt it had nothing to do with their credit linkage but more to do with better returns from their sources of income. A glance at the following table (Table 4.2) depicts the increase/decrease in household income as viewed by women members.

Table 4.2
Increase/Decrease in Household Income

Household Income	Number of Members
Increase	10
Decrease	12
Stayed the Same	14
Cannot Say	3
Total	**39**

Twelve women who felt their household income decreased stated land-based reasons primarily. Their income was not enough from agricultural and some had debts to pay off. People had also migrated in these families. There were 14 women who did not cite any increase or decrease in their income, for them it stayed the same. They also did not cite any specific reason for the same. Three women were unable to state whether their household incomes saw any change.

Further, since savings or increased income is linked to asset building; only six of the 39 women in Rangpura noted their assets had increased since the time they joined the group. The rest reported no change i.e. whatever asset they had, they have not made any addition to it. Household assets which people usually have or acquired included a wall clock or watch, fan, radio, gas stove, jewellery; productive assets included buying animals, motorcycle, bicycle, pickup trolley/*thela*.[51]

All women add that they are saving in SHGs. 12 reported saving or investing in other places other than the group; 5 of these had multiple savings. These savings were either done at home, Bank, post office or were investments in the form of buying jewellery, insurance and small (saleable) animals. In terms of asset ownership, 25 women had houses constructed under SEWA's housing project though were awaiting papers of their joint ownership.[52]

- Feeling of empowerment

When one discussed with women regarding benefits other than credit (see Tables 4.3, 4.4 & 4.5) of joining SEWA's groups, women were unhesitatingly vocal and added to their responses as follows:

Table 4.3
Responses of Members (non-economic benefits of groups)

Benefits	Increase	No Such Benefits	Can't Say
Access to Information	24	15	--
Wider Network- linkages	13	25	1
Status Elevated	16	16	7
Change in Self-Perception	19	19	1

Most women felt being part of a group increases their access to information, be it regarding a clean environment, different programmes initiated under SEWA or information about savings. This could not have been possible if they were sitting in their homes. Further still, meeting SEWA organisers and others who come to visit the village is an experience by itself. But this access to information does not necessarily mean linkage to wider networks for women. Hence while more women talk about gaining access to information, less felt its leads to creating linkages. At SEWA in particular, when women talk of wider linkages, one finds they think in terms of economic benefits that networks would bring or how it would facilitate their present economic activity rather than thinking of networking to access information or even networking simply to get to know other groups. Women feel such networking, other than for economic benefits is not needed for them as they already are linked to the larger SEWA movement. Surprisingly though, Rangpura did not appear to draw from SEWA's many services including training, agricultural development.[53]

It may be mentioned here that this gap between access to information and establishing wider linkages is what members in other organisations noted as well, thereby perhaps questioning the extent of organisations' involvement in extending non-financial services.

16 women felt their status has been elevated. Both the grouping of women and the men believing that women were doing something independently have added to this feeling. Women talk of noticing attitudinal changes among men and other villagers. 'People now talk to us with respect'

is commonly cited. Also specific were changes in self-perception, which 19 women felt. As one of them (SBM17) said, 'I feel I have courage which has suddenly emerged.' This member, also a group leader (Group IV) feels she did not realise her potential to talk to others and motivate them to save. She adds, 'people give me respect, they invite me to eat… I speak more clearly, people listen to me, invite me… I even go to different villages.'

Another member (SBM1), mentioned as the key person of SEWA in Rangpura says that being an Agewan and part of the spearhead team, allowed her to achieve more than she initially thought she could. She says there is no looking back for her now. 'Earlier I was not able to go out of my own, now I feel whenever and wherever needed I can speak out and also work.' She adds, 'earlier people addressed me as *bahu*' (way of addressing daughter in laws)… 'now they call my name adding *ben*' (call her name by using the suffix *ben*, a mark of respect).

While these examples reflect what Jayashreeben, MD, SEWA Bank cited as pertinent points in building women's self-confidence (refer p. 97); in Rangpura, women either working as group leaders or having some close contacts with SEWA or taking active interests in its activities appear to make reference in more emphatic terms of changes they see or talk of their elevated status. An equal number of women (n=16) do not attribute groups performing any role such as increasing their status or even increasing their access to information (n=15). This can be treated as dissenting voices amongst members who feel excluded. One reason of this could be that since the groups lay in disarray, it's functioning presently does not allow all members to be actively involved or take initiatives. This is reflected somewhat in a member saying that access to information is still confined to those who hold leadership position or who are close to the leaders. 'Those who are smarter, clever, they draw more benefits.' Such members also contend that there is no proper information imparted on savings or loans, even with the initiation of the *Jeevika* programme.

That this discontentment is not without reason is evident in a respondents' (SBM19) own admission. About 45 years old and illiterate, she sells bangles from one village to another. Attributing positive role to SEWA groups, she says,

> I don't know much about SEWA. I know (the) *Agewan* associated with SEWA. She decides what has to be given to whom… I don't go for *Mandal* meetings so I don't know what is going on. I got to know about savings from her (the *Agewan*) and I don't mind savings as it would be useful later, I am told.

The member is one of ten in the village who recently got a loan under SEWA's *Jeevika* programme,[54] which many believe was arbitrarily decided.

Those who talk of an elevated status or change in self-perception also highlight the outward mobility that SEWA as an organisation provides. It gives them an opportunity to meet and interact with SEWA members outside their villages and also helps them learn from each other. All these need not have economic outcomes. This sentiment is reflected by men whose wives or mothers are members of groups. Their perception as to why they find group concept useful and productive does not highlight any significant economic change other than savings. This perhaps indicates that people find SEWA's influence perceptible even without its credit role. Some of the men whom we could meet[55] thought the following of women's groups and their assigned roles:

- It helps poor women save consciously
- Women have become less dependent and do not ask too many questions
- Women are more confident
- They are more organised
- They think for themselves

Given the roles men now assign to women's groups or women i.e. '*they have become less dependent*' or '*they are more confident*' – also appears to show its effect somewhat within households (see Table 4.3).

Table 4.4
Decision Making by Members

Decision Making	No. of Respondents
Self or jointly with husband	22
Only husband or male relatives	16
Female relatives (mother, mother in law)	1

In relation to decision-making within households, 22 women said they either make decisions on their own or jointly with their husbands. Sixteen women said their husbands make decisions and they would not like to do anything without their permissions. One of them remarked, 'we know our roles, so there is nothing to negotiate.' But three of the 16 women specifically mentioned that they would have the final say when it comes to family planning. Making decisions by self or jointly for women did not necessarily mean increase in bargaining power (see Table 4.5). This sort of dichotomy was again found in responses of women in other organisations.

Table 4.5
Bargaining Power of Members

	Increase	No such benefits	Can't say
Bargaining Power	16	17	6

Generally, decision-making power is viewed as an outcome of a bargaining process; many scholars even find the distinction banal. Women respondents in Rangpura tend not to view all decision-making as an outcome of a bargaining process. Rather women delineate some areas where they can easily take a decision. Areas where decisions are easy or jointly taken without any undercurrent of tensions, include children's education in general, including daughters going to school,[56] visiting natal family or spending on one's self like buying clothes, jewellery or taking loans. But women do specify areas wherein they feel they would have to negotiate or bargain for. This includes decisions regarding asset purchase or sale, use of SHG loans, livelihood investments, family planning, children's marriage and the daughter's higher education, which goes beyond primary and middle school, even if located in another village. It is these areas women tend to keep in mind while suggesting an increase or no such benefits in their bargaining power. So the bargaining power of a woman is getting related to her being successful in negotiating issues, which actually put to question the existing gender relations (Locke and Okali 1999).

4.7 Some Views of Non-members

We met 20 women in Rangpura who were not in any group. Of them, eight were once members but that was before the groups disintegrated. One left owing to circumstances. Hence they were treated as non-members. Non-members were primarily asked their views on groups in Rangpura, including what benefits they think women who are members draw from it and what was their reason for not being part of any group. Some non-members bring out the dilemmas that they, who could have been potential borrowers, may face. Responses of non-members are also illustrative that exclusion is not uncommon in microcredit initiatives geared towards the poor and poorest.

One such memorable story is that of a woman who had to discontinue membership to her group as her husband died in an accident, leaving her to look after her blind father-in-law. One of her daughters too died recently and she now has to look after her grand daughter. She has two more sons, one of whom is married and another daughter. The family fends for itself by working as agricultural labourers and helping in coal making. Given their circumstances, the family land was mortgaged. She feels, savings can indeed be used in times of need but at the moment 'I can not take away the feed from a child's mouth to save.'

Six of the 20 women said they would like to join but could not because of different reasons, like the non-member quoted above and two others who found it difficult due to their economic condition. One woman, a member earlier had opted out because of health reasons. Another said, she had not been asked or approached by anyone and for yet another (NMR2), her husband did not approve. She confided 'I manage to save some money at home without my husbands' knowledge.' She feels savings with the group would benefit in the long run especially for her children's' marriage. But her husband does not like her going out at all. She is subjected to beatings but does not say anything. As for savings she says again, 'though I don't know much about what is going on, I feel it will benefit.'

Not everyone however is of the same opinion. A non-member (NMR8), in her mid-30s is amongst those who feels disillusioned enough not to re-join. She confines herself to domestic chores; her husband is in the army. She says, 'SEWA *mandals* worked better earlier. Now some money has come and since then there is mismanagement. A set of people benefit and hardly any information trickles down to us *Rabaris*.' That the *Mandals* may not be working properly was indicated by the response of a woman, whose response took us by surprise. In her late thirties, illiterate, she divides her time between household chores and working on her cultivable land. Initially we had gone to interview her as a group member since her name appeared in the list of one of the groups. She however was neither aware of being in any group nor had she ever saved or intends to do so.

Several non-members met were not interested in joining groups, but as some said they were saving either by way of insurance, in a bank or post office or simply keeping it at home. Apart from these, some women said they may have very little cash in hand but it was not a part of any conscious savings.

Again, the disinterest amongst non-members to join a SEWA *Mandal* does not deter women from praising SEWA activities. A non-member, about 65 years, attributes all the *pucca* brick & tile houses[57] built in the post earthquake phase to SEWA's contribution. 'Whether *mandals* are now running properly or not, it is a fact that SEWA made these houses', she said. Barring four persons, the rest of the non-members interviewed had *pucca* houses, of which seven had assistance from SEWA.

Conclusion

SEWA Bank was adept in urban banking where it dealt with individuals. With rural banking, SEWA Bank made a shift and now dealt primarily with women's groups. This shift did lead to operational inconveniences in the beginning but is indicative that rural poverty needs to be dealt in a particular way. As Renanaben, Chairperson, SEWA Bank puts it,

> in rural areas where families primarily depend on agriculture, the kind of loan is different. Mere loaning is not enough. It is a formidable challenge to find a pattern of savings, credit and insurance beneficial to rural farmers.

In rural areas, SEWA and its bank had to face innumerable cases of land being mortgaged. Unless land was released, it was unlikely that members could come out of a debt trap easily and soon. The Bank could not have single-handedly reclaimed the land overnight. There had to be another mechanism. Women had to get organised themselves and seek a solution, with the bank and SEWA acting as facilitator to aid the process. The synergy between the bank and the labour union helped to consolidate the benefits of both their activities (Crowell 2003: 100).

SEWA Bank on its part, through the DAs continues to put emphasis on savings. Its endeavour is to make rural banking sustainable on its own. At the moment it is supported by the urban bank. For the bank, though in terms of profit rural operations have proven less remunerative; what it has been able to create is a cadre of women, from amongst its own members belonging to larger SEWA movement, who facilitate its rural banking. These women need to be trained further to improve credit functioning of the groups.

There are matters of concern but not as alarming as what the bank would like to suggest. Its record in districts like Kheda, Ahmedabad has been extremely good with over 90% repayment and groups doing well in terms of savings and loaning. In such a situation, Rangpura can easily be treated as an aberration. Such cases are not recurrent and there are guidelines, which groups ought to follow with the bank monitoring it. But the point remains that when rules, either written or unwritten, evade a group, it becomes difficult to sustain a group and the members' interest in it. Chaos rules, dissent thrives, mistrust and ill feelings pervade amongst members creating an unhealthy environment for the group to function. This is testified by the BDMSA staff, who say that for SEWA mobilising women into groups is easy, but what is proving to be a challenge is to manage these smaller groups[58] and enabling them to fulfil the purposes for which they are intended i.e. savings and credit.

But SEWA women, as one would see, like other women belonging to groups, highlight that the notion of empowering is not necessarily restricted to credit per se i.e. its income related outcomes. It lies in an entire process of making women from users to managers and as Jayashree Vyas, MD, SEWA Bank said, '*it is easy to be users; to make them the managers is the most difficult task*' (interview). And SEWA, its Bank and the DAs continue to strive towards it.

Notes

Some parts of this chapter draw from an earlier visit I undertook in 2001 to SEWA Bank to understand the Bank's urban banking process. It was published under the title, 'From Exclusion to Participation: The Story of SEWA Bank' (2004), Azad Institute Paper no. 26. Kolkata: Maulana Abul Kalam Azad Institute of Asian Studies(MAKAIS).

My grateful thanks to Ms. Triptiben K. Waga, my interpreter for the SEWA Bank trip. She accompanied me to BDMSA and stayed with me in village, Rangpura. Apart from her role as an interpreter, off the field she shared her working experiences in Gujarat and her own observations in Rangpura. Her musings are well-appreciated and added to my own ideas and thoughts. In Gujarat, *ben* (sister) and *bhai* (brother) are attached as suffix to first names, as in Triptiben – to show respect.

1 While authentic official figures are not available, in India less than 10 percent of working women are estimated in the organised industry and services. 96% of all women workers are said to be in the unorganised sector.

2 A woman and a well-known follower of Mahatma Gandhi, Anasuya Sarabhai, founded TLA in 1920. The TLA had a women's wing, formed in 1954. The founder and secretary general of SEWA, Elaben Bhatt began as an activist within the women's wing of TLA, which initially worked with the women belonging to families of textile workers. At the time Elaben was the Head of Women's Wing, many cases of exploitation of women workers and, other migrant labourers working as cart pullers or head loaders, by their contractors came to be reported. Visiting these workers made Elaben realise the magnitude of their deplorable plight and existence of a large number of workers untouched by unionisation, government legislation and policies. It was on her initiative and the then President of TLA, Arvind Buch – the spurt was

also provided by women workers themselves in a public meeting, that the idea of organising the self employed women workers finally took shape.

[3] SEWA identifies four types of self-employed workers in 'unorganised' 'informal' sector: a) Hawkers, vendors and small businesswomen selling vegetables, fruits, clothes, etc. b) Home based workers like weavers, potters, bidi (cigarette), agarbatti (incense) workers and others; women processing agricultural products and artisans. c) Manual labourers and service providers like agricultural labourers, handcart pullers, head-loaders, domestic workers, contract labourers and so on. d) Producers, cultivating and processing food/cash crops, rearing poultry and livestock. From a SEWA Document titled, SEWA Bank (August 2001).

[4] SEWA organised women, most of whom were daily wage earners from over 74 different trade and occupations. They are still mobilised to struggle for visibility, recognition and a rightful place in the economy. Unlike standard trade union strategies in which organised formal sector workers negotiate and bargain with their employees, SEWA women negotiate and bargain with merchants, middlemen, police, municipal authorities and government. All of them 'in one way or another influence the terms and conditions under which women work' (Chen in Chen 1996: 22).

[5] The labour movement strongly advocates the rights of self-employed to fair earning, decent working conditions and protective labour laws. The cooperative movement is geared towards an alternative system where workers themselves own and control the means of production. The women's movement recognises women's work and enhancement of their social status.

[6] Reiterated also in interviews with SEWA members; highlighted in SEWA annual reports.

[7] Apart from Gujarat, SEWA has members in five other states of India viz. Bihar (Bhagalpur), Delhi, Kerala, Madhya Pradesh (Indore-Bhopal) and Uttar Pradesh (Lucknow).

[8] Interview with Ms. Jayashree Vyas, Managing Director, SEWA Bank, Ahmedabad. August 2004. Hereafter referred to as: interview, Jayashreeben.

[9] A SEWA Document (August 2001) titled, A Home of her Own: Housing Finance, Infrastructure & Slum Upgradation.

[10] The bank is built around cooperative principles. Self-employed women through individual share holdings own the bank, and its policies are formulated and ratified by their self elected board of women workers. Qualified managers, who are held accountable to the board, professionally run the Bank.

[11] It is interesting to note that the Bank has been operating primarily by the deposits and equity contributions of its members. First time SEWA accessed outside capital funds in a major way was in 1999. It borrowed around 26 million rupees from the Housing and Urban Development Corporation (HUDCO) a Government of India enterprise, to be on lent for housing finance. 'The SEWA Bank serves and is owned

by…poor women in Gujarat State, India. It has grown successfully without injections of external donor financing' (Coyle in Lemire et al. 2001: 143)

[12] SEWA membership is also open to women only, though some men are employed. 'In SEWA's view it is difficult for women to develop if they have to compete with men in the building of organizations' (Vaux & Lund 2003: 269). Also, almost all SEWA staff constitutes women, many of whom are from the cadre itself. They joined SEWA as its members and then went on to hold posts within SEWA and its other organisations.

[13] SEWA Bank is said to address the immediate needs for a working capital at lower rates of interest and loans to purchase tools of trade.

[14] Differentiated in the sense of not given due recognition for the contributions they make to the economy. Differentiated also in the sense of being kept outside the purview of formal labour welfare measures/schemes.

[15] Interview with Ms. Ela Bhatt, founder and first secretary General of SEWA, Ahmedabad. September 2004. Hereafter referred to as: interview, Elaben.

[16] Interview with Ms. Reema Nanavatty, overall incharge of activities BDMSA and known to be one of the key persons in SEWA. August/September 2004. Hereafter referred to as: interview, Reemaben.

[17] In interviews with Bank Staff, August 2004. Mentioned in a SEWA document titled, SEWA Bank at the Doorsteps (A silver Jubilee Publication 1972-97). Also finds mention by Daniel Crowell in his book, The SEWA Movement and Rural Development (2003).

[18] Nussbaum (2000) writes about 'life, bodily health, bodily integrity, senses, imagination and thought, emotions, practical reason, affiliation, other species, play, control over one's (political and material) environment' as universal values that adds to human capabilities and enable human beings both men and women to function in a fully human way. Nussbaum emphasises developing (many such) capabilities, some of which she describes as internal capabilities, requires favourable external conditions (see also endnote 35, Chapter 3).

[19] Interview with Ms. Renana Jhabvala. August 2004. Hereafter referred to as: interview, Renanaben.

[20] SEWA's traditional approach is to organise women into producer groups. Once this is done, to start encouraging women to save, then comes the credit activities.

[21] For this section and other anecdotes on SEWA's rural venture, I in particular appreciate the time given by staff of the Rural Department within SEWA Bank. Smriti Shah, coordinator for the rural department, Panna Shah, Consultant to this department and other highly motivated staff comprising, Kapilaben, Jaminiben, Pinkyben and Sonalben for generously shared their experiences. They were interviewed between July-September 2004.

[22] Moreso, people in villages primarily dependent on agriculture could work only for 3-4 months in the fields; remaining months they needed to find alternate source of

income. Lack of opportunities and access to resources (capital, savings and assets) spelt the same story for many of them – of being trapped into a vicious circle of poverty.

[23] In 1988, given the demands of the rural women for banking facilities, SEWA Bank had begun conducting a survey in the villages of Ahmedabad district to judge the financial position of the rural poor households. Astonishing as it may sound, the survey revealed over 80 % of the families had their land mortgaged because of many trying reasons such as natural calamities or recurring sickness. Land being the only productive asset and after being mortgaged, it not only became near impossible for households to earn enough to repay any loan; but also once marginal landowners became labourers in their own land and eventually landless.

[24] Within the microcredit sector, the term SHG (Self Help Group) tends to mean savings and credit; whereas a more comprehensive meaning of SHG would include groups as an autonomous institution with their own set of norms and system of functioning through which it is also able to sustain itself effectively. It involves other than savings and loans on their own terms and conditions, interacting with the external environment on their own might leading to socio-economic and other benefits. Refer also to endnote 2, Chapter 8.

[25] The process of capitalisation is the process of formation of capital towards sustainability and growth.

[26] Such programmes like DWCRA (Development of Women & Children in Rural Areas) were part of governments' rural development initiatives focussing on opportunities for employment. The target group of DWCRA is rural women of below poverty line families who are assisted to take up various income generating activities. Women are expected to be in groups of 10-15 each and receive a revolving fund to be utilised for income generation and other group activities. The groups now undertake savings as well.

[27] Groups collect its savings and deposit it with the Association, which needs to deposit the amount with SEWA Bank before 10th of each month. In some associations, the savings of all groups together is sent as a draft to the bank.

[28] The rural department team stresses the differences in the setting of urban and rural members which shapes their dealing with rural members in a different way. In urban areas SEWA members belong to diverse occupation; in rural areas they are primarily seasonal agricultural based. Urban members are literate as compared to the level of illiteracy prevalent in the rural areas. Further still, the staff finds the urban members better informed than their rural counterpart.

[29] Source: SEWA Bank Document/Interviews with Bank Staff. 'Spread' refers to the difference between what credit groups get as interest on the loans and the interest group members' pay on borrowings.

[30] SEWA's rural works presently covers 14 Districts of Gujarat. At the time of this study there were 9 District Associations carrying forward SEWA Bank's rural services

to many villages. These nine Associations in Ahmedabad, Banaskantha, Gandhinagar, Kheda, Kutch, Mehsana, Sabarkantha, Surendranagar and Varodra covered 11 districts in all. Separate districts of Anand and Patan have been carved out from districts of Kheda and Banaskantha-Mehsana respectively. Following the bifurcation, SEWA did not create new district associations. BDMSA, which now falls under Patan district, therefore covers villages in Banaskantha as well.

[31] A monthly meeting to discuss 'progress and planning' is usually conducted between 1- 5th of every month between the Bank and District Associations (DAs). Apart from DAs reporting on their progress made since the last meeting, other discussions include DAs' savings, loans, overdues, NPA (non performing assets) and training.

[32] For this section and other references on Banaskantha region, I am grateful to Dharmisthaben and Sairaben, Local Coordinators at BDMSA and the entire Savings and Credit team of BDMSA including Jadi Ben, team leader and Afsanaben, Ruksanaben, Parveenben, Vidyaben, Pragnaben for their cooperation and interest to share their views and experiences within SEWA. They were interviewed between August-September 2004.

[33] The 1991 census puts more than 75% of the population working in agricultural sector. Industry with its negligible presence accommodates less than 10 % of the working population. For women, as the case is most of the time, the figures are misguiding. Above 70% of women are recorded as non-workers, ignoring their contributions to the labour market. To add to statistics, literacy rate is shown below 40% with 25% of women being literate. Further still, the gender ratio stands at 932 females for every 1000 males.

[34] BDMSA is said to cover around 172 villages spread over 7 Blocks. Block is an administrative unit, below the district level and above Panchayat (village) level. Radhanpur block where BDMSA is located, as mentioned (endnote 30 above) now falls under Patan district, formed after bifurcation of Banaskantha & some parts of Mehsana District in 2000.

[35] For instance, two coordinators one could meet, one had under her Savings, Insurance, Housing and Gum Collection to Supervise. The other looks after craft, dairy, new houses (houses that needed rebuilding after the Gujarat Earthquake) and Community Learning Centre.

[36] Local coordinators also have face-to-face exchange/communication with SEWA's Gram Vikas Coordinator, Reemaben Nanavatty, who makes monthly visits to the area. She is the overall incharge of the BDMSA.

[37] SEWA has withdrawn from the project. This happened after this fieldwork was conducted in 2004. Jeevika a livelihood (collaborative) project of Government of Gujarat, Government of India along with International Fund for Agricultural development (IFAD) and UN World Food Programme (WFP) was conceived in response to the devastating earthquake in Gujarat in 2001. SEWA was selected as the implementing agency. An all 'encompassing comprehensive integrated livelihood security project', Jeevika aimed at helping around 40,000 rural households from about 400

villages covering 14 blocks spread over three districts of Kutch , Patan and Surendranagar. Under Jeevika, technical support in key areas (was) is also provided by SEWA's sister organisations including SEWA Bank, Mahila SEWA Trust, SEWA Academy, SEWA Gram Mahila Hut, SEWA Trade Facilitation Centre. The aim of Jeevika was to make village members and families aware and self-reliant so that they can face and overcome any disaster. The priority is given to poorest of the poor families.

[38] The responsibilities of Agewans include organising the group; treat each member equally without biases, conduct meetings, collect savings regularly, write minutes of the meeting, keep the accounts of the groups, get it audited, gain trust of all the members, keep the group going and growing.

[39] While loans are strictly meant for productive purposes, extending the definition of productive purposes is considered an innovation in providing services to poor. The definition includes house repairs, paying off old high return debts and rescuing mortgaged assets.

[40] A commendable effort by the bank though initiated in the urban area may be mentioned. In 1994 it ventured into a joint Slum Networking project - a partnership between the public sector (i.e. the Ahmedabad Municipal Corporation), the private sector (local industries) and the people's sector (the slum residents). Called Parivartan, meaning transformation, the aim is to provide a comprehensive service package to every family living in slums. This package involves providing families with the following: Individual water supply, Underground sewerage, Solid waste disposal service, Storm water drains, Internal roads and paving, Street lighting, Landscaping.

[41] For SEWA Bank Members/ Household Profile, see Appendices: A.4. Members in the text are quoted not by their names but as SBM1, SBM2 and so on. SBM stands for SEWA Bank Member.

[42] As mentioned in endnote 20, Chapter 3 earlier those (rural) households are identified as below poverty line whose annual household income is below Rs.11,000 (approx.250US$).

[43] There are 80-88 Thakore households and 15 Rabari households with other castes constituting a negligible number: Sadhus (2), Bhangi (1) Gawaria (2). Rabari's are traditionally known to be cattle grazers, Sadhus the temple caretaker, Gawaria – a tribe, in Rangpura selling bangles, Bhangi, the village outcaste! It may be mentioned that in some parts of India Rabari's may fall under the Scheduled Tribe (ST) category.

[44] This Balwadi – a pre-nursery school for children 0-6 years of age is run by the Bhansali Trust, with its office in Randhanpur town. Concentrating on Radhanpur and few surrounding blocks, the trust promotes such Balwadi's, which also gives food to the children. Education, nutrition and other services like vaccination are part of its programmes.

[45] In a village survey conducted as part of Jeevika Project, it was found that even if people did not own land they worked either as agricultural labourers within the village

or migrated. Members of 65 families were found to be migrating in all seasons mostly to Kutch, South Gujarat. The report also noted that most of the landowners fell into the category of small and marginal farmers owning land 1-2 hectares (Source: Village Data Profile-Rangpura, SEWA Document, n.d). 1 hectare=2.47 acres.

[46] Arranged by BDMSA staff, in Rangpura we stayed at this Agewan's place paying a nominal rent. Overlooking all confusions about SHGs in Rangpura, it was a pleasant stay with her who is an extremely amicable person. Initially our stay at her place made other women reluctant to freely share their views. It dawned upon us later that these women took us to be SEWA staff. Anything controversial mentioned to us could lead to repercussions in the future with no benefits at all from SEWA. It may be mentioned that by the end of our stay, we had a number of women (along with their husbands) getting together and signing a memorandum. They requested us to forward the letter to Reemaben Nanavatty to make her aware of the present situation encumbering the groups in Rangpura and its activities. BDMSA functions under the overall supervision of Reemaben. The women told us of their earlier efforts of lodging complaint at the district office but nothing at the time of this study seemed to have got resolved.

[47] Villagers also had to contribute a sum of Rs.4200 per house under this project.

[48] As of June 2004, BDMSA's total savings and loan showed a dismal record..

Banaskantha District	Amount in Rupees	Percentage
Saving	84,957	
Internal Lending	- 87000	
DA Loan	-----	
Overdue Before 2000	1,50,000	100
Overdue After 2000	786566	81
NPA		100
Before 2000	1,50,000	
After 2000	786566	

Source: SEWA Bank

[49] Members who are into coal making find it to be a profitable venture. A particular tree type (grown as a hedge) is cut, its thorns removed and burnt tied together. The ashes are then used to make small coal balls, which are useful for household cooking. The whole process takes a week or so. One bag of such coal balls – 40 kgs. may fetch around Rs.80-100. At one time, members say they can make 3-4 such bags.

[50] This was also because to be a beneficiary under the SEWA Housing project, members too had to make a contribution.

[51] The six respondents cite purchasing more than one asset.

[52] *Agewan* of Group I said the papers were in the pipeline and would shortly be issued. Most women having '*Pucca*' Houses (see endnote 57 below) got it under the SEWA Housing Project.

[53] In Rangpura, members did not mention any particular training/other programme conducted in the recent past, though some said SEWA/BDMSA staff organised

meetings with women to discuss village level issues. Members gave the impression that training etc. is generally organised in the BDMSA office; to this Agewans or more active members land up going/participating.

[54] Under Jeevika, loan is given to start income generating activities. In Rangpura where SEWA Bank loans for the time being have been suspended, loans under Jeevika were going to prove useful. Though members had felt 10 people chosen under Jeevika were decided at the discretion of few people.

[55] There were seven families amongst 39, where men had no specific comments to make regarding women's SHGs. They seemed disinterested; two said the system is not democratically run with authority bestowed only on a handful of people in the village.

[56] 25 households had children of school going age. Of these, 9 households did not send their children – except one all girls - to school. Reasons cited: economic conditions and/or girls need to learn household work. One boy who did not go to school was needed for cattle grazing.

[57] While pucca houses are made of brick and tiles; Kucha house would be made of mud, earth and haystack. Where it is cited that respondents have a Kucha/Pucca (K/P) House, it denotes that a part of the house say a room may be *Pucca.*

[58] The fault perhaps lay with BDMSA as well. In the face of groups in any case not running properly it chooses to delegate too much authority and information to a single person, relying on her completely without making her accountable. This raises doubts in other members as to why an organisation known for its righteousness should turn a blind eye to current ongoings.

5 SHARE Microfin Limited (SML): Direct Lending to the Poor

Introduction

This chapter presents the case of SHARE Microfin Limited (SML). It illustrates a NGO i.e. SHARE, prudently scaling up its activities and emerging as a Microfinance Institution (MFI) i.e. SML. SML's operations also demonstrate the upscaling of the rural microfinance sector and its changing relations with global capital markets. Besides, SML a for-profit entity provides a case to explore and examine if MFIs operating through strict credit discipline and management can do both: reduce credit risks and influence the process of women's empowerment.

The chapter proceeds as follows. Section 5.1 narrates the story of transition of SHARE (a NGO) activities into a MFI (i.e. SML) and its subsequent rapid outreach and growth[1] wherein it struck deals never before done in India. This included securitization and large equity investment deals with a private commercial bank, as well as a business development company respectively. Providing collateral-free loans under its microfinancial services, SML's mission is to alleviate poverty among the poorest, especially rural women. In addition, SML has an overwhelming 100% repayment rate. Given that SML's members are only women, section 5.2 queries the social construction of gender, poverty and empowerment under SML. For SML, empowerment is definitely not an explicit objective but is viewed as an expected outcome of poverty alleviation. Section 5.3 presents the decentralised hierarchical organisational structure with its checks and balances to reach, in SML's words, "clients with pro-poor range of credit services". In this the role of SML's branch offices are highlighted as they are referred to as the backbone of SML, linking it with its clients. Section 5.4 takes further the organisational structure and operations to comment on the principal-agent relationship said to reduce its credit risks, marked by strict discipline amongst both SML staff and its clients. Section 5.5 discusses SML's non-financial services, intending to improve client's income generation activities. Section 5.6 brings the organisational narratives face to face with people's voices and their perspectives on empowering outcomes. Section 5.7 brings in some views of non-members. The chapter concludes by acknowledging the enviable position SML has achieved after the securitization and equity investment deal. While such deals have the potential to impact the microfinance industry, a market driven organisation may find it difficult to remain sensitive to the needs of the poorest and play a role in transforming unequal gender relations.

5.1 Upscaling a NGO: From SHARE to SHARE Microfin Limited (SML)

SHARE (Society for Helping Awakening Rural Poor through Education) was registered in 1989 as a non-profit NGO and started its microcredit operations in 1992-93. Working in villages of Andhra Pradesh, a state in Southern India, SHARE's activities involved providing training to poor rural entrepreneurs in skill development. Its founder member, Udaia Kumar, now the Managing Director, SML[2] says his NGO experience made him realise the gap in managing vocational training programmes.

> Lot of training programmes used to be organised but immediately after the training programmes the impact was only about 2-3%…just because poor people who are trained do not have access to the capital. (Interview, MD/SML, 2003)

It also made Kumar realise that,

> Formal financial institutions were not catering financial services to these very poor people because they did not have an asset base … (Ibid.)

This drove him to find ways to bridge the gap. Led by Kumar, SHARE expanded its activities into the field of microcredit. The Grameen model developed in Bangladesh[3] was also a big inspiration for SHARE as it ventured into a small action research project[4] in 1992 by opening two branches, one in the district of Kurnool and the other in Guntur. This laid the foundation for future expansion and provided an opportunity to design and plan credit arrangements, maintain and record accounts and information, administrative procedures and staffing. Like the Grameen model, small groups of five women members were facilitated through a process of social mobilization, wherein group savings and microcredit without collateral formed the mainstay. In 1995-96, SHARE borrowed funds from NABARD and SIDBI, two government development finance institutions, as well as from Friends of Women's World Banking (FWWB) to enable an increased outreach. However, in order to access larger funds,[5] facilitate growth in microfinance operations and promote commercial viability, the financial operations of SHARE eventually gave way to form SML.

On 20 April, 1999, SML was registered as a public limited company with the Registrar of Companies. It is also registered with the RBI under section 45/IA as a for- profit Non-Banking Finance Company (NBFC).[6] SHARE continues its operations as a NGO, undertaking capacity building work through training and educational programmes, utilising grant funds and other resources available.[7]

For Kumar, the vision and mission of SHARE and SML are not distinct.

> Whether SHARE or SML… we want to work with the poor; we are providing services to the poor people in order to improve their quality of life…so it is development oriented…As a NBFC we are using the legal structure in order to mobilise funds from banks, commercial entities…This does not mean our values have changed.

As a NBFC, being able to mobilise funds from commercial banks, SML seeks to strengthen the capacity of low-income groups by increasing their access to multifaceted financial services. Its objectives thus read:

- To provide financial services exclusively to poor women, enabling them to improve their standard of living and reduce their poverty in turn
- To create opportunities for self-employment for the under-privileged
- To train the rural poor in simple skills and enable them to utilize available resources and contribute to employment and income generation in rural areas.

The objectives are led by its vision *'to improve the quality of life of the poor by providing access to financial and support services.'* It further envisages 'being a viable community–owned institution developing sustainable communities.' Driven by well-defined objectives and a clear vision, SML's mission statement is 'to mobilize resources in order to provide financial and support services to the *poor, particularly women*, for viable productive income generation enterprises, enabling them to reduce their poverty.' SML's choice of words like 'low income' and 'poor' is purposeful as it works with the 'poorest of poor women'. In so doing, its target clientele is stated to include:[8]

- Women below poverty line, chiefly rural
- Asset value less than Rs.20,000 (US$435) per capita incomes less than Rs.350 (US$8) p.m.

- No access to basic needs of life
- No access to formal credit facilities.

To realise and reach its objectives and mission of helping poor women better their lives women, SML provides collateral-free loans under its microfinance programme. Alongside, other non-financial services are also extended to further facilitate women in their economic activities.

The transition from a NGO to a microfinance institution was not easy for SML. The organisation had to metamorphose its system of operations and style of functioning. In such a change, it wanted to ensure that the NGO image that of a 'missionary endeavour' remains intact. In its operation, SML emphasises that its business-like approach can effectively and innovatively combine to serve the double bottom line – maximum *social returns* with a reasonable level of profits. SML states, its approach helps women to

> Start income generating projects like petty shops, teashops, cattle rearing, basket weaving, toy making, etc. The activities of these women are small in scale but big in terms of the difference they make in improving the quality of their lives. These women are enabled to generate a regular income; they soon afford better food, better clothes and are able to realize their dream of sending their children to school. (SML Annual Report 2002-3; corroborated by SML staff)

Within a span of a few years, SML's outreach shows a significant increase, which is attributed to its *professionalism, regularised (strict) operations and efficient management systems*. At the time of this study (November-December 2003), it was operating in 17 districts of Andhra Pradesh. The following (Table 5.1) shows credit operations starting with SHARE (1992-99) and SML's expanding and projected outreach since 1999.

This steadily increasing growth was supported by its operational efficiency, which is imputed to the ratio of total income to total costs for the year. The number of branches under SML have increased 18 times more since 1999; with the staff-member ratio rising from 1:91 in 1999 to 1:211 in June 2004. Right from the beginning there has been 100 % repayment.

In 2004, the securitization deal with ICICI and in 2007 the equity investment deal (discussed in the concluding part) has opened new avenues for SML to further realise its ambitious expansion plan. In January 2004, ICICI, one of India's leading banks and SML completed a securitisation deal of $4.3 million. ICICI purchased $4.3 million of SML's outstanding loan portfolio.[9] ICICI will receive payment from individual microcredit borrowers, with SML acting as the collecting agent. In May 2007, SML struck a deal to receive equity finance and support from Aavishkaar Goodwell,[10] an Indian focused microfinance development company. Aavishkaar Goodwell is expected to invest US$2 million to help SML reach an additional 5 million customers over the next five years.

Table 5.1
Facts & Figures, SHARE/SML

Particulars	**1992-99***	**1999-2000**	**2002-03**	**As of June 2004**	**March 2008 (Projected)**
No. of Branches	17	8	79	143	650
Total No. of Staff	200	103	906	1,395	5,900
No. of Villages	592	259	2,439	3,253	NA
No. of Centres	931	443	5,740	9,321	NA
No. of Groups	3,582	1,875	34,627	58,221	NA
No. of Borrowers	14,155	8,136	132,084	NA	NA
No. of Members	17,910	9,375	173,488	294,942	2,001,000
Amount Disbursed INR	130.20 mln	36.00 mln approx	2,021 mln approx	4,341 mln approx	4,767 crore
(Cumulative) USD	29,590	785,185	43,938,060	96,469,455	1,080 mln
Outstanding Loan INR	NA	21 mln approx	493 mln approx	1,062 mln approx	850 crore
(Portfolio) USD	NA	471,522	10,738,703	23,621,044	195 mln
Repayment Rate (%)	100	100	100	100	NA
Operational Self-sufficiency (%)	87	100	105	115	120

1USD = 44/45 INR (Indian Rupees)
NA = Not Available

Note: * SHARE – NGO Branches were taken over by SML in a phased manner between 1999-2001. Hence 1999-2000 figures present less number of branches as operating under SML. These eight branches were taken over by SML during the financial year 1999-2000.

Source: UNDP Draft Report 2001, SML Annual Report March 2002-03; Interview SML Staff, Nov 2003;[11] SML Website http://www.sharemicrofin.com viewed on 25 June 2006.

5.2 Social Construction of Gender, Poverty and Empowerment: Empowerment an Outcome of Poverty Alleviation under SML

Sufficiency, efficiency and sustainability are three key words repeated to define what SML stands for and has achieved, as well as the remarkable banking system that so far is said to have recorded 100% repayment despite its gigantic outreach. Add to this transparency, accountability and integrity and the three form the keystone of effective corporate governance that enables SML to run its impressive banking system smoothly.

At SML one needs to understand its banking operations and rest they believe '*will fall in place*', almost effortlessly. For SML, achieving the twin objectives of poverty alleviation and profitability is a formidable challenge, but was achieved through dedicated employees coupled with efficient governance and effective strategies. SML's corporate fervour is obvious, and this study goes beyond that to gain an organisational understanding of gender and empowerment within this entity.

As SML's sole customers are women, a conflation between gender and women exists, whom they treat as better managers, more trustworthy and easier to mobilise and control. It has been noted by microfinance scholars that 'the justification for targeting women are in terms of efficiency – women are better repayers and are an under-utilised resource for development' (Bisnath & Elson 2000: 14). For SML, it makes business sense to have only women as clients as women don't indulge in petty squabbling when it comes to handling money. They are straightforward in their demands and it is easy to make them understand. If guided properly, women follow rules and maintain discipline easily. Their concerns for their families override any other concerns.[12] Experience worldwide shows that microcredit has been successful with women clients.

In this context of alleviating economic conditions of the poor women efforts, both of SML and SEWA Bank (dealt in Chapter 4) appear similar. In both, women appear as an economic unit, undertaking productive roles that generate income for the household expected to alleviate poverty. But there also lies a key difference. SEWA and its bank work with self-employed women, aiming for women's economic self-reliance; it also acknowledges and attempts to challenge the socio-economic structural constraints women face both as women and working women. This is evident by its active involvement and interaction in market places with contractors, traders, landlords or advocacy attempting to influence labour policies at government and state levels. Such involvement or advocacy is expected to go as a further input towards building economic security, which, as per SEWA, has social ramifications.

In SML's case, its linear assumption that poverty alleviation will empower women and enhance their well-being precludes it from confronting structural anomalies which perpetuate poverty and disempower women in the first place. SML thus has a different perspective. Its thrust on poverty reduction or alleviation, two terms it uses interchangeably, and the link drawn between poverty and empowerment is easy and direct. According to SML, empowerment is implicit in its idea of delivering credit to women which enhances their household's income and living standards. Once the household is better off, things begin to change on many fronts. Further as per SML, its process of credit delivery involves women to form groups, which in turn form centres, providing a platform for women to think and collectively bring about social changes.[13]

For SML, women's empowerment is an inevitable outcome of poverty reduction within the household, wherein credit is routed exclusively through women. In other words, women's empowerment is not SML's primary objective. Rather it operates with a strong belief that continuous access to credit helps women take their families out of poverty, which in turn also brings recognition and a voice at home and beyond.[14]

For Kumar,

> 'The poor is not interested in empowerment dialogues. What they need is something more effective, something with which they can improve their living standards… When you have improved conditions you have a say and you know you can make (or even create) better choices.

And that is empowerment. He further narrates two incidents from his own experience.

> First time when I entered a village and knocked at the door of a woman, she came opened the door … The moment she saw 'an outsider' not known to her she went running inside … as she was running there was a bucket of water. She hit it and the bucket fell down. You can see the amount of fear in coming out and talking to a person who is not known to her … and at that time she did not have any chairs in her house it was only a small hut with a small door … The same woman after 4/5 years she invited me back to her house. She put two chairs, she sat on one, gave me the other and she was talking – that is the kind of difference you notice!' Another incident happened when 'one woman – she went to a ration shop to get sugar. Being poor she had a card (as you know sugar is actually rationed and for each card you get 4/5 kilos) … the ration shop owner saw the card and since she was very poor he just threw it away and said no sugar is available though

> there was sugar inside. This woman, she went back brought 20/30 women … she fought against this person and followed it up by going to the district collector registered a complaint and she saw to it that the license given to this shop owner was cancelled … This is women's empowerment … at SML you will get such examples … it happens everyday.

The point is SML does not focus on social development but believes that economic development can lead to larger social transformations. It is the economic dimension tackled first that has a bearing on the social dimension later. An SML staff in its head office concluded 'When there is parity in class, voices are heard automatically.'

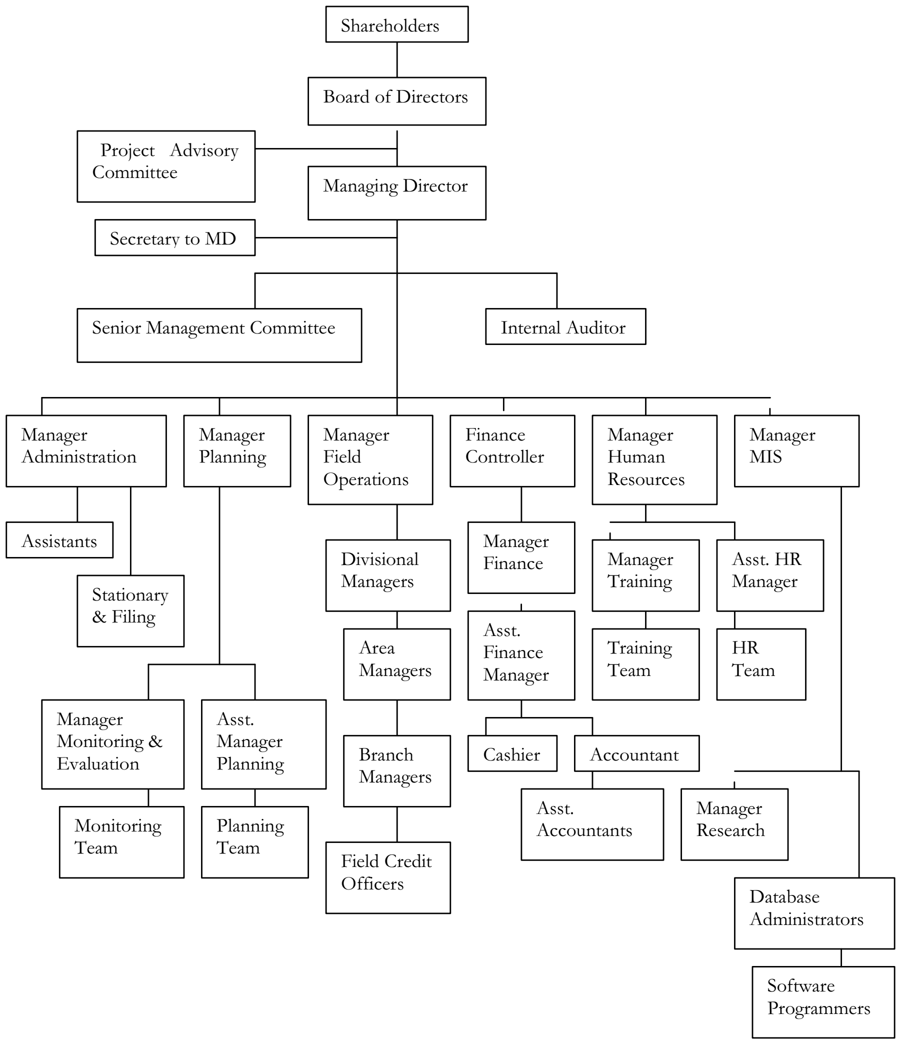
SML feels its missionary zeal should not be mixed up with the fact that it exists to operate as a bank. But it is a bank with a difference a) as it reaches its clients at their doorstep; b) it is not only a financer to its clients but acts in times of needs as an advisor and counsellor; c) as a bank it provides products and services to its clients, ensuring clients get their loans on time and that they repay on time, And clients, one finds, understand SML's interest. They know that SML is there to serve their economic interests and social benefits if at all are the added bonuses, which a credit system like SML is likely or may bring in the long run.

5.3 SML's (Rural) Banking: The Branch Offices Form its Backbone

In a span of five years, SML staff has found their work environment change from an NGO to a corporate one, with obvious changes including formality, strict adherence to rules and procedures, well-defined job descriptions, hierarchical accountability and better salaries. Yet unlike commercial banks, SML promotes itself as a bank with a difference. The dissimilarity lies in its targeted clientele and an organisational mission of altruism in serving a class of people who 'from poverty, helplessness and despair' today bear a picture of 'confidence, hope and happiness' (SML Annual Report 2002-2003).

SML's extensive outreach has been possible with a well-laid structure that intertwines to keep a strong check and balance on the entire operation of the system. The entire system is consciously geared towards increased outreach, strict savings, credit and repayment, hence the value of the three words, sufficiency, efficiency and sustainability in SML. There is no scope of mismanagement, misdemeanours and even misgivings about how the system ought to function. Figure 5 presents the SML structure.

Figure 5
SML Organisational Chart



SML strives to remain a community-based mutual benefit financial company (SML: Annual Report 2001-2002). The clients of SML have contributed 97.5% and others only 2.5% of the total equity (SML: Annual Report 2002-2003). Two clients of SML serve on the Board of Directors. There would probably be obvious implications to this 'striving to remain community based' as SML teams up with private security investors as Aavishkar

Goodwell. Vineet Rai who leads the company in India states that as an active shareholder, Aavishkar Goodwell will be highly engaged and involved in matters of financial management, planning and managing growth, technology and innovation…' The aim is to realise 'benefits of scale': a substantial social impact and an attractive financial return (source: www.aavishkaargoodwell.com).

There are six departments in the organisation viz. Administration, Planning, Field Operations, Finance, Human Resources and Management Information System (MIS). While each department has its role clearly defined to facilitate the over-all banking system, SML has also constituted three committees: Project Advisory Committee, Audit Committee and Senior Management Committee to guide, advice and monitor the whole oganisations' functioning.

The Project Advisory Committee established by the Board of Directors[15] advises the Board on effective utilization of resources in line with objectives of SML. The task of the Audit committee on the other hand is to oversee financial reporting and ensure fairness, sufficiency and credibility of financial statements.[16] The Senior Management Committee, constituted of all departmental heads at the head office, reviews business operations on a continual basis. It also facilitates exchange of information and inter-departmental communication. This committee is viewed as a decision-making committee.[17] The need to form such a committee was primarily to review operations and also try and resolve any problems arising in the field. For instance, Branch managers using branch staff for their personal work were reported e.g. a field credit officer asked by the Branch Manager to pick some daily groceries and get his two-wheeler scooter repaired. This was discussed and the committee passed a stricture against using staff for personal use. If there are any serious problems within the organization one can then directly bring it to the notice of the MD. It is not possible for the MD to listen to everything on an individual basis. Also when he is out or busy with fund raising then the senior management committee takes all decisions, which however has rarely happened.

The Manager, Field Operations is a key person in the organisation. He knows exactly what is happening at the local level i.e. SML branch offices. It is through him that information filters down to other departments at the head office, who are then made aware of requirements or specific problems on the field. Division, area and branch offices (see Figure 5: organisational chart) are all accountable to him. He in turn is responsible for their proper functioning and reporting at head office.

The Manager, Field Operations states,

With an upsurge in SML branches and number of villages included therein, it is not easy for the head office to monitor and coordinate so many branches individually; plus it becomes impossible to address all the needs of the clients from here. Therefore, posts for divisional and area managers were created to keep a check on the targets to be met at the local level i.e. SML branches.

For administrative and efficiency purposes, all branches are divided into areas which are further broken into five divisions. At the time of the study, there were 20 area managers, each assigned specific branches to monitor. There are also five divisional managers, who monitor the performance of area managers that come under their purview (see Table 5.2).

Table 5.2

No. of Divisions-Areas-Branches under SML[18]

S. No	Name of Division	No. of Areas	No. of Branches
1	Vijayawada	5	30
2	Sathenapally	7	35
3	Chevella	2	9
4	Kama Reddy	4	19
5	Rajamundry	1	5
	Bhilai	1	1
Total		**20**	**99**

Source: SML Staff, Oct.2003

Divisional and Area Managers are delegated responsibility to coordinate between the head office and branch offices. An Area manager has the task of visiting branches assigned to him on a weekly basis, to check records and give suggestions. If there are problems he immediately needs to intimate the Divisional Manager (DM) and between them they try and solve the problem.[19] A DM on his part is expected to make surprise checks on Area Managers,[20] to see that they make their scheduled visits, verify records, that targets are reached and importantly, the clients are receiving the best possible service. While DMs conduct surprise checks on their area managers, the Manager, Field Operations has to do the same with DMs.[21] Each month, the Manager-Field Operations gets the work schedules of divisional and area managers. Also, if any requirements come from the DMs, he is also supposed to immediately address the needs.

It is the branch offices of SML which are the focus of all attention as it manages, undertakes all banking transactions at the local level, serving as a link between SML and its clients. Branch managers must coordinate between their colleagues at the branch and see that each meets their target set out in the beginning of each month.[22] A copy of this target is also sent either electronically or by post to the head office with a copy of it to divisional and area mangers.

From branch level upwards, all employees are subjected to surprise checks. The idea behind surprise checks is to ensure rules and regulations are being followed, the service is good and that records are being properly checked.

Branch managers with their field credit officers (FCOs) are the mediums through which credit services are delivered; hence, they are the main functionaries and mainstay of SML. A branch has a Branch Manager, sometimes also an assistant branch manager, and a cashier plus three to four FCOs and FCO trainees. No branch has more than ten people working as part of cost effective measures undertaken.

Anyone joining SML is likely to join as an FCO trainee as all recruitment is done at the field level for a branch office.[23] With the exception of few, there is no direct recruitment at the head office. When one is recruited as a FCO trainee, two months are devoted to classroom trainings supervised by Manager-training.[24] When asked what the training involved, the Manager-Training gave a good brief of different aspects of organisational functioning which a FCO needs to internalise. This includes orientation, an introduction to the mission, vision, objectives and responsibilities of the credit officers. The idea of the training is not to allow anybody to have any doubt, thus minimising chances of any mistakes while following SML's operations of credit delivery. However, this elaborate training does not presently include any gender training.[25] At best, officers are given some tips on how to behave in a village, how to tackle unexpected situations, etc.[26] After two months of theoretical lessons, two additional months are spent in the field. Thus within four months, if they work well and establish credibility, FCO trainees are promoted to FCO[27] level. In the beginning the new FCOs travel with senior staff to make themselves comfortable and aware of field realities.

FCOs who have day-to-day contact with the clients, look after the village centres and check their records are seen as critical links for SML; the backbone, as the MD refers to them. FCOs are required to do the job defined by the branch manager.[28] SML has no special preference for women joining the organisation though in a recent advertisement for FCO trainees, the organisation did give special encouragement to women. As per their experience, SML's nature of job and timings in the field are hard for women to comply with. Women have problems of working late hours plus security and other traditional problems bar women in joining.[29] The present staff strength of SML is 970, of which only 69 are women. 13 of them work at the corporate office, while 50 are FCOs or assistants. There is only one female assistant Branch Manager and another 5 who are presently working as field credit officers' trainee (Source: Manager, HR, November 2003).

SML's Branch Managers are viewed as persons with great administrative acumen. They have to see that the branch becomes viable within a few years i.e. not only give services to the poor but also enables the bank to recover operational expenses. The branch is required to send a report on all its operational expenditure for each month, including salaries, travelling expenditure, postage and telegraph, workshops, telephones, general expenditures, rent and other operational expenses. The branch managers have been advised to make constant efforts to reduce unnecessary expenditure and see that the ratio of staff to client increases further.

This elaborate presentation of SML's operational structure is to illustrate its decentralised yet hierarchical set up which facilitates in making credit delivery efficient, manageable, accountable and transparent. SML's different offices at various levels work under strict discipline, close monitoring and supervision. The highest chain of command lies with the MD and the intention is to create a culture of discipline that permeates through the organisation, making each level accountable for its performance.

An example of the rigidity within SML can be seen in the rules applied to the dress code. Dress code is necessary to observe, for if someone fails to do so, it would have a bearing on his/her monetary incentive, which is part of the consolidated salary. A portion of everyone's salary includes a category 'incentive', which is based on things like dress code, punctuality, attendance, maintaining office discipline, etc. Women cannot come in western outfits like trousers except for Saturdays. This is also not permitted if the organisation has visitors on Saturdays. Men are required to come in full shirts and trousers. Among her other stated work, the Manager-Administration is over all incharge to keep an eye on office discipline which includes punctuality and dress code, not forming groups in the office and getting into a casual dialogue, etc. At the Branch office, Branch Manager plays the same role over his colleagues.

Out of SML's 99 branches, about 60 make profit (Source: In-charge, Planning). While a 100% repayment is noted, SML judges its branches according to their operational self-sufficiency i.e. reduced expenses and less financial reliance on the head office. The branch is also judged on its increased outreach ratio.[30] Continuous efforts are made to trim unwanted expenditures and make credit programmes more cost effective. Hence FCOs who earlier covered only one centre meeting a day in a single village, now conduct two to three meetings in one or two villages within the same time. This allows for further increasing outreach. Also, earlier villages with two centres were deputed two staff members who held meetings simultaneously. Now only one goes and conducts all the centre meetings in a particular village. Meeting timings have also been restricted so as not to exceed one hour. Further, the format for membership profile has been cut down to a single page, to save time.

This study covered SML's Wyra branch[31] in Khammam DistrictFor group and household data, two centres (No. 1 & 18) under Wyra Branch were covered. The branch was established in 1998. It falls under Vijayawada Division and Madhira Area. As of 31 October 2003, Wyra Branch covered 52 villages, 73 centres, 756 groups and 1483 members, of which 1384 were active borrowers (source: Wyra Branch, November 2003).[32] The branch has a total of seven staff (1F, 6M) including the Branch Manager, Assistant branch manager, microenterprise analyst (MEA), cashier (1F) and three FCOs. SML does not consider the Wyra Branch as one of its best performing branches.[33]

5.4 Making Credit Work: Reducing Costs through a Culture of Principal-Agent Discipline

Villages first have to be identified before a branch is opened. Once the branch manager is brought in, he allots villages to the staff, who then go around identifying the poorest matching them with SML's member profile. This is unlike SEWA Bank, which does not set specific criteria. SML's member profile includes the information included in Table 5.3 and is used at all branches.

Table 5.3

Member Profile – Identifying the 'Poorest of Poor'

Name	Total Family Members (Adults + children)	Occupation	Income - Member Client - Husband	Total Income - From Land - Other Sources
Land (Value)	Livestock (Value)	House - Own/rented - Condition - Value	Household Assets (Value)	Total Asset Value

Source: SML, Wyra Branch Office

Earlier, under SHARE, there was a six-page document drafting member profile, now reduced to one. If the outcome of this format matches the criteria under targeted client (see section 5.1), then the staff tries to motivate the person (in SML's case, woman of the household) to form a group. The staff at Wyra Branch said that once they visit the household, looking at it and talking to the members they know and understand the condition of that particular household. The value of assets is generalised.

A FCO at Wyra Branch elaborates,

> First we will go around the whole village and there we will identify huts. When you are in a village and move around you can easily see the housing and living conditions of the people. You are able to identify who are poor and needy. Then you make general enquiries as well. It is not a problem to identify them. Once identified, we take down the particular information on our formatted sheet i.e. take information about their background like their house, land, livestock, assets. We ourselves go and do this.

According to the Wyra FCOs, SML has not taken the easy way of simply including those identified under the government's BPL survey as poor. Their own member profile is an improvement, but the way the formatted forms are filled in the field could raise some doubts. Without negating the good intentions of the organisation, one could say that there is a willingness to fit a person into the format if the bank staff is keen that the person, whether poor or not, should join SML. It is interesting that all forms filled perfectly fit the 'targeted clientele' description matching all the criteria. All the information on the formatted sheet, countersigned by the branch manager, somehow projects each client as the poorest through generalised valuation of his or her assets and income. Later in an interview the MD of SML agreed that it is not possible to target the poorest alone for they do not have a paying capacity and would be a 'risky venture'.

Once the women have been identified SML organises them into groups of five. Interested clients are encouraged to look for group members who are not blood-related, so as to avoid bringing any family duels outside in public space. There is also an idea that the difference in age between members should not be more than 10-15 yeas.[34] Too much difference in age is seen as something that could hamper creating good relations amongst members or may even disintegrate groups. Some group members pointed that they were also encouraged to choose and form groups with women who can repay.

Once five women decide to come together to form a group, FCOs or FCO trainees are required to conduct Compulsory Group Training (CGT).

The group is trained over a span of three to five days, depending on its learning capacity. Training includes learning how to sign, understanding SML's credit process rules, basic accounting so that the women can understand record keeping methods and a common pledge. This six-line pledge may be seen as SML's rules of regimentation, as it reflects the way its meetings our conducted (discussed later). The pledge includes stating among other things 'we will pay back the loan', meaning not to default and that this is being said 'keeping God as witness'.

Once the FCO is confident that women have understood the basics of the credit process, s/he then calls the branch manger who conducts what is known as the Group Recognition Test (GRT). Divisional or area managers can also be present on such occasions. The test is to feel convinced that group members are well-aware and understand rules and procedures. Following GRT, the group is registered with SML and each member is issued a pass (accounts) book. The savings and credit can begin the very same day.

CGT and GRT are seen as imperative for group discipline and organisational goals. For SML, both CGT and GRT allow doubly instilling a sense of commitment through the repetition of the pledge i.e. never to default and follow strictly rules and regulations of SML. Further, teaching women to sign and introducing them to basic accounting was looked upon as a sign of SML's social disposition and appreciated by women. But within these efforts, it would not be wrong to suggest that there is also the underlining hope that it would help women in their business or income generation thus enabling them not to default.

SML groups are brought together under a centre; all transactions are undertaken in these centre meetings. Each centre has a number and at SML branch office, records are maintained for each centre incorporating information of all its constituent groups. Usually eight recognised groups in a village constitute a centre. A village may have one or two centres depending on its size. Effectively each centre should have 40 members.

Once a centre has been formed, SML trains center members on the methodology of the credit program including how, why and when credit would be disbursed and the members will repay it. Members are also told about group unity and how they should as a center keep a watch on each member so that no one defaults. In the centre meetings, after the members have chosen their leaders, SML explains their roles and responsibilities and things such as ensuring attendance.

Centre meetings are held in a formal and regimented manner, where women sit in horizontal rows, as per the number of their groups i.e. members from Group One sit in the first row, followed by the second and so on.

They usually assemble five to ten minutes before the meeting, greeting SML staff as they come in. The meeting opens on time and first on the agenda is members reciting the common pledge, after which the financial part takes place. At the end of the meeting, the pledge is recited once again. This time the staff too recites a pledge. His/her pledge mentions not to discriminate against anyone and dutifully carry forward the task of SML. During the meeting, the staff maintains complete order and women are not allowed to get into casual chats. But women do say that this coming together, though for a very short time, gives them an opportunity to share and voice common concerns amongst themselves. There are occasions when they meet for longer duration but time for that is pre-decided.

To encourage women to come on time, a fine of Rs.2 has to be paid by any member who comes after the first pledge. However, there is no penalty if the member has informed of her absence in advance. After the pledge however the member may excuse herself, especially those who go out as daily wagers. As mentioned, SML meetings are scheduled for not more than one hour unless some urgent matter has to be discussed. If the SML staff is delayed s/he too has to pay the penalty, which is kept in the name of group funds and can be used by members mostly for stationary purposes.

Members save Rs.20 per week. Savings and credit occur almost simultaneously. There are two kinds of loans for the clients. Collateral free loans, further divided into four: general loan, seasonal loan, supplementary loan and special loan. Each addresses different types of needs.[35] Collateral free loans are disbursed to clients in a staggered ratio, with the approval of all the members in the center. Loans are given at an interest of 24%, on a declining rate and needs to be repaid within 50 weeks in equal installments. Only supplementary loans, which are much less in amount, are given for a period of six months and are to be repaid within 25 weeks.

The collateralized loan, which is referred to as Microenterprise Loan (MEL), is given to those members who have reached a level where they can expand their business. As per SML, the Microenterprise loan furthers the entrepreneurial skills of a client who has had a perfect repayment record. The client can take larger loan amounts, which at times exceeds Rs.50 thousand (US$1000-1100) to explore fresh income generating ventures or to strengthen an existing one. SML says it is from amongst its members that MEL is usually chosen, but that's not always the case. On the field, it is clear that MEL beneficiaries are well-off. For instance at Wyra Branch, as on 31 October 2003, 138 women had borrowed under MEL of which 96 were non-members (Source: Wyra Branch).

Whatever be the nature of loan, SML staff carefully verifies the businesses of the clients when they first apply for a loan and then ensure that the clients are making progress. At SML there is no penalty for non-repayment. Such an idea has not come up since there are no delays in repayments. Members do not even think on those lines. '*You cannot be a defaulter if you are with SML*', this is clearly implanted in everybody's mind.

SML shows its 100% repayment as a result of its strict monitoring. Monitoring is also a centre activity for SML. Centre leaders are held responsible to ensure that each member brings the repayment amount duly to the meetings. SML on its part undertakes utilisation checks. Members themselves feel there is much at stake i.e. if they default a source of credit would stop for them.

5.5 Non-financial Services: The Other Side of Banking

SML, like SEWA Bank, highlights its non-financial activities. These include training, capacity building, market information, building networks and linkages. But how far the centres provide an optimal forum for this is difficult to ascertain. Branch staff one finds is completely attuned to its money business. They conduct centre meetings which are not allowed for more than an hour, unless the situation demands. So rarely is there time to discuss anything else. All formalities regarding the credit process need to be completed during this one-hour period. Questions, if any, are answered and most of these relate to financial problems and credit use. It was hard to find an instance where the staff indulged in anything beyond savings, repayment and seeking loan application.

Kabeer (2005: 4716) has also noted that 'SHARE's weekly meetings not only focus on loan-related matters, but a majority of the members also appear to have 'no active involvement in community affairs and no desire to get involved' (Cited in Kabeer op. cit.: 4714). 'SHARE has a culture of strict discipline and close supervision, emphasising the productive use of loans, and visiting clients to check their loan use. It focuses on financial services, and does not provide any client support services' (Simanowitz 2002: 6).

SML staff however says they do give information if members have specific queries or questions. And its non-financial services include conducting training programmes like if someone wants to learn stitching then SML would make arrangements and call someone to impart training. Workshops are said to be a regular feature for SML's women entrepreneurs. SML finds itself extremely client friendly and even maintains regular feedback from them. Training is also given in marketing which helps clients to know where they will get good prices and which products are good for them. Such training or workshop activities are planned well in advance.[36] Interestingly, one finds the non-financial activities SML mentions, more or less are geared towards a successful entrepreneurial venture so that returns in terms of repayment are ensured.

FCOs at Wyra Branch add another aspect. For them the talk should not be of financial or non-financial activities. One must look at the organisational influence. This for them can be easily understood when one goes to the centre meetings where women gather like a family (this despite as one noted earlier how formally and in a regimented manner meetings were conducted). All their tasks be it to collect money, check records and disburse loans – are done in a very cordial way. And women facilitate this process. Even when the loan amount was as less as Rs.2000, women took it with so much of warmth and they considered it a large sum. The point also made is that SML staff has seen these women grow in confidence. Earlier they were hesitant to deal with money, now many of them draw bigger loan amounts. The centre meetings conducted are like a peaceful abode for women as they find respect and get to communicate with each other on equal terms. It is a matter of pride for them when they see how they have improved their living standards with some assistance from SML, who is always forthcoming in giving assistance, both financial and non-financial.

Though they do not cite specific examples of collective action, they talk about achieving collective good in the villages they operate. The SML staff in general have several stories to cite. One common story is that earlier women were not able to talk confidently, but now women are able to do so. Branch Manager at Wyra said,

> If we go to a meeting, and there are chairs to sit for us, she brings a chair to sit alongside us. No longer would she come and sit in front of us with a submissive attitude… In some villages, when we did a workshop and we called the district collector, women came and openly addressed problems in terms of complaining about streetlights.

5.6 Interrogating Organisational Narratives with Voices from the Field: Pallipadu and Mallaram

SML centers are known by their numbers and are numbered as and when formed. Two centers, No. 1 and No. 18 of the Wyra Branch were covered for the purposes of data collection. Both were formed in 1998 and fall in the villages of Pallipadu and Mallaram.[37] Though most centres comprise of eight groups each, presently centers 1 and 18 have five and neither completes the total strength of 40 which is against the stated norm. The total number stood at 20 (center no. 1) and 19 (center no. 18). 37 of the 39 women members were interviewed individually apart from meeting them collectively in their center meetings.

Both Pallipadu and Mallaram are spread over villages with about 900 to 1200 households, and are divided into neighbourhoods housing different castes. The villages have mixed population somewhat reflected in the members of the centres as well. Of the 37 members met, five belonged to Scheduled Caste (SC), 21 were from the Backward Caste (BC), 2 from General Caste (GC), 2 Scheduled Tribe (ST), and 7 Christians. The population of the villages is primarily dependent on rain fed agriculture, with people either owning land or working as agricultural labourers. Castes like *Medaras* (BC) continue their traditional occupation of basket weaving. Literacy level is said to have gone up only in recent past.

Mallaram is less than 3 kms from a nearby town, Tallada which villagers frequent for their daily necessities. The village has three private middle schools and one government school. For high school or health services people again go to Tallada. A big landlord in the village noted that though there is farmland, water shortages do not allow for optimum use. Nearly 60% of the villagers, despite owning 2-3 acres land often go out of the village, even out of Tallada to do labour work. Pallipadu on the other hand is situated on either side of a highway and villagers make good business with their petty shops on the highway. The village has primary to high schools all run by the government. There are also some registered medical practitioners (RMPs) in the village; in case of serious health problems villagers go to nearby Wyra town 10-12 kms. or to Khammam, nearly 60 kms away. A former *Sarpanch* (village headman) in Pallipadu said, in a recently conducted survey under a Government programme,[38] 14 families were identified as poorest of poor i.e. without land and not being able to support themselves with their income. While in Pallipadu the Sarpanch noted 10-15% to be landless; in Mallaram it was stated to be 35-40%.

• On the significance of being SML members

Group discussions conducted for this study were clubbed with SML's weekly centre meetings. Members noted their group formation could be attributed to persuasive SML staff approaching them and telling them about procedures. Members added it was made easier for them as SML also talked with male members in the family. As far as selecting group members goes, people mostly staying adjacent asked the other whether they would like to be a group. While no one in particular is excluded from joining a group, members inadvertently said that SML staff cautioned them. They were encouraged to select members carefully and choose people who they think 'will not face problem of repayment'.

At both the centres, members as a matter of fact bring out SML's banking role as: a) they bring us together as a centre b) they conduct regular weekly meetings c) they collect money d) they ask us to maintain repayments timely plus do savings properly e) they maintain all our records f) they come for utilization checks and we can not do without them.

Both centres have an executive committee led by a centre leader. Her tasks include knowing about every member's credit due and keeping a check on any default. She also signs the loan application form along with group leader, cleans the place for meeting and ensures attendance. Groups within the centres have a group leader whose role is to collect money from all members and hand it over at the centre meeting. Both the centres noted regular dropouts. Reasons were common – either the member had migrated or decided to leave after one loan and its repayment. For most however, it was their difficulty in savings, which arises out of not much work year round and therefore not adequate earnings to save.

Members state in their regular weekly meetings, wherein they each save Rs.20 and submit their loan applications, that there are usually no other topics or formalities to be completed. There is no such thing as a group account for SML members as each member has her own personal passbook. In a group discussion, women talking of having fixed deposits suddenly asked why some of their certificates were kept by SML. SML staff later explained that it is a safety mechanism to check defaulting members. Also as part of its safety mechanism, SML allows its members to withdraw from their savings account only if the amount saved exceeds Rs.2000 ($60). While both the centres knew that members get interest on their savings, Centre no.1 in Pallipadu estimates it at 5%. Members add if the amount of money they need exceeds Rs.500, they need to visit the SML bank personally to receive the credit money.

Keeping in line with the 100% repayment record of SML, there is no repayment problems involved in either Pallipadu or Mallaram. There is hence no provision of penalising the group as a whole if one member defaults. But if a repayment amount has not come on the day scheduled, members said, the group and the centre leader are made to sit back after the meeting till the amount has been retrieved. While being interviewed individually members pointed out that 'this kind of acute pressure of repayment' also led some members to dropout. Under such pressure, how members keep up with their repayment schedule is perhaps partially revealed as many members cited having multiple 'sources of credit'.

As for the 'social or village development' aspect of SML, neither of the centres said they actively embarked upon any activity, though a village initiative had been undertaken earlier as part of an anti-liquor campaign. But this as one would see in the next section does not diminish their centres' collective role.

• On intrahousehold (economic) changes

Given SML's group training wherein it insists women learn to sign, all 37 women[39] interviewed knew how to put their signatures. Of these 37, 13 were literate i.e. having completed primary, middle or secondary level schooling. Most of the women interviewed for this study belonged to landless families while 15 said their families had some land.

While acknowledging SML's role in 'making them come together for credit purpose', members cited their personal motivation to join SML groups. For most members, it was to expand their income generating activity. 11 members cited wanting to buy animals, mostly small and saleable. Alongside, some members also stated their household needs as prompting them to join. Four members attributed it to SML's 'influential campaign' mobilising women to join.

One of the criteria's SML says it looks for while identifying its poorest of poor client is their lack of credit facilities. For most women, joining groups under SML did not imply sole reliance on SML. Rather it gives them more options. Seven members (their families) access credit only through SML; 21 do so through both SML and DWCRA groups. There are eight members who access credit through multiple sources, including SML and DWCRA, moneylenders, family/friends and others.

All members currently owe a loan, taken out for productive purposes thereby facilitating their income generation. A majority of women complement their present SML loans from other sources mentioned above. It is possible, though difficult to prove, that members use one credit source to repay the other i.e. loans from other sources 'subsidise' say members' SML loans.

Like availing multiple sources of credit, members also cite having savings other than with SML. Only two members save only in SML; five noted saving in both SML and DWCRA; six others saved at SML and the post office or buying an insurance; the rest, about 24, reported multiple savings which includes SML, DWCRA and in places like post office or even included buying jewellery seen as an investment savings.

A SML member residing in Mallaram is also a leader of her DWCRA group. She (SMM33) opines,

> Now there appears to be more options, so why should we not take advantage of it.

She prefers DWCRA though she has nothing against SML. Her reasons for liking DWCRA is,

> It is government-run and hence there are other schemes too which are part of government programmes. And as DWCRA women, we are likely to draw an advantage.[40]

Table 5.4
Increase/Decrease in Household Income

Household Income	**No. of Members**
Increase	19
Decrease	1
Stayed the Same	11
Cannot Say	6
Total	**37**

Since members in SML appear to exercise more than one option in terms of savings and credit, it may be of interest to note that. 34 members had an additional source of income for their families, other than their primary occupation. For 19 members, income during the past year (see Table 5.4), had increased, while 11 felt it had remained the same and six could not comment.

For members increase in income was a result of: a) credit access b) improved savings and c) expanding businesses/income generation activities. One member found her household income had decreased as a result of the stress of weekly payments. She added (SMM36), 'Savings no doubt is more because now it is done systematically … actually we ourselves have become careful in savings since repayment is involved.' The member, a basket weaver in Mallaram concludes, 'I still really have to feel my savings … now, we save, we take loan with that amount and then we repay. May be in the future situation will improve then I can say my income status has also improved.'

Most members did not report an increase in their household assets corresponding to the increase in income. For instance, only ten women reported increasing their assets; for the rest it remained the same. Those who did invest in household assets usually bought a watch, bulb, fan, radio, television, jewellery, a bicycle or added to their existing livestock. One must however note that whether or not women cited adding to their household (productive or non-productive) assets, 35 women took loans for expanding their ongoing businesses/income activities.

SML members when asked whether they had any legal ownership, 25 replied in the negative. Twelve members claimed ownership to a house, land or both, though they did not have any supporting documents. Interestingly, their ownership sense was their understanding that they have equal rights as their husband, and was therefore entitled to as much as their husbands.

It may be mentioned here that collating information from secondary sources, it has been noted by Simanowitz (2002) that SHARE achieves an unambiguous positive impact on the economic poverty of its clients. For 76% of SHARE's mature clients, where the woman have been member for at least three years, have experienced significant reduction in their economic poverty and half are no longer poor. Further, the strongest impact on poverty status is increased asset ownership. A UNDP study (2001)[41] conducted earlier in two districts, Guntur and Rangareddy, also noted significant poverty reduction and that SML women are in better control over income, assets and expenditure. 'Of those with whom interactions were held', UNDP study reports '100% of the mature clients' confirmed 'significant income increases and better living standards through microcredit access'.

An independent survey (2000) by International Food Policy Research Institute (IFPRI) and National Institute of Rural Development (NIRD)[42] of 500 households: comprising 200 clients and 300 non-clients, randomly selected from SML's groups, from amongst five branches, again randomly selected after dividing existing branches into five clusters – has equally strongly demonstrated SHARE's success in providing services to clients belonging to the poorer sections of the population. The study however concluded that

> there is one caveat …That is, for some indicators … even though the average level of the indicator was lower for SHARE households than for non-client households, a further disaggregation revealed that the poorest of the non-client group were worse off than the poorest of the SHARE clients… It may well be the case that the poorest of poor households lack skills … that they are not in the position to take advantage of services provided by SHARE. This is not necessarily due to limitation in SHARE's poverty outreach programme. It may well be the case that the extremely poor are best served not by microfinance programs but by social service programs that empower and improve their skills.

Similarly a note on impact assessment of SML by Gibbons (2001)[43] noted although SML's poverty-reduction is impressive, still a majority of its clients (63%) are moderately poor. It further stated, 'as adding income earners and diversifying sources of household income has been the main strategy used by those clients that have come out of poverty, rather than a specific loan activity, perhaps moderately poor households could come out of poverty in the future if their subsequent loan proposals were carefully scrutinized by SML field staff to ensure that either an additional income earner was being added or that a new source of household income would be created, if not both.'

- ## Feeling of empowerment

Given SML's nature of functioning, women are business-driven but they do talk about non-economic benefits of joining SML. Table 5.5 below shows the responses of members regarding non-economic benefits of SML.

Table 5.5
Responses of Members (Non-economic benefits of SML)

Benefits	Increase	No such benefits	Cannot say
Access to Information	27	9	1
Wider Network- linkages	13	23	1
Status Elevated	20	7	10
Change in Self-Perception'	22	6	9

Women use the word *jnanam*, meaning getting to know, referring possibly to their access to information either imparted by SML or through exchange of views amongst members themselves. As in SEWA Bank, majority of SML members equally felt that it has not led to wider network linkages. A prime reason cited for this was that SML's groups generally entailed 'savings and credit routines' on a weekly basis. Though SML did conduct utilisation checks, its prime interest lay in monitoring repayments. It therefore does not necessarily assist members in expanding their business by linking them to other groups, individuals or markets. However members assert that by being part of groups they have learnt the basics of banking which also helps them in their lives, for instance, if a member goes to a post office to open an account she will not only be interested to ask how much interest she would get, but also she would understand what is written in her account book.

Beyond the access to information that the group may provide, being in a group for a longer period by itself has advantages like a bonding feeling with fellow members. A member in Mallaram says (SMM31), the best thing about SML is that

> They gave us money without knowing us. They trusted us and that was important.

She strongly feels her awareness has increased and due to savings in her hand she feels a level confidence. Plus, she knows there is a '*group*' on which she can bank in times of need. Her husband is an auto-driver. Another member echoes similar 'group sentiment' in Pallipadu saying (SMP12),

> Coming in groups has given us an opportunity to interact and know people little better. And now we do help each other in times of difficulty.

This member a widow stays with her married son, who is a mechanic. The family has land of its own.

Women also talked about their status elevated. In this regard, two points came across: a) members viewed status elevated' either in terms of being able to improve their household conditions –with other people around noticing it or b) their realisation that SML despite its strictness is equally dependent on them. That is, if for a reason a member decides to quit, SML staff might approach them and that they be 'approached' had not happened earlier. It made them feel important. Those who did not feel their 'status got elevated' were mainly due to no change in economic condition.

On changes in self-perception, 22 women said their perceptions have changed on four crucial points. First, they have improved knowledge. Second, they feel a higher level of confidence. Third, people (and their own men) treat them with greater respect and finally, they are able to go out themselves and also converse with people outside (their community, village). This 'feeling of respect and confidence' is also reflected in a study cited by Kabeer (2005) noting 'SHARE membership had increased self-confidence and entrepreneurial activities and brought those (members) greater respect within the community.' Similar changes have been indicated both by Simanowitz (2002) and UNDP (2001) study mentioned earlier. UNDP study cites significant decrease in child labour and importance of education being felt for both boy and girl children; further, SML's' micro-credit initiatives have led to breaking social barriers as it has enabled women to interact with other people in society. Women have also used collective strength to address village issues more openly and boldly before the bureaucrats. To this point Simanowitz (op.cit.) mentions a contrast, 'SHARE clients experienced increased feelings of confidence and self-esteem but community empowerment remains weak'; 'social activism is not part of SHARE's objectives.'

As to who takes decision within the household (see Table 5.6) on various matters and whether it has also led to negotiate bargaining powers, 20 women said they either take decisions themselves or jointly with their husbands.

Table 5.6
Decision Making by Members

Decision Making	No. of Respondents
Self or Jointly with Husband	20
Only husband or male relatives	16
Female Relatives (mother, mother in law)	1

As was found with SEWA women, here too, members appear not to link decision making with bargaining power (see Table 5.7). Women rather questioned as to why the need to emphasise 'bargaining power'! They can take decisions; without necessarily 'bargaining or negotiating'; they can create 'enough space' for themselves – though this space women do feel seem to have got created since many of them are now either economically more active or simply being part of group has a 'silent' strength!

Table 5.7
Bargaining Power of Members

	Increase	No such benefits	Can't say
Bargaining Power	15	21	1

A respondent running a shop in Pallipadu says (SMP6), 'As and when needs arise, my husband and I take up responsibilities. When I am at the shop, he has to share the household work. I did not have to tell him or ask him … After all, the shop is bringing us good income … I feel safe, secured and confident. He too feels the same.' Another member residing in Mallaram (SMM35) narrates the difference she sees within her household as, 'Before the money was with him, he would keep it … now whosoever is earning, the money is with me…we discuss things mutually now and what I feel good about is that I have started to dream for a better future for my children.'

A basket weaver in Pallipadu feels if there were groups for men, women probably would not have joined. But now having joined, she feels because of this 'financial thing' women have a leverage. She has a suggestion to give to SML. She finds it too mechanical in its orientation. She feels SML must encourage women to get into bigger business but as a group activity. Presently, SML's focus is too much on the individual; it wants each individual to strictly follow its rules and regulations.

Apart from the women, the men too seemed equally vocal about the different benefits they see in women forming groups and its varied outcomes.[44] They had a range of things to say as follows:

- Women have made savings so easy
- They have enabled us to have easier access to credit
- They show much greater responsibility and are also working harder no
- They are adding to 'assets' and income generation
- Women together can do better jobs
- They have become stronger; they go outside and communicate with other people.
- They have made us change our attitudes and become 'polite' towards them.

5.7 Some Views of Non-members[45]

We met 14 non-SML members[46] (6 in Pallipadu and 8 in Mallaram), of which three said they do not mind joining, while a woman from Mallaram (NMM14) said she would like to join but did not for the fear of repayment. She is a member of the government run DWCRA programme and says she is already facing problems repaying the loan amount under DWCRA. Eight of the 14 women are members of DWCRA groups.

Women not wanting to join SML made four distinct remarks: a) they have problems with its weekly payment; would want it to be flexible b) they can not afford weekly meetings; therefore would land up paying penalty for absence c) they can demand and get more money at DWCRA; at SML it seemed fixed d) interest is still lower with DWCRA loans than SML. A woman, leader of her DWCRA group in Mallaram says (NMM10), 'I feel more comfortable with DWCRA. Though I am unable to cite who is benefiting more – we or SML members, at SML there is an unsaid pressure and I know of my neighbours who find it difficult to cope with SML's strict payment system.'

Three of the 14 were earlier members of SML but left it at different points either owing to strict repayment policies or household conditions which affected their repayment. All three however had words of praise for SML's record keeping saying there is no ambiguity and SML staff is well versed with complexities of banking.

Eight non-members are presently saving with DWCRA; four of these reported multiple savings i.e. alongside DWCRA, they also save either in post office, bank and/or have bought insurance. One woman who said she does no savings, belongs to a landless family in Mallaram with goat rearing their sole business. She says (NMM9), 'money comes by selling goats. What is worse is when we are forced to sell a goat owing to some loan taken from moneylenders. But what to do; sometimes we are not sure of our daily meals.' She considers her family as ' poorest of poor' but says, ' I have no access.' Another woman in Pallipadu belongs to a landless Muslim family. She goes out for labour work and also helps her husband make some money out of goat rearing. One of her sons left school to learn and earn from some minor mechanic work. Her husband meanwhile is an alcoholic, so in some ways the burden of a seven-member family falls on her. She does not complain but adds (NMP5), 'it is good to save and I don't mind joining any group. But in all matters, you need family support. I have three daughters to marry off. Who does not want to plan for a future – but I neither have the means nor the resources and I am not even approached by any.'

Whether member of a group or not, women in general had a positive approach towards women's groups. A woman running a shop in Pallipadu was a member of SML but left. She is now with DWCRA. She summarises as follows (NMP1), 'Women in groups may or may not be benefiting in terms of large increase in their incomes. But these groups definitely have brought a change in outlook. Women feel they have more space, their information base has increased, there is improved self-confidence, wider interaction … beyond this it is each one's capability or vision to ensure better living for themselves and their families. I am sure it's the same with urban women.' She concludes, 'opportunities enables one to exercise choices but you can benefit from those choices given your capabilities. And if organisations work to facilitate those capabilities, then there will be remarkable progress.'

Conclusion

SML is perhaps one such rare MFI, which does not hesitate to boast its success and achievements.[47] Its confidence is captured in its saying, 'as the operations expand, competitive pressure may increase, thereby increasing the risks associated with the lending operations. The company has a clear understanding of the competition and being regulated as a for-profit entity has its own advantages and strategies to face competition, if any' (SML Annual Report 2002-03).

Giving credit to the poorest of poor families is a Herculean task and it is not possible to carry out such a task without sound management principles. SML believes that its strong governance structure marked by well-established and clearly defined processes, decentralised roles and responsibilities at various levels, and automation of business operations which allow for adequate information flow facilitating monitoring, are all steps in the right direction and have enabled it to help so many families with economic opportunities. It has also enabled SML to achieve what is seen as operational and financial self-sufficiency.[48]

At first instance when one visits SML, one is caught in what appears to be a tremendous defensive attitude. No information is given out almost willingly. Every thing has to get a clearance from the Managing Director who, one was surprised, also has a camera in his room that monitors all staff and their action. Everything is also reported back to him. He was aware of the question asked to his staff during this study.

That SML is a top down organisation is almost discernible. All decisions are taken at the Head office and the strictures passed on to the Branch Level where they have to be simply carried out. It is highly regimented and hierarchical at all levels. There is less space of open communication or criticism. There are meetings which are held regularly but these are only to tell the lower staff what they have to do and constantly remind them to keep a check on all repayment records. Incentives for the staff are also based on targets met.

Since the organisation is so highly rated for its organisational efficiency,[49] they do not doubt their ability to reach the level where it matters. Its loan products and services are seen based entirely on the needs of the clients. The strongest points of the clients are utilised to the optimum and they are counselled to choose the right activity for income generation. An example cited of its best services is that if a client needs an amount such as Rs.6000 (US$150-175) only, then depending upon her business the application is taken up immediately and loan disbursed to her the very next day of her application. No time is lost and even if the amount is higher the waiting time never exceeds two days.

The support of commercial banks and the streamlining of priority sector lending towards MFIs has provided a movement towards scaling up of the microfinance sector. And given SML's good ratings it has never had problems finding bankers. It has over 15 Bankers with which it has made different deals. Few Bankers one could meet had reservations with institutions, which have so many funders. One of their concerns was that in such a situation, at the time of reports, there could be possibilities of fudging data i.e. the same data shown to different banks. But as a funder, an institutions' rating and its infrastructure matters. And SML has both.

This high rating also probably accounts for SML's securitization deal with ICICI Bank. Under this deal, a portion of SHARE's portfolio of loans was sold to ICICI bank with the Grameen Foundation, USA providing funds that served as a guarantee for the pool of loans involved in the transaction. 'Rather than handpicking loans…SHARE simply chose 26 different branches. The only real criteria was that the branches not be encumbered by any type of lien or any other encumbrance that would complicate the transfer of ownership to ICICI. The loans from all of these branches, regardless of their status, were included in the pool' (portfolio of loans transferred) (Bernasek et al. 2005:167). Although the loans are no longer owned by SML it continues to service the loans i.e. SML staff would continue to provide services whose loans were sold. The repayment is also made in the same manner.

Bernasek et al. (op.cit.) write that ICICI was not concerned with obtaining information on individual loans from SML. They had confidence in the track record of SHARE. Noting that for less mature organisations it may prove difficult to participate in such securitization deal, Bernasek et al. (op.cit.) write, for SML acquiring such funds enables it to realise its ambitious expansion plans and continue with their rapid growth. For ICICI, in some ways it also helps fulfil the requirements of the GOI, encouraging banks to direct 40% of their lending to the priority sector. Such securitisation deals on one hand are viewed as economic globalisation, linking microfinance with capital markets while others find such investments as 'extending a hand to the poor only where there is a profitable market'.

Further in May 2007, Aavishkaar Goodwell India Microfinance Development Company Ltd, announced its US$2mln investment, representing the largest equity investment to-date in the global microfinance sector that will allow SHARE to rapidly expand its current operation, reaching a larger number of clients. While it is the track record of SML, which gives it the recognition as scaleable and efficient drawing corporate interests; as per Aavishkaar Goodwell such an investment in SHARE will also enable it to demonstrate that entrepreneurial development in microfinance creates both social and financial value.

Acknowledging itself as one of the most successful MFIs in India, SML often narrates its experiences accounting for number of people or 'clients' reached and their income raise and asset building. While it misses out on its own members narration of other slow and gradual 'changes' not necessarily economic, it is not the concern of MFIs such as SML to strive for larger institutional and structural changes. But then without such changes, can there be a social transformation in reality?

Notes

During the fieldwork at Wyra Branch and its Centers, Mr. Kishan Rao, an agricultural economist who belonged to the Khammam area and Ms. Shobha, a university graduate ably assisted me as interpreters. The latter from Hyderabad stayed with me in Khammam. I owe special thanks to the whole team of Wyra Branch comprising of Mr. Gopi Krishna (Branch Manager), K. Shekhar (Asst. Branch Manager) K. Haribabu (MEA), Sarada (Cashier), Nageshwar, Suresh and Ravindra (FCOs) for their time and enthusiasm. This was the first study conducted at Wyra. The staff of SML at its head office in Hyderabad is also duly acknowledged.

[1] The focus of this study is on SML- the MFI. A brief narrative on SHARE-the NGO (refer to section 5.1) is imperative given its role in the transition to SML

[2] Hereafter referred to as MD/SML. Interviews with MD, SML were conducted over two meetings scheduled in November & December 2003.

[3] It may be added that Mr. Udaia Kumar's interests led him to learn about microfinance programmes in India and Overseas. Intrigued by the Grameen Model of financial services without collateral he took up a study on Grameen Bank. He says, 'first time I was given an exposure… I saw the Grameen Bank … So the essentials of the Grameen Bank financial system I understood very carefully before launching the pilot phase.' He however adds, 'we are labelled as Grameen Style system because of the essentials we have picked up and the second thing is the financial support for starting this project has come from Grameen Trust.' He concludes, 'today though the essentials of Grameen are there… we have brought up so many innovations' (interview: MD/SML 2003).

[4] To undertake its action research project SHARE received recoverable grant of $25,000 from the Asia Pacific Development Centre, Malaysia and a soft loan of $35,788 from Grameen Trust, Bangladesh.

[5] The non-formal status of microfinance activities under SHARE hampered not only the outreach in terms of reaching clients but also the scale at which micro-

finance activities for the poor could be carried out as there were legal limitations for societies to raise financial resources from commercial sources and to earn profits.

[6] Non Banking Finance Companies (NBFCs) as specialised agencies undertake microfinance activities. Registered as profit and non-profit companies under the Companies Act, 1956, so far NFBCs microfinance activities to some extent were unregulated and unsupervised. In 1997 Reserve Bank of India (RBI) and Securities and Exchange Board of India (SEBI) made it mandatory for NBFCs with microfinance activities to register with RBI. RBI also introduced a new regulatory framework for the NBFCs with a view to safeguard the interests of the public depositors. Accordingly, NBFCs falling short of a stipulated minimum Net Owned Funds of Rs.25 lakh (now raised to Rs.2 crore for new applicants) are precluded from accepting public deposits. One of NBFCs innovation is its agent system of collection of savings or recovery instalment. Rather than the client going to the NBFC, as is the case in formal banks, it follows doorstep banking, meeting clients at their doorstep.

[7] Mrs. Vidya Shravanthi, wife of Mr. Udaia Kumar, is the present Director of SHARE. She is also the Managing Director of another organisation called Asmita, run on similar lines as SML in selected districts of Andhra Pradesh. SML staff said, there is no overlapping of members in SML and Asmita.

[8] To identify the poorest of poor, SML uses a format – 'member profile' (see section 5.4). The outcome of this format – if it matches the criteria under 'targeted client', then SML staff tries to motivate the person to form a group.

[9] Grameen Foundation USA, which acted with the two parties and helped to successfully conclude the securitization deal in turn provided $325,000 as a cash collateral deposit that accounts for 93% of the guarantee required by the ICICI Bank (source: Bernasek et al. in Gup 2005). Grameen Foundation USA, a non-profit organization, is an offshoot of the Grameen Bank; operating in the US it assists MFIs around the world in securing funds for expansion and operations.

[10] Aavishkaar Goodwell India Microfinance Development Company Limited is a for-profit business development company that invests in entrepreneurial microfinance organisations in India on a socially and commercially sustainable basis. The company is building a portfolio of US$25mln in microfinance start ups and fast growing institutions (source: www.aavishkaargoodwell.com).

[11] By October 2003, the number of branches had gone up to 99 and by the end of the year the figure was to reach 100. Having reached a clientele of well over 170,000 women – SML has emerged as one of the largest MFIs in India. With an incredible 100% repayment rate, SML has plans of extending its services to other states identified as poor and backward. In 2004 it opened one branch in Durg District in Chattisgarh and had the intention of opening more branches in

Bihar and Jharkhand – thus taking the 'institution' beyond its home boundaries i.e. Andhra Pradesh. SML's rapid growth is discernible. In 2007, SML's figures showed already a network of 2,300 plus staff spread across 312 branches in 5 states covering over 1 million clients and US$95 in outstanding loans.

[12] This justification of target is also viewed by some as a 'hidden transcript' of organisations, one which is consistent with their goals of 'recovery and financial sustainability', and it makes the job of collecting instalment easier by 'targeting women' presumably more passive and submissive as compared to men (Gjerding 2002). The 'public transcript' would however present 'targeting women' as giving them opportunities, raising their awareness through groups – eventually leading to socio-economic empowerment.

[13] SML gives importance to its mechanism of re-grouping groups into centres. For instance mobilising women into groups and then into centres – this in effect allows women lot of space outside their homes, which they were never used to.

[14] SML does not use the word women's empowerment but strongly believes its programs lead to empowerment by which it also means 'equal decisions with other family members' i.e. not only do incomes of clients are increasing but women also say they get more respect from their husbands; the husbands also discuss matters with them such as if some purchases have to be made for the household, etc.

[15] Board of Directors comprises of members who are experts in the field of microfinance, sociologists and clients. Consisting of ten members, the Board tries to meet every two to three months to decide on various policy issues. During 2002-03, the Project Advisory Committee met four times to advice the Board in selecting object oriented poverty reduction plans. The result was an introduction of a new product: micro-enterprise loans. Except for the SML's Managing Director, other six members of this committee are people, mostly bankers, from outside the organisation.

[16] It reviews the accounts, internal audit system, internal control procedures, performance and efficiency aspects and reports to the Board. During the financial year 2002-03, the committee met twice. The head of the internal audit department, the finance controller and the external auditor also participate in such meetings.

[17]For instance, suppose the clients need any bigger loans or ask for group lending and not individual lending or if someone asks for some special products – such things are discussed here and plans made in discussion with the MD.

[18] Depending on the proximity of branches, even adjacent districts, areas and divisions are created. Hence there is no hard and fast rule as to how many areas fall under a division.

[19] A problem as stated is found to be mostly in terms of a client seeking more loans than the Branch is willing to give. In such a situation, the Branch Manager discusses with Area Manager who could further discuss it with the Divisional Manager if necessary. Looking at the client profile or taking into account any other consideration if both or either feel that the branch should shed its reluctance, the branch would do so.

[20] Each month the DMs visit at least twice each area falling under their jurisdiction. The checks are in the form of monitoring and regulating the behaviours and activities of area managers. DMs can also make visits to new centres and branches.

[21] It is primarily the DMs, who upon hearing from their area managers and depending on their own understanding of the situation at the field level may i.e. of they have failed to solve it by themselves or may not send any requirement/s to the head office.

[22] Usually depending on the last three years track record, the Divisional and Area Managers and senior staff sit together and set the target for each of the branches. In general, target usually means staff has to find minimum ten members each month and disburse loan amount, collect repayments on schedule, identify new groups and centres, etc.

[23] It is from a field credit officer level one can come up the ladder to become Branch Mangers, then area managers and later be at the Head Office at any post. All departmental heads at present – they all at one point or another began as FCO or FCO trainees.

[24] SML invests adequate time in training and building staff capacities. At the head office, the training department is a five-member team. Apart from training the FCO trainees, this department gives training to field credit officers, micro-enterprise loan analysts, Branch Managers and so on. So all cadres are included. In September 2003, SML started its regional training centres (RTC). There are five such RTCs. In each of these, there is one Regional Training Manager who has to conduct training programmes regularly. SML selected its Regional Training Managers from its staff who were previously working as Branch Managers.

[25] Gender training for example could involve gender sensitisation programmes wherein staff is made aware of importance of collecting dis-aggregated information in the field as women's needs are likely to differ from men's. It may also involve encouraging staff to enable participation of its clients in SML centre meetings to further improve the qualitative use of loan.

[26] Amusing as it may sound one was told quite seriously by one of the personnel at the Head office that under office rules, on the field one can not 'fall in love' with one's fellow colleague. It is not 'permitted' for it brings bad name to the organisation.

[27] Whether trainee or other confirmed staff, all are entitled to all the benefits – medical, transport, group insurance, incentives as approved by the organisation.

[28] It may be added, it is from amongst these FCOs branch/area managers are chosen. So far no one has been chosen from outside. Only recently SML recruited Branch Manager Trainees in other states to open new branches. In Chattisgarh, where operations have begun first SML's senior staff went for a survey and located a Branch in Durg. Initially its own staff was posted there but now local people are being recruited.

[29] The woman staff in the Branch office – covered under the study said, she covers 14 centres in 6/7 villages. She finds it burdensome; she cannot afford to miss going to these centres and also needs to ensure she reaches on time meetings are scheduled. According to her, 'At SML dedication at work is defined as one in which you follow organisational guidelines and meet all targets on time'. As she finds it difficult to easily reach all her centres, as these are not well connected by public conveyance; she has now put in a requisition to purchase a two-wheeler/moped for easy travel to targeted areas.

[30] According to one of the FCOs met in the Branch office, 200-250 members per staff is 'a good' but not the 'best' outreach ratio This FCO was of the opinion that anywhere between 350-400 members per staff could be regarded as reaching high levels.

[31] Wyra Branch was one of the few branches, which was operating before SML was formally registered. The other earlier branches fell under Guntur district and SML's impact studies have been generally conducted in that area. There has been no study or visits at its Wyra branch which in comparison to Guntur (which is a very fertile area) falls under semi-arid zone.

[32] The data furnished by SML Head office however showed Wyra Branch (as of 31st October 2003) working in 53 villages, 75 centres, 2995 members with 1511 as active borrowers.

[33] As per SML, it is also the coastal areas which benefit more through micro-credit. Where land is more fertile, where people are agriculture based; people respond more vibrantly to such initiatives. Guntur district is where SML first began its activities. And almost all its impact assessment studies are conducted in this or Rangareddy district both considered being fertile areas.

[34] This is not to stop older women from joining a group. In SML's view, it is better to have groups where the average age of women has some parity rather than having a group which has one or two 25 years olds and others 65 year olds.

[35] Seasonal loans are primarily given during agricultural seasons; supplementary loans could be used alongside general loans for further inputs to an ongoing business. Special loans are loans meant for housing purposes. General loans are

the main loans, which are meant for income generating activities and can range from Rs.3000-5000 in the beginning to 20,000 (now even 50,000) depending on the repayment capability of the client. In the fieldwork area under Wyra, people were given only general loans. They used to get supplementary loans but that has been stopped without any notice. SML also did not give any housing loans in this area.

[36] Women members interviewed even if did not specify particular training programmes, some did mention SML staff enquiring about their activities and now and then even giving them advice/s or tips to improve their businesses.

[37] Lying within a range of 15 kms. from the Wyra Branch Office, Pallipadu and Mallaram have two centers each, of which one in both has been very recently organised.

[38] This survey was conducted under Andhra Government's Velugu Programme (2000). This is a World Bank supported project aimed to eliminate rural poverty. Velugu also promotes the establishment of SHGs of very poor women and helps them create collective economic enterprises. Following Velugu, confusion (and overlapping) between DWCRA and Velugu groups were reported; it has now been proposed that the two programmes be merged into one.

[39] For SML Members/ Household Profile, see Appendix A.5. Members in the text are quoted not by their names but as SMP1, SMP2 or SMM21, SMM22 and so on. SMP stands for SML Member Pallipadu and SMM stands for SML Member Mallaram.

[40] For example, under the DWCRA programme women got gas stoves.

[41] UNDP (2001) Microcredit and Women's Empowerment: A Case Study of SML. Draft Report. Access to this report is courtesy SML staff, Head Office, Hyderabad.

[42] IFPRI (2000) 'Assessing the relative poverty level of MFI clients- Development of an operational tool: Synthesis report for the case study of SHARE, India', A research Project of IFPRI, CGAP in collaboration with NIRD. Access to this report is courtesy SML staff, Head Office, Hyderabad.

[43] Gibbons, David (2001) SHARE Microfin Limited: Note on Impact Assessment, presented to the Board of Directors and Project Advisory Committee. This six-page note was accessed courtesy SML Staff, Head Office, Hyderabad.

[44] We could not get to speak with any male member in seven families. Men in three families out of thirty did not ascribe any 'positive character' to women's groups. They rather sounded cynical and did not understand why there was such a tide towards involving women.

[45] For Non-members/ Household Profile, see Appendix A.5. Non-members in the text are quoted as NMP1, NMP2 or NMM7, NMM8 and so on. NMP

stands for Non-Member Pallipadu and NMM stands for Non-Member Mallaram.

[46] 1 from GC – General Caste; 3 SC- Scheduled Caste; 6 BC – Backward Caste; 3 Muslims (all in Pallipadu); 1Christian.

[47] When one visits SML, the staff unequivocally presents SML as one of the world's best, efficient, transparent and sustainable institutions. And the credit for such an accomplishment is attributed to one person's vision and endeavour – Mr. Udaia Kumar, Chairman and Managing Director of SML. In 2002, he was the recipient of 'Lifting up the World with Oneness Heart' an award conferred on him by the UN Peace Foundation in New York.

[48] Operational Self-sufficiency means SML is able to meet its expenses at what rate it is accessing funds from its bankers. Financial self-sufficiency means calculating at the rate of market price. Suppose if someone is giving less interest than market rate SML will not calculate it as an interest rate; it will calculate it as a prime-lending rate.

[49] M-CRIL, the Microfinance Capacity Assessment Division of EDA Rural Systems assessed SML and so did Credibility First, a Division of CRISIL under its Microfinance Rating (mfr). Both give high ratings to SML commending it as 'a high safety and good system' for its excellent performance on governance and management aspects and good performance in financial aspects.

6 Sakhi Samiti: Intermediating NGO

Introduction

The case of Sakhi Samiti (SS) illustrates yet another approach in making credit accessible to rural poor women and has been covered as a case of an intermediating NGO that promotes the formation of self-help groups (SHGs). From filling applications to receiving and repaying loans, SS acts as an intermediary between SHG members and existing formal financial institutions. SS can therefore be viewed as a key actor in the government (NABARD) led SHG-Bank Linkage programme,[1] which is a symbolic representation of 'government – civil society' led development partnership. Further, SS is an initiative of illiterate and semi-literate rural women lacking in professional and technical expertise, yet asserting its role in negotiating gender bargaining power and transformatory outcomes. Besides, SS owes its origin to another NGO – Professional Assistance for Development Action (PRADAN), whose present advisory roles seems to have such an impervious effect on the functioning of SS, that it is unable to outgrow its parent organisation.

This chapter on SS, a rural women's initiative begins with section 6.1 which traces the genesis of SS, and how it emerged. SS's objectives are also mentioned. Section 6.2 takes note of SS's construction of women's empowerment and dealing with rural poor. While its stated objectives highlight its role as a credit intermediary to empower women, views of SS leaders appear to sideline it as a regular perfunctory duty, emphasising instead on its ability to promote collective action and voice in the public sphere via group formation in villages. Section 6.3 then brings to the fore the organisational decentralised structure meant to extend and build women power at the grassroots. Whether building of women power strengthens the principal–agent relationship, thereby making credit arrangements – reducing costs and risks, within SS groups work effectively is the focus of section 6.4. Given SS's own narration of proactivating collective agency, section 6.5 tries to look if there is any non-financial side to its financial intermediation. Section 6.6 brings organisational claims face to face with members' voices from the village of Chorbasai, where this field study was conducted. Section 6.7 voices the opinions of the non-members. The chapter concludes leaving a doubt on SS's organisational capabilities despite its leaders' overwhelming ambitions of promoting groups, self-reliance of these groups, women's collective power which all eventually lead to the socio-economic upliftment of women.

6.1 Rural Women's Initiative – Sakhi Samiti: An Intermediating NGO

SS has been working since 1993 in the Kishangarh Bas block of Alwar District in the North-western state of Rajasthan. The history of SS is interesting, as it owes its genesis to another NGO – PRADAN, which works on a much larger platform.[2] If it had not been for PRADAN's decision to withdraw from the Kishangarh Bas area, groups of SS would still be known as PRADAN. But having an existence of its own has not meant SS cutting its ties with its mentor, but rather sometimes the mentor appears to have an overbearing presence.

PRADAN (an NGO) established in 1983 has a mandate that involves promoting and strengthening livelihoods for the rural poor. This involves organising the rural poor, enhancing their capabilities, introducing ways to improve their incomes and linking them to banks, market and other common economic services. Following its own mandate in the early 1990s, PRADAN started its work mobilising women in the Kishangarh Bas area into savings and credit groups. The idea was to slowly expand into capacity building and enhance livelihood strategies.[3] Presently playing an advisory role to SS, one would expect PRADAN guide its protégé more or less the same way, but field experience shows otherwise.

PRADAN formed 19 women's groups in Kishangarh Bas, where it worked. On 18 April 1993, on its foundation day PRADAN invited all members of its groups to celebrate. Around 300 women members took part. For the women, this gathering was an eye-opener as they realised all of them belonged to surrounding villages and that many of them had similar socio-economic problems. Talking to the first President of the SS, Imarti Devi, this gathering initiated the thought process amongst women to organise such meetings for themselves on a regular basis. They decided to meet the same date the next month. PRADAN had borne all the travel expenses incurred by the 300 women in the first gathering. The next time that the women decided to meet on their own, they had to pay themselves, which resulted in only about 40 of the 300 turning up. Imarti says,

> Their coming convinced them that they were genuinely interested in getting together and doing something over issues of common concern.

The next couple of meetings which took place saw the emergence of what would later be formally registered as Sakhi Samiti, a name recommended by women themselves. '*Sakhi*' in Hindi means a female friend. Being a friend, women had lot of expectations of SS and of each other, which due to lack of resources and several other factors were hard to fulfil.

Meanwhile PRADAN for its own administrative convenience and other factors was shifting its base to a nearby area. It left the women with two options: either they disband their groups or they continue on their own. PRADAN would then act as an advisor.[4] The 40 odd women who came for the meeting decided to take it upon themselves and decided not to disband. They felt, as Imarti adds, 'it could lead to some benefits.' These women decided that their prime task would be to form more groups of savings and credit in different villages. Seeing the interest the women showed, PRADAN and some other officials in the area helped SS in its process of registration. It was formally issued a registration certificate on 22 April 1996.

Under Rajasthan Societies Registration Act, 1958 SS – a federation of Self Help Groups, registered as a NGO underlined its objectives as follows:

- Organise poor women and form self help groups in the villages
- Link these groups under the SHG-Bank Linkage programme (particularly that of NABARD) and enable them to receive loans
- Maintain SHGs till they become capable to function independently
- Train group leaders and accountants to ensure proper functioning of SHGs and maintain minimum intervention on SS's part
- Help SHGs to resolve internal dissensions and problems
- Form a cluster with 10-15 SHGs, which will act as a forum for problem solving; solving any group matters and also deal with village level issues.
- Make available supplementary credit to groups. SS introduced its own 'Sakhi Suvidha' Scheme in 1995.
- Facilitate linkages between SHGs/Cluster and Government departments for village development.

The primary aim through such objectives is economic and social upliftment of its clientele, all of whom are women. A majority of these, according to SS, belong to the lower income strata. As of October 2003, SS had formed 218 groups with 2655 members in 55 villages, out of which 163 groups in 45 villages formed part of different clusters (refer Section 6.3). SS's area of operation includes only the villages of Kishangarh Bas Block[5] in Alwar District. This study was conducted in village Chorbasai, one of the first villages where SS started its operation in 1993.

6.2 Understanding Poverty and Empowerment: 'Collective Action' Towards Economic and Social Upliftment

SS is clear as to what its role on the field is. It has to form groups and make credit easy and accessible for these groups in order to bring about a socio-economic change in women's lives. Only women are mobilised and formed into self-help groups (SHGs). SS insists that to reach out to poor women, it does not just depend on income category, thus does not necessarily follow the Government identified Below Poverty Line (BPL) norm.

It explains its process of group formation or identifying the poor in a much elaborate way, whereby it follows a wealth ranking system, enabling it to identify its potential members. According to SS, once a village is identified, a survey of the village is conducted. During the survey, fieldworkers prepare a list of the households in the villages with the aid of a few old men, especially those who have been staying in the village for long. The people met are then asked to rank each of the household listed. Ranking depends on factors such as the condition of the house, occupation of the household members and how big the family is. Much also depends on the sources of income and the number of earning members. For example, houses where there is only one earning member and too many mouths to feed would be a poor family according to SS's wealth ranking.

While the study did not witness such a wealth ranking, one of the fieldworkers cited her experience as follows:

> I followed a chit system, writing down the name of each household head in the village in separate chits. Later one by one, I opened these chits in front of the villagers and asked them to rank these households. I cross-checked the ranking three times with different people in the village, sitting at different places. It took me three days to do the wealth ranking of around 95 households. And I found there were around 28 households who fell in our third category list.

On the basis of its ranking, three categories of households are identified. The first includes those who own land, have reliable source of income, household assets like tractor and working children in the family. This category is considered rich and automatically deleted from the list. The second category includes households which have some land, though less in amount or some reliable source of income, plus own few household assets. They fall under the not so poor category. It is the third category which is primarily targeted. Consisting of the poor and also the poorest, households in this category are seen to have no land. They are primarily the labouring class who earn a daily wage.

It is with the third category of listed households that the next phase is initiated; though SS admits that women from the second category also tend to become members. In the beginning, fieldworkers start visiting women who fall in the third category in their homes which gives them a better idea about the household. The idea is to meet these women and motivate them into forming groups. While meeting these women and talking to them, some more women are identified who may have got omitted due to margin of errors while ranking the list.

The wealth ranking by SS, using subjective measures such as perception of others – though old men and not women are consulted – perhaps adds to drawing out the poorest more efficiently, rather than assessing poverty through income and asset indicators alone. However, it is difficult to state how consistent SS is in using such methods. Also by the fieldworkers' own admission, this is a time consuming exercise especially if the village is big and power hierarchies or other divisions may influence one's subjective judgements. Further still, SS as will be seen is highly understaffed which is likely to impede carrying out such an elaborate exercise.

For the President of SS, it is not simply identifying poor women but drawing them out of their homes to form groups which is important. An illiterate herself (though she can sign), she emphasises that groups for SS are symbolic of collective strength, which enables women to create a bargaining space for themselves, outside the household. When people, in particular men, see some commendable unexpected results of a collective action, a typical attitude that 'women are no good and are best when confined to homes' are subverted.

A sterling example of this notion being overturned is an instance cited from a village where SS worked. Here water crisis in 1992-3 led women from various groups to unite and visit the Block office where they demanded they be sanctioned money for re-constructing a well in their village. The Block office drove them away saying it was not a women's job and that there was a complaint from a man from their villager, saying that something would happen to these women who were getting into the risky venture of constructing a well. Who would be responsible if something happened to you? The Block office seemed to have asked. This did not stop the women and they went on to approach the District collector, who listened and eventually sanctioned the money. The women found a contractor to do the job, and once completed, invited the collector to the village to show the work they have done. The villagers would not acknowledge their good work and mocked them for aspiring that the collector will accept their invitation. The collector did come and praised these women in public for their efforts. He even cautioned people in the village making unwarranted comments against them.

To cite a recent example, each year the SS organises a *Sammelan* (get together for all its members). The *Sammelan* organised two years ago included a procession on the streets, during which a car hit one of its members. The vehicle with the driver fled while the woman succumbed to her injuries. Other women protested vehemently in front of the Block office ('we did not let the officers come out for hours') and demanded action be taken against the driver immediately. The collector had to come from Alwar to pacify the gathered crowd. The police chief of the area was also called and he promised to track down the driver and arrest him. A week later, when nothing was done, women got together and tracked down both the vehicle and the driver and informed the police, who then made the arrest. The police was surprised that the women had taken this effort themselves.

The point SS makes by citing such examples is that collective action instils a sense of confidence in women and develops a notion that they are not alone. This confidence is bound to reflect itself in the way women individually behave within their respective households. One of SS's fieldworkers says,

> Most of our members are illiterate women. When I first went to the field, meeting them was difficult. They were timid, docile and were vulnerable. Now when you look at them they are capable of doing things out of their own volition. May be not all of them but even if it is few women then that is our contribution.

No one in SS really disagrees with this.

Through SS's narration of events, it appears to be establishing a link between group, collective action, voice and visibility in the public sphere independent of any immediate link between the group, access to credit, income and asset. Yet it is difficult to evoke a clear-cut response from SS as to what it actually means by social and economic upliftment or socio-economic change, which after all is the primary aim of forming groups.

Women who hold positions in SS cite numerous examples of the changes they see in themselves. From women who stayed confined to their homes or went out to work as daily wage earners, they could never think that they would be heading an organisation one day. It is a sense of accomplishment and matter of pride when people from different places and organisations come to visit them. That is, as SS would say, is one instance of change. Further, a majority of their members are illiterate; SS states that it always found these women to be dependent on others for their needs. Today the women are no longer dependent on others; they do not even hesitate to go to the bank and seek bank loans. They are free of the oppressiveness of the *mahajans* (moneylenders) and know whenever they need money, they have a group of their own to fall back upon and that is a major strength for them. That is an economic support SS has created.

Economic change is more or less related to women who have access to money, and this is simultaneously having a social impact. SS's Vice-President[6] explains that earlier women had to wait for money to be brought home by their husbands, then alone they could do some work. And these men who would probably earn Rs.10 would land up spending Rs.8 on alcohol and leave the Rs.2 only after beating their wife.

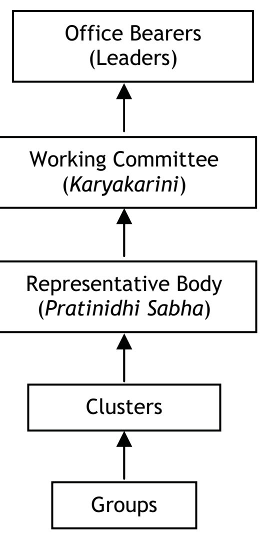
> Such occurrences are rare in our villages now. Women have a greater say as they are helping through the money they get to release their land, to open shops, to buy buffaloes…Men, I think are becoming responsible. They understand that getting money through women takes care of their household needs and therefore willingly help women to repay the loans. They are also giving money to the women for their monthly savings.

Some of the members from within groups have also been invited to stand for local (*panchayat*) elections. Political parties and leaders come to seek their help during elections as they are known in the area. The point is ten years ago, they were a non-entity and today people treat them with respect. Their credibility as an organisation is also established as banks easily give loans to groups who have SS's supporting letter. SS now has a well-acknowledged social identity.

SS leaders conclude Samiti is symbolic of women power. Women have power or the ability to do and achieve what they want even within limiting boundaries. But this belief in their own ability is dormant in them. Through its efforts of bringing women together and forming them into groups, SS is doing both – creating that is, making women aware of their abilities and thereby facilitating 'women power'.

Taking into account all the examples SS cites, women's empowerment or 'women power' – their strength and confidence, one could say, is visible through several lines of action: a) claiming rights demanding public services from the state e.g. constructing the village well; b) claiming accountability from the state e.g. justice for the injury inflicted on their member; c) creating options e.g. gaining autonomy from moneylenders. In this regard, SS's functioning is geared towards addressing economic and social goals simultaneously rather than focussing on one with a belief that it overrides or precedes the other.

Figure 6
Organisational Structure, Sakhi Samiti



6.3 Samiti's Decentralised Organisational Structure: Extending Outreach and Building 'Women Power'

The office of SS is situated in the premises meant to be a *panchayat ghar* (community centre).[7] Samiti has created a multi-level structure over a period of time. The idea is to make SS function more effectively. At the lowest level are groups, which the office staff (includes SS leaders and paid employees) monitors directly. From the groups, representatives are sent to the next level i.e. the cluster. The cluster then sends its representatives to a level higher and so on. Apart from keeping a check on each other this multi-level structure is expected to also work as an information dissemination channel. The structure created is shown in Figure 6.

The **Office Bearers:** The President, Vice-President and Treasurer fit into this stratum, and are referred to as the leaders of the SS, who guide and motivate members i.e. the SHG members. Their role is to check and supervise the work done by the office staff and employees of the Samiti. If ever there is a problem in any group or cluster, the leaders are required to pay personal visits and resolve matters immediately. Leaders are accountable to the working committee (*Karyakarini*) and are required every month to update the committee of all Samiti's work. It is the working committee, which from amongst its members elects the three office bearers. The posts are rotated every three years and a person may be re-elected to the same post. A secretary, who is one of the paid employees, is also appointed. She is however not one amongst the *karyakarinis* but by virtue of her post of secretary required to sit in all *karyakarini* meetings.

The **Working Committee** (*karyakarini*) meets on the 4th of every month and is the main decision making body. In it's meeting, the committee has to update itself of the work done by SS. The working committee members come from a representative body, referred to as *Pratinidhi Sabha*. The *Sabha* elects from amongst themselves the *Karyakarinis* who represent different clusters in the working committee.

The **Representative Body** (*Pratinidhi Sabha*) meets once in three months. Here, problems that have remained unresolved at the cluster level are discussed. In the meetings of the *Sabha*, the working committee members are also present. They brief *Pratinidhi Sabha* of all the work done by SS in the last three months, which is then discussed by the *Sabha* at the cluster level. Each cluster sends two members to the *Sabha* out of which one is sent to the working committee. At the time of the study, on record there are 20 members in *Pratinidhi Sabha* representing 10 clusters but since the last year there has been no meetings due to purely financial reasons (discussed later).

The Clusters: No cluster is formed with less than ten groups. Groups from neighbouring villages form a cluster. A cluster has two representatives from each of its constituent groups. In a cluster, problems related to any group may be discussed, matters resolved or solutions sought. Cluster meetings take place every month and are attended by one of the three Samiti leaders. Each cluster elects two cluster leaders (*Mukhias*) who then represent the cluster in the *Pratinidhi Sabha*.

Presently there are 13 clusters of which *Ganj, Simoli and Tohari* have been identified as potential clusters but do not have monthly meetings like the other ten due to lack of adequate number of groups in that area. SS is targeting villages in and around these areas to form new groups in order to make these clusters functional. Apart from these, there are other groups which remain outside the purview of any cluster. 163 groups in 45 villages are part of the 13 clusters mentioned. Around 55 groups in 10 villages fall under the non-cluster zone (Source: SS, 2003). SS does not have a record of all its groups, reason being in some villages, be it in cluster or non-cluster zone SS started its work and formed groups. But due to lack of manpower it stopped going to these villages. But these groups continue to run themselves without any monitoring from SS. Seeing these groups, some others were also formed without any SS initiation. But all these groups consider themselves as part of SS and whenever they need bank loans they go through the SS.

The Groups: Women, the sole beneficiaries of all SS activities, are mobilised at the village level and formed into groups. Each village may have one or more groups, comprising more than ten and less than twenty members. Each group selects a President, vice-president and a treasurer. Two members, usually post holders from each group are sent as representatives to a cluster.

This elaborate structure can be conceived of as SS's 'model of empowerment'. Creating this structure is SS's earnest exercise to extend its outreach and enable women to join them. However ensuring that a structure like this functions smoothly requires critical factors such as leadership, professionalism, discipline, manpower and so on. SS has leaders, semi-literate rural women who themselves few years ago had been mobilised by PRADAN to come out of their houses to form SHGs. Bringing out women to join them is of least difficulty for SS leaders as its members do not in any way view them as outsiders. Coming to other critical factors, SS has a long way to go. Presently it runs its office with five paid staff, who are local educated men and women but not necessarily professionals, who may enhance SS's role in the field say by way of extending technical assistance to groups or even propagating SS's cause to the outside world to attract resources.[8]

As of now, SS appears contented in its roles of forming groups and linking them to financial institutions. And the organisational structure so far seems to be managing to play these roles. SS wants to expand to all the 127 villages in Kishangarh Bas Block, though at the moment it neither has the means nor the resources at its disposal. SS groups on the other hand, as one would see, by themselves appear to be outgrowing the organisation in terms of its aims and objectives; in such a situation SS may not be aptly in a position to respond. The advisory role of PRADAN is clearly lacking in this respect.

6.4 Samiti's Credit Arrangements: The Group Functioning Matching 'Principal-Agent' Interests

SS delineates features of its SHGs as follows:

- Each group has ten and less than twenty members.
- Each member in a group has to do a weekly savings of ten rupees.
- Each member has to be present in the weekly meeting, date and time of which is decided by group members themselves. If a member is unable to make it to a meeting, she has to inform the group earlier. The matter has to be of serious nature for her not to attend the meeting. If she has not informed and absented herself she has to pay a penalty in the next meeting. The penalty is either Re.1 or Rs.2, as decided by the group. A member also has to pay a penalty if she has not returned her loan on due date.
- The group itself decides the interest rate on the loan amount. While the bank's interest on loan to the group may vary, the group offers members loans at 24%. The margin is the groups' profit, which it divides as dividend among all its members at the end of one financial year or use it as further credit.
- Each group maintains a meeting register, group and individual savings account passbook. The meeting register has a comprehensive account of different heads, which present a group member's savings and credit figures. It also presents the total group savings, credit and other expenses i.e. paying the group *munshi* (see Table 6.1).
- Each group selects its own president, vice president and a treasurer.

The field staff elaborates on salient features to explain how groups actually function. In the villages, once the listing is completed, fieldworkers start by visiting women individually to request them to come for a meeting, which may take place under a tree, a community place or somebody's house. The meetings are spread over 2 to 3 days and are never consecutive. They begin on a general topic, which is subsequently directed towards asking the women if and from where they take credit for purposes like marriage and education or do they save for it. The usual reply is how can they save, when they don't have enough to eat. They also talk about their situation and usually in dire needs they either mortgage the little land they have or their jewellery. But when they have nothing, then there is nothing to seek a loan against.

Not all women identified through the listing come for the meeting. Initially few turn up, but when they see others join, the turn-out increases. This is one of the reasons to have meetings on non-consecutive days. Those who attend the first time spread the word amongst their friends or neighbours, so people get to know what was talked about in the meeting.

For the first few meetings SS staff only listen while women share their problems. The staff then gives suggestions like the women should try and start saving even Rs.2 if possible. They are told:

> Just try this you would find that you would be able to satisfy some of your needs.

The women are also told that they need to save weekly. Some women understand what they are told, but say they want to talk to the male members in the family. Very few commit immediately. They seek a date from SS, asking them to come back on another day and know from them what they have decided. Some women do turn up with the savings money on the date decided; those who did not get the permission stay away. Some request the SS staff to talk to the men in the family. SS finds talking to men makes it much easy for them to work with the women.

Group formation is initiated[9] with the women who come for these initial meetings. At the beginning there are no rules and SS just observes whether women come for weekly meetings on a regular basis (see Table 6.1). More women join as they see the system of meetings getting regularised. Rules emerge out of the groups own functioning. When members would absent themselves for couple of meetings, others would question what should be done if members absent themselves. SS then asks those present to suggest what should be done. That is how the rule for penalty came up, not only for those who absent themselves but also for those not paying the loan instalment and interest on time.

The group is observed for six months, during which the emphasis remains on savings, but discussions on other issues such as problems of alcoholism rampant in villages and drinking water shortages caused by faulty hand pumps may be allowed. Members are also suggested to attend *panchayat* meetings to try and discuss their issues of common concern. During these six months, some women may leave the group, some may stick on while some new members may join as well. But after six months, no more changes in the group are allowed as it has to get linked with the bank. A group will not have less than 10 or more than twenty members.

Table 6.1
Group's Weekly Meeting Register, SS

Date: — Time: — No./Name of the group: — Village/Hamlet Name: — Meeting No: — Cluster:

Member Sl.no	Name	Present	Penalty	Interest	Loan repayment	Compulsory savings	Voluntary savings	Other income	Total	Return from savings	Loan taken	Total	Purpose	Period	No. of Instalments	Signature of the loanee
G. Total																

Income		Expenditure			
Taken from Bank		Paid to Group Accountant		Today Cash in Hand (details)	
Total Income (A) Checked Signature of Group Accountant A=B		Other Expenses		500x = 100x = 50x = 20x = 10x = 5x = 2x = 1x =	
		Savings in Bank		Total	
		Total Cash in hand			
		Total (B)			
		Today's Income (In Words) Money Counted, Checked and Stocked Signature of group Members			

Before the end of six months, the group is asked to choose its president, vice president and the treasurer. After six months the group is asked to send two members to the cluster, usually the post holders where they speak about their experiences over the past six months. All post holders of the group are also taken to the bank after the six month period, to open an account. The groups may open their account with Rs.300, 500 or even 1000 depending on their savings. Once a group opens an account, a loan application is filled on the basis of which bank will disburse the loan. Bank officers do not always go and check the group themselves. SS is seen as a reliable intermediary for banks such as the Grameen Bank and Cooperative Bank, with whom it has the closest links. SS is also allied with other banks like the State Bank of Bikaner and Jaipur (SBBJ), United Commercial Bank (UCO), Rajasthan Bank and the Punjab National Bank (PNB), which have branches operating in the area.

Before it gets linked to the bank, the group starts lending procedures amongst members from its own savings within two months of its formation. Loans taken from its own savings have to be returned within a month in as many instalments as one may want. But it needs to be returned within a month as the amount is very small, usually Rs.100- 200. If it is a small requirement then the group can also take a loan from SS under its *Sakhi Suvidha* Programme. The *Sakhi Suvidha* scheme was introduced in 1995 as supplementary emergency credit, with each group paying Rs.1000 as a membership fee. *Sakhi Suvidha* has a governing body of its own to keep tab on the scheme but this body is unregistered. The money is kept in the local Grameen bank under an account, *Sakhi Suvidha.* Earlier groups could get Rs.5000 as a loan but now the amount has been raised to Rs.10,000. The rate of interest is 18% from the SS to the group and from the group to the individual member 24%.[10]

When drawing loans from the groups own savings, members can draw any kind of loan for purpose like clothes, illness, education, cattle feed, seeds, etc. But when it comes to applying for a bank loan, the amount is invariably higher and the stated purpose for such loans is mostly livelihood related, that is likely to enhance members' household incomes. These loans are given on the basis of savings that group have, which are 'one mode of self-insurance' (Fisher & Sriram 2002) and serve as collateral. The first time, the Bank gives double the amount of what the group has saved. Thereafter, it could be up to four times, depending on its repayment performance.

Each individual member of the group has her own account book, given to her by SS. This book has her individual savings and credit stated clearly, along with the monthly interest she has paid. Alongside this, the fieldworkers maintain the groups' meeting register, which is a comprehensive register (see Table 6.1) denoting group credit, savings, income and expenditure.

Groups in SS can take loans from the bank after completing the stipulated six months, from SS under *Sakhi Suvidha* or from the group itself. Banks giving loans to SHGs are refinanced by NABARD at 6.75% and different banks have different rates of interest. RBI policy leaves it to the bank to set its own rates of interest. For instance, the cooperative bank has 11.5%, SBBJ has 12% on any amount. Grameen Bank offers 13% for sums borrowed up to Rs.25,000 and 14% if the amount exceeds Rs.25,000. NABARD has requested banks to reduce its interest rate further. Whatever is the interest rate of the bank to the SHGs, within the group it remains at 24%. The credit value chain in the form of interest escalates as can be seen, from 6.75% offered by NABARD to Banks to 11.5-14% from Banks to Groups, and 24% from Groups to Members.

Once the bank loan has been sanctioned, SS tries to monitor the group closely. Sometimes when a woman cannot repay instalments due to difficulties, the group pays it from its savings to avoid any kind of penalty. Banks also appear to have their own approach to deal with problems of default. When one group defaulted in a village, the Grameen Bank in Kishangarh Bas stopped further loans to all the groups in this village.[11] At the time of this study, Group members plus SS were pursuing the member who had defaulted to repay.

If there is any default within a group, the first step is to speak to the group about their responsibility to ensure that the member defaulting repays promptly. If this is not sorted within a couple of meetings, the matter is taken to the cluster that puts pressure on the group. Some do relent at this stage and if they do not, then the cluster and working committee members visit the village where the default is occurring. They gather all the group members of that village and along with them go to the defaulters' house. The defaulter may even be verbally threatened of dire consequences, which could range from selling her household items or registering a case against her with the police.

One member who could not repay the loan taken from SS on time had to resort to hiding herself and letting her son speak on her behalf when somebody came to ask for repayment. When the working committee decided to go to her place, she quietly left for her mother's house in another village. The women did not stop and went to her mother's village, where after talking to her brothers, they got the money back. SS says the member's family felt ashamed that women from so many villages had gathered in front of their house and were slogan shouting and at times hurling abuses in response. Another case was witnessed during the study, when a member who had already been warned several times had still not repaid. SS then decided along with the cluster leaders to which the member and her group belonged, to march up to the defaulting members' house. Many group members of the cluster, who also come from different villages, Cluster leaders and SS leaders met outside the village and walked up to the members' house. A heated discussion ensued where the member was sometimes cajoled, sometimes accused and sometimes threatened. The whole village gathered to know what was going on. Eventually the woman sought some more time to pay, which one later gathered that she did.[12]

Referring to some cases in Africa, it has been mentioned that through such incidents, organisations portray a 'new ethic based on the separation of public from private spheres' (DN 2005: 277). This meaning that though there is group responsibility for loan repayment and though groups are 'composed of women who know each other quite well, yet their economic relation ceases to be of the traditional reciprocity-based … the transformation of economic relations is seen in the willingness of women … to auction assets of those … loan defaulters' (ibid.).

While SS does not distinguish between a default on a bank loan and on its *Sakhi Suvidha* loan, members appear to adopt different attitudes if the loan is from *Suvidha*. It is with *Suvidha* defaulters that SS leaders are haggling. At present, 53 groups have taken money from *Sakhi Suvidha* of which 38 are defaulting, though 8 of these have recently started repayment. Of the bank loans, only 10 of over 150 groups presently linked are defaulting. The Bank and SS then appear as enforcing two different regimes, with the former being able to derive group accountability on its loan much easily. SS finds this hard to explain as the rules for both loans are more or less the same. The *Suvidha* loan, promoted as an emergency fund takes care of member's immediate household and often non-productive needs, which is all the more reason why the *Suvidha* fund be kept rolling. For members, *Suvidha* loans are restricted in their loan amount. Risking default with the bank entails foregoing larger loan amounts in the future. Secondly, members may feel that as *Suvidha* is part of SS and created out of group contribution, they need not stress as much.

The number of default cases the SS feels is also due to the fact that it does not have adequate number of staff who can constantly monitor. The problem of fieldworker-group ratio has indeed affected SS's operations in the field. Its group meetings are an example. The meetings have become less formal. Though there is a day marked but no time scheduled. Since there is no time fixed, it is very unlikely there ever is a full attendance.

Women just stroll in for a meeting when they know someone from the SS has arrived. When meeting begins it is not organized in a systematic way. Collection of money, talking of repayment difficulties, decisions on new loans all seem to be taking place simultaneously. At times, it is difficult for the staff to maintain order.

Currently SS is facing a major financial problem. Its lack of adequate staff is a result of lack of financial resources dating back to scarcity of funds since December 2002. As a result, the consolidated salary format was done away with. Earlier, fieldworkers were getting around Rs.2200 p.m. (US$ 50-60) plus local conveyance and other benefits such as reimbursement of medical bills. Now they say, they receive 'task-based' salaries wherein salary depends on the work done on the field.

Owing to this task-based arrangement, groups have been paying '*munshi bhatta'* (allowance paid to maintain the account) for the field staff to conduct meetings and maintain records, 40% of which has to go to the SS.[13] Apart from this *bhatta*, the fieldworkers get a separate amount as loan fee i.e. each time the group receives 50,000 as loan from the bank, Rs.250 would be paid as a loan fee by it and again out of this loan fee, fieldworkers give 40% to the SS. Further, the group pays Rs.2 per Rs 1000 i.e. if a group has a savings of Rs.10000, then the allowance is Rs.20. In the beginning, it was only after the group started getting loans from the bank that *munshi bhatta* was charged. But now some groups, depending on the discretion of the fieldworker are charged before they have completed six months.

What the field staff gets from the SS directly is Rs.1000 (Rs.500 for making a group and another 500 for linking it with the bank). This money is part of the NABARD per SHG grant under its SHG-Bank Linkage Programme (see endnote 27). The field staff however does not get the Rs.1000 at one go; it is spread over six months and in case the group breaks then money is deducted.

The task-based option was decided in a working committee meeting with PRADAN's advice, without the consent of the field staff who had no option, else they would be out of a job. Except for the accountant who gets a consolidated salary with an annual increase of 10% for five years, the rest four work on a task-based contract. They argue that there is simply no parity in incomes amongst staff members. The four find it unjust that the accountant gets paid a consolidated amount, which was done on the insistence of PRADAN. Recently one gathered that the accountant who also had some training with PRADAN has left SS and perhaps joined PRADAN.

6.5 Non-financial Services: The Other Side of Intermediation

SS is intriguing in many ways as it is neither capable of doing any capacity building nor has professional skills on how to strengthen and benefit groups; however, SS make several claims, examples of which are cited below.

For SS, SHGs function not only as savings and credit groups, but also as development institutions within the village as it facilitates women's collective participation in dealing with developmental issues of their village. An oft-cited example is that of women of Chorbasai, who decided to construct a *johad* (small reservoir) to conserve water for their domestic animals. What usually does not get mentioned is that the women had a row over payments during the construction of this *johad* resulting in some members leaving their groups in protest. Members were promised payment as part of travel allowance during the construction work, but it appears some did not get what was initially promised while others got more. SS paid its members calculating on a daily basis.

In some SS clusters and group meetings attended for this study, it was common to see women in veils. SS leaders however, saw it as a tradition that women have long practised as mark of respect to village elders. They also have no advice for an SHG member who has five daughters and would continue to have more children until a son was born to her. Furthermore, almost all members of the organisation are illiterate (though some take pride in their ability to sign). SS makes no conscious efforts to initiate any literacy programme, least of all to teach women to sign their names, as many organisations tend to do.[14] SS honestly accepts that women need to work within constraints. What is important though, is that despite these constraints they are able to form groups. And as one of the fieldworkers added

> We can't enforce a thing … but change is happening … otherwise why would so many women come out and form groups.

Through its programme of Bank linkage, SS finds itself nonetheless making a difference in the lives of its women members, as banks enable women to get higher loans usually used for productive assets and which have a bearing on household's income. For instance, most women buy buffaloes and SS said they started the dairy programme in the villages. This involved opening centres[15] in five villages[16] where milk is collected and brought to a collection point (the members of the dairy pay the person who carries the milk out of the village) where it is again collected by the trucks of the local

Dairy Company, *Saras*. This linkage was made possible by PRADAN, which has its own SHG centres linked with the company.

To further enable women increase their income, SS sent some of its members to PRADAN for training in vermicompost. Those who went for the training were given one packet of worms free to start preparing the compost. It takes around 3 to 4 months for the compost to be ready; this can then help in increasing land productivity. SS wants to start this vermicompost on a larger scale and later sell this compost as fertiliser to its members. Both programmes – dairy and vermicompost – are initiated in limited number of villages.

As per SS, it is playing the role of a supervisor and advisor to see how its groups can further benefit. The introduction of *Sakhi Bima* is cited as yet another example of its work in the interest of the women. *Sakhi Bima* (Insurance) was introduced in February 2003. Under this scheme, group members are required to pay Rs.10 per month as premium. And the scheme allows member to get a consolidated amount of Rs.5000 (approx. $100) if something happens to her by way of accident. She gets the money if something happens to her the very next day of the *Bima*. So far, SS has been able to convince 75 groups to take up this insurance scheme. This is its own scheme not aligned to any formal insurance or initiated by PRADAN. To make this scheme successful, it also started putting pressure by way of not giving loan from *Sakhi Suvidha* if the groups had not taken *Sakhi Bima*.

While SS is pleased with this initiative; the group members do not share the same opinion. First, all are not clear as to what this *Bima* is about. No clear cut information was given, group members were simply asked to give ten rupees more along with their savings. They however don't find any incentive in the scheme. For them, why should they think that something unwanted would happen to them! Also, recently a woman died but she did not get the 5000 as the SS insisted that the amount was meant only for accident purposes. Group members say the women died of accident and not some illness so her next in kin should have received the money. The incident further made people wary of the insurance scheme. The problem with *Bima* scheme is also that the members feel what they save as compulsory savings of Rs.10 every week stays with them but this Rs.10 for the *Bima* goes out of the group. There is also no interest on the savings under the *Bima*.

Finally an UNICEF Project perhaps requires mention. In 2000-01, UNICEF had started a water sanitation programme in the area. SS was chosen as the implementing agency. The programme required SS to make village wise reports; this taught them the task of village listing. It also helped them to have information specific to villages and many of these villages were also the ones where SS was running its own groups. After making village reports, the next step involved SS to convince villagers to construct toilets within their compounds. It was to be constructed on a low cost technique provided by UNICEF. UNICEF also conducted training for SS staff for them to further educate the villagers. The households in this project had to bear half the cost. SS could not convince as many as they were to convince, as villagers were simply not interested. They preferred open spaces, out on the field. Also, the poor in the village in any case could not have afforded even half the cost.

The UNICEF work hampered SS's own work. It brought money but the SS found itself ill-equipped to carry out a sanitation project. The lure of the money had made them accept the project but it resulted in the neglect of its own groups. Many groups disbanded themselves during this time, as fieldworkers could not visit them. Group records were not maintained properly. Two years into the UNICEF project, SS decided to give it up to save its own groups from further disintegrating. It was during the UNICEF project more fieldworkers were recruited. They left as the project was given up. UNICEF project in a major way brought to fore the lack of professionalism and expertise (plus the inability to handle a 'big project') SS faces. Lack of professionalism and expertise does limit SS's role in expanding itself into areas, which could further be productive for its members. For instance, by itself it does not have the capacity to impart skills or training conducive to income generation. Also except for seeking help from PRADAN, it has never tried itself to network with other organisations or agencies. PRADAN too has not aided in this regard. What it does instead is what some SS members cite as follows.

For example, PRADAN recently helped some SS members to buy buffaloes as part of income generation programme. PRADAN had received funds from ICICI bank for its own SHG members to buy buffaloes. As one got to understand it, PRADAN had a target to meet under the ICICI loan fund.[17] It suggested SS that some of its members could benefit from this fund. It suggested but it drew out a list of its choice with an agreement with the President of the SS in particular (who is one of the beneficiaries herself). The point is not that PRADAN's help is no good; the point is who actually benefits because of their interventions. As some pointed out, it appears PRADAN 'cherry-picks' the beneficiaries; hence same set of women tend to benefit time and again. Thus, those who got the buffaloes were also amongst those who were part of the vermicompost training later. Most of these women are from Chorbasai, one of the first villages PRADAN worked when it was physically present in this area.

6.6 Recounting Member's Voices (in Chorbasai)[18]

Village Chorbasai seem to have a 'special status' in the eyes of SS. One reason for this could be that the present President of SS is from this village. Further, Chorbasai is one of the first villages where groups were formed under PRADAN's initiative. So it has seen the transition of moving 'out' or 'away' from guidance to managing its own affairs.

Chorbasai presently has six groups (numbered as Chorbasai Group I, II and so on) operating under SS. The village falls under its cluster, Khanpur Mewan. For this study four groups were covered and 38 women met belonging to these groups.

Fifteen km away from the Kishangarh Bas Block office, Chorbasai lies in a quiet interior surrounded by low hills. To reach this village one has to cross a seasonal riverbed; the village gets completely cut off from the outside world during rainy season. During the time of this study a roadway was being constructed to make Chorbasai 'accessible'. Though a small village housing little over 100 households, the village is spread over a large area. The population comprises mainly of Muslims (over 70%) and Scheduled Castes (SC). The former has settled in 'clusters';[19] people call such clusters as *Dhanis*. Hence, often in Chorbasai people refer to going to *Dhanis*. Primarily dependent on agriculture, almost all in the village own some land. Literacy amongst women is negligible. Chorbasai has a primary school of its own; the nearest village, Khanpur Mewan is better equipped with facilities such as middle school, health centres, shops, etc. From Chorbasai people travel to this village, approximately 3kms. to avail of civic facilities when need be.

• On the significance of being SHG members

The four groups out of six covered in Chorbasai were formed in different years. At the time of this study, the records showed the total number of members in these four groups to be 43 (see Table 6.2). During the meetings conducted, it came to the fore that Groups II, III & V had dropouts, bringing the total number of women in these 4 groups to 40. Out of these 40 women, 38 women could be later met individually.

All the groups in their respective meetings talked of the 'high expectations' they had when these groups were being formed. '*To benefit from SS programmes*' and '*improve our conditions*' seemed to have been the motivation. For Group III, it was also the encouragement they got from PRADAN which mobilised its members to form their group. The present President of SS belongs to this group.

Table 6.2
Groups – Year of Formation – Number of Members

Groups	Year of Formation	No. of Members
II	1993	11
III	1993	11
IV	1997	12
V	2000	9
Total		**43**

None of the groups cited any reason to exclude any person from joining a group. If someone known to them wants to join, is willing to save, she is most welcome. Though usually it is the close neighbours or friends who choose one another to form a group.

While the President's group (Group III) noted SS playing near to perfect role in the functioning of the groups; the other three groups in the village pointed out, in a much milder way, three key functions of SS. These were a) it maintains records b) takes the list of people needing loans c) ensures repayment and savings. It is not that these groups do not want SS to bear additional meanings but at the moment find it hard to look upto to SS for any tasks other than savings and credit. Group III in contrast highlights further SS's role such as giving information on income generation, conducting training, enabling easy access to bank loans, monitoring groups effectively and undertaking community projects like the *johad*.[20]

Each group has its committee of two members, designated president and treasurer. Members through common consent chose this committee whose primary task includes holding group meetings, ensure members undertake savings and repayment, decide upon the (external) credit amount in consultation with members of the group, tell the SS of its needs.

All group members save Rs.10 per week (Rs.40 per month) plus Rs.10 per month for 'Sakhi Bima'. While each member has individual account books; the group jointly holds an account with the bank.[21] Most women were found saving only with SS; all were unanimous in opining that they have '*developed a sense of saving*'. Women did not refer to 'the amount they were saving' but said 'this sense of saving' is what they mean when they say they are saving more. Though many of them still had reservations regarding paying Rs.10 per month for Sakhi Bima, nonetheless all were doing it.[22]

The groups have initiated penalty provision for non-repayment of loans. Four members – one each in Group II & III and two in Group IV are presently defaulting. Usually, the penalty seems to vary. While Group III members said they would charge Rs.50 over and above the interest amount; Group V sounded strict saying it would be double interest plus Rs.50 for the defaulter. For Group II, they would like to waive it off or charge Rs.10 for every meeting missed. Whatever may be the provision, penalties are often waived off if the person restarts earnestly her instalments. Also the members are aware of the condition of the defaulting member and know whether the repayment was inevitable or the member was simply evading her duties. The President of Group IV however says that all external funding has been stopped for her group since two of her members are defaulting. But she points out that even the President's group has a member defaulting but credit in that group has not got affected.

The groups stated that whenever external funding is sought (i.e. loan from the bank), members reach a consensus as to who should take the money. Since each is aware of the other's situation it is not usually a problem to decide. But if some members are dominating they may tend to take away a major share each time and at times this may give rise to verbal duels. Domination here appears less to do with 'less poor and poor' member divide; it appears more to do with members' influence within the group either by way of her being more vocal than some other member; it may even be her closeness to the group's president. Subtle power relations therefore cannot be underplayed. Though the duels have never been so serious that they cannot be handled it was not denied that it has led to dropouts (one such drop-out was interviewed as a non-member, see section 6.7). And as it was mentioned in Group V verbal duels sometimes lead the men or children gather around the meeting place and watch the 'fun'.[23]

Whenever the group applies for a bank loan it does through SS stating the total amount, calculating each members applied loan amount. It is not always that the bank gives what has been sought as the consolidated amount. The amount disbursed is at its discretion. If the record of the group has been good, then it would easily get what it has sought. Once the amount is sanctioned, it can be divided within the group members the way they want irrespective of what was filled in the earlier application. There could be reasons for doing so but the point is group feels since returning the money is the joint responsibility of the group it can divide the money whichever way it wants. This kind of flexibility binds the member to each other.

- **On intrahousehold (economic) changes[24]**

Women members did not differ much in their individual responses when asked to cite their reasons to join groups. Women mentioned either or both i.e. 'to improve household conditions' and 'to get assistance and support from SS'. Eight women however categorically stated as 'to make and earn extra money.' There were only three landless families; rest all owned land. Each stated the problems related with agriculture, the area being drought prone. Owing to SS's initiative to start a dairy centre in the village, members say it has led to an added source of income.

Before the groups came about, moneylenders were the prime source of credit. Villagers – mostly men, travelled to Khanpur Mewan, the adjacent village to get loans. That SS has created another channel for women to access credit is perhaps evident by only 5 women citing going to moneylenders. Many women however remarked that even if presently they did not owe to a moneylender, it is 'an option' they would exercise if ever need be.

Out of 38 women, 36 currently owed a loan. Most of the members cited 'buying animal', mostly buffaloes, as the reason to take loans. Most of the women who bought buffaloes are also selling milk in the dairy started by SS. Despite this added income source – dairy – it did not reflect itself in the members' responses in terms of their increase or decrease in household income (see Table 6.2). Half of the number of women respondents said their household income during last one year stayed the same. Only twelve said it has increased and all attributed it to SS's efforts of linking them to banks from which they could get large loans.

Table 6.3
Increase/Decrease in Household Income

Household Income	No. of Members
Increase	12
Decrease	7
Stayed the Same	19
Cannot Say	--
Total	**38**

For 19 women whose household income stayed the same, credit access or dairy cannot change their conditions overnight. In general the idea was that till agriculture is developed in this village, for their families dependent primarily on agriculture it is unlikely that they would face sea change in their incomes. For a member who runs a small shop in Chorbasai, she says (SSM15),

> credit is good but so far it is like 'small savings to meet small needs' … but yes, if you are better off as some are in our village for them easy access to credit is really helping them. It is like an added 'useful assistance' to their already existing resources.

Five of the seven women who said their income have decreased felt they could do better if their credit needs were adequately met.

While fewer members may point towards increase in household income; the number of women citing 'increase in household assets' appear to be more. That is, while only twelve women reported increase in household income, 22 noted change in household 'assets'. Such assets included mentioning primarily productive assets such as buying buffaloes or as one woman mentioned of buying a sewing machine. SS women did not draw a link between 'adding to their asset' and their 'increase/decrease in household income'; but they did link it with credit amount. This meaning, credit amount could lead to buying an asset (productive or non-productive) but not necessarily lead to income raise. None of the women mentioned any legal ownership or entitlement to land or property. Though, those who bought buffaloes said it has been bought in their names.

Women, in general, irrespective of whether their families are benefiting in terms of increased income or not, attach importance to the presence of SS. A member working as a mid-wife for nearly 30 years is presently struggling with her repayment.

> I avoid going to the meetings and then later land up paying a penalty. But I somehow manage to save the 40 odd required. I don't want to give up on that. I know, one day, it will help – this savings. Plus if it were not for this, then we would not have derived any group benefits. Banks would have denied us services…

The member (SSM9) stays with her husband having married off five daughters. Her sons migrated for work but do not aid her much financially. Her husband and she are also trying goat rearing.

• Feeling of empowerment

Though women say that SS has 'the potential and can do better', they attribute incurring non-economic changes to SS's presence (see Table 6.4). While, drawing benefits in terms of credit and savings seem inevitable – since that was to be a main task for SS, for 19 women being part of SS also led to greater access to information. An equal number of women however responded saying they don't think that the SS has been candid in parting with information. These women strongly felt that a few amongst them land up getting all information. And the example commonly cited is, mostly those who could buy buffaloes, were also the ones who went in for the vermicompost training and benefited. They are also the ones able to draw more loans. SS however thinks otherwise. It says, for it all members are (treated) equal; it also pointed out, many times information are given in meetings but women do not turn up and later complain when they miss out on something.

Twenty-one women further felt that their 'status' has been 'elevated'. These women also noted change in self-perception. A member interviewed maintains the record at the Dairy Centre. This job brings her an added income. She says (SSM11),

> If SS was not there, one could never think of a woman sitting at a centre and keeping records. Men themselves would have pointed a finger. My husband would have felt uncomfortable. But now they know us not as a 'single woman' but a 'group' … our being together by itself is a 'symbol of strength' and men see we are doing good work. It has given us confidence and given them (men) a chance to reflect back upon their own attitudes…

Table 6.4
Responses of Members (Non-economic benefits of SS)

Benefits/ Responses	Increase	No such benefits	Can not say
Access to Information	19	19	--
Wider Network- linkages	15	23	--
Status Elevated	21	11	6
Change in (self) Perception	21	9	8

Women also seem to feel a 'sense of achievement' with 'visitors' coming to their village. This has ignited a feeling that they are doing something and people outside are interested to know. Chorbasai has lot of visitors, perhaps because most of the visitors are brought by PRADAN, which knows this village well enough having first mobilised women in Chorbasai when it worked in the area. It could also be that the president of the SS is from this village. The President however adds that coming to Chorbasai has its advantages. Here, one would find one of the oldest groups of SS, which are also functioning well without breaking-up at any point. Further still, women in Chorbasai are involved in different activities like the dairy, now the vermicompost so there is lots to share with outsiders (visitors) regarding their achievements.

It is true that whatever activities SS has promoted like dairy or some training, for whatever reasons, Chorbasai seemed to have been invariably its natural beneficiary. This has started to cause disillusionment amongst group members in other villages; also within Chorbasai as mentioned above one hears murmurs of dissent as group members feel some groups or some members in the village have priority over others.

Discussing 'decision making' and 'changing bargaining relations', 15 women said they make decisions jointly or by themselves (see Table 6.5). However in one way or the other, they also added that such issues have not really bothered them. They are routinised in their activities and so far did not think about issues like who decides what and why in the household?

Table 6.5
Decision Making by Members

Decision Making	No. of Respondents
Self or Jointly with Husband	15
Only husband or male relatives	23
Female Relatives (mother, mother in law)	--

A member who is defaulting in her group says (SSM31),

Things seem to get decided on its own. I mean as man and woman or husband and wife we know what we have to do. As long as family peace is maintained, everything is fine…But if my husband was not supportive, I would not have joined the group. And now when I have repayment problems, it is he who is trying to find a way out as he would not want me to leave the group.

Table 6.6
Bargaining Power of Members

Responses/Benefits	Bargaining Power
Increase	15
No such benefits	23
Cannot Say	--

If Table 6.6 is any indicator, then unlike in other organisations, for SS women 'decision making' and 'bargaining power' appear to mean the same. That is, SS women do not give different responses on decision-making and bargaining power.

The President of SS shares her views:

> Almost all women talk it out with their husbands – bargain – to come out of their homes though some of them may have already decided themselves to join the SS. For these women 'bargaining' – talking it out – perhaps is not even required but it is 'their way of getting their interests realised' – the husband is kept happy that he is being asked; also it leaves no future scope of any domestic tension around this... Once in the group as women start drawing benefits; it also boosts their confidence – further adding to their already existing decision-making/bargaining strength. Also men, by now are seeing and realise the advantages/benefits that credit/groups bring – it affects their attitude/behaviour. But we must understand that not all women are able to find 'their way' or bargain like this…

Perhaps what the President shares holds true as men in Chorbasai seemed interested in SS as it enabled their women to get credit and its related services. But even if women were able to 'bargain' in terms of increased mobility, 29 male members of families where women were interviewed – 16 of them seemed to show reluctance in women's increased mobility outside the domestic walls. But they added, so long as women are working in the village it is fine. Seven men however were categorical in stating that they see a change in attitude both in themselves and the women, which has reflected itself in initiating more consultative processes at home. They also viewed women's groups as 'strength for the village'. The views of the men on women's groups and the benefits therein can be summarised as follows:

- SS helps our families in accessing money, without having to travel far
- Savings is a good act but they should not force our women to now pay for the Bima; they are told if they don't do Bima, then credit will stop
- SS is good; they should think of creating more choices; Dairy is a good start
- SS has 'taught' women to become 'responsible' with money. But they need more skill to deal with the different demands within the group.

A widow in Chorbasai was thoroughly amused that she was being interviewed; she hardly ever goes to her group meeting. Her family has enough land. She said she took some loan though it was not needed; the group members needed her so that the group (Group II) could have a total strength of ten members, a requirement under SS. She adds rather concludes, 'There may be complaints now as to some are benefiting more than the others but I can tell you groups like SS are an eye-opener. Otherwise, why would you come and visit me? I would say that SS is a learning process for both the men and women in the village and outside…after all the SS has been able to mobilise so many women. It also shows the capabilities of women. I am happy to say that I am a SS member' (SSM7).

6.7 Some Views of Non-members[25]

Twelve women (6 SC, 6 Muslims) were met as non-members. None were inclined to join SS. Five of them had been members of the SS earlier but decided to part ways. Six of these twelve women were contemplating joining other groups initiated under a government programme.

A woman respondent (NMC11) here said she left her group as she felt her expectations regarding credit access were not being met. 'I did not want to get into squabbling over this with fellow villagers. I have my needs and when these were not met, I decided to leave. Otherwise, in the long run it would only worsen my relations with other members, giving rise to ill-feelings.'

Another woman (NMC3) left her Group over a tiff regarding travel/daily allowance, which was to be paid to group members taking part in the community activity of constructing a johad. She belonged to the SS president's group. Showing solidarity with her, couple of other members left too. Members who have left do not agree that it has affected their savings; they however were now interested in other options other than the SS. Presently, apart from four women, none others were into savings. Those who are saving say they do so in their homes but it is insignificant. In times of need, non-members rely on moneylenders. If need be, they may even take money from women in the village who are group members. And this is interest free; it is like taking some money from friends or relatives.

All twelve were aware of SS but significantly ten of them pointed out that 'SS could do better' in terms of helping villagers. They however credited SS for having come this far. For them too, it 'made a difference' that so many 'village women' had done something for themselves. A woman one met (as non-member) had represented Chorbasai in village panchayat. A very vocal lady now in her mid-fifties had this to say about SS (NMC2):

> SS needs guidance now. Women are just forming groups, saving, taking loan …which is good but how to use this loan better, how to make a dif-

ference in your living, these things too should be told to women … also, leaders are now yielding more powers and that is not good. SS means, 'friends' – women's 'group' power … not to be concentrated in few people.

Conclusion

As an anecdote it may be mentioned that during the period when this study was being conducted, a team from a development organisation in Nepal visited SS for a day. The morning was spent at the office with Imarti Devi, the most vocal of all women (SS's first president) giving a brief account of how SS came into being. Later she told me she is now so used to telling a story! She is always made to speak and she knows exactly what people want to hear. There is always awe and a sympathetic ear lent when you narrate how illiterate confined women came out of their homes to walk hand in hand together out on the streets raising slogans. And SS had gone one step forward. It had mobilised all these women into groups and registered itself as a body dedicated to address these poor women's need. People are bound to appreciate such efforts. Most of the visitors to the organisation are arranged by PRADAN and it also prefers that Imarti give the main general introduction while others chip in or talk when they are really forced by circumstance to talk. The team from Nepal was also impressed as to how the women on their own devised such an organisational structure, displayed also on the office wall. They did not ask nor did SS mention that this structure at some levels lay almost defunct. Take for instance, the *Pratinidhi Sabha* (Representative Body), which has not met for over one year due to lack of funds.

In the afternoon, the team went to Chorbasai where the President had gathered all the women. It was already late afternoon so one could not really have a prolonged discussion. The team learnt, in tits and bits, the process of credit delivery. It is not only the team from Nepal which left highly impressed by SS. One met couple of other people as well who had visited SS and were all in praise of it. When one enquired how many days they stayed or put up with the SS one finds their understanding of the SS is based on their one-day visits. Some have visited them for a longer duration. And by SS's own admission it now knows what to tell whom. So when you bid good-bye to the SS after your visit you leave with a sense of appreciation for a group of women whose story you heard. They were a bunch of illiterate women who took the initiative of forming a federation of groups and registering it as a NGO with a social mission. They have, over their decade existence, formed over 200groups. They have linked their groups with almost all the banks in the area.

SS is presently relying on grants from NABARD,[26] the period for which SS said had been extended till 2004. What they will do when the NABARD's fund ends no one knows. The District Development Manager of NABARD in Alwar stated that SHG Linkage grants given to NGOs should not be treated as a full-fledged grant. 'It is an 'add on' grant. The 'add on' grant definitely cannot lead to a sustainable SHG programme. It only means that the NGO (receiving the grant) already has a programme running and NABARD's grant further facilitates its SHG formation and linkage.' It may be mentioned that based on some calculation NABARD sanctions little over Rs.1700 (raised to Rs3000 in April 2005) per group.[27] The money covers the process of forming and linking the SHG to a Bank. SS calculates that it expenses far exceed what is sanctioned by NABARD to form and maintain its groups. So they are running in loss. For example, NABARD sanctions Rs.346/SHG for the constant interaction between SHG-NGO after the SHG has opened its savings account (see endnote 27 in this chapter). This amount is more like a conveyance allowance for the NGO to maintain its link with the group. SS feels NABARD presumes that couple of meetings suffice the interaction with groups. SS's fieldstaff has to visit groups on several occasions especially when the group is in its (new) formative stage – this requires time, effort and money. Also groups are located in different villages and with no more than four fieldstaff, the burden on SS appears irremediable.

After the UNICEF project mentioned earlier, NABARD's grant was not enough to pay salaries to five staff. So the new system – 'task-based' arrangement was introduced which allows no other benefits such as the local conveyance or the medical reimbursements.

At this point it would not be wrong to suggest that to a large extent SS owes much to its groups, for running themselves. The initial spurt of group formation may have come from the SS. Presently the groups simply appear to rely on SS to maintain its records. Charging the group to maintain its records is a recent phenomenon. This has started making groups think of alternatives i.e. to look for someone within the group/village who would keep the records on a voluntary basis. As of now, given SS's presence for long in the area, the banks feel more assured when the groups are linked to the SS. It feels if someone in a group defaults, SS can resolve the matter. While for the banks, SS is still the way out for reducing its transaction costs of enforcement; for the groups, seeing SS's present role, which involves no developmental work other than signing covering letters and maintaining records many have started questioning as to why the same act of intermediation can not be taken up by someone else. And the anganwadis[28] could land up playing this role.

SS contends women would have left them long ago if they were doing nothing for them. Social and economic change is an ongoing process and where such a large number is involved some are bound to benefit more than the others. That SS has enabled women to take the first step – to come out of their homes and form a group – is undeniable.

Visitors have also become a source of income for SS. Rs.500 is charged per leader per day for their time and presence with the visitors. If it is an international organisation, then the rate could go upto Rs.2000 per day. Another form of income has been to buy seeds or cattle feed from the market (assisted by PRADAN) in bulk and then keeping some margin, sell it on a cheaper rate to its members.[29] While SS may appear to be taking various initiatives such as being a loan facilitator for its members; or being an entrepreneur itself by marketing bulk cattle feed; one finds no thought in terms of future planning or what the SS intends to do in next five years. It complains about no funds but so far has not taken any initiative to seek one. What surprises one is the way they have run this organisation for ten years now with no vision, no planning, (no records) and no resources.

A comment on the advisory role of PRADAN[30] is perhaps necessary for its role is critical for SS to shape its future. The SS laments there is no one to network for them, which PRADAN given its reach should have done and this lack of networking beyond Kishangarh Bas puts a restraint in seeking funds from outside sources. If resources are taken care of, then the SS can function effectively and smoothly i.e. form more groups and expand in more villages.

On paper, SS has a separate existence with its own leaders and committee members but more often it runs on the advice of PRADAN. There is one person who plays this advisory role on behalf of PRADAN. PRADAN does help SS; yet its advisory role appears peculiar. As an advisor to the organisation it has not shown any active interest to deal with the present predicaments that besets SS. It tends to advice not the organisation but few women of its choice who benefit e.g. references made by members regarding buffalo buying or vermicompost training. PRADAN may be a well established developmental agency promoting sustainable livelihoods in different parts of the country but when it comes to SS it makes no effort to instil a sense of future vision and planning.

PRADAN has its answer to give. For PRADAN it sees the evolution of SS as its contribution and also achievement. If it had not been for them, coming here, mobilising women, the women would not have got together. They promoted and assisted all along when the women showed willingness to form a federation of groups and register themselves. PRADAN views this willingness as an achievement wherein women's collective agency came to the fore. As per PRADAN, SS groups are run by persons – illiterate; there exists no professional line of thinking and there are no resources. So SS has reached its plateau; there is nothing more that could be done to it. It would remain static going about its mundane affairs of maintaining its groups and forming new ones now and then. SS office staff opines if this is what PRADAN feels then they should let go off the SS completely. But instead they constantly interfere and even if SS attempts to seek funds for itself, its efforts are thwarted in a discouraging way. They are told that they are getting themselves into trouble by seeking funds, which they will never be able to repay/manage. While no one wants to be quoted on this but one was told that 'let PRADAN leave us and we shall then see how we make our progress. If we can not, then we will learn our own lessons.'

Notes

[1] Refer Chapter 2, endnote 6.

[2] PRADAN works across eight states in India to enhance livelihoods of poor people in rural areas.

[3] It first started its work in two villages: Nangal Maujiya & Chorbasai. It is in Chorbasai fieldwork for this study was conducted.

[4] Bylaws of Sakhi Samiti clearly give this advisory role to PRADAN.

[5] The Block has 127 villages out of which the Samiti has its presence in 55 villages.

[6] The vice-president does not even drink water at a lower caste woman's house. The President of the Samiti confided telling that she can imagine one of the SHG members behaving this way but if the Vice-President has such reservations then what precedent can the Samiti hope to set for its members to follow.

[7] Impressed by their work and commitment the present space was given to them in 1993 by then District Collector as a make shift office. He left and Sakhi Samiti continued, now with no intention to vacate this place. While it is making all efforts to get an ownership to this plot, there are pressures on them to vacate.

[8] In addition, if one takes note of Samiti's office assets, the list would include savings of around one Lakh rupees (1,00,000) under Sakhi Suvidha, two almirahs, two shelves, one computer, a telephone, few chairs and a table.

[9] One group member shared her experience in joining a Samiti group as follows. She had a Samiti worker coming to meet her and asking her plus some other women in her village to form a group. The women thought this worker would run

away with the money she was asking them to save. But she explained to the women as follows, 'you are unable to get loan from anyone just like that and here, through the group you could very easily take whenever you want and there would be other benefits of such groups.' The member said that the trust could be built only over a period of time. It was only after they understood how the system operates that it gave them some confidence and they believed the Samiti worker. The worker was right in telling that there can be no mischief in this as from the register to the money saved would all be in the hands of the women and it is they who would be managing everything themselves. Samiti would only be the facilitator, helping and monitoring them.

[10] There is a penalty of Re1 per hundred rupees p.m. if there is a default.

[11] Samiti also tries to put similar pressure tactics on groups that default on its Sakhi Suvidha loan. If a member in a group defaults despite warnings and persuasion, first the other members of the group would be penalised i.e. no one would be allowed access to credit. If this does not work, then all the groups in the village could be penalised; if this fails too then the cluster as a whole may face the penalty. This is Samiti's idea/mechanism to check defaults. Situation of penalising a cluster has not occurred.

[12] While cases of default are sorted out in this fashion, Samiti says it is not guaranteed that it will always yield the same results. At times it could lead to the breaking of the group, with each member withdrawing her savings. Some go out and form separate groups or join other existing groups.

[13] The fact that it cannot recruit new people, Samiti finds it extremely hard to keep a tab on people recruited by group themselves to look after group accounts. These people like the fieldworkers charge the munshi fee but when it comes to giving 40% to the Samiti, they don't. If something goes wrong however maintaining the account, women then come to Sakhi Samiti for help.

[14] Amongst the present office bearers, except for the President, other two are literate.

[15] Dairy centres are registered cooperatives. Members pay a membership fee to join. Each is paid fortnightly as per the litres supplied at the dairy. A lady has been appointed from amongst the members to write down everyday how many litres were brought by whom. The calculations are then done at the Samiti office.

[16] Five villages – Chorbasai, Nangal Maujiya, Motuka, Ghasoli & Jaistika have dairy centres.

[17] One noted the escalating credit (interest) chain. It may be mentioned that the ICICI loan fund did not come for Samiti's SHGs i.e. individual members benefited and they pay 18%: 12% is the ICICI loan interest amount and 6% is charged by the service provider (here PRADAN).

[18] During this study in Chorbasai, I stayed in the house of the President. If this aroused any apprehension amongst members, I could not tell; nor did any member showed reluctance to share her views, which were even critical of the president.

[19] *Dhani* refers to a place where members of one family lineage reside. Dhanis may have been created when a nuclear family came and settled in a plot of land in the village and grew over generations; it may also have been created by two/three brothers and their families starting to reside surrounding a little area (these families also grow over generations).

[20] This is the only project undertaken by Sakhi Samiti at the village level. Though it enabled to resolve a problem in the village as johad (small reservoir/bund) was constructed so that the animals in the village could have a place; the project as mentioned led to a row between members.

[21] The following were the groups revolving fund (amount includes fines, fees, income, outstanding loans, money in the bank) in each of the groups as per 31st March 2003.

Groups	Revolving Fund (in Rupees)
II	1,02,584
III	95,720
IV	40,000
V	67,353

Source: Sakhi Samiti field staff

[22] Six women cited having savings other than putting it in Samiti and Bima; this was done primarily in their homes or invested in buying small saleable animals like goats, chickens.

[23] The staff of the Samiti says it becomes difficult if the men not knowing what preceded try and intervene taking side of their respective families and then blaming the entire process. In such cases the staff has to ask them strictly not to interfere or ask the woman to disallow such intervention since it is a group affair and the group needs to resolve it.

[24] For a brief members/household profile, refer Appendix A.6. Samiti Members in the text are quoted as SSM1, SSM2 and so on. SSM stands for Sakhi Samiti Member.

[25] For a brief Non-members/Household profile, refer Appendix A.6. Non-members in the text are quoted as NMC1, NMC2 and so on. NMC stands for Non-member Chorbasai.

[26] The grant which Sakhi Samiti has received so far is as follows:

Year	Bank	Grant (in rupees)
1996	DRDA (District Rural Development Agency), Alwar	100000
1997	-Do-	100000
1998	-Do-	100000
1999	NABARD, Jaipur	188000
2000	UNICEF, Jaipur Office	960000
2001	-Do-	500000
2002-04	NABARD, Jaipur	173000

[27] The break up of the grant assistance is as follows: a) On opening of Savings account in the name of SHGs (Rs.549/SHG); b) Three months after opening savings account & constant NGO-SHG interaction (Rs.346/SHG); c) On achieving credit linkage with banks directly/indirectly through NGOs/clusters/Federations (Rs.346 /SHG); d) Three months after availing loan as above (Rs.172/SHG); On acceptance of terms and conditions of Sanction (Rs.346/SHG).

[28] *Aganwadi* is a programme run for children 0-6 years and lactating mothers under the Child Development Programme of the Government. It primarily entails distribution of dietary items to children and mothers plus serves as a play school. Each *Aganwadi* has a female supervisor (*Aganwadi Mahila*) and her assistant (*Sahayika*). The government has now asked these supervisors to form SHGs in their villages. Incentives are there if they are able to form savings and credit groups plus also make these women take up the insurance scheme for poor women introduced by the government.

[29] It may also be mentioned that under the NABARD SHG-Linkage Programme, Sakhi Samiti's office was sanctioned two mopeds (two wheelers for the field staff). The office said it decided to sell these to two of its own staff on a low interest. It was an income for the Samiti.

[30] One must add that reference to PRADAN primarily refers to one's conversation with one person who is a frequent visitor. Sakhi Samiti is visited by PRADAN team stationed in nearby Ramgarh and another person from Jaipur. These people come and go to the Samiti and attend Sakhi Samiti meetings either by their own whenever they want or when Sakhi Samiti specifically requests like it does during its organisational elections. There were specific issues that were brought forth like PRADAN's influence in the elections, which one is not making any references to here.

7 ROSCAs: Informal Unregistered Groups

Introduction

ROSCAs or Rotating Savings and Credit Associations, a form of self help groups, as indigenous 'financial technique' satisfying 'peoples' varied needs' (Bouman 1995: 371-72) add to the repertoire of financial institutional 'innovations'. Scholars have noted that ROSCAs 'are set up for and by the poor and non-poor alike' (Bouman 1995: 374); they exist in cities and villages, among men and women, cutting across castes and classes. To view ROSCAs, as 'catering exclusively for the poor' and only women 'therefore would be a mistake' (Low 1995: 8), though participation by the poor and women is widespread (Ardener 1964, Ardener & Burman (eds) 1995). ROSCAs are accessible, local, and do not require travelling to banking centres. Each ROSCA has its particular rules and procedures in that its membership may be from few to even hundred. The length of the ROSCA cycle may vary from days to years and arrangements for paying members may vary from drawing lots, bidding or decision by the selected group head.

Lack of statistical data impedes one from estimating prevalent ROSCAs or the growth in their numbers. Nonetheless there exists considerable documentation exemplifying their importance worldwide as informal financial institutions (Geertz 1962, Ardener 1964, Kurtz 1973, Adam & Nehman 1979, Besley et al 1990, Bouman 1995, Anderson & Baland 2002). ROSCAs' financial technique is marked by 'relative simplicity in functions, procedures and organization' (Bouman 1995: 371).

On the face of it, ROSCAs covered by this study appear least complex in terms of its systemic procedures as compared to other groups mobilised by quasi-formal organisations. Besides, ROSCAs do not entail a strict principal-agent relationship, which does not diminish the groups constitutive of ROSCAs. Rather, a closer look and many intriguing features come to the fore. ROSCAs with primary stated goals of thrift and credit appear to be creating spaces for its members to enact larger social roles. Further, despite their comparative disadvantage considering the rise of government initiated formal SHGs, ROSCAs one covered till the time of this study had no intentions of disbanding their informal groups. Based on what ROSCA members shared and opine, one could say ROSCA is not only about savings; but depending on its nature of functioning it is equally about 'service, support, security and solidarity'.

ROSCAs may be either registered or unregistered. Unregistered groups do not fall under a determined government act and thereby are not regulated or monitored by government or banking authorities. This study draws from two unregistered informal groups in the rural/semi rural areas of Ganjam District in Orissa, a state in Eastern India. The two ROSCAs operate in Digapada, a rural village and Gopalpur-on-sea, formerly a village and now a notified area to further promote tourism.

The focus on ROSCAs proceeds as follows. Section 7.1 begins with a description of the two unregistered ROSCAs. Section 7.2 dwells into the question whether issues of gender, poverty and empowerment have any place within ROSCAs? Section 7.3 brings to the fore low transaction costs ROSCAs entail given their agency relationships embedded in kinship and social caste and class relations. Section 7.4 looks into ROSCA activities if any, other than 'finance'. Keeping in mind the nature of their functioning and objectives, section 7.5 recounts members' voices as they highlight significance of ROSCA membership and its consequent enabling and limiting outcomes. This is followed in section 7.6 by some views of non-members. The chapter concludes with the challenges ROSCAs face in their context-specific existence.

7.1 Salient Features of Digapada and Gopalpur ROSCAs

Digapada and Gopalpur are situated in one of the southern districts of Orissa – Ganjam or *Ganj-i-am* in Urdu meaning *Granary of the World.* As the third largest district of Orissa, Ganjam is said to exhibit all the characteristics of a backward economy. There is preponderance of agriculture with a slender industrial base. Small land holdings are dominant features of agriculture. The economy is undiversified; secondary and tertiary sectors do not figure much. Little over 25% of the total population of the district is comprised of scheduled tribes and scheduled castes, while literacy level is below 25%.

It may be pointed out that in 1998, the Ganjam District Administration started Block *Mahila Sanchayika Sangha* (BMASS), a project to cater to the financial as well as social needs of women. Under this, SHGs are formed in the villages and federated under a BMASS, which is formed in each of the 23 blocks of the district.[1]

Digapada ROSCA

Digapada lies in the Hinjlicut Block of Ganjam District[2] and is like any other village in the eyes of the administrative officers in the District. None whom we could meet knew that a ROSCA, which the villagers called the 'chit fund' has been subsisting for about 8 years. During this study visit in December 2004, the ROSCA had seven more months to go before it could finish its present cycle. That a ROSCA should still be operating came as a surprise to some, more so, because in the last couple of years SHGs have been formed in Digapada under the government BMASS programme. For the villagers of Digapada, they would like both a ROSCA and their newly formed SHGs to coexist.

Digapada is a small village comprising of 70 households, divided into two distinct castes: *Nayaks* (scheduled castes) and the *Patnaiks/Samols/Pradhans* (the general/other caste).[3] Of these 70, 42 families are identified as falling under governments' BPL (Below Poverty Line), a majority of which are *Nayaks*. Digapada has a primary school, one *aganwadi*.[4] It has no health centre and villagers need to travel half a kilometre to a nearby village for that. Digapada families though mostly land dependent do not own land. It appeared a common practice to take 'land on lease' from landed farmers, not necessarily belonging to the village. The lease could be renewed every year and as families state, one could pay cash before taking the land on lease or any agreed portion of the produce.[5]

Members of the *nayak* community, all living adjacent to each other predominantly run the chit fund or ROSCA which was started eight years ago in mid-1996 when a member, who had seen it working in her natal village, spoke of it in the new community. Initially, the group had 8 members, which increased to 15 then to 18 and now is 23. It has never seen a drop-out.

The group follows the traditional chit system. Members contribute Rs.5 on a daily basis, amounting to a total of Rs.150 per person per month. The collective contribution or pot of 23 persons then amounts to Rs.3450 (approx. 75-80 US$) per month. Every month, each member of the group receives this collective pot in turn. When each member has received a pay out, the cycle starts again.[6] The lots are drawn on the 30th of each month to decide who takes the 'collective pot'.

The Digapada ROSCA comprising 23 members is a mixed group with three male members, one who studied till high school and is also the groups' record keeper. It is to him that members deposit their money. The group allows its members the flexibility to deposit daily, weekly or monthly. But before the next lottery is drawn, members' should have deposited their monthly contribution of Rs.150 each. Two families, have more than one member represented in this ROSCA..

For the members, the day of the lottery is ceremonious. All of them gather in an assigned place. The chit box comprising the names of members is placed in the centre. A small child is called upon to pick up a chit; as s/he does so all chant a 'quick prayer'.[7] When a member gets his/her chit, the name is deleted in the next lottery.

This cycle of collecting small regular contributions, either in cash or kind[8] from each member into a collective fund is cited as a common characteristic discernible in ROSCAs. This '*Rotation and Regularity*' (Ardener, 1964) is said to distinguish ROSCAs from a whole range of informal financial institutions.[9] For the two groups that the study covered collecting a regular contribution is where the commonality ends. Thereafter, in Digapada the collective pot at specified time and fixed intervals is given as a lump sum to each member of the association in turn; while, in the Gopalpur ROSCA, regular contribution is not followed by rotational pay arrangements.[10] The group nonetheless refers to itself as a 'chitty'[11] and its remarks on itself add attributes to ROSCAs that go beyond the cyclic rotation and regular contribution.

Gopalpur-on-Sea ROSCA

The ROSCA in Gopalpur-on-Sea calls itself *Gauri Amma* (named after a local goddess) and consists of only 10 members, all of whom belong to the fishing community – known as the *nulias* (OBC: Other Backward Castes). Gopalpur-on-Sea has an official status that of a Notified Area Council (NAC).[12] While part of Gopalpur still exists as a village, a part was given this status of NAC, which many believe was to attract and promote tourism as Gopalpur is near the sea. The NAC has 11 wards, with nearly 2500 households and a population of around 6400. A local NGO, PREM (People's Rural Education Movement) has been active in this area forming SHGs. The *Gauri Amma* group meanwhile operates in ward 3, also known as the Bullock street, with around 100 households, 97% of which belong to the fishing community. The Gopalpur NAC has civic amenities of schools and health services, and being a tourist area, it has also seen an influx of people (primarily from neighbouring Andhra Pradesh) starting petty trade shops.[13]

Almost a decade ago in 1992, *Gauri Amma* began as an all men's SHG, under the local NGO, PREM. It was the first 'men only' group in Gopalpur. In 1996, these men decided to opt out of the NGO promoted SHG system and operated as an informal unregistered group, thus beginning the groups' transition from the men to the women. Today, it is an all women's group with men being actively involved.

The reasons to opt out were primarily four: a) they could not follow the strict rules and regulations of the local NGO b) there was a lack of flexibility in SHG functioning c) they belonged to a fishing community which needed investment money and other guidance to improve business; the orientation of the NGO was savings and awareness programmes and training in skills like sewing, etc. d) sometimes lack of communication between the local coordinator of the NGO (who happens to be a woman) and the men. As per the men, groups in a community may have separate needs and therefore cannot be run in a straightjacket way. There should always be some space for manoeuvrability which the SHGs lacked (or the NGO did not allow).

When the men opted out of the SHG, their savings were returned and they started functioning as an independent group, where apart from savings, they got into the rice business as an alternative source of income, which did not work too well. The idea was to collect rice from members, then distribute it on credit with interest paid in kind. The interest in kind was then to be sold in the market and the profits distributed. The men felt it did not work for a) people took rice and never repaid; b) ten members were not enough for this kind of a business.

In 1999, a cyclone hit the area resulting in government's providing relief work which included distributing packages and giving Rs.1000 (US$ 20-25) as gift to women. Men were not given any money and when they enquired, were told only women as members in SHGs and with accounts in the bank were to benefit. This propelled the men to change all the names in their group, apprehending that in the future too such schemes may come up and they would be debarred as their group did not include women. This is how the present group came to be 'all women'. Wives and mothers of male members got together and collectively decided to open an account in the bank, which was operated through the designated President and Secretary of the Group. Women say their participation started by default but has led to limited, but positive changes.

The *Gauri Amma* group does not have the distinguishing feature of rotation but its ten members make a regular contribution of Rs.30 per month. The collective savings of Rs.300 per month is then deposited straight into the group's bank account, unless someone wants to take a loan. The interest of 3% received by members is also put in the bank, as a further savings, unless there is a higher demand for loans. *Gauri Amma* today also acts as a money lending institution, wherein it gives collateral based loans to non-members.

Different systems within ROSCAs seemed to have evolved to meet changing times and its own members' needs. They are 'testimony to the variety of needs people have and the way they innovate to satisfy those needs' (Bouman 1995: 372). In this regard, ROSCAs are characterised as being accessible, flexible and adaptable, but the question to be considered is do they strive towards empowering women?

7.2 Do issues of gender and empowerment have place within ROSCAs?

Unlike other organisations that view their groups as a *via media* or a credit link, to eventually bear significant outcomes of poverty reduction and empowerment, ROSCA members view their association as a means to 'enforced savings' thereby 'consolidating' their financial resources. The most obvious function of ROSCAs 'is that they assist in small-scale capital formation, or more simply, they create savings' (Ardener 1964: 217). Guided primarily by an economic objective that of savings, ROSCAs therefore tend not to overstate any other objective. Empowerment is definitely not an expected 'outcome'; and not are issues of gender and poverty expressed in definitive terms as part of any stated long-term goal or mission.

To only emphasise the role ROSCAs play for savings and credit however is to ignore its gregarious spirit. If the following annotations by its members are any indication, ROSCAs economic objective seem to be expanding to embrace other facets. Listening to ROSCA members, it would be misleading to suggest that there exist no concerns amongst members regarding poverty and gender inequalities.

Members of ROSCAs in Digapada and Gopalpur contend that unlike organisational affiliated groups, where groups generally comprise 'women only', in their ROSCAs men partake actively alongside women. In both groups, men maintain the group records. Women do not view this as giving up or missing out on something. It is a delegated task to a person who was chosen, and it happened to be a man as he was educated and could maintain records. In Gopalpur for instance, women said they did not even feel the need to ask or start writing record themselves, since the men were already into it from the beginning. ROSCAs then provide examples of groups being flexible enough to provide scope for 'joint or cooperative' exercise in running their ROSCAs. In groups mobilised by 'women-centred' organisations, this flexibility may not exist as organisations under the microcredit banner gear their programmes selectively towards 'women only'.

A woman member residing in Digapada narrates an incident where she, along with other members works in a stone chip quarry of the person who maintains their group record. The record keeper is also a member of their ROSCA. Once when a woman declined his offer of working in his quarry, he threatened to stop writing records. Though it was an off-the cuff threat, it had an impact on the woman. They were in the middle of a ROSCA cycle and they did not want unwarranted things to happen. Also, this person was good at keeping track of things and ensured money was collected from all before the next lottery, even from those who had delayed making their contribution. The member narrating this incident said,

> In my opinion, if at all he had decided to give up his 'book keeping', for sure we would have thought of an arrangement. Just that at that moment it seemed implausible. But he perhaps thought that the members, mostly women – would find themselves in a precarious state. (RMD10)[14]

Unlike say SML or SS, ROSCA members do not cite any decisive criteria of poverty for admittance in their groups. Members in these ROSCAs consider themselves poor. Members relate poverty to 'deprived and lack of alternative choices and civic facilities' in their villages. Less income, not lack of it, is put forth as a factor inhibiting improved quality of life. Almost all families fall under the Government's (income based) Below Poverty Line.

A member who initially got the idea of ROSCA into Digapada (she also served as a *panchayat* leader) had this to say.

> If the tube well in my village is not working, roads inside the village lay dirty with waste then, who suffers? If I want better living conditions for my family, even my surroundings must improve… I think, Digapada gets overlooked as it is a small village … together, we can clean our village roads, may even repair the tube wells but we can not set up a health clinic or a school or start a Dairy … we would need outside or government help. (RMD7)

A ROSCA member in Gopalpur remarked equally strongly,

> Fishing community's life is never easy … my family may earn enough to feed all the members, but the income may not be enough for me to buy a better fishing net or have my own small boat … our conditions make us dependent on others … apart from fishing, we have no other source of in-

> come which can add to our capital … ROSCA – it acts as a saving 'support' system for us. (RMG24)

The notion of 'ROSCA as a support system' is common. 'Money brought us together; now, our group signifies atleast to me – not merely savings but also strength, support and security', said a member in Digapada (RMD13).

To ensure ideas of empowerment or empowering situations do not get completely downplayed given ROSCAs interest in savings is reflected in the sentiments expressed by a member in Gopalpur. She said,

> When we women sit together it generates some awareness. We may not be walking the streets with torch lights … but this 'togetherness' is symbolic of our strength. Everyone sees it and knows it. (RMG19)

One of the members, who is also active in the government initiated groups in Digapada adds,

> The fact that the ROSCAs are self dependent, that we formulate our own rules and regulations, there is open participation by all members … should be indicative enough as to what we women can do … Running a ROSCA, with mutual trust and (lasting) commitments amongst our members gives us a position of strength. Some women understand it better; some do not. (RMD8).

7.3 Issues of Transaction Costs and Agency Relationship

ROSCAs covered were found to be self-selected, self-driven and self-supporting groups and were not formed as part of any long drawn mobilisation drive. The initiators of the ROSCA knew precisely why it was being formed and who they wanted to include as members. In this sense, the ROSCAs were restricted in terms of open membership. While the number of members' a ROSCA can have may seem flexible, ROSCAs are strong in terms of perpetuating groups on rigid lines. If the village has strong caste biases, as in Digapada, it gets reflected easily in ROSCAs. ROSCAs in Digapada and Gopalpur were homogenous with members sharing the same caste, occupation or area of residence. They did not allow people outside their caste or community to become members. 'An analysis of ROSCA membership is an ideal way to detect the horizontal substrata that divide a society' (Cited in Bouman 1995: 374).

Wright and Mutesasira (2001: 38) view ROSCAs as relatively low-risk 'if you have the right members.'[15] The selection of members is based on mutual trust among individual members and this trust is based on the knowledge members have of each other's socio-economic condition and status. It is this that leads to the low transaction costs a ROSCA entails.

ROSCAs membership being small and homogeneous makes it 'manageable and controllable and avoids factionalism. This enhances social and organizational viability' (Bouman 1989: 53). A study done in India says, 'confining membership' 'helped to verify the integrity of the contributors and prospects for the continuance' of ROSCAs (Sethi in Ardener and Burman 1995: 165). Johnson (2001: 4) adds, ROSCAs 'are able to operate due to the degree of "insider" knowledge they have about each member and their ability to enforce compliance through the use of local social sanctions such as non-cooperation in other aspects of daily life.'

There is no principal-agent relationship in ROSCAs, as one found in other organisations. Rather, members themselves alternate between being 'lenders and borrowers.'[16] ROSCA groups manage themselves, with members collectively shaping and making their own rules. Participation is the norm, wherein familiarity with the rules is also each person's prerogative. Records within the group are maintained by a literate person from amongst the members or someone from the members' family. The ROSCAs that were covered for this study maintained simple records of peoples' savings. For instance, in Digapada the record keeper maintained a diary noting three main fields: Name of the Member, Monthly Savings Deposited, and Whether Chit is out in his/her name. In Gopalpur, they needed additional columns to identify who is taking the loan and the interest to be paid. But as the record keepers were members of the group, ROSCAs did not entail any administrative costs.

Operational problems appear to be minimal given the way ROSCAs are run. Money is collected in an informal way within ROSCAs. In neither of the two ROSCAs, is there a provision for penalty, if someone deposits late. So far there has been no such case. Monitoring is said to be 'no issue' by the members, as they know each other well enough. Further still, before joining the group, each member knew what their commitment was going to be (and for how long it will last in case of rotating ROSCAs). In Digapada, the person who does the book keeping is also the one who ensures that money gets collected before the end of each month when the next lottery is drawn. A member here stated that her group is so closely knit that rarely an occasion arises where people fail to put in their savings. They don't even have to meet on a weekly or daily basis as they know with whom they can deposit. It is only on the day of the lottery that women gather and it is fun and full of expectations, especially when the lottery is in its initial rounds as more people sit in anticipation of their name being called out first on the chit.

It can be argued that while ROSCAs may not have a discernible principal-agent feature, the agency-borrower relationship is perceptible. For instance in Digapada once the chit is out, the person whose name appears takes the money but it is then upto the individual if she wants to give it to someone whose name did not appear but needed it. The money however is not given as a credit with interest. Either the person returns the money as per some agreed time or when his/her name appears on the lottery, the money is returned.[17] ROSCAs prove to be efficient in their management. 'They constitute an arrangement whereby group solidarity', which forms the basis for risk management 'is nurtured around a closed circular flow of money where' generally 'savings match credits without the need for interest rates or tangible collateral and where transaction costs are kept very low' (Buckley 1997: 1085).

In Gopalpur, as long as members deposit their money with the account keeper, which in turn gets deposited in the bank no one complains. It is for the account keeper to round up the rest of the members especially when a loan to a non-member is to be given. Whether someone from the group or a non-member needs money, both have to pay some interest, while the non-member also has to keep jewellery as collateral. The failure to repay may lead to the jewellery being impounded or even later sold to make up for the credit amount.[18]

> The ROSCA is … fundamentally simply and elegant. It is state of art intermediation, and well-designed to finance as a Bach fugue is to classical European music. (Cited in Buckley op. cit.).

7.4 Non-financial Services: The Other Side of ROSCAs

There are no stated non-economic objectives in ROSCAs. Nonetheless, ROSCAs seem to perform twin functions of 'socialising and an economic one' (Bouman, 1995: 375). 'Apart from their economic value, ROSCAs are often socially relevant' (Sethi in Ardener and Burman 1995: 175). But it depends on the individual ROSCAs as to how actively they get involved in activities other than 'finance'. As the President of *Gauri Amma* in Gopalpur opines (RMG25),

> We do not exist with a social mission. This does not mean, if there is an opportunity, we would turn a blind eye. After all, this group is for our well being…so if anything outside this group, outside money matters comes up which is for our good, we would take part.

Both in Digapada and Gopalpur, members have led anti-liquor campaigns in their villages. For the women in Digapada, involvement in a community activity is not necessarily a ROSCA initiative. But when villagers for instance took up cleaning of the village roads collectively, ROSCA members also spoke and discussed about it in their meeting and later joined the cleaning brigade. The President of *Gauri Amma* also stated that everywhere these days there are SHGs run by bigger organisations. On occasions when such SHGs have awareness programmes or arrange for women's meetings, ROSCA members may attend if they wish.

ROSCAs in Digapada seem to benefit from NGOs and government run SHGs in their village. Some members have become part of both as the latter provides opportunities to undergo training or be part of general awareness camps. What is learnt in SHGs is imparted as information to other ROSCA members who may not have joined any SHG. In this sense, ROSCAs as compared to groups linked with organisations find themselves limited in terms of resources or network linkages to facilitate their non-financial roles.

Limited resources and networking notwithstanding, ROSCAs create their own importance. As a ROSCA member aptly remarked,

> Money matters to me foremost; hence I am part of this. But what matters too, is the 'space' it provides me to chat, sit and share with fellow members. Our problem then seems so much similar to each other.

Similarity breeds bonding. Bonding leads to strengthening the association and people start thinking what more can they do jointly. ROSCAs therefore may enact multiple roles; 'least it allows '*participation*' of people (*poor*)… *for long* '*excluded*' or with *no alternatives for participation* in the mainstream of society (Kurtz, 1973: 51, *emphasis mine*). '

7.5 Recounting ROSCA Members' Voices[19] (Digapada and Gopalpur)

Both in Digapada and Gopalpur ROSCA members were surprised to see us, as they did not expect a study on their group. Government or NGO run SHGs they thought were more of peoples' interest. There was an initial hesitancy and suspicion to talk to us, as the groups have been running for a while with no outside interference and influence. This resulted in some time and repeated visits to get into an open and free conversation and getting to know the so-called chit funds or ROSCAs, especially in Gopalpur, though the number of members to be met was not too many. Two group interviews could be conducted and in all we could meet 26 members individually: 17

(out of 23)[20] in Digapada and 9 (out of 10) in Gopalpur. 18 members could sign – some on their own, some learnt in their SHGs; ten were literate.

- On the significance of being ROSCA members

Group meetings with ROSCA members in both the places yielded similar findings, despite the difference in their operational procedures and payout arrangements. Both groups had clear and interrelated reasons to cite why they formed their groups. These were: i) Savings and Loans; ii) To deal with financial difficulties.

Both ROSCAs had their accounts maintained by a man, who was either a member himself or related to one. Digapada had no leadership position assigned to any member within the group; in Gopalpur, the group had a president and secretary, whose primary task was to be the signatories to operate the groups' account in the bank. Members noted the flexibility ROSCA allows[21] to its members in terms of deposits. As long as the agreed savings were deposited each month to the account keeper, it did not matter whether it was done daily, weekly or monthly. There were a few occasions when the account keeper put in the money, if the money had not been deposited before the lottery or before the end of the month to be put in the bank. But these seemed rare occasions and the account keeper was made aware before that a member might face problems in making deposits owing to economic conditions.

Both ROSCAs said they do not have regular meetings. In Digapada, they met only for the lottery each month while in Gopalpur they met if someone needed a loan. But when they met, they made an occasion of it. As mentioned earlier, in Digapada, before the lottery takes place, anyone in urgent need of money makes it known to the members. In case her name does not appear, the person whose name appears may give it all or in part to the member who needs it. It has happened thrice in the group.[22]

One 25 years-old member (RMD16) in Digapada, works on the land leased by her family. Her husband, apart from working in the field goes for other contract labour work. She is yet to get her lottery, which She wants to put in constructing her house. She strongly feels,

> If groups were not there, I would not have saved in an organised manner. And also the chit fund group is a good meeting and discussion ground...As long as the ROSCA will continue, I will be a part of it.

Presence of three male members in Digapada or male members being the defacto members of the group in Gopalpur is of no special significance to women members of ROSCA.

> Our interests in savings has brought us together. We all know each other … we all want to better our families lives … so how does it matter, whether it is a man or a woman saving. As long as our goal is being met, it is fine,

says one ROSCA member (RMG24) in Gopalpur, whose husband and one son goes out in the sea for fishing, further adding,

> there is no pressure of anything as such. Group has no problem even if men land up doing all the work. The point is, earlier to go to moneylenders there was always this need to give a security (collateral); now 'our group' is our security. Both the men and the women understand that well enough. They know they won't go hungry.

One feature members tend to reiterate is that they view their ROSCAs as a 'good savings mechanism', which allows them bulk money at one given time.[23] 'It is also significant that members are not accountable to their ROSCA for the use of the funds they get and are therefore free to use the money for whatever they wish, which is not the case for most other types of finance' (Buckley 1997: 1085).

• On intrahousehold (economic) changes

Twenty-six members interviewed are saving in ROSCAs, of which 19 in Digapada save Rs.150 p.m. and the 9 in Gopalpur save Rs.30 p.m. When asked the reasons to join these ROSCAs, members' individual impetus either in Digapada or Gopalpur more or less revolved around groups' collective reasoning that of 'savings' and 'meeting financial needs'.

Agriculture was the main source of household income for most women members in Digapada while in Gopalpur, it was fishing. In Digapada, however, none of the members' family owned any land. Sixteen of the 17 members met had families who had taken land on lease, which as mentioned earlier seemed to be a common practice, though having some land of their own is a dream nurtured by all. While agriculture and fishing were cited as the main sources of income, 20 members said their families were engaged in other work for additional income. These additional activities included working in the stone quarry, working as agricultural labourers, contract labourers or other activities such as mason work, electrical repairs and construction workers.

Nineteen women said they have invested to either start a new income activity or expanded their present livelihood source. While expanding on present livelihood activities included buying fishing nets or agricultural inputs; for those who invested to start a new source of income it included buying a rickshaw/hand trolley/auto; starting poultry, stone quarry; or taking land on lease. None of the members attributed this expansion or starting something new only to their involvement in ROSCAs.

It may be mentioned that nine members said their family income during the past one year has increased (See Table 7.1). For them, it was essentially driven by the fact that they had expanded their income sources or they had a stable income from productive activities. For four members however, their family income had decreased. Their reasons were less agricultural output, large families, less income, increased prices. 12 members said their family income had stayed the same. One woman could not give any response to her family income.

Table 7.1
Income/Decrease in Household Income

Household Income	No. of Members
Increase	9
Decrease	4
Stayed the Same	12
Cannot Say	1
Total	26

The intention here is not to draw any conclusive statements regarding ROSCAs influence on income increased. ROSCA members themselves did not talk about or relate this to ROSCA, but seven members said the ROSCA amount in particular enabled them to add to their assets. This meant adding to household assets like buying household utility items or jewellery as an investment. Amongst productive assets, buying small (saleable) animals, (repairing) fishing boats and nets were cited.

The point is the 'small' collective savings of ROSCAs by themselves may not be sufficient to start an income activity of the households' choice, but as members said the importance of ROSCA lay in a) buying a household/productive asset and b) it could go as an input along with other inputs to create an asset which could then lead to income generation. One woman said the ROSCA money was an input to buying an (second hand) auto rickshaw and this asset was bought in her name.[24]

All except one ROSCA member felt they do better savings through ROSCAs. The male member (RMD9) maintaining group records in Digapada said, 'I immediately liked the idea when the idea was proposed to me.' Studied till high school, he runs a small stone quarry and has recently started poultry with another male member of ROSCA. For him, ROSCAs allows first, 'easy savings' and second, the money is useful 'to create an asset.' The member emphasises that he put the ROSCA money to expand his business and because of him women now have an extra income through stone chipping in the quarry.[25]

ROSCA members, be it in Digapada or Gopalpur had additional household savings in the form of joining another SHG, taking insurance, buying jewellery or putting money in a bank, except for one who is saving only in ROSCAs. 16 members or someone in their family are part of both ROSCA and SHG. All such cases are from Digapada.

Members in Digapada say, ROSCAs facilitate meeting financial needs. With the coming of SHGs, choices regarding sources of credit[26] have opened up and these offer more options than just moneylenders. At least 12 members said they still exercise the moneylender option but do so alongside ROSCA, SHG or both. 25 families currently have a loan taken for initiating new income generating activities, investing in present livelihood sources or purely for household consumption and other related purposes. Four members also mentioned paying off debts with their loan amount.[27]

• Feeling of empowerment

For members, whether they benefit in terms of increased income or asset, being part of ROSCA has economic significance. When asked to give their views in particular non-economic attributes of ROSCA, the member's responses showed the trends shown in Table 7.2.

Table 7.2

Responses of Members (Non-economic benefits of ROSCAs)

Benefits	Increase	No such benefits	Cannot say
Access to Information	19	7	--
Wider Network- linkages	8	16	2
Status Elevated	11	13	2
Change in (self) Perception	18	6	2

Eleven members stated their status has improved primarily due to two reasons: a) improved economic conditions, b) through involvement in groups, be it ROSCA or SHG, members were able to draw some attention as they were now visible in the public sphere. Nineteen members felt groups, be it ROSCA to SHGs create access to information. But not all of them felt that access to information necessarily helps in creating wider networks for economic benefits. 16 members citing 'no benefits in terms of wider linkages' felt the reason was lack of civic infrastructure, inadequate involvement of local block administration to take up village development work.

Other than information or wider linkages, women highlighted change in self-perception. For instance, 18 members felt their self-perception has changed. One of them (RMD3) put it as

> Though I still feel bit hesitant to take up actions, this much I know that I can interact with people better now. Earlier I used to feel bad as well, when people would make fun of us saying what such activities would bring about? Now, I feel happy when they curiously want to know what else we are doing.

Around 25-years old, the member goes for agricultural work on her family's leased land. She has studied till middle school and has also joined the SHG under BMASS in Digapada and is the President of her group.

Another member (RMD6) in Digapada finds being part of a ROSCA '*comforting*.' Primarily engaged in household chores, the member too has joined a SHG but says her interest is not what information is parted in either of these groups. At the moment she likes to go and sit in a group, especially in a ROSCA, as here only her own villagers are present. This offers her solace after suffering the loss of her two-year-old child to chickenpox. Initially, her in-laws blamed her for it and she went back to her parents place for a while. A SHG meeting on the other hand is formal and has presence of an 'outsider' who guides the meeting. There is urgency in SHGs and not in ROSCAs to get over with the 'procedures.'

In ROSCAs, members did not see any overbearing relation between making decisions at home with increasing bargaining power (see Tables 7.3 & 7.4).

Table 7.3
Decision Making by ROSCA Members

Decision Making	No. of Respondents
Self or Jointly with Husband	14
Only husband or male relatives	11
Female Relatives (mother, mother in law)	1

While 14 members say they take decisions on their own (of which two are male members) or jointly, ten spoke about an increase in bargaining power, which women cited as being successful in negotiating or now being allowed mobility outside the household.

The views of the primary school headmaster in Digapada could be of some interest here. The headmaster began with a word of praise for the *nayak* community. According to him, the *nayaks* are hardworking and know how to earn. There is also unity amongst them, and hence can run groups such as ROSCAs well. He also opined that men would never be able to run such groups as they are prone to conflicts,

> 'They have less consensus amongst themselves'. But he concludes, 'I would not say that men have changed their attitudes towards women – I don't see any – but yes, what you do see is that men are surely cooperating more with the women.

Table 7.4
Bargaining Power of ROSCA Members

	Increase	**No such benefits**	**Can't say**
Bargaining Power	10	15	1

The men whom we could meet were family members of ROSCAs women members. They were all citing grandiosely positive outcomes of ROSCAs and other women's groups. While none had anything critical to say about ROSCAs, 15 men were particularly very articulate in citing an array of changes, which pertained to both economic and non-economic roles of ROSCAs. These can be mentioned as follows:

- Such groups are good for the future, as together women can achieve many things. They are very confident these days to talk with other people; they can go to police as well.
- Via such groups which allow us to save, we can also have greater economic access and our immediate needs can also be met
- We no longer have to mortgage things
- Apart from the money, there are other benefits, which include being aware of each others' condition. So if there is any problem, other members come forward to help (e.g. pay the lottery/savings instalment if one is unable to do so)

- Women themselves have become worldly wise; they have a voice and opinion of their own
- They used to handle money, now they understand 'money', meaning how to make it more productive.

7.6 Views of Some Non-members[28]

Though not too many could be interviewed, 12 women (8 in Digapada, 4 in Gopalpur)[29] not part of ROSCAs were treated as non- members. Of these 4 were members of SHGs. While all non-members were asked what they think of groups like ROSCAs and whether they would like to be part of it; those with the SHGs were also asked if they considered ROSCA as having additional benefits. Of the 12 women met, 6 said they would like to be part of a group, not necessarily the ROSCA types. 4 women were interested to join but said their economic conditions debarred them. Two were simply not interested.

A widow residing in Digapada had this to say (NMD5),

> I know about groups being run. I am sure it must be beneficial if so many are joining. I don't know anything beyond this. Given my condition, I can not join a group; people know it – so they don't even approach me.

She had land on lease when her husband was alive, but now has to fend for herself. Under a government programme, wherein she could opt for Rs.100 per month or a quota of rice,[30] she opted for the latter.

Yet another old woman met in Digapada is a beneficiary of governments' pension scheme and receives Rs.100 per month. Despite this, she begs for food. Also a widow, she has one daughter married and a son who occasionally visits her. She says she does not have much idea about groups but adds (NMD4),

> When people deal with money, the concern is how they can have more of it … but for themselves. If groups had 'social feelings' … would they not be thinking about me and others like me…I would also like to have a little account somewhere.

The old woman has cataract in her eyes. Her family was a beneficiary under the *Indira Awas Yojana*[31] (IAY, Government Housing Scheme). She says her son got it in his name and she stays on her own under a small thatched roof.

Another lady also from Digapada, in her 50s earns Rs.100 as pension per month. She too is a widow and occasionally works as an agricultural labourer. Her children are married and live on their own. She owns a house under the IAY Scheme. She added (NMD6),

> We poor also have needs. Savings is definitely a support in times of need. But to get to a position of savings, some things need to be done and may be our women in the groups would work towards that … someday … which will benefit women like me … in distraught.

Instances such as these are perhaps a pointer that irrespective of their nature, savings groups are still restricted in catering to the needs of the poorest. And in groups like ROSCAs, it becomes more obvious as these are self-regulated groups, formed for their own economic interests.

In Gopalpur, a woman who is member of a SHG felt these groups have permanence as they are regularised and much safer to save in. Further, as per her (NMG12), *Gauri Amma* groups may be doing something independently, but

> I don't know how well they are benefiting themselves. I see them still taking advice from PREM organisations' coordinator … earlier, they only left her/PREM.

The local NGO coordinator of PREM, who resides in Gopalpur, is also quick to draw the comparison. She had clear reservations regarding ROSCAs. To her,

> SHGs offer immediate loans and members of SHGs are guided and motivated to think about their long term benefits and business. ROSCAs are irregular not only with their meetings but they lack substance.

Of the 12 non-members, four said they had no savings, four women were saving with SHGs, two had multiple savings other than SHGs through insurance and savings in a bank, four were doing meagre savings at home (with one also putting some money in the bank). As to whether they thought ROSCA members were better off than them, 8 said '*perhaps they were*' and 4 said '*it is difficult to say*'. But 10 of these women felt being in a group (be it a ROSCA or a SHG) '*definitely*' draws advantages, of which the most commonly cited was being able to get together and talk generally which could lead to creating general awareness or '*bring information about new things*'.

Conclusion

As of now, ROSCAs face no problems in managing groups. With clear ideas regarding arrangements for payouts within the group, members feel it all depends on their own commitment to keep up to their agreements. '*Trust breeds solidarity and solidarity breeds bonding*', is a member's expression of what she feels about ROSCAs. Since saving together has not yielded any bad results so far, members' confidence in their ROSCA is writ large. Members are aware that such groups are susceptible to break-ups, but that can happen to any group, not to ROSCAs alone.

On the face of other alluring options like SHGs, an informal group like ROSCA could meet its sudden death. It was interesting to note that how long the ROSCA would last was least of the concerns in members' mind. Rather what they talked about is '*adding to options*'. In both Digapada and Gopalpur, SHGs have been formed and members acknowledge that associating with SHGs has comparative advantage as ROSCAs are restricted in terms of getting linked with banks. Though there is no stated rule, ROSCA members feel that if they are not registered under the governments' BMASS programme they are not entitled for any bank linkage programme. A bank manager in the area further corroborated this. As per him,

> ROSCAs may be doing a good job themselves; still it is an unregistered body which banks would be cautious to link with. But nothing stops them from seeking loans from the bank.

Interestingly, the manager noted that if these ROSCA members were to approach a bank individually with a collateral, they would probably get a loan sanctioned faster.

Further, BMASS has converged with other government programmes such as the *Swarnajayanti Gram Swarozgar Yojana* (SGSY), so no SGSY finance is given unless a group is registered with BMASS. Also extension services like agriculture, fisheries and industries departments work closely with BMASS and the SHGs. In such a scenario, ROSCAs may themselves graduate into being SHGs or members may join SHGs, as many of them already have done in Digapada.

ROSCA members who have now become members of SHGs draw a comparison between ROSCAs and SHGs. In ROSCAs, one does not have to be accountable to members in terms of how one is going to use the one-time bulk money. In SHGs, NGOs and the peer group need to know how and where the money is going to be spent before a loan application is processed. Further, ROSCAs may not be able to respond to unpredicted emergency needs whereas SHGs can. Also, SHGs conduct regular meetings and strict monitoring. There is a penalty for default. ROSCAs in comparison have no such strict formalities.

A NABARD official in Behrampur, while acknowledging the 'culture of savings' that ROSCAs equally promote, states 'ROSCAs allow no corpus, which forms the fulcrum of SHG-group strength.' Regarding his views on empowerment through such women's groups, he nonetheless remarked, 'I would say signs of empowerment are definitely there' (attributed to women's participation, mobility, having cash in hand to plan about economic benefits) but 'women still remain to be empowered if lack of ownerships in terms of land and other property is accounted for.' Adding to the efficacy of SHGs in particular, the Block Development Officer (BDO), Hinjlicut said he views SHG as 'a noble word and world'. He emphasised that

> Through SHG women not only become active, better their economic position by doing business and earn profits; but also issues like rural sanitation, literacy, interaction with government machinery can equally be tackled through such groups.

Despite any limitation members or others may cite, ROSCA members 'value' their ROSCAs. While to some it has allowed them to create an asset, for some it is a haven for savings and to others the group by itself is a support system. Whether these ROSCAs in particular will sustain themselves is difficult to say. But so far, as the members say,

> By having our independent informal groups and making them run successfully' is indication enough that 'we are capable of creating alternatives and respond to the lack of (economic) opportunities we face.

And ROSCA members who formed part of this study have aptly demonstrated that.

Notes

[1] Three of the most remote blocks, including Hinjlicut Block where village Digapada is located were handed to CARE (an International NGO with local staff), wherein it acts as a facilitator. CARE's task is to facilitate the local administration as it mobilises women into groups and undertakes capacity building of such groups. BMASS is viewed as an effective partnership involving the government, the people and a civil society institution, the NGO. CARE staff in Behrampur introduced the two ROSCAs to me. Behrampur is a sub-division of Ganjam District and a major business town bordering neighbouring state, Andhra Pradesh. Digapada and Gopalpur fall under this sub-division. Sub-division is an administrative unit considered bigger than a Block, smaller than a district, created for administrative conveniences.

[2] It is situated at a distance of approx. 12 kms. from the Hinjlicut block administrative office and approx. 35 kms. from Behrampur town.

[3] The village has two streets almost perpendicular to each other. One street houses the nayaks; the other the patnaiks/samols.

[4] Refer to endnote 28, Chapter 6.

[5] Usually one acre of land can be taken on lease by paying Rs.5000 (approxUS$110). People prefer this rather than paying in kind, which could entail 2-10 quintals of paddy. One finds it does not depend on the amount of land taken on lease rather is based on a mutual (verbal) agreement. One acre may produce anywhere between 20-25 quintals.

[6] Once all the members have received the pot, a ROSCA may disband itself or it may regroup and repeat the process. The ROSCA the study covered has not disbanded itself so far.

[7] This 'quick prayer' is different say from the pledge SML members recite before commencing their centre meetings. In Digapada, as one member said, 'the prayer is not a customary ritual that has to take place'. It is more symbolic of the occasion – i.e. adding to the value of congregating at one place to take out a lottery – 'money' which people value! The occasion and the act of taking out the lottery (which would enable one to have a collective amount) appears sacrosanct.

[8] ROSCAs have reported non-monetary transactions as well. For example, in India chit funds traditionally consisted of paddy or rice. For instance, Bouman's (1989) reference to grainbishis (because contributions were in grain) in Sangli district in Mahrashtra, India is well known.

[9] Ardener also writes that importance attached to rotation is (equally) bound to exclude a great variety of institutions functioning autonomously as self help groups, mobilising their own resources and managing themselves independent of any legal, fiscal and financial authorities.

[10] On patterns of ROSCA there are analogous institutions across the world. Different names have now been coined to specify the key element of those institutions such as RESCA (for Regular savings and credit associations), ASCRA (Accumulated savings and credit associations) and so on. For convenience, in this study, the term ROSCA has been used in general to capture the essence of informal groups, which may not necessarily embody the twin principle of rotation and regularity.

[11] ROSCAs are seen to operate under different names like chit funds, chitties, bishis, kametis in India.

[12] Gopalpur lies approx. 13 kms. from Behrampur town.

[13] Families in ward 3 were found to be speaking both Oriya & Telugu (latter is the spoken local language in the state of Andhra Pradesh)

[14] For ROSCA Members/Household Profile, refer Appendix A.7. Members in the text are quoted as RMD1, RMD2 or RMG 18, RMG19 and so on. RMD stands for ROSCA Member Digapada and RMG stands for ROSCA Member Gopalpur.

[15] In their view ROSCAs are vulnerable to failure if the membership is not homogeneous in terms of income level and gender.

[16] Kloner (2003: 980) puts it this way. 'ROSCAs serve as a financial intermediary by transforming the bundled savings of a group into what might be considered a loan to one ROSCA participant in each period.'

[17] It may be pointed out here that in a case study of a Sri Lanka ROSCA, Southwold-Llewellyn (in Lont & Hospes 2004) finds ROSCAs 'as economic relations dis-embedded from social relations' among its members. This she attributes to members' need to have secrecy, protecting savings from 'embedded relations with kinsmen' and in many cases, other members of the household.

[18] Account keeper of Gopalpur said as of January 2005, the ROSCA had gold worth Rs. 20,000 (US$ 450 approx) as collateral with them. The highest amount they would give to member or non-member generally would not exceed Rs.10,000 (US$225 approx). The present savings in the Bank accounted for Rs.15000/-. Time within which a loan needs to be repaid may vary depending on the loan amount and on the agreement within the group; or agreement within the group and the non-member.

[19] Refer Appendix A.7.

[20] Of the four we did not interview, three belonged to the families which had more than one member represented in the ROSCA. One was out of the village at the time of this visit.

[21] Such flexibility may not be possible or even allowed when groups are large.

[22] Calomiris and Rajaraman (1998: 209) sees this 'as evidence of accommodation to uncertainty… through secondary market transactions.'

[23] Bouman (1995: 373) noted this feature amongst ROSCAs stating the money flow of credit through ROSCA is 'directed to private consumption…But a sizeable part is also used as a fixed and working capital…'

[24] Except for three other women who cited having joint ownership to their house, rest no one cited any legal claim to an asset.

[25] A Registered Medical Practitioner (RMP) in Digapada remarked especially on stone quarry and poultry. According to him, it has provided members (of nayak community) with new opportunities. He also remarked that groups such as ROSCAs show women are now less fearful in taking initiatives.

[26] Three members individually, have also taken loan from banks.

[27] In another study on Mexican colonies in the Sothwestern United States, Velez-Ibanez (in Lont & Hospes 2004: 147) notes out of his experience that 'ROSCAs have two major functions: debt reduction and purchase of gifts for rituals or simply to defray the costs of everyday needs.' He also opines that ROSCAs play a less important role than familial pooling.

[28] For a brief Non-members/Household profile, Appendix A.7. Non-members in the text are quoted as NMD1 or NMG9 and so on. NMD stands for Non-member Digapada; NMG stands for Non-member Gopalpur.

[29] Of the 12 women met 5 were nayaks (SC), 4 nulias (OBC), 3 general/other castes (GC).

[30] This government scheme is known as the '*Annapurna* Scheme'. Under this scheme, one is entitled to a free monthly ration of 10kg of foodgrains. The scheme aims to help destitute persons over 65 years without an assured pension or a regular source of income or those with a BPL family.

[31] IAY, a subsidised scheme helps rural poor (often SCs and STs) below the poverty line construct dwelling units by receiving financial assistance.

Part III

CRITICAL REFLECTIONS

Microcredit as Development Tool Empowering Women

8 'The Groups' as Intermediaries: Accessing Credit or Empowering Women?

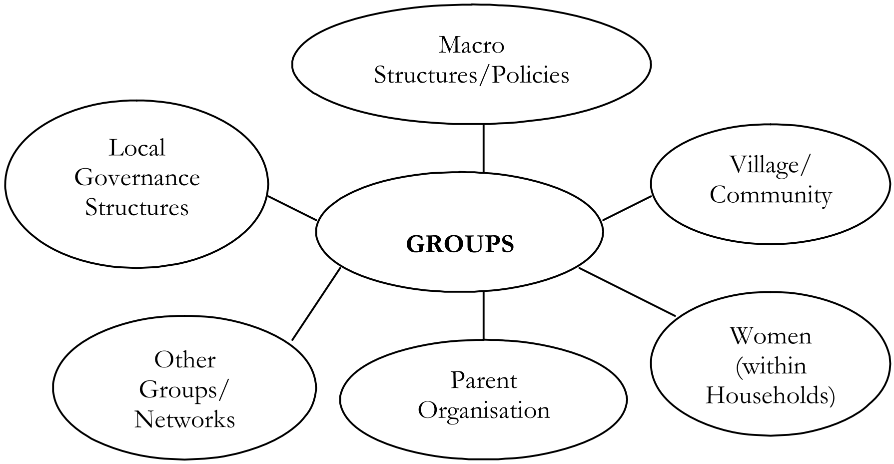
Introduction

'The Group' as sine qua non of microcredit process stand invincible. The previous section showed that organisations view group as an 'intermediating body', where all use group techniques to mobilise and organise women, wherein the group acts as the 'social collateral,' providing a collective guarantee for loan repayment. This chapter goes beyond the groups' function of savings and accessing credit to contend that groups as a 'collective agency' have the capability to usher critical empowering outcomes.

'The Group Formula', a principal-agent non-market innovation is perhaps one of the easiest ways to deal with the poor and credit. 'The group approach delegates the entire financial process to the group' (Satish 2005: 1731). Groups' peer monitoring and enforcement reduces costs of screening, monitoring and enforcement, thereby providing a solution to adverse selections and moral hazard problems of lending and ensuring repayment, which are critical to an organisations' sustainability. Notwithstanding the organisational interest in groups as a sound management device, experience shows that groups themselves play multiple roles, performing beyond their primary function of savings, credit and repayment. It is this extended role that has made one view groups as a 'collective agency,' capable of transforming macro-meso-micro level institutions perpetuating gendered *habitus*. Figure 8.1 shows the different levels where groups could possibly have an impact.

For a better understanding of a groups' significance and its intriguing roles, the chapter is divided into four sections. The Group Formation (section 8.1); its functioning (section 8.2); and its enforcing arrangements (section 8.3) brings forth the perceptive role of a principal-agent i.e. lender-borrower relationship guided by institutionalised norms, thereby reducing costs and facilitating the credit process. Sections 8.1, 8.2 and 8.3 are also reflective of organisations' nature and approach towards managing micro-credit, linking it with larger poverty reduction goals. Section 8.4 on collective agency and action, in one's view, is an insight into the groups' dynamism in empowering women. In regarding the group as a collective agency, the groups' own understanding of its role and strength; the perception of individual members as part of a composite whole, of what it is being 'a collective body' assumes importance. Based on the experiences in the field, the chapter however concludes that a proactive collective agency may not necessarily percolate into women's individual agency within the household; in other words, the group is not the sole gateway to understand the intra-household changes where economics of credit may guide any other considerations.

Figure 8.1
Group as a 'Collective Agency' influencing/Negotiating at Macro-Meso-Micro Levels



8.1 Group Formation: Mobilising Women

Why groups are formed is a foregone conclusion; what is intriguing is how they form and the nature of its constituent members. The organisations covered by this study function as enterprises of mobilisation. They enable and create a platform especially for poor and low-income women to assemble for a cause, which is to address the financial barriers faced by such women that so far hindered them and their families to outgrow their poor and vulnerable, living conditions.

The initial spurt to form a group often comes from external initiation from a NGO, MFI or in the case of ROSCAs, from an individual who may have seen or heard about the system elsewhere. Woolcock (1998: 183-84) has noted ROSCAs to be a more spontaneous, "bottom-up" group formation, initiated and sustained by members themselves. Other groups are launched "top-down" by NGOs or MFIs and are external to the communities they have come to serve. 'This is a highly problematic task, requiring staff to win the confidence of poor villagers' (184). The mobilisation stage is therefore critical, as women need to be convinced by what is being propagated or promoted.

The process of group formation initiated by organisations tells to a large extent a common story, replete with instances of initial vacillation of women to come out of their homes to meet strangers who seem eager to help. It is a story of motivating and mobilising women through village and individual meetings.[1] In such meetings, the purpose of the organisation is explained and women are introduced to savings and possible credit 'entitlements'. It is in these meetings the necessity of forming groups is also elaborated, if credit entitlements are to become a reality. This is clearly the first step of *doorstep banking*. Microcredit is inclusive in its character, where even the poorest are offered a chance. It is during the mobilisation stage alone that organisations claim to identify majority of such families or households. The number of groups each organisation has been able to form is an indication of their success in mobilising women.

While organisations prefer referring to their groups as 'women's self help groups';[2] the nature of the groups may not necessarily be so. Rather in the formation of the groups, the nature of the organisation becomes apparent. For instance, SHARE Microfin Limited (SML) approached women/villagers as a bank. Their meetings involved telling women about their credit schemes, procedures to be followed once women form their groups and an illustration of 'financial benefits' derived by joining SML. Members were hence enticed on purely 'economics of credit'. Sakhi Samiti (SS) was always seen as one that emerged from amongst the village women to work for their betterment. Though the first step towards this betterment was savings, followed by credit, women had other expectations like initiating village level developmental activities. The same applied to groups under SEWA Bank. Women viewed it as an insider and its banking services were seen as a part of the larger umbrella called SEWA which struggled hand in hand with them, to ease them out of their financial constraints and their deprived situations in general.[3] This was not the case at SML; so if something in addition to credit came along it added to SML's 'social' image.

Reasons to form groups and how the process is initiated are as relevant as how groups choose members and who would be excluded. The answer to this question did not churn surprises, but rather reconfirmed the scepticism that targeting the poorest is perhaps a delusion of microcredit initiatives.

During the process of mobilisation, when women are encouraged to form groups, there are general verbal guidelines given by the organisations so that later the groups can function effectively. The guidelines relate to the number of members a group can or should have. SML, SS and SEWA Banks do prescribe a limit to the number of members within a group/centre, though the limit, as one saw, does not necessarily get strictly followed. Also, women in general are encouraged not to have members from the same family within a single group but to look for or choose close neighbours.[4] Beyond these general guidelines, organisations claim not to partake in group forming decisions. Number of members a ROSCA can have seemed flexible though not open to all.

A strict regulation in group composition that may hit the structural base of society is not easy to thrust. This is to say, in countries like India, one still finds it hard to downplay roles of caste and class. Organisations mobilising potential beneficiaries prefer not to partake in actual forming of groups lest they strike at the entrenched social arrangements, jeopardising their own survival. In a village, groups thus tend to be caste or even class based i.e. if a village has strong caste divisions; it is likely to reflect itself in the formation of groups. In this sense, groups 'are homogeneous and have certain pre-group social binding factors' (Satish 2005: 1732). This cultural homogeneity is also attributed a critical role of influencing financial outcomes (Karlan 2001). Homogeneity is expected to easily build social ties enhancing peer pressure and group solidarity keeping free-riding and in-group coordination problems under control (Abbink et al. 2002).

When asked how they joined groups, women across organisations mention how they were persuaded by neighbours or friends to join, some heard through word-of-mouth that a group is being formed and enquired whether she could join, and also organisational staff directly approached some. In principle, no one, especially the poor or poorest for whom the entire microcredit sector is geared, is denied rights to form or join a group. The process of group formation is thus democratic, and like democracy the microcredit process shows exclusionary practices. As mentioned earlier (Chapter 5), SML members inadvertently added that when choosing new members, they would generally keep out such women who 'can not repay' or who would have 'repayment problems'.[5] They were advised by SML staff to 'be careful' about choosing group members as their credit may be affected if there is any default in the group. Their stance was that if you have women member who could default, why take the risk of including her. And if this is the case, it is difficult to understand how people who have the ability to repay are considered 'unbankable' in the first place by the organisations. In another study area, Holt (in Otero & Rhyne 1994: 175-76) shows similar doubts, 'it is unclear whether…a membership exclusively of very poor people from a community could be viable; such a membership may lack a critical mass of resources and have a scarcity of management skills.'

Sakhi Samiti, SEWA Bank or even ROSCAs would perhaps like to follow many of the silent precepts followed by SML, but so far if the woman is willing to save within the group it is sufficient enough reason to include her. There are other ways of controlling default risks once a 'difficult' member, incapable of non-repayment, gets included. Members in some way sideline the (potential) defaulter when credit is given or she would receive much less amount than what she applies for or hopes to get. These often constitute the dropouts later, feeling discontented with the credit process.

8.2 Group Functioning: Making Groups Work for Organisational and/or Members' Benefit

Doorstep banking is group mediated. Rather than dealing with individuals, groups are a better option and a rational choice for organisations. The viability of the credit process is thus much to do with group functioning; but how much of the 'burden of administration' passes on to the group is a bigger question, which has not been given adequate importance by organisations. The groups too do not seem to complain, as credit access had never been so easy.

Women are said to be managing their own groups and this act of managing is learnt new. That within a group, women themselves decide, execute and benefit has been an accomplishment, which is cited forthrightly. As groups grow in number, there is a possibility that organisations may not be in the know of things happening covertly. Despite the argument that efforts of organisations lay in making groups self-reliant, one finds that 'group functioning,' so far as its credit role goes is as much the task of the members of the group as that of the organisations. Depending on the level of organisational interventions, the groups may show extreme variations in their functioning, which have a direct bearing on the credit process of lending and repayment.

As pointed out, organisations prefer referring to their groups as 'Self Help Groups' (SHGs), but the nature of the group may not necessarily be that of 'Self Help', though groups or organisations may be striving towards making groups attain the attributes of a SHG. With the exception of ROSCAs, rest of the groups are guided and driven by their parent organisation whose prime interest is to ensure that groups remain active in performing its primary role of savings, credit and repayment. While the role of the lender i.e. organisation is primarily guided by the 'economics of credit', experience shows that in the hands of several borrowers, primarily women, credit is not just about agreed deferred payments.

Making a group function is an art and organisations have no misleading notion of a group as an arena of social interaction amongst different women. It involves an understanding amongst women, and playing of both 'reciprocity and integration'. 'Ways in which individual action is (or is not) reconciled with group objectives are thus a vital aspect of group functioning' (Heyer et al. in Heyer et al. 2002: 7). Further, the element of risk is unavoidable as people's behaviour and emotions can anytime conflict with what is set as an organisational goal to be achieved.

Group functioning is the testing ground for the principal-agent relationship. It is not always that objectives of the group fall in line with that of the organisations which promoted it. While organisations will hate to jeopardise their own existence, the groups' ambitions are likely to grow. This is where the problems emerge as there is a clash of interest or an organisation's unwillingness or inability to take up the groups' self-mediated interests. Sometimes groups outgrow their parent organisation and tend to play roles, which may have seemed unexpected in the beginning. Such things happen, also because there is a lack of effective participation. This meaning, as Jain & Moore (2003) noted when studying MFIs and credit organisations in Bangladesh, is that organisations lack effective 'formal mechanism' through which borrowers/members can get involved in shaping operational and policy decisions. A similar deficiency applies to organisations this study covered.

Cutting across organisations and following what the group members in general say, a group's credit function can be said to be the following: meet weekly or monthly as decided by members so as to allow regular interaction amongst members; collect savings amount; prepare and submit loan applications; collect repayments and check defaults. The entire credit agenda of a group thus primarily revolves around savings, loans and repayments. Once the group is formed, it selects its own committee by mutual consent, spearheading activities of the group. The committee usually comprises of three members addressed as leaders: a president, secretary and treasurer. The leader/s chosen by the group acts as the propeller who can make or break the credit group. It is the responsibility of the leader to ensure all members are present during group meetings, keep an eye on repayment schedule, be signatories to loans applied for by the members and oversee that the organisations' staff or the person authorised is dutifully completing all records including individual and group account books.

For the leader, exerting pressure on individual members to conform to basic standards, motivate them and control the dynamic interaction among the many members is often not easy. This is made more difficult as credit benefit can never be the same for each member, which may lead to frustration and animosities. Even the leaders own overriding ambitions could have a negative impact on the group.

SML's groups follow by far the strictest discipline, and are guided by rules that the group in consultation with all its members decide. However, SML does set guidelines needed for its own management of these groups.[6] While SS through its sometimes rigid, sometimes flexible attitude tries to control its groups, SEWA Bank's groups were found in complete disarray in terms of their meetings, maintaining records or following any rules and procedures to run the groups.[7]

As far as credit goes, a minimum level of group discipline is imperative as members do need certain rules and regulations, written or unwritten, to guide their actions and behaviours within the group. If this is absent, it is likely that in due course conflicts and voices of dissensions will appear. In such a situation, it becomes difficult to sustain a group and the members' interest in it. Eventually it can lead to disintegration of groups or severe dropouts.

Problems within ROSCAs appear minimal as they run their own groups. Money in most cases is collected in an informal way within ROSCAs. In a group practicing the lottery system, the person who collects the money is usually the one kept on their toes and has to ensure that the money gets collected before the end of each month, to draw the next lottery. Where a ROSCA also gives credit, it may meet in a formal way but usually, as one found in the Gopalpur ROSCA (Chapter 7), one person was delegated the task. He would, as need be, round up the rest of the members especially when a loan to an outsider is to be given.

Except for ROSCA groups, there are dropouts in all groups. Two prime reasons being expectations regarding credit access not being met and second, after one loan and repayment, the member left as conditions were not favourable to continue. One finds, dropouts are preferred than defaulters and rising or continuing group tensions. If some women do leave, one finds there is no questioning of how she left or if it is possible for her to rejoin.[8] Organisations and members, find faults with those who left without trying to rectify the cause that led the fault to occur. Also, organisations quoting high repayment rates tend to understate or even ignore its rate of dropouts. Reason is perhaps, counting 'big changes' say talking about 100% repayment, showing increased outreach, etc. gives financial intermediaries or institutions their credence.

On groups' functioning, one could say a groups' capacity to establish certain minimum standards for itself and act accordingly has a direct bearing on its credit performance. When there are problems in the functioning of the group, if the organisation stays away or is not aware of it, problems are bound to occur. Inadequate attention to group quality or its functioning could threaten the longer term 'credibility and viability' of the entire microcredit programme (Srivastava 2005); the sustainability of groups is clearly related to the quality of groups promoted (Tankha 2002). At SEWA for instance, the group is no longer clear as to the role it can play independent of SEWA that facilitated it or in relation to it. In addition, when expectations are higher than organisational goals as in SS, one finds it is to the groups' advantage if it also has the capacity to evolve itself on its own. Maintaining status quo if expectations are high, leads to disenchantment affecting group functioning.

8.3 Credit Arrangement and Enforcement: Managing Credit Transactions

Irrespective of whether groups are presently functioning properly, it is clearly understood by every woman in any group that being part of a group will ensure getting credit, which must be paid back on due dates otherwise it will impact further credit requests by not only the individual defaulting member, but also entire group. At times to put pressure, organisations penalise other groups in the same village as was seen in SS. No such situation of penalising for non-repayment has arisen so far with SML, which has 100% repayment rate.[9] In ROSCAs, where credit is made available to nonmembers, jewelry is kept as collateral.

Once the basic fact about getting and repaying credit is understood, laying down rules is easy. Credit arrangement and enforcement within the group includes a set of things creating nothing short of a systemic whole.

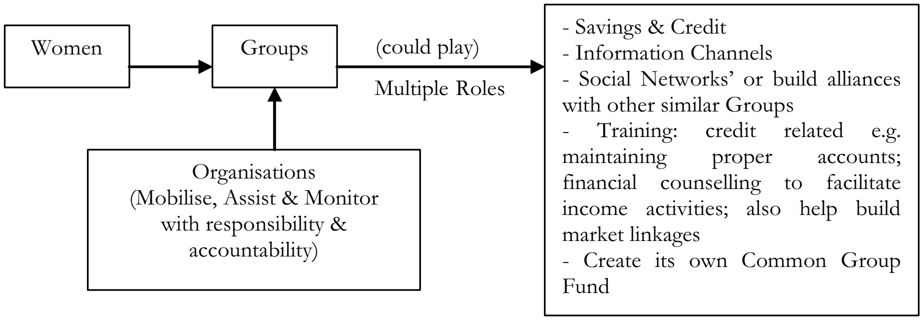
This has led some scholars to view 'Groups … as substitutes for missing markets or solutions to market imperfections' (Heyer et al. in Heyer et al. 2002: 5). It is however possible that only a part or some part of the system works, some part may lay defunct thereby making the credit process within the group susceptible to a breakdown.

• Attendance

Group members' attendance in meetings atleast in the beginning is made imperative; it is obligatory though not necessarily in a ROSCA. Gradually once the credit process starts and continues smoothly there is laxity. Members send messages through other members of their inability to attend for some reason or the other.[10] Group meetings can be made into an effective means of information dissemination where women can learn, get to know and can be made aware; they can also undergo training. Meetings can have multiple functions and if desired, can be used productively by the organisations. Based on Group level interviews (refer Appendix A.2: Group Level Questionnaire – Q.15, 43, 44, 48, 53) some such multiple roles are identified (see Figure 8.2)

The multiple role groups could play is often limited by organisations' obvious thrust on 'microcredit' which though useful then confine these groups to 'small' activities of primarily savings, credit and loan repayment with limited impact beyond the immediate family (Prahalad 2005).

Figure 8.2
Multiple Roles of Groups



• Savings

Savings are the first steps in the initiation of a credit process, and internal mobilisation of savings has been a hallmark of the group system. The women usually decide the savings amount, and these therefore may differ.[11] Women say, 'instilling the habit of compulsory savings' is one of the main contributions of the organisations. While all groups interacted with for the study knew they got interest on their savings, only one group at SML said it to be 5%. The rest could not cite it at all.

• Criteria for loans

There are no criteria for loans and everybody in a group is entitled to them. Only they must be applied for during group meetings. Both SML and SEWA did not like to give loans for consumption purposes, while SS does allow loans for consumption purposes, but then it is mostly from the group fund or its own fund. The larger loans taken from the bank is meant for income generation activities only. Each member in any group is expected to honestly state the purpose for which she is seeking the loan.[12] The group or centre first has to approve the loan amount which is forwarded to the organisation, which then does the needful. Organisations however are of the opinion that given the members economic background, fungibility of credit is a foregone conclusion. So long as the main purpose which ought to be income generating is taken care of or is getting satisfied, using the rest of credit for any other purpose can be overlooked.

• Credit, repayment & interests

At SS and SEWA, the group has to save on a regular basis for six months to a year before it can have bank linkage. This criterion is also laid down by formal banks, as during this period they judge the sustainability of these groups by its regular meetings and savings. Requiring women to save regularly for several months before linking their groups for loans is also viewed as a method of reducing risks. The Banks loan is generally twice or three times the amount saved by the group. At SML however, groups are entitled to credit from the very day it registers itself. Though this is an advantage SML members have, members at SS or SEWA view their six months to one-year period as important in terms of instilling a habit of savings. Members feel that such a habit also facilitates their 'habit of saving out of their own earnings,' so as to avoid default during loan period.

To decide who gets the money, group members opine it is mutually done, as each is aware of the other's situation. Hence it is not usually a problem. However, if some members dominate and take away a major share each time, some verbal duels may arise. As per the women, these duels are never so serious that they cannot handle it themselves but it was not denied it has led to dropouts.

This is only one side of the story. Organisations too subtly favour those in a better position to repay, which may unknowingly cause dissent amongst group members. But some women seemed to have understood the rules of the game. A woman borrower confided,

> Some of us get loans easily … once the loan is given we often design our own ways to help those much in need amongst us.' She explained, 'forming groups is a must if we are to access credit… Money thus brings us together … but it is us and not organisations aware of each other's needs…

This 'informational advantage' the group has i.e. group members knowing each other and each other's condition also enables the group to have multiple advantages of enhancing both its financial and non-financial roles. The emerging sensitivity towards each other's condition and the strengthening of solidarity amongst members is a new change of the microcredit process. However, solidarity and trust must evolve. They cannot be implanted or be created over night. This can be well proven.

Members cite instances when loan amounts sanctioned are divided within the group, irrespective of what was filled in the earlier application. This is also done because some women may have just joined the group and may not be eligible to put their names for a bigger loan; also their savings amount is less. So women who get the loan in their names may give a portion of it to other members. The group feels that since returning the money is the joint responsibility of the group, it can divide the money whichever way it wants. This kind of flexibility binds members to each other and can be taken as signs of trust, solidarity and cooperation.

At SEWA as mentioned (Chapter 4), all credit activities in the village covered have been suspended. Old repayment problems are being sorted out and efforts are on to not let women deter from savings. ROSCAs have their own account to narrate.[13] In the Digapada ROSCA (Chapter 7) based on the chit system, it is up to the individual member if she wants to give the money to someone whose name did not appear, but needed the money. This is however not given as a credit with interest. Either the person returns the money by an agreed time or when his/her name appears on the lottery.

At SML such flexibility is not permissible. Individual members get what they have asked for, provided the group has agreed. Each member is then strictly monitored in terms of amounts given in loans, their use and repayment. The group is significant, as it must perform the duty of default checkers since they agreed to the loan amount given. SML has 100% repayment so far; hence there is no 'penalty for non-repayment' or 'penalising the group' as a whole if one member defaults. As mentioned however, if a repayment amount has not come on the day scheduled, group and centre leaders are made to sit back after the meeting till the amount has been retrieved.

There is penalty for non-repayment at SS (refer Chapter 6); with different groups setting their own rules. Sometimes the penalty is overlooked if women are aware of the problems a member is facing and they know that she is willing to repay the amount. Women then pull in the money themselves and repay. But if the woman is deliberately avoiding repayment, then she may be faced with the embarrassing situation of all the women of the village protesting at her doorstep.

Scholars have noted that within a group the free-rider dilemma leading to default and non-repayment of loans is likely to be averted because credit is not a one-time affair. Olson's (1965) collective action highlighting problems of coordination between two or more individuals puts emphasis on the repetition of a 'process and the arrangement,' that in a credit situation for instance, leads one to less likely think of non-repayment. Here, the lure of benefit is higher than defaulting. Not to default is calculated to be in one's own interest, making enforcement of repayment generally easy. Further, since the groups are noted as 'homogenous,' it is attributed lower in risks in its propensity to default. Small and self-selecting groups are likely to be the most effective than a more heterogeneous group where the potential free-rider problem could be greater (Copestake1996).

Repayment of loans also involves paying interests. While moneylenders were seen charging usurious rates, the present system of micro lending is not devoid of high rates, which go as high as 24 to 36%. This has led to contention that a NGO or MFI controlled microcredit project 'does not reduce transaction costs but in effect, transfers transaction costs – higher transaction costs – to donors as well as borrowers' (Swaminathan 2007: 1173).[14] Yet women in groups do not seem to complain because there is a stark difference in attitude of private moneylenders and NGO-type bodies or MFIs. Further, all activities are primarily carried within the group hence there is greater transparency which instils confidence in the credit process. The common understanding or agreement towards high interest is transparency i.e. as women put it, 'our own money is getting rotated.' Further still, credit has been made easier in terms of its access or an 'easier option' to exercise.

• Records and monitoring

All records in a group are either maintained by the organisation or one amongst the group members, usually the leader of the group. Women, though most are illiterate, say they understand how the records are kept. There has been a welcome change in terms of record keeping, especially in SML and SS. While earlier it was too much paper work as separate books were maintained for each head, now each member has a single account book wherein her savings, credit and repayment is accounted for. This not only cuts administrative costs but also makes it easier for both the organisation and members to keep an appropriate track of records. While in the ROSCAs there has not been any difficulty in maintaining the records, with SEWA groups at the time of the study there was chaos with regards to group records.

Monitoring indeed plays a key role in the success of credit process. 'Monitoring itself does not guarantee repayment, but it allows a lending organization to know whom to attempt to punish for not repaying… Monitoring can take on several forms, such as observing repayment of the loan, visiting another's business to see that they are selling, showing receipts to demonstrate that inventory was purchased with loan proceeds, and talking to others in the community to confirm negative shocks such as illnesses' (Karlan 2001: 5-6). While the tendency is more to monitor members' repayment schedule, organisations do say that they monitor the utility of the loan as well. But members find it more a mere formality. As long as they repay, the organisation to which they belong is content. At SML, the staff does visit members in between the loan period to find whether the activity in which the member is engaged is progressing well. But here too, members feel there has been no need to strictly monitor, as women themselves are not keen to default.

Generally, an immediate follow-up is advisable if someone would absent herself on a regular basis and is also not sending money. Organisations too are ready to put the pressure. This means asking group members to visit the member who is facing problems; group leaders making the rounds, organizational staff themselves visiting and finding the reasons. If the problem is genuine, members are all willing to help and even extend the repayment period and write off the penalty, if any.

• Motivation

Access to credit is the prime motivating factor. Women say, 'we know being in a group is an asset.' This asset is viewed as a medium that enables women to save and have their own money in their own hands. Further, it is a channel to have loan access. The asset also works as an outlet wherein women can share and discuss their economic needs freely. The process of trust, cooperation and solidarity is a slow process. It occurs over a period of time. A group leader at SS had this to say,

> The reason to be together is our common need. So if the women disintegrate, they know that it would be to their disadvantage. Staying together is advantageous; though within a group some women tend to benefit better than others …. If we don't trust each other or cooperate then forming a group has no meaning.

That some women benefit more than others is also to do with one's own capacity and belief that one can repay the loan sought. Not all women feel confident to take a big amount but then those who do take it are probably in any case slightly better off amongst the so-called poor.

Women find it difficult to state whether motivation within the group would have stayed high if credit was not there. 'It automatically binds us to each other' is what a woman had to say at SML,

> since without being in a group the access is not there. Outside the group everyone will face this problem of access…being in a group we are helping each other. Credit is the starting point, then other things follow … slowly, gradually.

As to organisations' role in motivating its members, it continually prompts women to stick together and be sympathetic to each other's needs if they want to perform better and increase their credit access. It also acts as a mediator if there is rising tension within any group or as a facilitator by imparting training or having discussions over issues concerning women or village problems. However organisation do not focus on these roles as much as they do on credit activities. But as the next section shows the groups' story is as much to do with group themselves, as it is to do with the relations with its parent organisation. And it is in this regard group as a *collective agency* assumes significance and needs to be acknowledged.

8.4 Collective Agency and Action: Dynamics of Conflict and Cooperation

A feature common to all is attributed by women themselves, be it SEWA Bank, SML, Sakhi Samiti or ROSCAs. In their respective areas of operation they have created a choice for their poor women members and this is a choice of financial access through savings and credit. The choice of an access is thus viewed as an important tool that has the capability of changing lives. The organisations created a choice by instilling a sense of savings; then giving or making credit accessible and allowing members in a group to collectively draw benefits from the choice given and create newer choices for themselves.

Coming together in a group led to a financial choice. While making credit accessible, organisations largely prefer imposing a 'culture of discipline', keeping in mind its own sustainability. An amount of discipline is necessary as one already noted. It would not be wrong to further state that microcredit in general also creates a 'culture of dependence' of the women on these organisations, enabling easy access to credit. Within this dependence there is also an undercurrent of a 'culture of silence'. This happens because given the easy access; women would not like to directly confront the organisation which many times are equally cautious in disbursing loans to its own client. As a result, a woman may not always get what she wants as the loan amount but would still accept it. And if she is lucky or the groups' internal dynamics is harmonious, the member may benefit from other members' gains. That is, members within the group can agree to redistribute the loan amount amongst themselves, contrary to what was assigned to each member in the original loan plan.

Whether all women benefit equally or not, being in a group has definitely made all of them think or dream of 'better future and improved standards of living', 'improved income levels where they can spend the way they desire and wish', 'improved well being of their families, where their children can go to school and study' (Group level Interviews, Q.53, refer Appendix A.2).

Groups also gave women a platform – another choice not available earlier, to opine and share their views; come in contact with a world outside the four walls. Does this mean organisations are able to enhance 'women's agency' by providing them with choices? As 'enterprises of mobilisation' they have indeed created a platform for women – 'the group' wherein the initial intention was clearly to address their financial needs. But has this also opened for women the possibility of other collective action/s? A collective action of resistance oriented towards changes which stand in contrast to what is stated to be an 'essentialist vision of patriarchy' governing society?

The groups' credit enforcement role, viewed as its 'efficiency functions,' is undeniable to a large extent. Beyond this enforcement role, the group's influential role or what is called its credit-plus role has accorded it a debatable status. It is this credit-plus role, viewed as its claim functions, which brings critically the concept of group as a collective agency and its empowering potentials to the fore. One would contend, it is not a misnomer to view the group as a 'collective agency' wherein women not only act together to achieve some goals, but also the consciousness that they as agents have or build of themselves drive them – giving them the power – to realise ends in collectivity (Callinicos 1987).[15]

Collective women's agency refers to the combination of awareness, will and ability to restructure and influence certain stereotypical measures that constricted women earlier. The idea is then to see when women come together and collectively act upon or take advantage of their given restricted situations, whether this enables them to effect changes in their own conditions and surroundings. Further, whether this has any implications wherein gender biases and ascriptive gender norms also undergo transformation.

In all the groups one interacted with, members' immediate reply tended to be 'greater access to capital' is the greatest benefit of participating in the group. Beyond this, there was a sense of accomplishment and confidence, which did not necessarily draw itself from financial access alone. Rather it was this act itself of coming together in a group, the mobility it allowed, the free space and communication that ensued and a sudden appreciation and interest from all outside quarters in the functioning of the groups which made women feel gaining some position of strength.

Does this feeling of gaining position of strength allow women to now easily bargain and negotiate, thereby deconstructing and delegitimising the hierarchical dispositions of a social structure, representative of Bourdieu's 'established symbolic order'?[16] The answer is both yes and no. Yes, because women do negotiate and bargain but do not necessarily or are yet to strike at gender domination in the sense of completely 'routing' it.

This yes and no is not to disregard what women's collective agency is doing. When one talks to women in the groups they are also far from giving clear-cut answers as to what extent they think gender roles and relations have been redefined by their being part of groups. Nonetheless some of the things they said are highly interesting and point towards the complexity of gendered *habitus*.[17]

Irrespective of the group women belong to, as members of groups it was said that gender roles may not have undergone perceptible changes i.e. within the household women are preoccupied with the same domestic chores but the mobility, space, communication and visibility the group allowed has definitely improved gender relations both within and outside the household domain. That 'men listen more, cooperate more, respect more, argue and taunt less' were commonly stated in all groups. Women further said that while for them being in a group added to their sense of achievement, of doing something outside their homes; for men, initially unsure that women can by themselves run these groups, it was like building confidence in 'women's abilities'.[18] The group is a step outside for most women beyond their domestic private arena. 'The individuals' - women now in a group - 'have an identity … they all have a name, a designation, a group to which they belong, and a scheme in which they participate' (Prahalad 2005: 107). This in turn reflects the enlarged scope for women's agency. The sense of identity, often considered as the first step towards social citizenship, requires a sense of belonging beyond the family. 'To have an identity' therefore is an important indication about the displacement of dominant notion of 'femaleness' i.e. having no identity of one's own and an identity always defined in relation to function of others say as wife, mother, sister.

In one's opinion the credibility of the delivering agencies stops at mobilising women out of their private spaces into groups and giving them access to credit. Beyond that their role is a question to ask. One would say, the role of delivering agencies, after initiating the group process to a large extent is more or less that of a perfunctory lender-borrower one, wherein the lender's interest is dominated by reducing default risks, though they do proselytise their claim of 'empowering women'.

Take for instance SS, the well-meaning organisation is still caught in its own web of thought as to what it means by its objective of bringing about 'social and economic upliftment of women' through credit access. After a decade of existence it believes that 'symbolic gestures' are a part of a woman's life. It hence mobilises women out of their homes in such 'a careful way' so as not to affect the gender conscription within the household. On the other hand, SML with a record recovery rate of 100% projects itself as a bank with a difference; women's economic empowerment to SML is inbuilt in their credit delivery process and is geared towards poverty alleviation of the household.

For the members of SEWA exposure has been much more than women under other organisations. As a movement it is incredible, though within groups where the nitty-gritty of microcredit gets played, it is facing problems in maintaining group cohesiveness. As already noted, its credit services do not have much influence in terms of creating an understanding of empowerment amongst women. The ideas of what women can do or are capable of doing or what it is to be empowered comes from beyond these services. It comes from within the SEWA movement, wherein lay examples of leading women who have been internationally acclaimed for their work in women's' rights and recognising their labour. The stories of such women have been emphatically told and women in groups whom one met do take pride in being associated with the movement at large. It is theirs' and they feel a part of it. Within small groups expectations are of such high leadership to guide and motivate, which unfortunately is presently lacking.

One does find that beyond the organisational credit intervention, it is the group, as members begin trusting each other and solidarity ensues, that propels the group to play a 'credit plus role' by itself. This enhances women's collective agency visible through many collective acts of standing up against say alcoholism, working together for water conservation or a village level development activity like cleaning roads. Groups covered under SS say that when they formed the groups, playing an active public role was never in their minds. They feel it is inevitable when women come together that they are bound to talk about some issue or the other in general, concerning themselves. So while groups brought credit it also laid the ground for issues to be discussed informally amongst women.

The sense of belonging no doubt begins with the group. Women members both at SS and SML said, the way the credit process operates has made women understand that they are being relied upon because they are together. It is this idea of togetherness that gradually made women believe that they could perhaps negotiate better or move things together at higher levels. It has proved itself to be true in incidents like while local area leaders fail to deliver, everybody from the block level officer to the collector listens to what the women have to say. It has also led administrative officers to sanction money or other support to women for carrying out village level development activities. That is how women members at SS got a small reservoir constructed for their cattle in one of their villages.

So far excluded from public affairs, women find themselves playing an active social role. The women feel they now have a say; most importantly they are now visible. They are also the new mobilisers in the community. Whether they are achieving anything or not comes later. Microcredit within a group is a good start leading later to social ramifications. As one group member said, 'Every one no matter how impoverished or illiterate can develop a new awareness of self', which has the potential to free them from being passive objects and respond to or usher change.

One cannot say that all groups would lead to collective action. It largely depends on how a group is made and run. Groups of SS in particular add another pertinent point that not all women will develop communication skills overnight. Women often needed a leader to follow. If the group itself could not provide one, women members were able to influence the organisational leaders, who were also part of some group (in SS's case), to take up any matter on their behalf. But if within a group even one could brave a situation and speak up, the rest supported in full strength. Examples of repayment claims were cited in this instance. At times women have had to confront male members of the family where the woman has defaulted. It is not easy, as men tend to be aggressive and come down to threaten the women gathered with dire consequences. But so far women have dealt such situations with equal wit and aggression. Dialogue and collective strength now seem to go hand in hand.

As to the attitudinal change amongst men, women felt men initially were both curious and surprised, but the surprise has now given way to an acknowledgement that the new system of which women are a part works. In many instances, men actually showed their surprise that women could linger on in a group for so long. They had no idea women could run a mechanism that they themselves could not keep up. Men's groups have often disintegrated because they could not operate within strict operational guidance. A strong driver for women to make these groups work was to silence the men who earlier made remarks belittling the groups. Also men seem to mind less, atleast in the areas this study covered, of mobility women now enjoy. A popular opinion these days is that successful women groups do not suggest that only women need to be targeted in the groups. When talking about household poverty, ideas to jointly target men and women could also be considered.

The following Table 8.1 gives an idea as to what women cite as advantages accruing joining groups. Women's collective agency is visible because it is much easier to function in a group and work at a collective level, say the village or community level. Women are inordinately active when it comes to supporting and campaigning for members who decided to stand for local election. Women members at SML got together a few years ago and put a stop on alcoholism in their villages. Men heeded to their pressure.

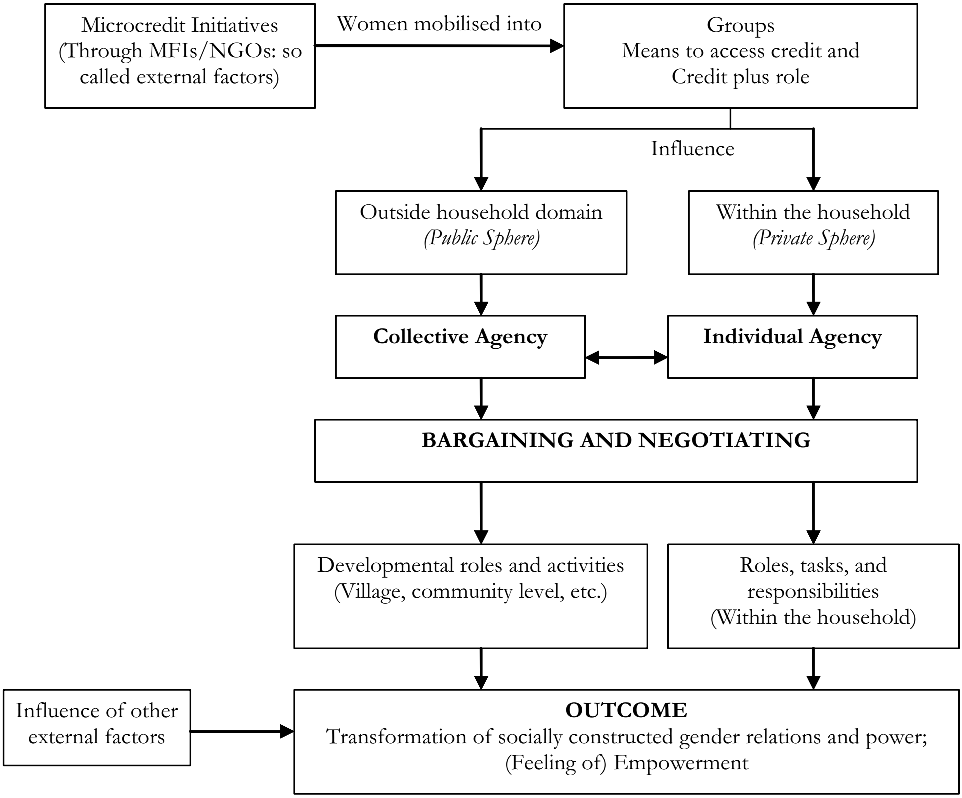
Table 8
Advantages Before and After Joining Groups

BEFORE (Restricted, Less or No Opportunity) ↓		AFTER (Increased or Improved) ↓	ENABLING FACTORS	BENEFITS (Cited by Women Members)
Participation	G	Participation	Forming Groups	Partaking in any group activity - savings, credit; through the group participating in other outside group activities, say any organisational event (GREATER ACCESS)
Mobility	R	Mobility	Attending group meetings (a requisite)	Moving, going or travelling outside household not only for group meetings but also local government offices, banks and even parent organisation (MEETING & NETWORKING)
Visibility	O	Visibility	Sitting together during group meetings	Seen or recognised as part of a group or an organisational member. (STATUS, ACCOMPLISHMENT)
Communication	U	Communication & Sharing	Interacting with group members/ other groups	Being able to confide or share with other group members; finding affinity with members with more or less similar backgrounds; interaction also with 'outsiders' includes organisational staff, visitors (AWARENESS BUILDING)
Marketing	P	Developing (Marketing) Skills	Training/other information disseminated within groups	Thinking about opportunities to expand business, talk with others with similar business interests, learn from organisations' training programmes, if any (CAPACITY BUILDING)
Negotiating	S	Building Negotiating Strength	Collectively taking up issues	Taking advantage of collective strength by visiting government officials and pursuing village level activities; even go to market places and negotiate better prices for their products or raw materials. (SELF/COMMUNITY DEVELOPMENT)

While this collective agency is laudable whether it necessarily percolates itself into women's individual agency being proactive within the household is not easy to state. It is perhaps easier to make choices outside the household domain than within the domestic sphere. Though there is evidence that indicate 'extra-household bargaining and access to intangible resources outside the household tend to increase an individual's threat point within the household' (Holvoet 2005: 95). 'Expansion of women's options outside the home has … potential of increasing an individual member's participation in decision-making within the household' (ibid.: 77).

Based on discussions with women as members in groups and also organisational staff, Figure 8.3 presents groups possible enlarged role in empowering women.

Figure 8.3
Groups' Role in Empowering Women



While groups do play an influential role in bringing women into the public sphere, it appears that it is not the sole gateway to understand intra-household changes. In the group, women do not comment on changing situations within households. At best 'Men listen to us more', 'we are helping financially', and 'we are respected more' is what one gets to hear. What emerges much more emphatically at the group level is the impact the group by itself has on women collectively. Women thus talk about activities they do collectively or the perceptional changes of men in general towards women. Also if the group in any specific way has helped a woman, it gets mentioned for e.g. paying her loan instalment when she faced difficulties. When one interacts with groups under different organisations, what comes out clearly is the individual agency operating within the household may not necessarily be consistent with collective agency; that women negotiate differently at different levels and that outside, women can collectively take up new challenges or as a member put it, 'also easily do a 'man's' work...and have greater acceptance.'

One would like to add here, women value small changes, which are often easily missed out by others like organisations interested in big changes e.g. citing 100% repayment. For instance, in a village meeting, women keeping up with the tradition came under a veil and sat quiet in the presence of elderly men. An old man then got up saying he would leave as he would want women to share what they have been collectively achieving for the village, which men could not do. This little gesture the women attributed to their visible 'group power' and it could go a long way in sensitising many others.

Conclusion

Group as 'a collectivity or plurality of individuals' is guided by its own patterns of leadership, tension and conflict, adjustment and cohesion within. It is guided by organisations as well, which promote them in the first place. The groups' agenda has been subliminally set up by the organisation, which despite its social image, exits primarily with a profit motive. In this regard, the credit role of a group is easily understood.

Where credit is concerned, groups may bear multiple faces. For its members, the group can act as a fall back position i.e. if a woman is unable to repay, the group may come as a helping hand before it would take strict or stern measures itself. Vis-à-vis organisations, groups often seem to perpetuate a 'culture of silence' and thereby allow the principal-agent role to be played out to the advantage of the lender. The reason is simple: money is important and there are no other easy credit options available. Women cannot get credit if they were to approach any of these organisations individually. To be the beneficiary they ought to be a part of the group.

Further, a lender would always like to give money to the person who returns duly, making group members benefit unequally. There is therefore always a possibility that some get more loan amounts than others for the lenders' interest is to bank with less risk averse members. The point is, despite the group appearing as collective whole, exclusion could become a norm when it comes to credit. A group leader for instance may also grow ambitious jeopardising the needs of the group members. While conflict is inevitable when all do not benefit equally, small credit amounts which had earlier eluded women were reason enough to abide by the principles of cooperation. However, if differences are wide, dissensions will invariably take root.

The group would not have been of importance if it were to play the mechanical credit function alone i.e. taking loan and duly repaying. What precedes this and what follows brings out the groups' dynamism, the level of interaction and cooperation amongst its members. No doubt, it is beyond the avowed monetary transaction that allows the group to occupy a significant place. Coming in a group has a value addition in respect to its other non-financial services, which forms the essence of understanding empowerment. One finds, groups' own understanding of empowerment is less to do with its credit functions and more to do with the changes it is able to bring about in situations surrounding it, even if small. Though when you ask women, their immediate reply as to the significance of a group is, 'having access to money'.

Marr (2002) has noted the different phases a group passes: from a *learning period* (when groups are formed) to a *critical period* (when the group strives towards its stability even survivability) to its *consolidation period* (when lessons have been learnt and are now being applied). One's experience shows, while some groups may still be in their critical period, some may have moved towards the consolidation phase. However, passing through different phases depends much on each group's given calibre of its own members and how members want the group to function. The organisation on its part can act both as a mobilising and a motivating factor. The latter part may not have been played effectively as far as non-economic roles of the groups are concerned.

Collective agency is proactive within a group because women together constitute power. They feel more confident in taking up matters collectively. Today they are equally amused with the sudden flood of recognition bestowed on their groups. Never had there been such an influx of visitors into villages to learn from these women as to how and why they formed groups. The same women may however choose to act differently as individuals within the households, which the next chapter deals with.

Notes

[1] Mobilisation requires regular visits, interactions with not only women – the 'targeted client', but also their husbands or some male member in their families; at times, address village community as a whole, stating the purpose and pointing out the intentions and the advantages of the proposed programmes.

[2] In the context of microcredit SHGs have come to revolve around savings and credit. A comprehensive understanding of SHG would include 'voluntary and open membership, democratic member control, members' economic participation, autonomy and independence, education, training and information, cooperation…and concern for community' (Harper et al. 2005: 1720). Refer also endnote 24, chapter 4.

[3] Not only this, women saw SEWA as a right based organisation and therefore acknowledged it's savings and credit role through the SEWA Bank as yet another step towards bringing dignity of labour, justice and making women self reliant.

[4] In Sakhi Samiti there are instances where women from the same family join as members in the same group. In one group the daughter-in-law of an existing member was asked to join because the group faced drop-outs and the number of members fell short of 10, the minimum number required for any Samiti group. At SML, there is also an idea that the difference in age between members should not be more than 10-15 years.

[5] There are other reasons cited as well for not including some members in a group such as compatibility level or when the members think they can not get along with each other or when they do not like a person or are not able to trust for any reason and so on.

[6] SML's 'common pledge' or strict formal ways of conducting centre meetings can be cited as its 'rules of regimentation' and easily differentiates it with other organisations studied here.

[7] As mentioned in Chapter 4, it was pointed out by SEWA Bank that such cases are not recurrent and there are guidelines which groups ought to follow with the bank monitoring it

[8] There are however cases of women who initially left their groups but later rejoined, at times cajoled by other members to maintain the group strength.

[9] This overlooks the fact that SML pressure tactics involve making centre leaders stay back at the centre meeting till all repayment due for that day has been recovered.

[10] Unlike SML, in neither of the other organisations there is a penalty for non-attendance or strict time for the meeting.

[11] At Sakhi Samiti, women save Rs.10 per week while at SML it is Rs.20 per week. SML members are also saving Rs.50 per month under the DWCRA programme. At SEWA, different groups save different amounts. In a ROSCA, while one group saved Rs.30 per month; another saved Rs.5 daily.

[12] In the areas one visited, the purposes for which loan in general is sought includes buying buffaloes, setting up Kirana (small grocery shops) or facilitate existing business which included road side tea/snacks stalls, making bamboo products, improving agriculture and fishing.

[13] For instance in Gopalpur-ROSCA (Chapter 7), women did not always take out or distributed the money collected. If no one needed it, the money was put in the bank. But if someone from the group or a non-member needed the money, both had to pay some interest. For a non-member however, apart from the interest s/he had to keep even jewellery as collateral.

[14] That NGOs/MFIs charge high interest rate is widely acknowledged. It is noted, as organisations expand their activities, administrative costs are bound to rise. There is need for more personnel for monitoring, etc. adding to the high costs of operations. NGOs/MFIs thus finance their high cost operations by 'turning to donors for funds or by raising interest rates to levels higher than those offered by the banking system or by doing both' (Swaminathan 2007: 1173).

[15] Callinicos (1987:135) explains it as, 'A collectivity exists where persons coordinate their actions because they believe themselves to have…something in common and treat this as the basis of their collective action…'

[16] See also Chapter 3, section 3.4: Empowerment as a process, for Bourdieu's views on 'moral symbolic order'. Symbolic order, as Bourdieu opined, is so entrenched that it may enmesh women's cognitive abilities and women find themselves perpetuating false consciousness, at times even unconsciously, assigning themselves 'continuing, humble, invisible tasks' (Bourdieu 2001: 158). The women then as already dominants are themselves further 'dominated by their domination' (ibid.: 171) – their own perceptions, thoughts, beliefs that involve gender domination.

[17] Women as agents of change tend to selectively and conveniently sidestep the private domestic sphere where gender roles are self-regulated but the same women are found visible and deriving a deeper sense of identity for their actions in public sphere.

[18] One woman in a village where SML operates jokingly said that shouldn't men ask themselves why they cannot get together and do some 'good things' like what women are doing. She said women really don't need these certificates of verbal appreciation from their men. Having seen their women work at homes daylong men should already be aware of 'women's abilities'.

9 Credit Poverty Empowerment: Drawing the Uneasy Link

Introduction

The previous chapter highlighted the dual role played by Groups. Meant primarily to be a channel for accessing credit, the group definitely has other empowering potentials, not necessarily guided or even recognised by organisations. For women, the group is a sound platform enabling participation significantly. It marks the inclusion of women and their visibility on a large scale in public sphere, signifying their proactive collective agency, visible through collective actions.

This chapter takes a step further beyond groups, into households. For without understanding the interface between 'the pubic' and 'the private' i.e. household, it is not possible to draw or understand the critical link if any credit bears to poverty and empowerment. Understanding the interface also becomes necessary, as it is in the households that outcomes of credit are viewed to enunciate a success or failure of a credit intervention. The chapter therefore presents the changes occurring within the households i.e. intrahousehold changes, and how women (as individual-borrowers) within the household view the role of credit. In so doing, the chapter also collates findings presented specifically in Part II: Chapters 4 to 7, under sections highlighting views of women members. The main aim of this chapter is to demonstrate that the link between poverty and empowerment is far less clear-cut than often claimed or made out to be since multiple situations may arise when credit enters a household.

Section 9.1 begins with illustrations on the meanings of credit within the household in relation to poverty reduction. From thereon section 9.2 moves on to discuss the issues of 'access and control over credit' by women borrowers, particularly because access to a credit resource is often acclaimed as economic empowerment. Beyond this notion of economic empowerment, section 9.3 seeks to gauge the intrahousehold changes wherein women are said to bargain, negotiate and transform power relations, thus changing gender practices of *habitus* (which operates at different levels, both within and outside households). Has collective agency of the group percolated itself to influence individuals and women to play such roles of negotiating or transforming gender power relations? Multiple responses and instances lead section 9.4 to argue that the association between poverty and empowerment is not a straightforward one. The chapter concludes contending it is not easy to draw a link between credit, poverty and empowerment also because organisations categorically fail to strike at structural anomalies like root causes of poverty and disempowering *habitus*.

9.1 Poverty: A Prelude to Empowerment?

A prelude to empowerment is said to be microcredit's stated role in alleviating poverty. Small loans to the poor women borrowers act as a propeller generating income, expanding or promoting livelihood sources and subsequently leading to poverty alleviation. Credit augments income and allows the poor and women in particular to make choices, which is a sign of empowerment. In other words, a lack of access to resources leads to denial of making choices. Credit enables access to capital resources, thereby facilitating choices.

All individual members and their households are taken to be poor following organisational claims of targeting such vulnerable sections of society. In Part II (Chapters 4 to 7) dealing with organisations, one mentioned who all are taken to be constitutive of 'poor and/or poorest' as per organisational definitions.[1] The point of departure therefore is households' entry into the credit process whereby women join a group to access credit.

Some observations and comments have been made based on certain indicators (refer 'Credit Entitlements–Capability–Agency–Well Being' framework, p. 81) and members' own perceptions and responses to capture the essence of poverty alleviation that credit initiatives proclaim. The key interest is to gauge whether changes attributed in household poverty leads to empowerment or are viewed by women as empowering them.

It is interesting to note that 'conceptualisation of poverty' within organisations present a noticeable change i.e. it is not confined to low income. But when it comes to indicating poverty alleviation through credit, the most highlighted indicators become income and asset. Two points are then of obvious importance: 1) Increase in income and asset is said to generate multiple outcomes like increased savings, diversification of livelihood sources, thereby improving the quality of life i.e. allowing households to meet their basic needs. Such multiple outcomes inevitably, as organisations opine, render opportunities and create choices which are a sign of empowering households, meaning its members, particularly women. 2) Conspicuously absent however is the reference to women's needs within the household while indicating alleviation of household poverty. Ironically, while the focus of organisations through microcredit is on women, it tends to negate women's needs by viewing the household more in a neoclassical sense of a cooperative unit whereby there is utility maximisation of all members.

If one looks at the number of respondents and their responses regarding their household income now that it is accessing credit in last one year (see Table 9.1), indeed number of responses showing a decrease in income is far less than the total number of members who either cite that their household income increased or stayed the same.

Table 9.1
Status of Household Income

Organisations	No. of respondents				
	Increase	Decrease	Stayed the same	Can't Say	Total
SHARE Microfin Limited	19	1	11	6	37
Sakhi Samiti	12	7	19	-	38
SEWA Bank	10	12	14	3	39
ROSCAs	9	4	12	1	26
Total	**50**	**24**	**56**	**10**	**140**

Income is further said to bear consequences over asset building.[2] However, the Table 9.2 gives a different picture. That is, it is difficult to state that following an increase in household income, a corresponding increase in productive and non-productive assets for the household is likely to take place. It need not necessarily be so.

Three points come to the fore regarding asset building: a) irrespective of increase in household income, people add to their assets which may be assets like buying a wall clock, radio, fan but not necessarily a productive asset that enhances income; b) it is the credit amount that leads to buying an asset say a hand trolley to sell goods but this productive asset may not necessarily lead to increased income; c) people use credit as buying inputs or raw materials, say basket weavers buying bamboos or a person buying stock for her grocery shop. Such inputs are not likely to get reflected in asset building but nonetheless may facilitate one's income generation.

Table 9.2
Household Assets (following credit intervention)

Organisations	No. of Respondents		
	Asset increased	No change	Total
SHARE Microfin Limited	10	27	37
Sakhi Samiti	22	16	38
SEWA Bank	6	33	39
ROSCAs	7	19	26
Total	**45**	**95**	**140**

Increase in income and asset due to credit access is also said to generate additional economic benefits to the households, creating importance for other indicators.[3] Table 9.3 presents the number of households reporting additional sources of income, additional mechanism of savings and how many used credit loan for income activity/business.

Table 9.3
Other Economic Benefits to the Households

Organisations	No. of Respondents			
	More than one source of income	Additional savings (other than group/ organisation)*	Credit loan for income activity/ business	Started new activity
SHARE Microfin Ltd	34	34	35	2
Sakhi Samiti	28	6	27	14
SEWA Bank	19	12	7	5
ROSCAs	20	25	19	7
Total	**101** (140)	**77** (140)	**88** (140)	**28** (88)

* Insurance/Fixed Deposits with organisations treated as Savings under Organisation.
Numbers in parentheses denotes the total number of respondents interviewed.

Based on Tables 9.1, 9.2, and 9.3, and taking note of what members across organisations had to say, a number of inferences are drawn related to credit's enabling role vis-à-vis poverty. These can be mentioned as follows:

By focussing primarily on income and asset, organisations undermine certain intricacies that define credit's role in relation to poverty. For instance, for a community of basket weavers, they look at credit's role in addressing household poverty by way of its enabling them to increase their stock of bamboos. These basket weavers do not cite increase in income but eagerly state,

> Earlier we bought one bundle which had 50 pieces of bamboo (Rs.7 per piece). Now with credit we can buy two bundles and keep one as a ready stock…

Earlier, they could buy limited stock, depending on how much they earned selling their products. Now with credit they can afford an increased volume of raw material (bamboos),[4] which may not have increased but stabilised their income.

A common reason for members, who state that their household incomes stayed the same, is that credit from organisations now substitutes other informal sources of income. Hence the money they were getting from moneylenders, they now prefer to take the same from the organisations. This is not to say that they would not go back to the moneylenders, if need be. Also, reliance on organisation does not mean that they have been able to improve their economic conditions. 'Easy access does not mean increased income when other conditions remain the same', said a woman respondent. MacIsaac (1997: 5) views 'household income alone can be a misleading indicator of impact'. He also adds, 'while family income may be rising, net impact may actually be negative for certain family members.'

One finds that the number of earning members within the household and the nature of work these members are engaged in affect both credit delivery and use of credit. To explain better, there are cases where it is the husbands' or the sons' income that is cited as playing the biggest role in sustaining the household. In such cases, credit that woman take is another handy 'source of income' used primarily for purposes other than income generating to meet some immediate needs. The point is, as one respondent opined,

> Credit (in my case) is a handy tool … I think it is much more beneficial to those who have other added sources of income and are not merely depending on this credit from organisation.

The organisation of which the respondent is a member also does not mind giving credit to her, as it is sure of the repayment owing to the regular income from other sources, say that of her husband. This particular respondent has her husband earning Rs.2000 (approx $50) per month for looking after an agricultural field, while her son earns Rs.1800 per month as a teacher. The family also has a shop run by her or her second son.

Talking to members, one does find that over 70% of them state their households as having more than one source of income.[5] In comparison, there are fewer cases of households initiating a new activity; though more people note expanding their existing income activities. Some scholars have opined, 'emphasis on loan in business activities is misplaced. Households have a portfolio of livelihood activities and income sources … use of the loan for business purposes is not important as long as there are a range of income streams available to the households from which to repay' (Johnson 2005: 238).

It has been to the organisations credit to instil the habit of savings. Almost all members highlighted this, stating they save more now and also save regularly. Different saving mechanisms were highlighted like group savings, fixed deposits and insurance with the organisation. 77 respondents stated having additional savings other than with the organisations. This could imply that a) for those there is increase in income it is facilitating multiple savings or b) many of the respondents belong to 'not-so-poor' category.

Despite organisations view that credit has brought about significant changes in household poverty, women borrowers and their expectations of microcredit initiatives seem to exceed what is being provided by organisations. Respondents appreciate the easy access to credit, but do not find organisations adequately playing the 'credit plus role' especially in terms of training and linkages with the market, which could facilitate their income activities.[6]

To cite an example of what a non-credit role could be in enhancing household's income, a suggestion was put forth in a village where three women run petty shops selling groceries and vegetables. They go to a nearby town, 5 kms. away from their residence each week to make bulk purchases which are usually obtained from two or three shops. These women suggested that the organisation where they were members, should help by talking to these grocers and negotiate better prices for them. They felt it would work, as the organisation is fairly well known in that area. So far, these women were on their own negotiating prices every time they bought things in bulk. Their point is at times on a single day, three different women get three different negotiated prices for the same items they buy. To avoid this disparity, they even decided that one of them goes and buys for all three. This did not work out well because someone's stock may get over earlier and a refill was needed.

9.2 Economic Empowerment

Access to credit seems the beginning of empowering women economically. As organisations tend to contend, so far access eluded the vulnerable women, now it has become their entitlement. Though it has eluded ownership.

Here again, as in ascribing credits' role in poverty reduction, organisations tend to view access to credit primarily as economic empowerment though reference is made equally to credit control, its use and benefits. In a credit process, the principal's major concern is to avoid default rates. Hence, beyond a point it is not to its particular interest to know who controls credit, its use and benefits, so long as it brings timely repayment. Much of the success of credit thus tends to get linked to credit performance in terms of repayment rates and cost recovery. It easily obscures the issue of the quality of loan use (Goetz & Sengupta 1996).

This is not to undermine organisations significant contribution in bringing credit to the doorsteps of women and making them its primary beneficiaries. The point is, entitlement to a resource (credit) may in many cases prove to be a viable economic option to be exercised now that the option is there, but may or may not lead to economic empowerment of women. During the study, women cited varied situations that lead one to state that understanding credit as economically empowering too needs one to look into aspects other than easy access, control and use of credit.

To begin with, in the areas where this study was conducted, women do not talk of barriers accessing credit. Moneylenders or friends were always there, so the problem was not with access but having the capacity to pay high interest rates to moneylenders. Now with the coming of these organisations, it has created easier and multiple options to access credit. A look at households' sources of credit (Table 9.4) reveals that many of them cite multiple sources of credit, including moneylenders, though dependence on them may have reduced.

Table 9.4
Respondents Citing Multiple/Other Sources of Credit

Organisations	**No. of Respondents**	
	Use multiple/other sources (including moneylenders)	**Use moneylenders as an open option or exercising the option**
SHARE Microfin Limited	30	9
Sakhi Samiti	5	5
SEWA Bank	34	20
ROSCAs	22	12
Total	**91** (140)	**46** (140)

Numbers in parentheses denotes the total number of respondents interviewed

While easy access is appreciated, women find it difficult to negotiate the credit amount; it lay at the discretion of the credit delivery agency. One respondent said,

> As long as I make my repayments on schedule, the organisation has no complaints. They are strict on that but not on how I am using the money … but I don't always get the amount I seek despite being regular in savings and repayments. I know I can do better if my credit amount is slightly increased; but the organisation does not think so. It feels, if they relent to my demands then other women will also demand higher amounts…[7]

Easy access to credit is not least contested by most of the women we spoke with. But as another member said,

> I argue not on easy access but that at the moneylenders I could get whatever amount I desired, here despite the organisation knowing me, I find it irritable sometimes to convince them that I need this amount of money for this particular reason.

Such cases are also a pointer that the 'graduating members' i.e. those who may have expanded to a higher level of income may encounter what is known as the 'missing middle' (Satish 2005). This meaning that for some clients given their progress in their business and income, their requirements may expand to a level where the organisation may not be able to service them, given to their rules or strategies or any other consideration. And since these clients do not have a previous relationship with say other commercial banks, it may still be difficult for them to access credit and other financial services from those institutions.

A prominently highlighted point made by almost all women is the sense of discipline in their lives with regards to savings. Members save regularly now and as one of them said,

> 'The system has also made us more responsible…we know we have to repay weekly so two or three days before only I try and keep aside the money which I have to repay in the meeting…it becomes a habit.'

Besides the point that savings may allow keeping check on one's repayment, it is also viewed as a fall back support for the household. Since women have these savings in their names, it is cited as giving them a sense of security as well. Security is empowering though for organisations savings is a major input in making microcredit viable, thus undermining the role of savings in economically empowering women.

While women feel happy to save, they also point to situations wherein organisations tend to put pressure to save in terms of fixed deposits or insurance as well.

> I first don't understand much about this insurance thing. It must be good but then one should leave it to members to decide. Weekly savings is perfectly alright with me, but things like insurance should be made voluntary, don't you think? Because may be at the moment I am not capable and also willing to give this extra money out of my pocket.

is what one member had to say.

Whether or not it is the woman who puts credit to use or decides how much credit amount the household should seek, she takes responsibility in ensuring the repayment of a credit loan. Women say they know how much money they have to return so they keep it aside two to three days before the meeting every week. Women also said that their husbands now know that money has to be returned every week so they give the money to the women without argument.

> See the money I took from the organisation, I had to repay my old debts taken during the time of my son's eye treatment. My husband knows that the money I brought from the organisation was useful and that we have to return the money. So in case I don't have money, I ask him in advance and he gives without any argument.

This respondent works as an agricultural labourer and her husband runs a barber shop. She had borrowed about Rs.30,000 (over 500 US$) from moneylenders and friends for her son, who had a serious eye infection.

Almost all women one met knew how much she currently owed and the interest rate she was paying. The primary reason stated to take loans was income-generation, though women did say they also used credit for consumption purposes. Alongside credit access, its use and managing repayment schedule, another factor enabling women economically is ownership & legal entitlements. Clearly in this respect, there is much to accomplish. Cutting across organisations, 41 women in all said they had legal ownership of land, house or other assets, either individually or jointly, though not many could provide proof of document. Some said it was being processed.

9.3 Changing Gender *Habitus*

The environment may forbid, while customs, norms and traditions may bind. Ingrained through a process of socialisation, subliminally it dominates the woman's perception of the self, making use of agency dormant. External factors could act as facilitators for agency to be active. Credit intervention is a point of reference for this, as it allows space, mobility, access, interaction and participation. But does it change the gender *habitus* women find themselves in?

Organisations are quick to add that economic development brings social changes. This is aided by credit as it ushers economic benefits and brings income that could take care of material well-being. Also credit as a medium facilitated by the group formation amongst women triggers changes. In essence, it strikes at the hierarchies of incongruities that marginalise and exploit women. Empowerment is the eventual outcome.

At the organisational level, illustrating credit outcomes intrahousehold changes are often negated wherein subordinated roles are played out daily. Women, through their responses, bring forth vicissitudes in their lives contending credit enables; but it requires a whole range of factors over time to sustain its productive use. There are many non-economic instances of change perceived.

To begin with in this section, one may add that most of the women were interviewed either after five in the evening or between 6.30a.m. to 9a.m. Women who worked in their homes like basket weavers or those running shops at their homes or within the village could be met during the afternoon. These were the women who also took time off in the afternoon, sometimes to take a short nap. In general, women said that their day was spent in doing either household chores or engaging in an income activity. Their networking time, if any was limited to attending weekly meetings of the organisations they were part of, or if they were told in advance they would try and join for some other meeting. A woman who is into basket weaving had this to say:

> I take time off in the afternoon as my hands needs some rest. I start weaving baskets from around 9 in the morning. There is nothing like consciously taking time out for personal use – just to relax or do something else. There are days when I may not like to take the rest and keep continuing my work…now when you ask, I am thinking whether if ever I really took out time for personal use.

One finds, women usually begin their day early between 4a.m. and 5a.m. in the morning (refer Appendix A.3: Household Level Questionnaire, Section B). Most of the day is spent on income generation activities. Women going for labour work, to the fields or running their own shops start between 8 a.m. to 9 a.m. and return in the evening between 5 p.m and 6 p.m. Before leaving for work and after coming back from work, time is spent doing household chores.

Women however were excited about drawing a time chart for the day. It did not surprise them that their day was primarily divided into two major activities: household and income. What amused them was that though they talked of time for personal use, say for leisure or to relax, they were talking about their sleeping time.

> I get up at 4 a.m., do my own work, then get into household work; both my sons go out if they are not helping us in the basket weaving. I start weaving around ten and it is only at 6p.m. I stop the work for the day. Thereafter, I only look forward to sleeping. That alone relaxes me as I have to get up again in the morning.

The respondent has two sons and a daughter. The elder son works as a mason and the younger as an electrician. When they don't find work they help the family in basket weaving. She has a 20-year old daughter, also into basket weaving.

It may be emphasised that when they meet, the time women give to interact with each other may not even exceed a few hours. Women said their networking time i.e. primarily meeting other group members included going for the weekly meetings, where they spent usually an hour or so, unless the situation demanded that the hour be stretched. Women however acknowledge networking informally outside their group meetings, especially if a village they belong to is small. A woman, leader of a group, says,

> Ours is a small village … and now when women from almost all households here are members … so someone or the other we may cross in the village or even pass by each other's place. We then land up talking … since we are part of the same organisation, its role and what it is doing gets discussed; also if someone heard anything about any member it gets talked about…

Mahmud (2003) has noted that the pattern of women's use of time varies as does her participation. Here, Mahmud means her involvement in income generation facilitated by credit intervention is associated with significant reallocation of women's home-based work. Even if this is true, the following response by women indicate that reallocation of home-based work is negotiated more often with other female members of the household.

Alongside different activities that women engage themselves in throughout the day, the question is also to know who others in the household voluntarily assist her or she seeks assistance from in undertaking any of the activities, primarily household. Women said household activities were part of their daily routine and they did not give much thought about whether they need to negotiate such activities with other members in the family. But they add whenever need be, there is always a helping hand and it is not difficult to delegate tasks and responsibilities to other members of the family. Nonetheless, it was further added that tasks were primarily negotiated with other women members in the family, including daughters, mother-in-law or sister-in-law. Families where there was no daughter or mother-in-law to distribute the work, women carried out all the tasks herself. Where there were only or also boys in the family, boys were asked to fetch water, fuel wood or go to the nearby shop, at times in the next village, to bring groceries. One women said that howsoever educated a girl may be, 'She has to learn the household tasks otherwise as parents they have to hear from others that they did not groom the girl properly.' The respondent has three sons and two daughters. One daughter is married and another to be married soon.

Another respondent had this to say.

> I don't need any assistance for my household tasks. My husband is a tailor and that keeps him busy. He has to be at his shop so I have to do the household work. I have two children, a girl and a boy who are studying. If I need some help in the house, I do ask them to help me like fetching water.

She adds that occasionally she goes out herself as an agricultural labour. In these times, her 11-year-old daughter 'manages to do the household work without any difficulty.'

Table 9.5
Responses regarding Decision Making and Bargaining Power within Households

Organisations	Decision Making			Bargaining Power (negotiating roles, etc.)			Total
	Self/ jointly	Only husband/ male relatives	Female relatives (mother, mother in law)	Increased	No such benefits	Can't say	
SHARE Microfin Ltd	20	16	1	15	21	1	37
Sakhi Samiti	15	23	--	15	23		38
SEWA Bank	22	16	1	16	17	6	39
ROSCAs	14*	11	1	10	15	1	26
Total	**71**	**66**	**3**	**56**	**76**	**8**	**140**

* Includes two ROSCA male members

To a question regarding women' involvement in decision making, 69 women respondents said (see Table 9.5) they take decisions themselves or jointly, meaning they would do things in consultation with their husbands.

A decision to form the group, take loans, spending on one's self, visiting natal family, are all decisions women say they could take on their own. Decisions like asset purchase or sale, livelihood investments, children's education, especially girls if the school is outside the village and their marriage, family planning still remain their husbands' choice. One already noted in Part II (Chapters 4 to 7) that women often gave different responses to decision making and bargaining power, leading to disparity in figures i.e. more number of women then are found emphasising their role in taking decisions but do not necessarily say yes to increasing bargaining power. In one's view, quantitative figures tend to hide the many qualitative changes that may be taking place.

On more or less similar lines, Locke and Okali (1999) opine that there are 'hidden elements' of processes of changing gender relations. Some others emphasise that the autonomy of men and women within the household based on decision-making patterns needs to be understood 'within the normative context within which the manoeuvring for autonomy occurs' (Baud 1989: 22). Baud adds, such autonomy is influenced by employment income, the quality of behaviour of the spouse, and women's contribution to the household income and assessment of the domestic situation (206-208). Mahmud (2003: 590) making a distinction between an active role and an independent role says, 'women's active role is not an independent one, and is possible even in a mutually dependent relationship with male family members'.

For instance, women may not say they are taking decisions independently but the same women say that they find the space now to opine and be heard which was definitely lacking earlier. An example can be cited of a respondent whose family is into both fishing and basket weaving. Earlier it was she who went out to sell fish, as her husband did not like selling fish. However, when the household added to their stock of raw materials with credit i.e. bamboos, she preferred to stay back at home and make bamboo products. The respondent says,

> My husband would get irritated if I requested him to go and sell the fish but I talked with him that see it would be better for us if I spend more time weaving, also telling him see how others were doing … they are also into basket weaving. I think because he had these other examples in front of him, I was able to convince him … though initially he was reluctant but then he gradually understood what I meant … now he goes out with the fish.

Besides, whether women refer to taking independent decisions or not, one did not come across many women borrowers who did not say that they now feel more confident in terms of their interaction with other people. In this regard, women acknowledged the efforts of the organisations which initiated mobilising women out of their homes to come for group meetings.

> While for me, the main purpose of going to these group meetings is to get the loan amount and do my savings, but I can not deny that it gives me a good feeling to go and sit at these meetings. I don't regret being part of this group…though I have not sought any help from any group members as yet, I do know that if need be, we will stand upto each other.

The respondent adds that this coming to group meetings also motivated her to attend the *Gram Sabha* (village meeting) sometimes.

Coming out of their homes, women opine, marks their increased mobility and interaction with outsiders, beyond family members.

> Some years ago I did not even think that I would be active, moving around with other people…making this group has given me this opportunity. I have been in this village for twelve years but I think I know some of the women better in the last three years since I became a member

is how a member put it. There are many such responses on similar lines.

At the first instance, women cite that the significance of the group lay in accessing money. Then adds it other benefits.

> Once one of our group members had to be taken to the hospital urgently for delivering a baby…we hired a vehicle, all of us pulled in and paid… whenever need be, we know we will come for each others' rescue.

Another respondent in the same village says,

> Yes, group members are nice to each other and help too but when it comes to deciding how much credit a member should get, there is often a difference of opinion … these are moments when there are arguments because we all think what we need is justified.

The respondent is also a centre leader.

There was unanimity amongst women as they talked about changes they saw in attitude of people, especially men, around them.[8] Respondents said that this change in attitude was not enforced but gradually evolved as the groups became more visible within the villages. A respondent said,

> I don't think men ever thought that we women could get together like this in a group. They saw us coming and going meeting after meeting… and we were not merely chatting...we meant business…being together has not only made us visible but also given us a voice. I feel my husband listens to my opinion more carefully now.

Though not all, respondents add to number of other changes, they find, occurring due to organisational intervention (see Table 9.6).

Table 9.6
Other Changes/Benefits Cited by Respondents

Organisations	Access to information	Increase in network/ drawing link-ages	Household status elevated	Perception of the self changed
SHARE Microfin Limited (37)	27	13	20	22
Sakhi Samiti (38)	19	15	21	21
SEWA Bank (39)	24	13	16	19
ROSCAs (26)	19	8	11	18
Total (140)	**89**	**49**	**68**	**80**

Number in parentheses denotes respondents interviewed under each organisation

One of the first noticeable changes for women is an access to information with regards to credit and savings services and other trainings through literacy or awareness camps held by the organisation. An equal number of women however do not cite access to information as a leading cause to increased networking. Members found organisations' role in drawing linkages inadequate. Though ten women who were selling milk to a local dairy felt if it had not been for their organisation, they would not have been able to do so. The organisation created a linkage for them, which was useful in giving them regular income. Such instances are not many.

Respondents claiming their household status has enhanced state primarily two reasons. First, the households are seen as capable of having access to easy credit, which is further seen as facilitating their income by others. Second, people outside the credit system came to these households enquiring about the process and take advice whether to join and how easy would it be thereafter. This advisory role to one's neighbours and friends added to a sense of accomplishment.

If members did not feel their household status enhanced either in terms of increased income or any other role, they highlighted that their individual status as a person seems to have increased. One respondent put it as,

> if I tell someone that I am with the organisation, s/he tends to be cautious in his/her behaviour and regard what I am saying seriously.

Some women said irrespective of whether credit economically benefited them or not, they were more conscious of things than before and more articulate too. Savings again was highlighted.

Women, in the areas the study covered, did not talk of any case of domestic violence; though one woman referred to it by noting that it dissuades her from joining a group. Some women mentioned tensions within the household. But it was added that these were tensions that could occur in any family. What was specifically mentioned as regards to credit was that arguments with male members took place less during repayment time, and occurred more over the credit amount. Tensions would last longer if the woman failed to get the amount as desired by the man in the family. But no respondents added that this led to something serious. They could convince their men that this was no one-time credit, and could be doubled or trebled if repayments were done on time.

There was unanimity amongst women in terms of changes in attitude towards education of the girl child. Children's education was a priority and women said that the credit organisations in their meetings did occasionally tell them to educate their girl child, not to marry them before 18 years, etc. But while women acknowledged that there is less discrimination towards the girl child than earlier times, it was not denied that the girls would still not be allowed to go for higher classes if the school happened to be at a distance.

None of the women mentioned that increased access to information of any kind has led to further development of other social and political roles. Of all the women members interviewed, two had become members of the local *panchayat*. Both had contested, as the seat was a reserved constituency. It was not because they were part of organisation and it motivated them to contest the seat. But being with the organisation helped as organisational members belonging in their area voted and even campaigned.

9.4 Drawing the Link: Credit Poverty and Empowerment

If the varied responses of members and the quantitative figures are any indication, then credit's role cannot be undermined in the lives of the poor and particularly rural poor women. The sections above illustrate the changes occurring within household and the benefits members say are accruing to individual households, owing to organisational credit interventions. While credit cannot and therefore has not benefited all equally, the experience shows multiple situations may arise where credit outcomes are concerned. These are described in Table 9.7

Table 9.7
Multiple (possible) Outcomes of Credit Event

Situation	Credit	Poverty Alleviation	Empowerment
I	✔	✔	✔
II	✔	✔	✕
III	✔	✕	✔
IV	✔	✕	✕
V	✕	✕	✔

There are three points being made via Table 9.7. First, it is not easy to draw links between credit, poverty and empowerment even if an ideal situation (no. I) occurs, wherein members feel credit has not only led to poverty alleviation but also empowerment. As an ideal situation it may be rare and also 'moving out of poverty' and 'women's empowerment' as an ongoing process happening simultaneously, requires sustained careful efforts involving number of things, not fully recognised by organisations. This can further be justified, as organisations tend to be overtly concerned with repayment schedules of their members, rather than in ways striking at incongruities of gender hierarchies. Second, as a corollary to the point above, credit per se may or may not have a bearing on the empowerment process, while other conditions remained the same. Likewise, many empowering situations may occur given conditions other than credit. The groups' role (dealt in Chapter 8) in this regard bears significance. Third, multiple outcomes of a credit event is a reality, which greatly depends on the household's own capabilities as well other external factors. Multiple situations arising underline the point that it is difficult to give an 'either and or' reply when asked whether microcredit empowers or alleviates poverty. Multiple situations arising out of a credit intervention is an indication that polarised or extreme views on microcredit do not hold good.

Part II (Chapters 4 to 7) clearly brought out varied expressions of 'feeling of empowerment'. This is to re-emphasise that other than the ideal situation I (Table 9.7 above), there is likelihood of other situations arising as credit outcomes, with each having a reason to it. One could say addressing these reasons or improving upon them could lead a step towards the ideal situation. For instance, in situation no. II, credit does lead to poverty alleviation but not to empowerment as women are seen to be playing the role of a conduit. Further, as one already noted, even if women have access and control over credit, it does not again imply ownership and entitlements to house, land and property.

In situation no. III, credit does not lead to poverty alleviation but women feel empowered as the credit attributes to her mobility in the public sphere. This in turn is the groups' influence in helping women reach an empowering level. But as mentioned, significant empowering attributes visible in public sphere may not necessarily bear similar results within the household domains. That is, women collectively may be far more proactive than women within households, wherein gender *habitus* earmarks her everyday living. Besides, irrespective of credit's impact on poverty alleviation, there are many instances, as this study has noted, where access to credit, visibility and participation via groups, give women a sense of accomplishment and confidence.

That credit neither affects the poverty situation nor empowers it is equally possible (situation no. IV). As credit if not productively used, it cannot augment income. Further, a woman burdened by her household conditions may not get any time to undertake any other activities thus restricting her mobility, interaction, participation – taken as signs of empowerment. That without credit – hence no poverty alleviation, can still empower a woman (situation V) by simply being in a group is not an overstatement.

Illustrating multiple situations is to drive home some basic points. Given its potential, credit has a critical role to play; provided it is used productively. Planning how to use credit is as much important as accessing it. Given the households own condition and abilities, multiple situations arise hence credit cannot trigger a linear outcome of credit–poverty–empowerment within households. People draw benefits from credit differently. And households attribute other factors as well i.e. credit beyond accruing income, that accelerates household changes. The household changes, as women highlight, are influenced by changing perceptions amongst women about self, facilitated by the identity via the group. This influences the decision making and bargaining power women have. Change in bargaining position further enhances their status, as many emphasised. This transformatory process of changing perceptions affects decision making and bargaining position, taken as signs of destabilising gender habitus and displacing notions of dominant normative identities. The result is an emerging heterodoxic order.

Conclusion

Organisations provide an opportunity through their credit and other services. There is no denying that most women covered under the study did not have easy access to resources or were in a disadvantageous position by the lack of exposure to the world of money business and also perceptions about what they themselves could do and how. In this respect, credit opens doors and microcredit allowed women access to the financial sector, which in turn enabled their households to exercise the credit option.

As a tool, credit has the potential of doing both – alleviating poverty and empowering women. Like any other tool therefore it needs to be understood, accessed, used and utilised efficiently to bear significant outcomes. While its potential role is not denied, the argument is also not to state that credit alone is the alternative. Rather in the absence of other alternatives, as provided for by microfinance sector, it is key in dealing with households' vulnerable situations.

Despite all what credit can do or cannot do, one needs to be cautious in drawing an easy link between credit, poverty and empowerment, which from a global to national level is overwhelming. Credit's link to concepts or notion of poverty and empowerment are too easily understood or stated. This then leads to missing out on the details, which are of equal significance if one wants to highlight empowerment as a by-product of credit. In a credit situation, saying empowerment is a process is not enough; within the process several things are happening, adding meaning to different individuals or actors understanding/sense of empowerment.

To enable credit to play its potential role requires going beyond the conventional interests in measuring quick quantitative or Polaroid versions of credit impacts. The microcredit schism is then inevitable, as impact will tend to suggest a straightjacket either positive or negative - outcome of credit interventions. It cannot and will not capture changes which members cite in their surrounding environment or changes that in their belief can now change their lives if they want to. Microcredit is not discrete. It occurs within context: political, social, economic and so on; therefore will ignite multiple scenarios that needs to be understood and taken into account before any clear link between credit, poverty, empowerment is established or stated.

The following chapter concludes by summarising experiences under this study and some reflections on credit potentials, delimiting its constraints.

Notes

[1] Organisations however themselves agree that the possibility of 'margin of error' allows 'non-poor' the entry into groups

[2] Asset refers to both productive (aiding/adding to income) and non-productive household assets.

[3] Multiple factors are said to enable households move out of poverty whereby there is no longer a 'lack of choice' and where the 'quality of life' of the household stands improved. These multiple factors may be aided by the rise in income in the first place. But experiences under the study show that rise in income may not necessarily be attributed to loan from organisations alone.

[4] There is a man who comes twice/thrice a week – to sell the bamboos; he also buys the products (Rs.10 each). One can make two products from each bamboo. There have been several occasions when the man was unable to make the supply. Then the basket weavers had to go without work for a while. Now the situation is handled by buying more than one bundle whenever possible. It also means they can sell if they want more pieces.

[5] Many respondents cited that even before credit intervention they had more than one source of income.

[6] While women do not emphasise benefiting much from organisations – beyond their credit roles, some seem to voice their resentment over organisations' selective disposition in terms of their both credit and non-credit services.

[7] The respondent sells milk in her village. She has two buffaloes, one she bought with loan from the organisation; she wanted to buy two. She cites selling milk as her main income generating activity. She says, her husband is a lorry driver and her son accompanies him as a cleaner. They come home fortnightly.

[8] Here again, majority of women talked about 'changes' in family members' attitude after they joined groups - but this does not necessarily mean that women are making decisions independently! One member said, 'my husband used to follow me earlier to these meetings, not knowing what is being told…now he is relaxed and feels it is about our good.' The point is, for the woman respondent this is a good positive change and 'making decisions independently' appear less to be of immediate concern.

10 Conclusions

Within the broader context of the liberalisation process and changing face of rural credit markets, this study discerned and assessed the role of microcredit in its goals concerning women's empowerment.

In the liberalisation era, upscaling of the microcredit sector is deemed irreversible with global corporations to local financial institutions toying 'with the idea of the ocean of the poor as the unconquered frontier that holds the promise of a vast market for the future' (Saith 2005: 4601). This has already given a boost in many countries including India, making way for a parallel development sector, comprising a wide spectrum of organisations, here defined as quasi-formal and informal, enabling credit 'broad- basing'. This, as the study noted, has resulted in a paradigm shift fostering the 'rise of a new economic ethic' (DN 2005) – 'an economic ethic of the small-holder variety of capitalism' wherein, 'savings habit, repayment of loans, commercialisation of economic life, money as the measure (of transactions, relationships and status) and the ideology of winners and losers' (ibid.: 275) is being inculcated. Within this economic ethic, the group is the fulcrum of innovation enabling credit extension to millions of poor, assetless women.

A mushrooming of non-state organisations also guided by donor and corporate interests, has been critical because of the huge gap[1] between the demand for microcredit and the state-led formal sector's limited supply. It has also put to test the skilfulness and competence of these organisations; more so, because they ascribe microcredit with life-size outcomes, *alleviating poverty and empowering women*. The latter, empowering women can easily draw its legitimacy, as majority of microcredit beneficiaries are poor women.

Given microcredit's seemingly indisputable status in the development praxis, there is growing interest to gain insight into its operational side and gauge its role ushering 'changes'. Consequently, microcredit literature in India or elsewhere has given adequate attention to its poverty outcomes and recounted the resultant material well-being of poor households. It has also given adequate attention to the women component of microcredit initiatives, cited in many studies - of which some are mentioned here - which have towed the lines of practitioners attributing credit empowering abilities wherein access and control over resources assumed tremendous, rather symbolic importance. This also brought in quite an uneasy way poverty-empowerment in the same continuum, making them appear mutually supportive and conjoined. Further, looking at microcredit initiatives in relation to poverty or women, researchers searching for empirical evidence developed a set of indicators, some of which this study also drew upon, to narrowly point towards a quantitative analysis. In this sense, microcredit though presented as a catalytic agent for poverty reduction or empowering women seems to fall short of recounting restructuring if any, of the gendered *habitus* within which, as this study noted, different anomalies or situations of inequalities get played.

In exploring microcredit's 'empowering abilities', this study's theoretical and methodological departure from what exists as microcredit literature has primarily been at five levels:

1. This study views microcredit as a complex phenomenon to be understood not as a simple 'input (credit) – output (poverty, empowerment)' pattern. Further, it tries to understand credit beyond its fundamental economic definition – credit is an agreed deferred payment binding the agent to the principal, much in a hierarchical way. Rather underlining the intricate principal-agent relationship, which this study did, it underscores the varied outcomes and even meanings, microcredit bears for different stakeholders in a credit process.
2. From one's understanding that credit is a complex phenomenon and a polysemic notion, this study drew upon multiple cases and undertook a multi level analysis. Recognising the role, outreach and outcomes of four non-state actors, classified within this study as quasi-formal and informal brought forth how organisations with similar objectives, alleviating poverty and empowering women, could differ in their understanding and approach meeting those objectives. It also brought into focus gender dimension of such organisations but also through them the understanding of gender that misguides the microcredit sector to believe that it is changing or challenging the gendered *habitus*.
3. Applying the New Institutional Economics (NIE) approach to understand functioning of organisations and their credit arrangements enabled one to underline the missing gender link in NIE. A gender sensitive NIE, as the study noted, could better contribute to not only understand the ex-

panding rural credit landscape, but also the debate on entitlement, capability and well-being applied in rural microcredit. Besides, a gender sensitive lens disallows disengaging organisations from their social embeddedness, wherein gender intersects with many other categories. Further still, contextualising organisational credit interventions within the process of liberalisation wherein access to global capital markets appear easy, made better explicable institutional innovations and their turn towards gender selectivity centred around organised women's group.

4. Upon undertaking a multi-level analysis based on Organisations–Groups–Individuals i.e. women members within the households, it brings forth how differently at each level the notion of empowerment is understood. Understanding this difference in understanding is important, more so when credit initiatives are so closely linked with empowering women. The point is, while empowerment may be a process, this process by itself is understood differently. It therefore makes difficult to set up strict indicators of empowerment which may overlook the many empowering situations that microcredit enables in an empowerment process.
5. Finally, this study is deliberately qualitative, drawing upon women's voices, their perspective and feelings, to put the microcredit sector into perspective. It has nonetheless used indicators put forward by organisations as well as those put forth by multiple frameworks; it has proposed a framework of its own but not to produce a blueprint rather try and capture both the nuances and intriguing features of microcredit espousing women's empowerment. The study will add on to the ongoing debate wherein microcredit is re-conceived less as a rhetorical flourish but as a development tool, delivering services for the rural poor.

The study has been presented in three parts.

Brief Summary: Parts I, II, III

Part I (Chapters 1 to 3) introduced the subject of enquiry, presenting the objective, theoretical framework and key conceptual and analytical elements the study applied, to build an understanding of the microcredit phenomenon primarily towards empowering women. The study begins by acknowledging the euphoria surrounding microcredit, a 'furrow' bringing an enormous segment of population that is deprived and disadvantaged, especially rural poor women into the financial mainstream. Within the euphoria, providing women with financial resources, exists an enduring assumption that of poverty alleviation and empowerment. What is more, the current microcredit led development discourse, in quite an easy way, puts credit-poverty-empowerment in the same continuum.

Taking note of the widening schism whereby on one hand the protagonists stand firm on microcredit's mitigating dispositions; on the other, critiques contend its indisputable status, Part I brings into focus the upscaling of the microfinance sector. This is attributed to the neoliberal policies enunciating a shift in rural poverty approaches; it has also facilitated a rise in the number of non-state actors. The role of such actors is undeniable; they seem to provide diverse services, negated earlier as risky ventures by formal sector banks. The change is striking, almost dramatic as non-state actors explicitly claim to strike a balance between social intervention and financial intermediation.

Covering four non-state organisations – SEWA Bank, SHARE Microfin Limited (SML), Sakhi Samiti (SS) and ROSCAs, the study viewed their role as charting a new course of rural finance. The organisations present different, but at times overlapping approaches viz. cooperative banking (SEWA Bank), direct lending to the poor (SML), intermediating NGO (SS) and informal unregistered groups (ROSCAs). The purpose to highlight diverse approaches under one study is to draw from different experiences, look for common patterns and understand underlying gender processes influencing credit delivery and its patterns of outcomes (refer to Figure 1: credit event-process-outcome). So far studies have pointed more towards the economic outcome of credit interventions; they also did not give equal importance to what precedes such outcomes.

What influences the credit delivery process is also the lender-borrower interface. Applying a strand in economics, the NIE helped understand the relationship between borrower and lender. Using the transaction costs and the principal agent model under NIE, coupled with the notion of collective action and trust mediated through groups enabled one to undertake a systematic analysis of credit arrangements of the organisations. NIE however bears missing gender links, which necessitate complementing it with other concepts and approaches. Since organisations tend to draw linear linkages, where poverty and empowerment appear as mutually supportive and inseparable; multiple frameworks have come up, proposing a number of indicators to gain insights and analyse this linkage. Drawing from such approaches, this study in its analysis used a framework of 'Credit (Asset) Entitlement–Developing Capabilities–Enabling Agency–Enhancing Well-being' (Figure 3) to explore the gendered link between the credit process and its varied outcomes.

Part II (Chapters 4 to 7) dealt with each of the organisations separately. It brought out the distinctive features of each as they address the financial needs of the poor. In so doing the chapters document their nature, process of reaching out to the poor, impediments they face in rural banking and how these are addressed or can be addressed. Equally significant is the conceptualisation of poverty and empowerment by these organisations as they draw a logical association between them. Further still, their belief that targeting women influences if not transforms gender incongruities naturally. Different organisations' have their own specificities to cite, which add to the vicissitudes of microcredit phenomena.

For instance, SEWA Bank being part of the larger SEWA movement of self employed women challenges the many inequalities societal-developmental praxis embed. Its rural banking services is seen by its members more as an extension of the multiple roles SEWA as a movement was already playing in assisting poor women make choices. SML on the other hand is a case of an upscaling organisation, from an NGO to a MFI. Highlighting a strict culture of discipline, SML is primarily guided by economics of credit. In so doing, it claims not to disregard the precept of the double bottom line, wherein implicit in the notion of economic development is the idea of social transformation. SS is an intermediary NGO initiative of semi-literate and illiterate women whose efforts give an insight into a link between organisational intervention and group formation, women's collective action and voice in the public sphere, rather than a link between credit, income and asset formation. Besides, SS throws light on how problems of lack of resources, human and capital, can weaken an organisations' effective credit intermediation. Finally, the ROSCAs present a case of self-regulated groups with no organisational influence with objectives of savings and credit. Yet, they are equally or can be creative mechanisms of empowering women.

These chapters also bring face-to-face organisational narratives and claims with members' responses. Cases and quotes are cited wherein borrowers cite the facilitating aspect of credit, augmenting income and enabling choices; voices emerge from both members i.e. borrowers and non-members regarding structural and institutional constraints that still restricts credit in playing its optimal role. It also brings out instances where women cite instances of feeling empowered, without the perceptible role of credit.

Part III (Chapters 8 to 10) brings the analysis from the organisational level to comment on the overall role of groups in microcredit initiatives; and its further influence within the household in terms of changing power relations. The groups' role is accentuated first as an effective credit delivery arrangement overcoming barriers to financial intermediation. An organisations' discernible influence in the formation groups, enforcing rules and monitoring credit repayment is clear in such a function. Beyond its credit function, the group does enact a collective agency role, an unplanned outcome of organisational intervention. That is, they are more than a mere management device of monitoring repayments; rather the group plays multiple roles for itself. Beyond the groups, the study takes a look into what changes occur within the household; whether the collective agency of the group has percolated within households and where microcredit will matter the most. While organisational interventions make accessible credit to assist and meet financial needs of the poor, credit's role for members in terms of poverty outcomes is not uniform owing to factors both external and internal, meaning households own condition and abilities. Further still, women's agency is seen to reflect itself differently at group and household level, thereby underscoring empowerment's manifold nuances, not necessarily aligning itself with poverty outcomes. It is difficult to put credit–poverty–empowerment in the same continuum.

Main Findings

The study cannot and does not in any way overlook the perceptible role credit seems to play and the potential it has in poor people's lives, especially rural poor women. Based on a multi-level analysis and experience however, one need conclude by raising a word of caution against any form of extreme eulogising of the microcredit. Following one's research and experience on the field, some key points arise out of this study, which the empirical chapters (Chapters 4 to 9) highlighted. These may now be summarised as follows:

1. It is clear that just as sex and gender get conflated, so is targeting women only as borrowers by organisations taken as addressing the incongruous gender power relations. Interestingly enough, at the theoretical-analytical level a thick and deep understanding of gender exists, challenging inequalities produced and reproduced buttressed by social institutions, signifying a whole set of things such as male biases, women's own perceptions, culture, religion, caste, class, education so on and so forth. However, as experience showed, this thick understanding of gender even if internalised by organisations under their credit interventions tend to thin down in an obtrusive way depicting women as an entrepreneur now with income earning capabilities or at most their access, control and use of credit, thereby being empowered. The point is gender in analytical terms is more cohesive and challenging but

is loosely addressed through organisations' procedural application also because organisations themselves have to operate within existing patriarchal, socio-political and economic contexts overridden by male biases.

So while it is no doubt commendable that microcredit led organisational initiatives have allowed women a larger if not equal role in terms of their visibility in pubic spheres; it is difficult to cite examples wherein organisational practices or operations directly point towards challenging or influencing socially constructed gender relations,[2] which constrain women within household and beyond earmarking her way of living. At present, organisations' interest is dominated by reducing default risks and its credibility stops at mobilising women into groups, encouraging them to save and giving them access to credit. It is the group thereafter as it gains trust and solidarity within that propels it to play multiple empowering roles.

When querying regarding the microfinance sector focusing on poor women alone, the prompt answer by organisations, as if in synchrony is 'to address household poverty.' If that is so, then why emphasise on making women the sole clients? Why not target men and women jointly as a household?. The response, either overtly or cautiously is overwhelming that women are targeted because they are easy targets and easy to control. Such a response at an organisational level can easily lead one to look at microcredit in yet another way of burdening women with an additional responsibility. There are instances where a woman may not like to be part of any group and gets herself involved into the credit delivery process, but in the absence of preferential treatment to men feel compelled to become a member to access credit. An unwillingness to join may lead in some cases to some form of abuse from within the family for letting go off an opportunity that has come to one's doorstep, a highlighted achievement of microcredit initiatives.

2. While there may not be any problems in stating or setting parameters to define or identify the poor and poorest, there are nonetheless problems of exclusion. While organisations now agree that it is difficult to reach all the poor particularly the poorest, this could become conspicuous as microcredit with not-so-poor becomes a lucrative business. The point is, while earnest intentions may exist to work with the poorest of poor families, in order to sustain growing organisations' needs, its objectives may start getting compromised at some point. And organisations start getting embroiled in sustaining themselves first, and there are less chances of empathy towards poor and their sustainability, what to talk of women. And unless organisations restrategise consciously the digression is inevitable.

Microfinance seems to be becoming a lucrative commercial business. From the hands of local moneylenders in the villages, it is formally and slowly shifting hands to a new type of moneylenders, who are suave, especially the MFIs and have the indelible tag of a social missionary attached as well. Their contact with clients is frequent, which allows them to monitor and keep a better check on default rates, which is seen as the vindication of a successful microcredit programme.

The point on microfinance becoming a lucrative commercial business is not to negate that operating under a neoliberal setting organisations may also find themselves on the crossroads – juxtaposed between market driven interests and their social disposition, claiming of empowering women. It is likely that organisations lacking in either resources or capability may lose out or be pushed to the periphery of credit market, where profit oriented markets create their own hierarchies of domination. It can also lead organisations getting embroiled in sustaining themselves first, with less chances of empathy towards poor and their empowerment.

3. This is linked to the two points made above. Through microcredit initiatives poverty and empowerment quintessentially appear as two sides of the same coin. A closer view of organisational claims however tells that while poverty alleviation has an explicitly stated outcome, empowerment is less vociferously stated, though unhesitatingly emphasised as credit-poverty's natural adjunct.

4. Inspite of all the enthusiasm surrounding microcredit's ushering role of empowering women, one finds a dichotomy in the understanding of empowerment at different levels. Rather empowerment in a microcredit context is understood quite differently at different levels. To state therefore, microcredit leads to empowering women could be ambiguous, without dissecting what it means for organisations as lenders, groups as intermediators and women as individual borrowers.

Ironically at the organisational level, where poverty and empowerment is presented as a by-product of credit almost instantaneously, it is also here that understanding of empowerment is often myopic. That is, organisations associate to a large extent with the empowerment of women in terms of access to resources, its control, use and benefits. At the group level, where women operate collectively, empowerment has an enlarged vision wherein it denotes collective action leading not only to mobility of women outside the household domain, but also their capabilities in jointly negotiating and bargaining for development of their village and community.

At the household level, women's empowerment is less to do with negotiating gender roles and more with the enhanced status of women. This meaning, they are either viewed as creating income opportunities for the household, therefore woman is now an asset to the family or view themselves as one with increased sense of worth and achievement owing to one's association via the group with the credit process.

Depending on how empowerment is perceived at different levels i.e. group and within household, women's agency seems to operate with different intensities at different levels. Collective agency of women acting together in a group is far more proactive and visible through many collective actions of women than individual agency or a woman on her own, within the household.

5. It is clear that women do negotiate and bargain, but do not necessarily or are yet to strike at gender domination operating at different levels in the sense of completely routing it. This is to say, gender roles may not have undergone perceptible changes i.e. women within the household are preoccupied with the same domestic chores but the mobility, space, communication, visibility the group facilitated has led to improved gender relations at different levels.

6. Just as empowerment is an on-going process, it is clear that microcredit for the poor and poorest is not a one-time activity; it is a process too. Credit can lead to access to capital resources, which are needed on a continual basis[3] enabling poor to start or expand and sustain their livelihood sources. Mere access to credit however does little to augment income. Only if it is channelised properly can it bear results effectively. In this regard, productive '(qualitative) use of loan' assumes great significance (Goetz & Sengupta 1996). Many borrowers do not find it easy to make effective use of credit as they lack access to technical advice or help in obtaining business inputs and marketing. This brings forth the importance of non-financial services.

7. Corollary to the point above, it is difficult to demonstrate an exact time period as to when a family or household is likely to move out of poverty, a prime stated objective of any microcredit initiative. While changes may occur with the first credit in terms of say adding to household assets, a family may continue to remain on the fringe of poor or not so poor, despite accessing credit.[4] Changes in terms of sustainable income levels, savings and further investments within the household are equally demonstrative of its own skills and diversified sources of income, which further were enhanced by access to credit, family size, also local infrastructure etc. Credit thus cannot benefit all equally or its resultant outcomes can not be the same for all.

More so, when microcredit too like many other poverty alleviation programmes seems to be geared towards poverty in terms of increasing income and asset, quantifying it, rather than addressing the structural causes of it.

It may be re-emphasised here that like credit's role in unequally benefiting its borrowers, so does empowerment in the sense of occurring at different points of time for different people. Hence feeling of empowerment is perhaps a much intriguing revelation than finding a yes or no understanding via a set of indicators.

8. The potential of a group as an innovative mechanism is undervalued by organisations themselves, for whom groups are primarily for credit mediation. This is aptly reflected in what one leading microfinance practitioner met during the study said, 'The linkage with the groups remain at a transactional and not interactional level.' Organisations need to play a more mentoring role beyond its banking services of savings, credit, and repayment so as to give its social intervention aspect a greater meaning. There are strong points indicating that women's groups are potent instruments of participation and interaction. Groups therefore need to be carefully managed and motivated to enable it to render a dual role of binding and bridging. It is likely too that as groups' grow themselves, depending on the internal dynamics and its own capacity, its vision of its future may override the objectives of the organisation leading to dissonance between groups and its parent organisation.

It may be added that while organisations rely on group mediated credit, their focus is actually on individual women; therefore their efforts are geared through microcredit services towards making or enabling an individual to enter into a profitable business venture.[5] The point is, a group is a social collateral but is yet to produce a social opportunity for its members to work collectively for income generating purposes. Also organisations interest say to work towards creating multiple effects of an employment opportunity is almost negligible.

9. Finally, no strategy is infallible. Microcredit as a tool to be successful needs other facilitating conditions. The point is, just mobilising and initiating savings and credit is not enough. Microcredit with a group is a good start that could lead to social ramifications. But for that to occur, microcredit needs more to do than merely access money or credit. It needs also to do with other services like monitoring, training and capacity building. Inclusive of its both financial and non-financial aspects, microcredit could lead poor people towards economic self -reliance and have social ramifications.

Critical Reflections

What makes microfinance such an appealing idea is that it offers 'hope to many poor people of improving their own situations through their own efforts … That marks it out from other anti-poverty policies … which are essentially top down rather than bottom up and have decidedly mixed record' (*The Economist* 2005: November 5).

Despite its many claims, microcredit perhaps will not easily outgrow its inherent financial risk element i.e. element of risk on repayment, especially if the poor and poorest are to be its intended targeted clientele. To bring such a clientele to a level of sustainability i.e. when income risks are less, where sliding down is averted through a fall back position requires sustainable efforts and initiatives. Strengthening clients' fallback position to enable them to overcome risks from being risk averse is a complex but not impossible task.

This is no pessimists' research conclusion. The idea is not to put a question mark on the importance of microcredit. The cause of concern is the attention and at times, the unwanted adulation microcredit organisations get. While protagonists may continue ascribing microcredit with life size outcomes, one would agree, there are missing ingredients. For instance, no doubt microcredit generated enough hype but it also surreptitiously did away with the access people had to subsidized credit under state sponsored programmes. Further still, microcredit practitioners somehow perpetuate the image of each borrower as an active economic agent, who supposedly or inevitably would make profits out of an entrepreneurial venture via credit. But such an image is not facilitated by other structural conditions. Thus while microcredit may be shifting hands from state owned actors to non-state actors, it is yet not equipped to bring much wanted larger institutional and structural changes without which no economic or social transformation in reality is possible.

In one's opinion, if the sector has to bear special significance, then it needs to bring about significant changes not only in economic terms. Organisations need to take a critical look at their claims of social transformations and debilitating social structures of domination and power through economics of microcredit. If that is still a far cry, then microcredit's claim to success should not be so hyped. For then it happens to be like any other programme of poverty reduction, this time carried out by non-state actors.

Drawing from one's experience, one would like to say that there are challenges ahead relating to

- not only reducing risks in livelihood sources of the poor but also at the same time managing the organisations own sustainability, without compromising on the objective of targeting the poor and poorest
- not only designing innovative product services i.e. different types of loans or savings but also ensuring the innovative use of such services in asset creation, expanding business or starting new income activities
- not only empowering women by way of giving access to credit but also addressing issues of gender that often intersect equally with oppressive notions of caste and class, so as to tackle the gender biases, operating in favour of men as gender and against women as gender
- not only account for number of people reached or account for giving more and more small loans to a large number of people but also building avenues so as to allow qualitative use of loan for it to bear socio-economic ramifications
- not only building capacity of groups to play multiple roles but also building capacity of organisations so as to strike a balance between their social intervention and financial intermediation roles
- not only build trust, solidarity, cooperative action amongst group members but also between principal-agents i.e. organisations and their members
- not only find ways to effectively regulate the fast growing microcredit sector so as to protect clients from losses but also allow scope for different initiatives recognising the need for flexibility to cater to different client base

Such challenges lead to a set of points as possible suggestions; some of which emerged during the study, some have been loosely making rounds in discussion forums and some are one's own understanding of the microcredit issue:

- Research to precede action so as to avoid a lack of understanding of poor people's needs. Before formulating programmes, one ought to understand how people manage to exist the way they do, otherwise no programme even microcredit can truthfully address the problems besetting the poor and the poorest.
- Ownership to follow entitlements. Uncomfortable issues of inequitable ownership of capital and resources need to be addressed. Allowing women ownership to assets, either individually or jointly,[6] created through entitlements to credit is a step towards challenging the subordinate economic or social positions women find themselves in.[7]

- Loan utilisation and monitoring. This is an important aspect. It is not sufficient to upscale microcredit meaning expanding base, increasing access and aspirations for taking loans. Borrowers must be capable of utilising credit loan. Organisational monitoring and mentoring, both presently geared towards repayment, need to reorient itself to assist borrowers use credit in productive ways.
- Credit plus grant. Organisations may think of initiating a common group fund: an amount set aside from each member's savings and even organisational contribution. This group fund also acts as a revolving fund and can be used in multiple ways as a minimum seed capital grant[8] for the very poor and poorest in the group, be given to group members as credit. It can also be used in times of emergencies by individuals, groups or used for village development activities with the consensus of group members. Use of all funds however needs to be monitored strictly by both the organisations and the groups. There should be both transparency and accountability on both sides.
- New products in terms of savings and credit keeping in mind not only the sustainability of the organisation, but also to meet changing needs and demands of borrowers i.e. being compatible with their economic conditions. For instance, microinsurance including health, crop or wealth insurance is still an unexplored sector. Adequate attention to insurance could lead to protection schemes for the vulnerable poor.[9]
- Balancing interest rates. By charging higher interest rates is likely to keep the same people so far ignored, out of this new people 'friendly' banking system. Thus ways have to be found in terms of internal resource mobilisation, for instance one way is through savings and other related products which should enable organisations to make their efforts cost effective.
- Dynamism of groups should not be overlooked. The leadership and management of most groups continue to be in the hands of NGO and MFI staff. The development of the capacity of these institutions for self-management thus remains an important issue (Tankha 2002). Capacity building of groups can act as a stimulus for using credit in a productive way. For instance, carefully planned training programmes prove productive than programmes which start by implanting new skills. Instead of building on what skills the poor already have, such programmes destroy people's natural capacity thereby making credit utilisation counter productive.
- Drawing up linkages and building networks is to be a continuous effort. This enables group members to learn, network and partner beyond the lo-

cal, village or community facilitating their credit use. Equally significant is the rapport between the organisation and its members. As organisations develop, decentralising and delegating administrative functions at the levels downwards becomes imperative; but no matter how an organisation grows one must try never to lose that close relationship between itself and its members.

- Constant coordination between various stakeholders and sustained policy level advocacy (Vasimalai & Narender 2007). This also calls for a suitable regulatory environment, wherein roles of stakeholders like government, banks, NGOs and MFIs, community based organisations are clearly defined and mutually reinforcing.
- Finally to make any system work also requires a will. Strengthening the transparent functioning of rules and procedures, records and monitoring, and the two way trust system is a must for any successful credit programmes.

Conclusion

Every research has its own limitations leaving scope for further research. The present study given its focus did not touch upon equally significant areas, which add to the benefit of the sector. Three areas which emerged while conducting this study are i) exploring new products and delivery services with focus on the microinsurance sector; ii) brining into focus and discussion the regulatory policies that presently regulate the functioning of the wide spectrum of service providers, how best to regulate without confining service providers' outreach but making them accountable; iii) understanding donor interests and agenda in microfinance sector; their level of conceptualisation in terms of poverty and empowerment, and their indicators to coopt different actors.

On a philosophical note however, further qualitative studies are bound to add on to some of the voices heard through this study. They can only enrich and provide insights to learn the many struggling or empowering situations of women, with or without the indelible tag of microcredit.

'The microcredit sector is now a big enough player' for its success and mistakes 'to be noticed and publicised' (Ghate 2006). Microcredit has emerged as a dynamic business, carried out by a wide spectrum of organisations, pursuing diversity of strategies, each showing its ability to create its own niche in the credit market. In such a situation, it is worthwhile not to chart a route depicting a particular strategy and replicating it as a blue-print. Rather, one needs to appreciate the diversity and learn continuously from diverse and past experiences. This may enable the microcredit sector to better its performance in the future delivering services to the poor.

Since not transformation but profitability overrides microcredit initiatives, whether microcredit is an 'odysseus or interloper' (Srivastava 2005) remains a researchers' predicament. One would nevertheless conclude that microcredit can create opportunities.[10] While its role in poverty alleviation and women's empowerment remain a contentious issue, fostering a new economic ethic, determined spirit of the microcredit sector to upscale seems invincible. In its upscaling, the potential to benefit from greater access to international and local capital markets through such securitization and equity deals as negotiated by SML is significant. What is equally significant is, whether the commercialisation of economic life ushers a symmetrical relation between the lender and the borrower, a means of their mutual prosperity that still remains to be seen. But as Mohd Yunus, pioneer of the Grameen Bank in Bangladesh wrote in a signed autobiography,[11] '*we can change the world*' even deconstruct myths –'*if we have the will*', either individually or collectively.

Notes

[1] It is estimated that of the millions who need (micro) credit in India, not even half get covered. 'Approximately 75 million households need microfinance; 60 million households are in rural India, remaining are urban slum-dwellers' (Fisher & Sriram 2002).

[2] The idea here is not to undermine organisations like SEWA's role in organising informal sector women into a mass movement to struggle for recognition of their work and strive towards equal labour rights and welfare. The belief in general is economic security alone and automatically will lead to social changes within household and beyond.

[3]'Continual basis' is to emphasise that things do not happen overnight but over a period of time. Access to/supply of credit at all times is like 'a back up support' that households may use/need anytime as an input in their ongoing process of moving out of poverty.

[4] Organisations often differ in their cut off/take off period in terms of credit leading to poverty alleviation. In general, average of five years is cited for families to move out of poverty.

[5] This is not to undermine the fact that in the 'absence of wage jobs' microcredit has given individual women an opportunity to realise their calling and earn income.

[6] It may be mentioned that some organisations have started taking measures to ensure that the woman member legally owns any asset bought or created through credit use, either individually or collectively.

[7] Alongside this, advocating not merely for organisations to grow in terms of their deposits or credit rights but also advocating the cause of the poor women at various appropriate platforms with constant lobbying to bring about a awareness and a change in people's perception and attitude (towards women) b) promote gender progressive policies/programmes.

[8] In a discussion, Jan Maes drew my attention to the role of 'microgrant' as another existing tool of meeting financial needs of the poor. At the time of discussion, Jan Maes was Programme Officer for Asia, TUP (Trickle UP), an US based Organisation into microgrants. TUP's experience showed that a minimum seed capital grant allows people at the lowest rung of economic hierarchy to take certain risks, which they may not do so with credit, which has to be repaid. While this too has its limitations (as to what should be the minimum grant, in TUP's case it is 100US$), the point is that organisations perhaps need different modalities to deal with the poor.

[9] SEWA and Sakhi Samiti have both started insurance schemes for their women. Equally significant is to facilitate women's understanding of the microinsurance concept. Presently it is not viewed as a fall back system but more of an added imposed burden.

[10] But there should not be any hurry to achieve short-term success just because microcredit is simply a great idea!!

[11] Yunus, Muhammad (1998) *Banker to Poor*: *Autobiography*. Dhaka: The University Press Limited. I met Prof. Yunus during my visit to The Grameen Bank in October 2000.

Appendices

Appendix A.1
ORGANISATIONAL LEVEL (CHECKLIST OF QUESTIONS)

A. Organisational Profile
1. Name Location Yr. of Establishment
2. History (genesis of the Organisation)
3. Goals and Objectives
4. Area of Operation: (District/Block/Villages)
5. (External) environment within which they operate!
6. Visions and perspectives for the future
7. Assets of the organisation!

B. Organisational Structure
8. Organisational Chart (departments/staff and hierarchies, tasks and responsibilities, Gender Balance within the organisation- representation)
9. Decision-making process
10. Conditions (and agreements) in which information, communication & decision-making flows and takes shape (level of participation)
11. Field staff
13. Members of the organisation

C. Organisational Culture
14. Values and norms that guide the organisational functioning! (Culture and symbolism - notion of women's & men's work, management style of functioning, gender awareness, gender-specific/ neural policies)
15. Mainstreaming 'Gender' (in what sense and how, going beyond mere targeting of women as client borrowers)
16. Staff orientation and how they perceive their roles!
17. Transparency and accountability – internally among staff members and management, organisation and it client members.
18. Grievance redressal mechanism!

D. Organisational Strategy (reducing transaction costs and the principal-agent relationship)
19. Client profile: Who are the 'targeted poor' and why were/are they chosen? Composition of credit borrowers (attitude towards the poor)

20. Accessibility: What is the credit arrangement; how are the rules laid out (savings, credit)
21. Screening: how are the potential borrowers identified (method of lending- different forms of lending)
22. Monitoring: How monitoring of the use of loan is done (record keeping system)
23. Enforcement: what are the rules of repayment (repayment rates, interest rates on loans)
24. Incentives: what are the incentives that check default
25. Donor Dependency: Main source of loanable funds (conditions that guide the partnership)
25. Savings Mechanism (product and services)
26. Non-financial services: what kind of non-financial services, other than credit, advanced by the organisation (e.g. counselling training, marketing)

E. Organisational Influence/Impact

27. As viewed by organisation itself (financial, improving skills, organising women, extending support services, etc. to its client members)
28. Tackling gender based obstacles (financial, economic, socio-cultural, political/legal) at different levels – individual/household/community level
29. Constraints to organisational growth and sustainability
30. How the organisation is influenced by its targeted members to (redefine or) improve organisational policies and procedures
31. Unexpected impact/outcomes!

Appendix A.2
GROUP LEVEL QUESTIONNAIRE

Group Questionnaire No. Date of Interview
Name/No. of the Group District Village
What NGO does this Group Belong to?

A. Group Composition

1. When was the group organised? Year Month
2. Why this group was formed?
3. How was the Group formed? 1.Through NGO 2. Self Initiated 3. Other Group
4. How many members does the group have now?
5. How the group chose its members?
6. Who would they generally exclude?
7. How many group members are literate?
8. Does the group have an executive committee? 1=Yes 2=No
9. If yes, how are the committee members selected?
10. What are their responsibilities?
11. What is the role of the NGO in the functioning of the group?
12. Have there been any drop-outs from the group? How many? Why?

B. Groups' Activities

13. What are the functions of the group?
14. A) How often are meetings held? 1. Weekly 2. Biweekly 3.Monthly 4. Less frequently

B) When was the last meeting? C) How many members attended the last meeting?

15. What topics are discussed at the meetings?
16. Are savings collected at every meeting?
17. A) Is there a penalty for non-attendance? 1=Yes 2=No B) If yes, what is the penalty?
18. A) Is there a penalty for delay in or non-repayment of loan? 1=Yes 2=No

B) What is the penalty for failure to make a loan repayment?

19. How do you monitor your members to check defaults?
20. What kind of tensions emerges between group members?
21. What motivates the group to stay together?
22. How do you ensure collective action?

C. Savings and Loans

23. A) Is the group saving? 1=Yes 2=No B)How much does each member save? C) How was the savings amount determined?
24. Does any member do any voluntary savings within the group?
25. Does the group have a bank account? 1=Yes 2=No
26. What is the group fund? (Amount includes fees, fines, income plus outstanding loans and money in the bank)

27. Are their any restrictions for withdrawal? Can a member withdraw her savings at any time?
28. So members earn interest on their savings? If, yes what is the interest earned?
29. What are the criteria for receiving loans?
30. How does the group decide as to who would be the first few takers of the loan amongst all the loan seekers?
31. What are the purposes for which loan is given? Specify.
32. How many members of the group currently have a loan from group fund or from the bank?
33. A) Does the demand for loans exceed the amount of the group fund? 1=Yes 2=No B) If yes, then how does the group intend to address such a situation?
34. A) How many women are behind in repayment of their loans? B) How many loans have never been repaid?
35. How many members are involved in any income generation activity?
36. How many members were involved in any income generation activity before they joined the group?
37. Does your group maintain records? 1=Yes 2=No
38. Who keeps the record for the group? Do you seek outside assistance?
39. Do you understand the way records are kept and maintained?
40. Are you capable of maintaining records without any outside help?

D. Group in relation to other group/s

41. Do staff of NGO regularly visit you?
42. A) Do they influence your functioning? If yes, in what ways? B) Are you able to influence their functioning?
43. A) Can you function independently of the NGO? 1=Yes 2=No B) If No, what kind of assistance do you continue to require?
44. Do you interact with other groups? In what ways?
45. Has your group joined any other group for a community improvement project? If yes, What are these projects?
46. Has your group by itself initiated any community development project or campaign? If yes, what are these projects?
47. A) Do you find it easy to interact or network with other groups? B) If No, what are the difficulties faced? C) Does the NGO help you in interacting with other groups/networks?

E. Group Benefits (as perceived by members)

48. What are the benefits you perceive by being in a group?
49. A) Does being in this group help you to influence your status/standing within your own household? If yes, how? B) To what extent you think gender roles and/relations have been redefined?
50. Has being in a group enabled you to play active public roles? (e.g. village welfare activities, becoming a panchayat member etc.)
51. Do the members find any attitudinal change amongst men towards these women? If yes, what are these changes?
52. What has been the greatest benefit of participating in the group?

Benefits	Indicate Order
Greater Access to Capital	
Networking and meeting different people	
Collective action towards community/village improvement	
Raise in General Awareness and Knowledge	
Training in capacity Building (Skill improvement)	
Enhancement of Status within household	
Sense of Accomplishment	
Other (Specify)	

53. What is the future dream of the group? Where do you see yourself two/five years from now?

Appendix A.3
HOUSEHOLD LEVEL QUESTIONNAIRE

Village-Block-District:
Questionnaire No. Date of Interview Name of the Group/Group No.
Name of the Respondent Household head:
Caste: Religion: Member/Non-Member:

A. Household Profile

Sl.No	Name	Relation-ship to HH head	Sex	Age	Marital Status	Educa-tion	Occupation	
							Primary	Secon-dary

1. How many persons in the family are engaged in work that earns income
2. No. of economically active members
3. a) How many children are attending school now? Girls: Boys: b) How many school age children are not attending schools? Girls: Boys: c) Reasons for not attending/sending Children to School:

B. Respondent's Specific Activities

4. A) What are the different activities you engage yourself in through out the day. Write everything mentioned by the respondent. B) Discuss and also do a time Allocation of Activities denoting respondent's cycle of activities throughout the day

: Household (caring) activities
: Income generation activities
: Personal use (for leisure/relax)
: Networking Time (attending group meetings)

5. In the activities stated by the respondent, ask her who others in the household voluntarily assist/help her or she seeks assistance/help in undertaking any of the household activities (include income generation activities):

Name	Relationship to the Respondent	Nature of Assistance	Time Allocation of the person giving such assistance

C. Joining Credit Groups (* Questions to Members only)

6. *A) When did you join a credit group/SHG? *B) What was the need/reasons to join credit group/SHG? *C) How did the household manage before? D) What are the reasons for credit use/purpose of credit? : 1. Basic consumption needs 2. Housing/Shelter Purposes 3.Meeting social rituals/rites (death/marriage, festivals, etc) 4. Pay health related costs 5. For Education 6.Investment (in business, buy gold/jewelry etc.) 7. Old debt repayment 8. Savings 9. Other (Specify) E) What do you use most of the credit money for? Second Most Use of Credit: (Use same code as 6D)
7. A) How do you access credit (Sources of Credit): 1. SHG Group Fund 2.SHG-Bank Link 3. Bank/Cooperative 4.MFI 5.Moneylender 6. Family/Friends 7.

Other Source/s (Specify) B) Have you or anyone from your home ever approached a bank for a loan on your own? 1=Yes 2=No C) If yes, was it before or after joining the SHG/credit group?

8. A) Who has the responsibility for repayment of credit loan? b. How do you plan your repayment? c. How do you check default situations, if any?
9. * Can you cite any prime reason (or a turning point), which made you enter/join and remain in a credit network or SHG?
10. * Can you tell us any benefits of joining a credit group (other than credit). Do not read list -check all that apply: 1. Training 2. Improving Skills 3. Expanding Networks 4. Awareness 5. Feeling of Accomplishment/recognition 6. Other (Specify)----

D. Resource Access and Control (entire Section for 'members' except for Q.17)

11. Before joining credit group/SHG what kind of barriers did you face accessing credit?
12. What kind of difficulties you face now, if any?
13. A) Once you get a credit loan do you hand it over to someone else? 1=Yes 2=No. B) If yes, Who?
14. A) Who decides what use the money should be put into? B) b. Do you currently have any loans? 1=Yes (Specify source) 2=No C). How much is currently owed? D) What is the interest rate? E) What was the primary reason for taking the loan?
15. A) Do you have control over the loan amount you get? 1=Yes 2=No. B) If yes, how do you exercise the control?
16. A) Did you buy or invest in any asset with the loan? 1=Yes 2=No B) In whose name is the asset owned?
17. Do you have any legal ownership/entitlement (in your name) in your Household land/house? 1. Only Land 2. Only House 3. Both 4. None 5. Any other asset (specify)

E. Before and After Changes Perceived by Borrowers - Impact on Household (Poverty Alleviation) (* Questions to Members only)

18. * A) Over the last 12 months, has your household income: 1. Decreased a lot 2. Decreased a little bit 3. Stayed the same 4. Increased a little bit 5. Increased a lot 6. Can't say B) Do you see your access to credit as a reason for any change in the household income? Yes/No * C) If Yes, how did credit influence your household income?
19. * A) Has your household's diet undergone any change during last 12 months? Did it 1.Worsened 2.Improved 3. Stayed the same 4.Can't Say B) During the last 12 months was there ever a time when it was necessary for your household to eat less either because of lack of food or lack of money to buy food? 1=Yes 2=No C) If yes, how long did this period last? 1. (Specify no. of days/months) 2.Can't say. D) What did your household do to get through this situation? (Multiple answers possible) 1. Borrowed money from friend/relative at no cost 2. Borrowed money at

cost 3. Sold Personal property 4. Someone in the family migrated to seek work 5.Other (Specify)

20. * A) Did you make any repairs, improvements or additions to your home during the last 12 months? 1.Yes 2.No * B. Has your number of household assets increased after you became part of credit group/SHG? 1.Yes 2.No C) Could you please indicate if you or anyone in your household owns any of the following assets? Please indicate whether these assets were acquired/purchased after getting your credit loan/s.

Assets	Does anyone in the household own this?		Tick items acquired after getting credit loan	Was this loan part of any SHG fund or SHG-Bank Link Fund	
	1=Yes	2=No		1=Yes	2=No
Household Assets:					
Watch					
Electric Bulb					
Television					
Fan					
Radio/tape recorder					
Sewing machine					
Kerosene/Gas Stove					
Gold Jewelry					
Bronze/Copper Utensils					
Other Household Asset above Rs.500 (Specify)					
Productive Assets:					
Cycle Rickshaw					
Pickup trolley/Thela					
Chopper Machine					
Pump Set					
Bicycle					
Motorcycle					
Tractor					
Carts					
Cow/Buffalo					
Other Productive Asset above Rs.500 (Specify)					

21. A) How much land does your family own or cultivate

Land Type →	Owned & Self cultivated	Owned & cultivated by others	Self cultivated belonging to others	Public Land
Unit of Measurement				

*B) Is the food sufficiency from Land adequate for 1.11months or more 2. 8-10 months 3. 6-7 months 4. 3-5 months 5. Adequate for less than 3 months of the year

22. * A) What livelihood activity brings the most income or plays the biggest role in sustaining your household? B) With access to credit have you started any new or expanded on the already existing activity? C) If started a new activity, Specify.

23. Housing

Is it a kucha/ Pucca House	No. of Rooms	Does it have electricity	Private Latrine	Separate Bathing Space for Women	Source of Drinking Water	Separate space for Kitchen	Separate space for animals

24a. Savings Mechanism of the household

Savings Method	1=Yes 2=No	After Joining Credit/SHGs
SHG/Committees		
Bank/MFI		
Post Office		
Money Lender		
At Home		
Jewellery		
Small animals (Saleable)		
Insurance		
Other (Specify)		

24. *B) Do you save more now than you did before joining credit/SHG groups

*25. In what ways do you think joining SHGs/credit groups has brought newer opportunities for you? Or do you think there has been expansion of opportunities?

*26. Has joining SHGs enabled you to make different choices? What choices are these?

F. Decision-Making and Bargaining Power (Members only)

27. Who usually takes all the decisions in your household? 1. Self 2. Husband 3.Male relative (father, brother, brother-in-law, father-in-law…) 4. Female relative (Mother, mother-in-law, aunt…) 5. Decision-making shared between husband and wife 6. Others 7. Can't Say
28. Can you take decisions independently in the household? What decisions do you make independently?

29. Who usually decides when it comes to

Decision	Who Usually Decides (Use Code from Q.27)
Children's Education	
Sending Daughters to School	
Asset Purchase or Sale	
Family Planning	
Children's marriage	
Taking Loans	
Use of SHG Loans	
Livelihood Investments	
Visiting your Natal Family	
Spending on your own self (e.g. buying clothes, jewelry etc.)	

30. A) In what ways do you or have you participated in any community and/or civic activities? B) Was this activity part of SHG/group that you have joined? 1=Yes 2=No C) Do you hold any leadership position within this group? 1=Yes 2=No. If yes, what position is this? D) Who asked or motivated you to join such a group? E) Do you face any resistance from your home in joining/ participating in activities outside household domain? 1=Yes 2=No. If yes, what kind of resistance?
31. A) Do you feel your involvement in decision-making has increased in any ways? 1=Yes 2=No B) If yes, in which areas do you feel your decision-making has increased? C) Are you able to negotiate your time and tasks/responsibilities with other members in the family? What are these tasks/responsibilities. D) Do you get to keep a portion of household earnings to use as you desire?

G. Changing of Habitus (Members Only)

32. A) Has joining SHG increased your mobility and interaction (visiting friends and relatives) and participation in activities outside the household? 1=Yes 2=No B) If yes, How? What have all you been engaged in outside household activities?
33. A) Did you suffer any beatings from your husband or family members in the past six months? 1=Yes 2=No 3=No comments B) Was there a particular reason/s? 1. (Specify) 2. No comments.
34. A) Do you find any attitudinal changes of family members towards you after you became part of any SHG/Group? 1=Yes 2=No B) If yes, what changes are these? C) Do you see any change in your perception of your own self after you became part of SHG? What are these changes?
35. What significance does being part of a group has for you?

H. Other changes (Members Only)

36. Do you think being part of SHG/group has enhanced the social status/standing of your household? How do you explain this enhancement?
37. Has being part of SHG/group changed attitude or practices towards children's' (specially girl child) education and marriage?

38. Has it also reduced tensions, if any earlier, within the household? (for e.g. if there was domestic violence)
39. A) Has joining SHG/group increased your general awareness/knowledge regarding anything? B) What are these things? C) Has increased access to information led to possibilities for development of other social and political roles?
40. Has it allowed you access to networks and markets giving wider experience of the world outside the home? How have used this experience, if at all?

I. Talk to a male member in the household

Name: Relationship to the Main Respondent (Member):

41. A) How do you perceive the role of credit? B) Do you feel access to credit has been made easier by women forming SHGs/credit groups? C) How do you decide to use the loan amount once the woman member receive it?
42. Do you influence the woman member in availing the credit services (to which women have access)?
43. Do you see a change in women's role in financial and economic areas by their joining groups and accessing services like credit? How?
44. Do you feel women now have greater economic autonomy? Why?
45. Do you feel women are becoming more empowered? How and Why?
46. Do you think this access to credit has enhanced women's bargaining/ decision-making power within the household or changed their status in any way? How?
47. What are the changes taking place in the way decisions are made in the household? How do you perceive its impact?

J. Non-Member (Additional Questions)

48. Why did you not join any SHG? Are you thinking of joining?
49. Do you think being part of SHG/group has enhanced the social status/standing of women within and outside their household? How do you explain this enhancement?
50. Do you think being part of SHGs helps increase one's knowledge base and facilitates in other things such as creating wider linkages? How?
51. Do you think this access to credit enhances women's bargaining/ decision-making power within the household or changes her status in any way? How?

Appendix A.4 **Members-Non-Members/Household Profile (SEWA BANK**)

Visit: August-September 2004 Abbreviations: **SBM** - SEWA Bank Member **NMR** - Non Member Rangpura MS -Marital Status: M-Married S-Single W-Widow FS - Family Size IEM-Inome Earning Members Rel.-Religion

ST-Scheduled Tribe **OBC (T/R)**- Other Backward Castes (Thakore/Rabbari) **GC** - General Caste **Edn** -Education: **Illi**-Illiterate H/M/P Schl - High/Middle/Primary School

HH-Household **ML**-Moneylender **Agri** - Agriculture **C.lab** - Casual/contract skilled/unskilled lab Bus -Business NA- N

HT- Housing Type: P-Pucca K-Kucha K/P - Kucha/Pucca 1US$ - 44/45 INR (Indian Rupees) * Converted from Bigha, 1 Acre = 1.5 Bigha approx.

MEMBERS/HOUSEHOLD PROFILE

Sl.No	Age (approx)	Caste/ Rel.	MS	Edn	FS	IEM	Primary Occupn (PO) Self	PO (Husband)	HH Income (Secondary/ Other Sources)	Land (Unit in Acre)*	HH Income (monthy- Av. in Rs)	HH Credit Sources	Loan Purpose	HH Savings	HT	Any other Comments
SBM1	33	OBC(T)	M	P.Schl	6	2	SEWA	Agri, SEWA	None	>3	2500-3500	SHG	Housing, Inv	Multiple	P	Very active with SEWA, took loans earlier from SHG
SBM2	19	GC	S	MSchl	7	4	SEWA	NA	Multiple	Landless	2000-2500	Fr/Family,ML	HH	Multiple	P	SEWA worker, father as a priest depends on village offerings
SBM3	35	OBC(T)	M	Illi	4	1	Housewife	Shop	Agri	<2	2500-3500	None	None	Multiple	P	Sometimes sits in the Shop;also leader Jeevika SEWA Mandal
SBM4	40	OBC(T)	M	Illi	5	4	Agri Lab	Agri Lab	Coal Making	Landless	1500-2000	None	None	SHG	K/P	Has land, sold for son's wedding, part mortgaged- says unlkley to reclaim
SBM5	50	OBC(T)	M	Illi	6	5	Agri	Agri	None	>3	1500-200	ML	HH, Agri	SHG	K/P	
SBM6	40	OBC(T)	M	Illi	5	4	Housewife	Agri	Coal Making	>3	2000-2500	Friends/Family	HH	SHG	K	
SBM7	25	OBC(T)	M	P.Schl	5	2	Agri Lab	Shop	None	Landless	1500-2000	ML	HH	SHG, S(S)A	P	Husband runs a flour shop
SBM8	35	OBC(T)	M	Illi	5	2	Agri	Agri	None	2	1500-2000	Fr/Family,ML	HH	SHG, S(S)A	P	
SBM9	40	OBC(T)	M	Illi	6	2	Agri Lab	Agri Lab	Coal Making	Landless	1500-2000	ML	HH, Animals	SHG	P	Of the four children, two (IB IG) drop outs.
SBM10	35	OBC(T)	M	Illi	8	6	Agri, SEWA	Agri	Coal Making	>3	1500-2000	Friends/Family	HH, Housing	SHG	P	gets paid as SEWA worker in Jeevanshala
SBM11	25	OBC(T)	M	Illi	6	2	C Lab	C Lab	None	Landless	2000-2500	ML	HH, debts	SHG	P	Had 6 Bigha land, mortgaged; now go as labour for housing/construction work
SBM12	30	OBC(T)	M	Illi	2	1	Housewife	Agri	None	2	1000-1500	None	None	SHG	P	
SBM13	24	OBC(T)	M	Illi	5	2	Agri Lab	Agri Lab	None	Landless	1000-1500	Friends/Family	Housing	SHG	K	
SBM14	38	OBC(T)	M	Illi	6	2	Housewife	Agri Lab	None	Landless	1000-1500	Friends/Family	HH	SHG,Ins	K	
SBM15	22	OBC(T)	M	P.Schl	6	2	Housewife	Agri Lab	None	Landless	1000-1500	None	None	SHG	P	Earlier was running SEWA's Aganwadi centre; it has closed down
SBM16	38	OBC(T)	M	Illi	5	4	Agri Lab	Agri Lab	C Lab	Landless	1000-1500	Friends/Family	Housing	SHG	P	
SBM17	40	OBC(T)	M	Sign	6	2	Agri, SEWA	Agri	Coal Making	1	2000-2500	Fr/Family, ML	HH, Housing	Multiple	P	Land mortgaged, gets paid as SEWA worker, also group leader
SBM18	30	OBC(T)	M	Illi	7	3	Agri Lab	Agri Lab	None	Landless	1500-2000	ML	HH, Health	SHG	P	
SBM19	45	ST	M	Illi	8	4	Petty Busin	Agri	None	>3	1500-2000	ML	Hous'g,Health	SHG	P	She sells bangles travelling village to village, door to door
SBM20	30	OBC(T)	M	Illi	5	2	Agri Lab	Agri Lab	None	Landless	1000-1500	Friends/Family	HH	SHG	K	
SBM21	35	OBC(T)	M	Illi	6	3	Agri,SEWA	Agri	Masonary	>2	1500-2000	Multiple	HH, Animals	SHG, S(S)A	P	Mortgaged 1 bigha land, gets paid as SEWA worker (in Jeevanshala)
SBM22	30	OBC(T)	M	P.Schl	5	2	SEWA	Driver	None	Landless	3500-4500	ML,Friends	IG	SHG, Ins	P	Loan for husband's drving license; SEWA worker-Jeevanshala (Informal school)
SBM23	35	OBC(T)	M	Illi	7	2	Cook	Cook	Tailor,Ag Lab	>3	1500-2000	ML	HH,Agr.	SHG	P	Cooks in a Schl, 4 Bigha mortgaged,looks after someone else's cattle (gets milk)
SBM24	20	OBC(T)	M	Illi	4	2	Agri Lab	Agri Lab	None	Landless	1000-1500	Friends/Family	HH	SHG	K	
SBM25	50	OBC(T)	M	Sign	8	6	Agri Lab	Agri Lab	C Lab	<2	2000-2500	ML	HH,Housing	SHG	P	3 Bigha land mortgaged
SBM26	19	OBC(T)	M	Illi	2	2	C.Lab	C.Lab	Agri.Lab	Landless	1000-1500	Friends/Family	HH	SHG	K	
SBM27	50	OBC(T)	M	Illi	7	3	Agri	Agri	Driver	>1	3500-4500	Friends/Family	HH	SHG	P	Son as a driver earns nearly Rs.3000 p.m.
SBM28	45	OBC(T)	M	Illi	8	4	Agri	Agri	None	>30	2500-3500	Friends/Family	HH	SHG	P	Family with seven children, two girls dropped out of school to help in HH chores
SBM29	26	OBC(T)	M	Illi	5	2	Agri Lab	Agri Lab	C Lab	4	1000-1500	ML	HH,Health	SHG	K	Land mortgaged
SBM30	36	OBC(R)	M	Illi	8	3	Agri	Livestock	None	>3	2000-2500	Friends/Family	HH, Housing	SHG	P	
SBM31	45	OBC(R)	M	Illi	4	4	Agri	Livestock	C Lab	>3	1500-2000	ML	Housing	SHG	P	House constructed with SEWA's help; gave it to one son, staying separately
SBM32	40	OBC(R)	M	Illi	6	2	Agri	Agri	Livestock	>6	2500-3500	ML	Edn, Housing	SHG	P	Has three sons all studying in another city
SBM33	34	OBC(T)	M	Illi	6	2	Agri	Agri	None	>6	1500-2000	ML	Health	SHG	P	Says land is under sharecropping
SBM34	22	OBC(R)	M	Illi	6	5	Agri	Agri	Sells Milk	<5	2000-2500	Fr/Family,ML	Housing	SHG	P	Her S-i-L, 14 yrs is School drop-out and goes for agri. Work
SBM35	30	OBC(T)	M	Illi	7	2	Housewife	Service	Livestock	<2	4500-5500	Bank	Investment	Multiple	P	Land given for sharecropping
SBM36	25	OBC(R)	M	Illi	3	2	Balwadi	Agri	Sells Milk	2	2000-2500	Friends/Family	Housing	SHG, Ins	P	Cooks in the Pvt.Balwadi (0-6yrs) centre; goes for agri. work occassionaly
SBM37	35	OBC(T)	M	Illi	5	4	Agri Lab	Agri Lab	None	>6	1500-2000	ML	Housing	SHG,home	P	Own land mortgaged;doing sharecropping
SBM38	26	OBC(T)	M	Illi	5	2	Agri	Agri	None	<5	2000-2500	ML	Housing	SHG	P	
SBM39	55	OBC(T)	M	Illi	2	2	Agri Lab	Agri Lab	None	Landless	1000-1500	Friends/Family	HH, Housing	SHG	P	

NON MEMBERS/HOUSEHOLD PROFILE

Sl.No	Age (approx)	Caste/ Rel.	MS	Edn	FS	IEM	Primary Occupn (PO) Self	PO (Husband)	HH Income (Secondary/ Other Sources)	Land (Unit in Acres)*	HH Income (monthy- Av. in Rs)	HH Credit Sources	Loan Purpose	HH Savings	HT	Any other Comments
NMR1	45	OBC (T)	W	Illi	7	4	Agri Lab	NA	Coal Making	Landless	1000-1500	Fr/Family,ML	HH,Housing	None	P	Saved with SHG now stopped, daughter died, looks after the g.daughter,other children not attending school
NMR2	35	OBC (T)	M	Illi	8	1	Housewife	Coal Making	C/Agri Lab	Landless	2000-2500	None	None	Home	K	Knows craft work, her husband does not allow her to go out, pregnant, six children
NMR3	40	OBC (T)	M	Illi	7	4	Agri Lab	Agri Lab	Sells Milk	<5	1500-2000	ML	Housing	None	P	Land mortgaged
NMR4	50	OBC (T)	M	Illi	2	2	Agri Lab	Agri Lab	None	2	1000-1500	Friends/Family	HH	None	P	Land mortgaged
NMR5	30	OBC (T)	M	Illi	7	2	Agri Lab	Agri Lab	Coal Making	<2	1500-2000	Friends/Family	Housing	S(S)Animals	K	Land given under sharecropping
NMR6	40	OBC (T)	M	Illi	7	2	Agri Lab	Agri Lab	Coal Making	<2	1000-1500	Friends/Family	Housing	None	P	Ten days ago started coal making, feels it's a profitable venture
NMR7	55	OBC (T)	M	Illi	4	3	Agri	Runs Shop	None	>30	3500-4500	Friends	Agri	Bank, Home	P	Others have mortgaged land with them
NMR8	36	OBC ®	M	Sign	5	1	Housewife	Service	None	>3	3500-4500	None	None	Home	P	Has someone's land mortgaged with them
NMR9	34	OBC (T)	M	Illi	7	2	Agri	Agri	None	4	2000-2500	Friends/Family	HH	Multipe	P	Has five children all going to school or to Balwadi
NMR10	32	OBC (T)	M	Illi	7	2	Agri	Agri	Coal Making	10	2000-2500	ML	Agri, HH	Home	K	Started recently coal making
NMR11	55	OBC (T)	M	Illi	2	2	Agri Lab	Idle	None	Landless	<500	Friends/Family	HH	None	K	Has four sons - all stay separately, occasionally helping/giving food
NMR12	65	OBC (T)	M	Illi	8	4	Agri	Agri	Coal Making	5	2000-2500	None	None	Bank	P	
NMR13	50	OBC (R)	M	Illi	5	4	Livestock	Agri	None	4	1500-2000	ML	IG	Home	P	Rearing goats
NMR14	55	OBC (T)	M	Illi	6	5	Agri	Agri	None	>15	2500-3500	Bank,ML	Agri, HH	Multiple	P	5 Bigha mortgaged for wedding purpose
NMR15	50	GC	M	P.Schl	2	1	Housewife	Temple Work	None	Landless	<1000	None	None	None	P	Depends on villagers offerings or contributions during festivals
NMR16	24	OBC (R)	M	Illi	6	4	Livestock	Livestock	Agri Lab	Landless	1500-2000	ML	Housing	None	P	rearing Sheep
NMR17	28	OBC (T)	M	Illi	6	2	Agri	Agri	SEWA	10	1500-2000	None	None	Home, Post Off	P	Husband works as a SEWA worker under Jeevika
NMR18	25	OBC (T)	M	Illi	5	2	Agri	Agri	None	>3	1000-1500	Friends/Family	HH	None	P	
NMR19	30	OBC (T)	M	Illi	4	3	Agri	Agri	None	<2	1000-1500	Fr/Family,ML	HH, Health	None	P	Own land mortaged, now working under sharecropping
NMR20	35	OBC (T)	M	Illi	5	5	Agri	Runs Shop	None	>13	2000-2500	ML	Housing	Home	P	

Appendix A.5 **Members-Non-Members/Household Profile (SHARE Microfin Limited)**

Visit: November-December 2003 Abbreviations: **SMP/M** - SML Member Pallipadu/Mallaram

NMP/M- Non Member Pallipadu/ Mallaram **MS** -Marital Status: **M**-Married **S**-Single **W**-Widow **FS** - Family Size

Rel.-Religion SC-Scheduled Caste, GC-General Caste, BC- Backward Caste, Mus-Muslim, Chr- Christian

Edn -Education: **Illi**- Iliterate **H/M/P Schl** - High/Middle/Primary School **HH**-Household **ML**-Moneylender **Agri** - Agriculture

C.lab - Casual/contract skilled/unskilled lab Bus- Business Bsk Weav'g - Basket Weaving NA- Not Applicable

IG-Income Generation Ins- Insurance HT- Housing Type: P-Pucca K-Kucha K/P - Kucha/Pucca

1US$ - 44/45 INR (Indian Rupees) * Converted from Bigha, 1Acre = 1.5 Bigha approx.

MEMBERS/HOUSEHOLD PROFILE															
Sl.No	**Age (approx)**	**Caste/ Rel.**	**MS**	**Edn**	**FS**	**Income Earning Membs**	**Primary Occupn (PO) Self**	**PO (Husband)**	**HH Income (Secondary/ Other Sources)**	**Land (Unit in Acre)***	**HH Income (monthly- Av. in INR)**	**HH Credit Sources**	**Loan Purpose**	**HH Savings**	**HT**	**Any other Comments**
SMP1	27	BC	M	P.Schl	5	2	Runs Shop	Bus	Agri	<1	2500-3500	SML, DWCRA	IG	Mutiple	P	Money from business, at times lends it to others at 3%.
SMP2	38	GC	M	P.Schl	6	2	Tailoring	Bus	Sells Milk	Landless	3500-4500	SML, DWCRA	Buy Animals	Mutiple	P	
SMP3	40	ST	M	M.Shcl	5	2	Tailoring	RMP	Sells Milk, LIC	Landless	45005500	SML, DWCRA	IG	Mutiple	P	Income from RMP has gone down with 3/4 RMPs present in the village.
SMP4	22	BC	M	M.Schl	2	2	Agri Lab	C Lab	Bus	Landless	2500-3500	SML, DWCRA	IG	Mutiple	K	Last Loan taken from SML sometime ago; hasn't applied for further loan
SMP5	45	Chr	M	Sign	5	2	Runs Shop	Runs Shop	Agri Lab	Landless	1500-2000	Multiple	IG,HH	SML,DWCRA	P	Converted to Christianity; had land but sold to pay dowry
SMP6	35	BC	M	Sign	4	2	Runs Shop	Runs Shop	None	Landless	2000-2500	Multiple	IG, HH	SML	K/P	The family has two shops
SMP7	40	GC	M	M.Schl	4	4	Runs Shop	Carpenter	Multiple	Landless	Did Not Say	Multiple	Buy Animals	Mutiple	P	Shop before SML, Sons-Mechanic, Photographer
SMP8	32	BC	M	Sign	5	2	Bsk Weav'g	Bsk Weav'g	Cook	Landless	1000-1500	SML, DWCRA	IG	SML,DWCRA	K	Planning to buy a small plot in another area as investment for future
SMP9	35	BC	M	Sign	5	2	Runs Shop	Agri	None	<1	2500-3500	SML, DWCRA	IG	SML,DWCRA	K/P	She is planning to buy buffaloes to sell milk.
SMP10	32	BC	M	P.Schl	3	2	Bsk Weav'g	Bsk Weav'g	Agri Lab	Landless	2500-3500	SML, DWCRA	Health	Mutiple	K	Her husband goes to nearby places to sell their bamboo products.
SMP11	20	BC	M	P.Schl	5	4	Bsk Weav'g	Bsk Weav'g	Agri Lab	Landless	2500-3500	SML	IG	SML,Home	P	
SMP12	35	BC	W	Sign	3	2	Agri	NA	Mechanic	<1	2500-3500	Multiple	New IG	SML,DWCRA	K	Also restarting her shop which was on rent for last five years.
SMP13	40	BC	M	Sign	6	2	Runs Shop	Runs Shop	Agri, Sells Milk	>1	2000-2500	SML, DWCRA	IG, HH	Mutiple	P	Shops sells primarily kerosene oil; Has some land lying uncultivated.
SMP14	30	Chr	W	Sign	4	1	Runs Shop	NA	Goatery	Landless	1000-1500	SML	IG	SML,FD	P	Goatery business not doing well. Employed a man to look after it.
SMP15	40	BC	M	Sign	4	3	Agri	Agri	Multiple	>1	2000-2500	SML	Buy Animals	SML,Ins	P	Her husband sells fish, also does masonary work
SMP16	35	BC	M	Sign	4	3	Agri	Agri	Sells Fish	<1	2500-3500	SML, DWCRA	IG, Animals	SML	P	Says 30 people invested in a small pond, started the fishing business
SMP17	35	BC	M	P.Schl	4	2	Agri Lab	Barber	None	Landless	2500-3500	Multiple	Debts	Mutiple	P	
SMP18	40	Chr	M	Sign	5	4	Runs Shop	Agri	Multiple	Landless	4500-5500	SML, DWCRA	IG, Animals	Mutiple	P	Also sells milk; husband spervises someone's field; one son - teacher
SMP19	32	BC	M	Sign	5	2	Sells Milk	C Lab	livestock	<1	2500-3500	SML, DWCRA	Agri, Animals	Mutiple	P	Husband works as a loader in a rice mill; gets 3 kilos of rice everyday.
SMP20	40	BC	M	Sign	5	2	Bus	Driver	Sells Milk	<1	2500-3500	SML	Buy Animals	SML,Ins	P	The respondent confides her business is that of selling liquour
SMM21	40	BC	M	Sign	5	4	Bsk Weav'g	Bsk Weav'g	C Lab	Landless	2500-3500	SML, DWCRA	IG, HH	Mutiple	K/P	When no supply of Bamboos, husband-wife may go for agri work.
SMM22	40	Chr	M	P.Schl	4	2	Dairy	Dairy	Bus, Agri Lab	Landless	3500-4500	SML, DWCRA	IG	Mutiple	P	Presently have 15 buffaloes. Also sell 'dung' used for cooking
SMM23	45	BC	M	Sign	7	4	Sells Milk	Driver	Cleaner	<1	4500-5500	SML, DWCRA	Buy Animals	Mutiple	P	Her husband and Son come home fortnighlty.
SMM24	50	Chr	M	Sign	2	2	Fishing	Fishing	Bsk Weav'g	Landless	2000-2500	SML, DWCRA	IG	Mutiple	K	Joined a fishing society,members allowed to fish from a nearby lake.
SMM25	35	BC	M	Sign	5	2	Bsk Weav'g	Bsk Weav'g	Bus	Landless	2500-3500	SML	IG	SML,Ins	P	Buy from traders and sell visiting people's home or at an open market.
SMM26	20	SC	M	P.Schl	3	1	Housewife	Poulty	None	2	2500-3500	SML	IG	SML,P.Office	K	They pay an yearly rent for the land taken for poultry.
SMM27	28	SC	M	P.Schl	4	2	Poultry	Agri	Bsk Weav'g	3	4500-5500	Multiple	IG, Edn	Mutiple	K	Part of the land they own is also given to others for cultivation.
SMM28	32	SC	M	M.Schl	5	4	Runs Shop	Dairy	Private	Landless	3500-4500	SML,ML	IG	Mutiple	K	The family has two shops - one sells grocercies another vegetables.
SMM29	33	Chr	M	Sign	4	2	Housewife	Tailor	Agri Lab	<0.5	2000-2500	SML,DWCRA	IG	Mutiple	K	She would like all of the family members to join the tailoring business.
SMM30	32	BC	M	Sign	5	3	Vendor	Vendor	Multiple	Landless	2000-2500	SML,DWCRA	New IG	SML,DWCRA	P	Sells milk, washes clothes, also goes for agri.lab
SMM31	35	SC	M	Sign	5	2	Housewife	Driver	None	Landless	2500-3500	Multiple	IG, debts	Mutiple	K	Shop earlier, sold to get their daghter married. Auto not with SML loan
SMM32	30	SC	M	P.Schl	5	2	Agri Lab	Driver	Vendor	Landless	3500-4500	Multiple	IG, Animals	Mutiple	P	Doesn't know where & how much her husband took loan to buy auto.
SMM33	45	Chr	M	Sign	5	2	Runs Shop	Livestock	None	<1	2500-3500	SML,DWCRA	IG ,Animas	Mutiple	P	Hsband purchases and sells buffaloes selling around 3/4 per month.
SMM34	25	BC	M	Sign	4	2	Bsk Weav'g	Bsk Weav'g	Agri Lab	>2	2000-2500	SML	IG	Mutiple	K	The land they have is in another town.
SMM35	30	BC	M	Sign	5	2	Sells Milk	Agri	None	1	2000-2500	SML,DWCRA	Agri	Mutiple	K	Started growing vegetables; wants to invest in a cart to go out & sell
SMM36	40	ST	M	Sign	3	2	Bsk Weav'g	Bsk Weav'g	Agri Lab	Landless	1500-2000	SML,DWCRA	IG, debts	Mutiple	K	She also started piggery but she faced loss in that business.
SMM37	35	BC	M	Sign	5	2	Agri Lab	Agri Lab	Milk, Washing	Landless	1000-1500	SML,DWCRA	HH, Animals	Mutiple	P	Added small animals recently, feels handy in times of financial needs

NON MEMBERS/HOUSEHOLD PROFILE																
Sl.No	**Age (approx)**	**Caste/ Rel.**	**MS**	**Edn**	**FS**	**Income Earning Membs**	**Primary Occupn (PO) Self**	**PO (Husband)**	**HH Income (Secondary/ Other Sources)**	**Land (Unit in Acre)***	**HH Income (monthly- Av. in Rs)**	**HH Credit Sources**	**Loan Purpose**	**HH Savings**	**HT**	**Any Other Comments**
NMP1	35	BC	M	Sign	5	2	Runs Shop	Dairy	Agri	2	2500-3500	DWCRA, ML	IG	Multiple	P	With SML earlier; her daughter died, takes care of her two g.daughters
NMP2	33	GC	M	M.Schl	4	2	Restaurant	Restaurant	None	Landless	2500-3500	ML	IG	Chit Fund	K	One son, 16 yrs dropped out of M.Schl to help his parents in business
NMP3	45	SC	W	illi	2	2	Runs Shop	NA	Driver	Landless	2500-3500	None	None	Home	K	
NMP4	38	Mus	M	P.Schl	3	2	Poultry	Poultry	Mechanic	Landless	3500-4500	Multiple	IG	Multiple	P	Started the shop to take care of daily Household expenses
NMP5	40	Mus	M	Illi	7	5	Agri Lab	Goatery	Mechanic	Landless	2000-2500	ML, Friends	HH	Home	K	Husband - problems in his legs, lot of responsibilities thus falls on her
NMP6	30	Mus	M	P.Schl	4	2	Agri Lab	Masonary	Agri Lab	Landless	1000-1500	None	None	Home, Ins	K	Husband not in favor of her joining a group. Plus no one has asked
NMM7	25	SC	M	Sign	5	1	Housewife	Driver	Agri Lab	Landless	1000-1500	None	None	S(S) A	K	Husband is prone to liqour.
NMM8	29	Chr	M	Sign	5	2	C Lab	C Lab	Agri Lab	Landless	1000-1500	Fr/Relatives, DWCRA	HH	DWCRA	P	Doesn't want to take loan, says husband would not take responsibility.
NMM9	25	BC	M	Illi	5	1	Housewife	Goatery	None	Landless	<1000	ML	HH	None	K	Husband sells goat but no regular inome.
NMM10	30	BC	M	Sign	5	2	Bsk Weav'g	Bsk Weav'g	Agri Lab	Landless	1500-2000	DWCRA, ML	IG	Multiple	K	Feels would have problems coping with SML's weekly repayment
NMM11	32	BC	M	Sign	4	2	Sells Milk	Tailoring	Agri	<1	1500-2000	DWCRA	Buy Animals	DWCRA, Ins	P	Like to join SML, group she is interested already has five members.
NMM12	40	BC	M	Ili	3	1	Housewife	Ironing	Sells Milk	<1	2500-3500	DWCRA, Basix	IG	Multiple	P	Left SMLbecause finds bit too rigid; they won't accept late payment.
NMM13	23	BC	M	Sign	4	1	Housewife	Teacher	Sells Milk	Landless	2500-3500	DWCRA	Not Taken	DWCRA, Ins	P	Husband runs in partnership a tuition centre, has a Bachelors Degree.
NMM14	30	SC	M	Sign	7	3	Agri	Agri	Sells Milk	<1	1500-2000	DWCRA, ML	HH	DWCRA	P	

Appendix A.6 **Members-Non-Members/Household Profile (Sakhi Samiti)**

Field Visit: August-September 2003 Abbreviations: **SSM** - Sakhi Samiti Member

NMC - Non Member Chorbasai **Rel.**-Religion **SC**-Scheduled Caste, **Mus**-Muslim

H/M/P Schl - High/Middle/Primary School **HH**-Household **ML**-Moneylender **Agri** - Agriculture

HT- Housing Type: **P**-Pucca **K**-Kucha **K/P** - Kucha/Pucca **1US$** - 44/45 INR (Indian Rupees)

MS -Marital Status: M-Married S-Single W-Widow FS - Family Size Edn -Education: Illi -Illiterate

C.lab - Casual/contract skilled/unskilled lab Bus -Business NA- Not Applicable IG-Income generation

*Unit Converted from Bigha, 1 Acre=1.5 Bigha approx.

MEMBERS/HOUSEHOLD PROFILE

Sl.No	Age (approx)	Caste/ Rel.	MS	Edn	FS	Income Earning Membs	Primary Occupn (PO) Self	PO (Husband)	HH Income (Secondary/ Other Sources)	Land (Unit in Acre)*	HH Income (monthly Av. in INR)	HH Credit Sources	Loan Purpose	HH Savings	HT	Any other Comments
SSM1	45	SC	M	Illi	8	3	Agri	Agri	Multiple	<1	2000-2500	SHG-Bank	Buy animal	SHG, Ins	K/P	Son works in a factory, sends money; she rears goats, sells milk
SSM2	55	Mus	M	Illi	8	4	Agri	Agri	Sell Milk	>1	1500-2000	SHG-Bank	Buy animal	SHG, Ins	K	
SSM3	55	SC	M	Illi	8	2	Housewife	Agri	Sell Milk	<10	2000-2500	SHG-Bank	Buy animal	SHG, Ins	K/P	Ocasionally goes to agri. field; employ others to work in their field
SSM4	30	Mus	M	Illi	6	2	Agri	Agri	Sell Milk	2	1500-2000	SHG-Bank, ML	Buy animal, HH	SHG, Ins	K	Says have more land-around 15/20 Bigha - most of it lay uncultivated
SSM5	60	Mus	W	Sign	5	2	Agri	Agri	Sell Milk	>2	1000-1500	SHG-Bank, ML	Buy animal, HH	SHG, Ins	K	Not happy with Sakhi Samiti
SSM6	60	SC	W	Illi	1	1	Agri Lab	NA	None	>1	1000-1500	SHG-Bank, ML	Buy animal, HH	SHG, Ins	K	Son staying separately; she also goes out as migrant lab
SSM7	65	Mus	W	Illi	4	1	Idle	NA	Agri	8	2000-2500	SHG	HH	SHG, Ins	K/P	Coaxed to join to complete the min.group reqt. of 10 members.
SSM8	55	Mus	W	Illi	12	3	Agri	NA	Sell Milk	>10	2000-2500	SHG-Bank	Agri	SHG, Ins	K/P	Son- B.A. looking for a job, thee school age daughters engaged in HH work
SSM9	70	SC	M	Illi	2	2	Mid-wife	goat rearing	None	>2	1500-2000	SHG-Bank,SS	IG	Multiple	K/P	Sons migrated for work, no financial help, working as mid-wife for 30 years
SSM10	55	SC	M	Illi	3	3	Agri	Agri	Factory work	7	2000-2500	SHG-Bank	Agri	SHG, Ins	K/P	Son works in a factory outside; she is a Panch leader wth no or little information
SSM11	30	SC	M	PSchl	6	2	Agri	Agri	Dairy	0.5	1500-2000	SHG	Health	SHG, Ins	K	Maintains register at the dairy, for around Rs.400p.m.
SSM12	45	SC	M	Sign	8	2	Agri	Agri	Sell Milk	1	1500-2000	SHG-Bank,SS	Buy animal, HH	SHG, Ins	K	Got the Vermicompost training, President of her group
SSM13	55	SC	M	Illi	6	2	Agri	Agri	Sell Milk	<2	1500-2000	SHG-Bank,SS	Buy animal	SHG, Ins	K	
SSM14	35	SC	M	Illi	5	1	Housewife	C.Lab	Sell Milk	Landless	1500-2000	SHG-Bank	Buy animal	SHG, Ins	K	Husband is into masonary work, she hardly ever attends meetings
SSM15	40	SC	M	Illi	7	2	runs a shop	Agri	None	>1	2000-2500	SHG	IG,HH	SHG, Ins	K	Bought a sewing machine
SSM16	35	SC	M	Illi	5	2	Agri	Agri	None	2	1500-2000	SHG-Bank	Buy animal	SHG, Ins	K	
SSM17	55	Mus	W	Illi	13	3	Agri	Agri	Sell Milk	>10	2000-2500	SHG,SS	HH	SHG, Ins	K/P	
SSM18	45	Mus	M	Illi	5	2	Agri	Agri	Sell Milk	3	1500-2000	SHG-Bank,SS	Buy animal, HH	SHG, Ins	K/P	
SSM19	50	Mus	M	Illi	8	3	Agri	Agri	None	2.5	2000-2500	SHG-Bank	Buy animals,HH	Multiple	K/P	Keeps small (saleable) animals
SSM20	25	Mus	M	PSchl	3	1	Housewife	Agri	Sell Milk	1	1500-2000	SHG-Bank	Buy animals,HH	Multiple	K	M-i-L was earlier a member of this SHG, goes to work on the field occasionally
SSM21	30	Mus	M	Illi	6	2	Agri	Agri	None	7	2000-2500	No Loan	NA	SHG, Ins	P	Left and rejoined the group, to maintain group member requirement
SSM22	28	Mus	M	Illi	7	3	Agri	Agri	Sell Milk	1.5	1500-2000	SHG-Bank	Buy animals	SHG, Ins	K	defaulting member
SSM23	35	Mus	M	Illi	9	3	Agri	Agri	Sell Milk	7	2000-2500	SHG-Bank	Buy animals	SHG, Ins	P	Does not feel Sakhi Samiti imparts information other than mobilising to save
SSM24	60	Mus	M	Illi	17	7	Agri	Agri	None	>35	3500-4500	SHG-Bank	Agri	Multiple	P	Does not want to be part of group, hire workers for their field
SSM25	45	Mus	M	Illi	10	4	Agri	Agri	Sell Milk	6	2000-2500	SHG-Bank,ML	Buy animals,HH	SHG, Ins	K/P	President of her SHG
SSM26	40	Mus	M	Illi	12	3	Agri	Agri	Sell Milk	2	2000-2500	SHG-Bank	Buy animals	SHG, Ins	K/P	Left and rejoined the group, also defaulting
SSM27	35	Mus	M	Illi	7	3	Agri	Agri	None	2	2000-2500	SHG	HH	SHG, Ins	K/P	Goes out as migrant labour, m-i-l then pays in the group
SSM28	45	Mus	M	Illi	10	4	Agri	Agri	None	<5	2000-2500	SHG	H	SHG, Ins	P	
SSM29	35	SC	M	Illi	6	2	Agri	Agri	None	2	2000-2500	SHG,ML	HH	Multiple	K/P	
SSM30	45	Mus	M	Illi	6	3	Housewife	Agri	Sell Milk	3.5	2500-3500	No Loan	NA	Multiple	P	Two sons earn as machine (small reapir) mechanics
SSM31	30	SC	M	Illi	7	2	runs a shop	Agri Lab	None	Landless	1500-2000	SHG-Bank	IG	SHG, Ins	K	defaulting member
SSM32	55	SC	W	Illi	4	3	Agri Lab	NA	None	Landless	2000-2500	SHG	HH	SHG, Ins	K/P	Their 5 Bigha land is mortgaged
SSM33	55	Mus	M	Illi	6	3	Agri	Agri	Sell Milk	2	2000-2500	SHG-Bank	Buy animals	SHG, Ins	K	
SSM34	45	Mus	M	Sign	9	2	Agri	Agri	Sell Milk	2.5	2500-3500	SHG-Bank	Buy animals	SHG, Ins	P	President of Sakhi Samiti, one son works outside village
SSM35	45	Mus	M	Illi	8	2	Agri	Agri	Sell Milk	3.5	2500-3500	SHG-Bank	Buy animals	SHG, Ins	P	Went for vermicompost training
SSM36	35	SC	M	Illi	3	2	Agri	C.Lab	None	1	2000-2500	SHG	HH	SHG, Ins	K	Newly joined her group, husband also does masonary work
SSM37	60	Mus	W	Illi	5	2	Agri	NA	Sell Milk	1	1500-2000	SHG	HH	SHG, Ins	K	Says people close to the President of Sakhi Samiti benefit more
SSM38	45	SC	M	Sign	6	2	Agri	Agri	Sell Milk	3.5	2000-2500	SHG-Bank	Buy animals	SHG, Ins	K	Went for vermicompost training

NON MEMBERS/HOUSEHOLD PROFILE

Sl.No	Age (approx)	Caste/ Rel.	MS	Edn	FS	Income Earning Membs	Primary Occupn (PO) Self	PO (Husband)	HH Income (Secondary/ Other Sources)	Land (Unit in Acres)*	HH Income (monthy-Av. in Rs)	HH Credit Sources	Loan Purpose	HH Savings	HT	Any other Comments
NMC1	45	Mus	M	Illi	5	2	Agri	Agri	None	20	2500-3500	None	NA	Home	K/P	
NMC2	55	Mus	M	Illi	10	4	Agri	Agri	None	>15	2500-3500	ML	HH	Home	P	Left SHG; Became Sarpanch (village head) 1995-2000
NMC3	50	SC	M	Illi	16	5	Agri	Agri	Service	>3	2500-3500	None	NA	Home	K	Left SHG - Johad issue, one of three Sons-works in factory; D-i-l:runs aganwadi
NMC4	45	SC	M	Illi	2	2	Agri	Agri	None	>3	2000-2500	None	NA	None	K/P	Left her SHG, yet to pay her loan amount
NMC5	25	Mus	M	Illi	3	2	Agri	Agri	None	>1	1000-1500	ML	HH	None	K	
NMC6	35	Mus	M	Illi	9	2	Agri	Agri	None	<15	2000-2500	None	NA	Home	P	employs labour on ther field
NMC7	40	Mus	M	Illi	5	2	Agri Lab	Agri Lab	None	Landless	1500-2000	Fr/Relatives	HH	None	K	
NMC8	35	SC	M	Illi	6	2	Agri Lab	Agri Lab	None	Landless	1000-1500	None	NA	None	K	
NMC9	55	Mus	M	Illi	17	10	Agri	Agri	None	<10	2500-3500	ML	HH	None	P	
NMC10	45	SC	M	Illi	7	2	Agri	Agri	None	>3	1500-2000	ML	HH	None	K	
NMC11	40	SC	M	Illi	4	2	Agri	Agri	None	20	2000-2500	ML	Agri,HH	None	K	Left her SHG over credit amount. Much of the land lay uncultivated.
NMC12	45	SC	M	Illi	5	3	Agri	Agri	None	>1	2000-2500	None	NA	None	K/P	Left her SHG, contemplating joining another group

Appendix A.7 **Members-Non-Members/Household Profile (ROSCAs)**

Visit: December 2004-January 2005 Abbreviations: **RMD/G** - ROSCA Member Digapada/ Gopalpur

NMD/G - Non Member Digapda/ Gopalpur **MS** -Marital Status: **M**-Married **S**-Single **W**-Widow **FS** - Family Size

Edn -Education: **Illi-** Illiterate **H/M/P Schl** - High/Middle/Primary School **HH**-Household **ML**-Moneylender

IG-Income generation **Ins**- Insurance **HT**- Housing Type: **P**-Pucca **K**-Kucha **K/P** - Kucha/Pucca

Rel.-Religion SC-Scheduled Caste, GC-General Caste, OBC-Other Backward Caste, Mus-Muslim, Chr- Christian

Agri - Agriculture C.lab - Casual/contract skilled/unskilled lab Bus -Business NA- Not Applicable

1US$ = 44/45 INR (Indian Rupees)

MEMBERS/HOUSEHOLD PROFILE

Sl.No	Age	Caste/ Rel.	MS	Edn	FS	Income Earning Membs	Primary Occupn (PO) Self	PO (Husband)	HH Income (Secondary/ Other Sources)	Land (Unit in Acres)	HH Income (monthy- Av. in INR)	HH Credit Sources	Loan Purpose	HH Savings	HT	Any other Comments
RMD1	55	SC	M	Illi	9	4	Agri	Agri	C.lab	3	2500-3500	Rosca, SHG	HH, Agri.	Rosca,SHG	P	
RMD2	26	SC	S	H.Schl	4	4	Livestock	NA	Bus., Agr.	1.5	4500-5500	Multiple	New IG, Agri.	Multiple	P	Male member; jointly started poultry; runs stone quarry with RMD9; mother a SHG member
RMD3	21	SC	M	M.Schl	5	3	Housewife	Agri	C.lab, Service	2	3500-4500	Multiple	New IG, Agri.	Multiple	P	Also Presdt of her SHG, F-i-L earns salary as nightwatchman, bought an ox, gives on rent
RMD4	30	SC	M	Sign	5	2	Housewife	Agri	C.lab	< 1	2500-3500	Multiple	New IG, debts	Rosca,SHG	P	Yet to get her lottery; bought a rickshaw in her name, put into income use
RMD5	20	SC	S	Xth	4	2	Idle	NA	Service	Landless	2000-2500	Rosca	No Loans	Multiple	P	Father- Govt. service; pressure cooker & grinder with lottery; one brother- city for work
RMD6	22	SC	M	P.Schl	2	1	Housewife	Service	Agr.	2	1500-2000	Rosca, SHG	Agri	Rosca,SHG	P	Husbands' family has land, he occasionally helps; lost her 2 yrs old son to chicken pox recently
RMD7	45	SC	M	P.Schl	4	3	Agri	Agri	C.lab, Driving	3	3500-4500	Multiple	New IG, debts	Rosca,SHG	P	Initiated ROSCA, Presdt - her SHG, earlier ward member; bought an auto in her name, son drives.
RMD8	35	SC	M	P.Schl	6	2	Agri	Driver	C.lab	1.5	2500-3500	Multiple	Agri	Multiple	P	Son- 14yrs studying also member of this ROSCA. Lottery sum - from whom land taken on lease
RMD9	26	SC	S	H.Schl	5	3	Livestock	NA	Bus., Agr.	2	4500-5500	Rosca, SHG	New IG, Agri.	Multiple	P	Male member; started poultry, stone chip quarry; mother & sister in ROSCA; mother - also in SHG
RMD10	17	SC	S	Xth	5	3	Agri	NA	Agr.,C.lab	1	2500-3500	Multiple	Agri	Rosca,SHG	P	After Xth left school; also works in stone chip quarry @ Rs.30 p.d; mother a SHG member
RMD11	45	SC	M	Illi	2	1	Agri	Disabled	C.lab	1	1000-1500	Multiple	Agri	Rosca,SHG	K/P	Employs people - on their land, husband blind, Rs.100 p.m. from Govt; son migrated for work
RMD12	15	SC	S	M.Schl	7	4	Student	NA	Agri	2	2000-2500	Multiple	Agri	Multiple	P	Mother & Grandmother member of SHGs
RMD13	35	SC	M	P.Schl	7	2	Agri	Agri	C.lab, sell fish	2	1500-2000	Rosca,SHG	Agri, debts	Rosca,SHG	K	Presently making a house under IAY
RMD14	14	SC	S	Sign	4	2	Agri	NA	C.Lab	1	1000-1500	Rosca,SHG	Agri, HH	Rosca,SHG	P	Lottery yet to come; wishes to make some jewellery; mother SHG member, father incapacitated.
RMD15	15	SC	M	Sign	4	4	Agri	Driver	C.lab	1	2500-3500	Rosca,SHG	New IG, Agri	Multiple	P	IG IB-both drop-outs. They work in stone-quarry; bought a trolley for carrying goods
RMD16	25	SC	M	Sign	4	2	Agri	Agri	C.lab	1	2000-2500	Rosca, SHG	Agri	Rosca,SHG	K/P	When she goes for work her 70 yr old f-i-l takes care of her barely 2 yrs old son
RMD17	20	SC	M	Sign	6	2	Agri	Agri	C.lab	1.5	1500-2000	Rosca, SHG	Agri	Rosca,SHG	P	Has four school age children, none drop-outs so far.
RMG18	45	OBC	M	Sign	4	2	Housewife	Fisherman	None	Landless	3500-4500	Rosca,Bank	IG	Multiple	P	
RMG19	25	OBC	M	Illi	4	2	Agri	Fisherman	Bus.	1	3500-4500	Rosca, Bank	New IG, IG	Rosca	P	Started a grocery shop, bought a fishing net
RMG20	35	OBC	M	Illi	6	2	C.lab	Fisherman	None	Landless	2000-2500	Rosca, ML	IG,HH	Rosca ,Ins	K	Repaired their boat
RMG21	32	OBC	M	Illi	7	2	C.lab	C.lab	Fishing	Landless	2000-2500	Rosca	HH	Rosca, Ins	P	Works in a nearby Bunglow; has four daughters, eldest of school age not going to school
RMG22	42	OBC	M	Sign	5	2	Housewife	Fisherman	C.lab	Landless	3500-4500	Multiple	HH	Multiple	P	Has some health problems; someone comes to help her in cooking, children drop-outs
RMG23	27	OBC	M	Illi	5	2	Cook	Fisherman	None	Landless	3500-4500	Rosca, ML	HH	Rosca,Ins	P	Cooks in a restaurant (smal eating place)
RMG24	40	OBC	M	Illi	5	2	Housewife	Fisherman	None	Landless	3500-4500	Rosca	HH	Multiple	P	Her husband & son go for fishing together. 2 school age daughters not attending school
RMG25	32	OBC	M	Sign	5	2	C.lab	Fisherman	None	Landless	2500-3500	Rosca	HH	Rosca,Ins	P	
RMG26	45	OBC	M	Illi	5	2	Cook	Fisherman	None	Landless	1500-2500	Rosca,ML	HH,debts	Rosca,Ins	P	Cooks in a lodge

NON-MEMBERS'/HOUSEHOLD PROFILE

Sl.No	Age	Caste/ Rel.	MS	Edn	FS	Income Earning Membs	Primary Occupn (PO) Self	PO (Husband)	HH Income (Secondary/ Other Sources)	Land (Unit in Acres)	HH Income (monthy- Av. in INR)	HH Credit Sources	Loan Purpose	HH Savings	HT	Any other Comments
NMD1	40	SC	M	Illi	7	1	Housewife	Service	None	Landless	4500-5500	None	None	Home	P	Husband works in a colliery, another state. Five children, one school age daughter drop-out
NMD2	25	SC	M	Illi	5	1	Housewife	Agri	None	2	1500-2000	None	None	Home	P	
NMD3	25	SC	M	Sign	6	3	Agri	Agri	C.lab	0.5	2000-2500	SHG	HH	SHG	P	Both she & her M-i-L are members of SHG. Her husband goes out as migrant labor for four months
NMD4	65	SC	W	Illi	1	1	Idle	NA	None	Landless	<1000	None	None	None	K	IAY house wth son; stays on her own; has cataract; manages through a pension of Rs.100 p.m.
NMD5	65	SC	W	Illi	1	1	Idle	NA	None	Landless	0	None	None	None	NO	When husband alive - land on lease; takes rice instead of Rs.100/-; sleeps at her g.son's house
NMD6	65	GC	W	Illi	1	1	Agri Lab	NA	None	Landless	<1000	None	None	None	P	Goes to work occasionally; has IAY house; also receives Rs.100/- under Govt. Scheme
NMD7	40	GC	M	Illi	4	2	Agri	Agri	None	<2	1500-2500	SHG,ML	Agri	SHG	P	Finds the SHG system working better in the Nayak (SC) community
NMD8	55	GC	M	Sign	5	3	Agri	Agri	C.lab	1	2000-2500	ML	Agri	None	P	
NMG9	35	OBC	M	Sign	4	2	Housewife	Bus.	None	Landless	3500-4500	SHG, ML	IG	Multiple	P	Runs a shop which also sells diesel
NMG10	32	OBC	M	Illi	5	2	C.lab	Fisherman	None	Landless	3500-4500	ML	HH	Home,Bank	P	
NMG11	40	OBC	M	Illi	4	1	Housewife	Fisherman	None	Landless	2500-3500	ML	HH	Home	K/P	
NMG12	35	OBC	M	Sign	6	2	Sell Fish	Fisherman	None	Landless	2500-3500	SHG	IG	Multiple	P	Has joined women SHG members doing 'dry fishing' business;

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