

SAHANA MISHRA

SELF HELP GROUPS: Empowering Agencies

...

SHGs are living organizations and need to be allowed to grow organically in response to internally identified needs rather than be directed by outside entities that have the narrow aspirations of economic growth only

Introduction

WOMEN'S SELF-HELP Groups (SHGs) have become the panacea for every problem related to poverty, and the overall well-being in rural India. The formation of SHGs of poor women, and the consequent pumping of credit to these groups, has helped eradicate poverty. Women are believed to be more judicious and are more inclined to think of their family's needs, and are, therefore, likely to utilize the available funds judiciously.

That women are prudent and take care of their families is true. However, it is difficult to imagine

that a structural problem such as poverty can be eradicated only by easy access to credit. Deep-rooted structures of gender, caste, class and religion, which aggravate poverty, can hardly be challenged when SHGs are formed with the purpose of credit delivery alone. Access to credit serves only a tiny part of the big problem. In many cases, it fails as well. However, the SHG credit linkage model is now being replicated all over India and women's SHGs are being formed and nurtured across the country with an agenda of poverty alleviation through access to credit.

Having worked in the development sector, I have learned from my experience that SHGs can do wonders if formed with the purpose of solidarity and mutual help, and supported with finance, as per the credit needs of the poor women. However, it is difficult to imagine such groups being effective

Women of rural India can address issues of poverty by accessing credit, along with technical knowledge enhancement, solidarity, participation in politics, etc.

if formed with a short-lived agenda of credit delivery alone. This was already proved by the implementation of Swarna Jayanti Grameen Swarojgar Yojna (1999–2012). The scheme was, at best, only a moderate success.

Some may argue that several non-governmental organizations (NGOs) in India have successfully established the SHG model as one of the ways to eradicate poverty and of women's empowerment and, therefore, consider it to be a successful model. This is true if I take the example of PRADAN, one of the leading Indian NGOs. Organizations such as Myrada and Andhra Pradesh Mahila Abhivruddhi Society (APMAS) Society have also worked extensively and established that the women of rural India can address issues of poverty by accessing credit, along with technical knowledge enhancement, solidarity, participation in politics, etc. However, there are many differences between these experiences and those seen when the formation of SHGs has been scaled up to a national level, with the major focus being accessing credit. In the latter process, when the number of SHGs is scaled-up, short-term agendas become the focus; the women, having come together, develop aspirations

around monetary gains, without actually assessing their absorption capacity. The potential danger in this approach is that it gets shattered immediately if their aspirations are not fulfilled for any reason. I draw on my experience of over two decades as a PRADAN professional to reflect on factors that make some SHG processes more successful and enduring than others.

Forming SHGs the PRADAN way

—
PRADAN is one of the pioneers in promoting women's SHGs in rural India. Till date, PRADAN has organized 600,000 women in these collectives; 10 to 20 village women in each collective come together every week to save a minimum amount and manage the business of lending. Through the SHG activity, PRADAN has tried to collectivize women, who are most disadvantaged socially, politically and economically. The aim of SHGs, in all these three spheres, is to enable women to collectively strive against the tide and exercise choice. PRADAN has always prioritized its agenda of combatting poverty through economic means, and it has also aimed to support women to be independent socially, economically and politically.

The prominent thought behind the agenda of economic independence has been to bring women together to save their own money collectively, and to make themselves economically capable enough to get out of the trap of local moneylenders. These moneylenders are the biggest gainers even when the loans are as small as Rs 200 or Rs 500. Crop failure, health hazards and huge expenditure incurred for rituals have always forced women to pawn their ornaments. Not only ornaments, women and men in poor tribal regions are forced to sell their farm and forest products early just to repay the loans or, sometimes, just the interest amount, because the moneylender charges compound interest. The women in remote villages found their primary SHGs helpful because these provided them an alternative to rushing to the moneylender to beg for a mere Rs 200 or Rs 500.

The women found it rewarding when they managed to free their land from old mortgages and proudly started cultivating it. They also valued their SHGs when a pregnant woman was saved because she had the funds to hire a vehicle worth of Rs 700 or Rs 800 to reach a hospital from her remote village at the eleventh hour.

Our experience corroborated what numerous research papers have shown—that an SHG is the strongest social weapon for the social transformation of millions of rural people, even if it may not be the panacea for poverty eradication

SHGs gradually started working as small banks and the women began to use the funds to expand their traditional business of farming, fishing or other enterprises. Together, they then approached the banks for the amount they needed. There have been numerous examples of women taking loans from banks and starting bigger enterprises or some women starting new enterprises. However, they were not dependent only on banks or outsiders to give them the money. They first used their own money and went to the banks only when the funds fell short. There was no concept of any grant. SHGs were founded mostly on the basis of mutual help (pooling own savings for availing credit at the time of need) and not on the basis of receiving grants from others.

The mutuality was important because it brought other values to the institutions such as 1) camaraderie with each other; 2) the sense of fulfilment from being helped by each other; and 3) the pride of beating the existing exploitation. These feelings of fulfilment, pride and mutual support do not come instantly. It is a journey and every SHG has its own journey, different from that of others. Apart from some basic rules and regulations, SHGs are autonomous enough

to decide where and when they should meet, the rate of interest to charge, the amount of money needed through bank linkages, the selection of their group accountant, etc. Our experience corroborated what numerous research papers have shown—that an SHG is the strongest social weapon for the social transformation of millions of rural people, even if it may not be the panacea for poverty eradication.

PRADAN greatly values these SHGs through which women get an opportunity to come together to help each other and explore new paths of life and livelihood. Collectively, they have been able to negotiate with the family and society to leave their homes not only to go to cultivate the fields as labourers but also to go to the bank to avail of credit for their groups, and to blocks and *panchayats* to get their village plans sanctioned. Gradually, they have been able to enter the political space and acknowledge their identity as women farmers, women *mukhiyas* (leaders). To attain this, PRADAN invests in capacity-building processes for SHG members. This, in turn, results in women's institutions making decisions in various spheres.

Along with organizing capacity-building events, PRADAN, as a facilitating agency, provides space to women leaders to take decisions as individual members as well as members of the institutions. In the process, members as well as institutions travel the path of empowerment.

The mainstreaming of SHGs

Twenty years down the line, the scenario has changed. The SHG has become the mainstream strategy of socio-economic progress. Promoting SHGs, linking them to banks for credit services and giving women the knowledge and skills for expanding their existing livelihoods and establishing new livelihoods are being done to scale. Heartening it is to see so many women in the public space, negotiating with public institutions and transacting in thousands and lakhs of rupees. However, it is disheartening to see them talk only about transactions, disregarding transformations that have taken place. Why does this happen?

The main reason is that SHGs are now being promoted in hundreds of thousands within a very short time by mobilizers, leaving very little space for women to decide

SHGs are now being promoted in hundreds of thousands within a very short time by mobilizers, leaving very little space for women to decide and act on their own. Large amounts of money have been pumped into SHGs from the very beginning, not allowing the women to build self-reliance

and act on their own. Large amounts of money have been pumped into SHGs from the very beginning, not allowing the women to build self-reliance. Bank linkages are planned and done on a large scale for a prescribed amount, as decided by the bankers, without taking into cognizance the needs of the women and their capacity to repay. The process of mutual help, joint development, acceptance and internalization of SHG rules and norms are now, largely, missing.

Yes, credit is certainly a life-line for rural women. However, managing credits in groups, under the present terms and conditions, requires a different orientation altogether. At least, the opinion of each woman in the group should count. They should also have a say in the timing of the linkage and in the amount that the groups are allowed to avail of through the linkage. However, both the decisions are taken as per the convenience of bank managers rather than that of SHG members. Second, credit access is not backed by service delivery. Poor women are left to themselves to avail of services such as dairy farming or poultry and goat rearing, to strengthen their livelihoods.

If we aim at strengthening livelihoods through credit linkage, we must take into account the need for end-to-end services. There may, of course, be some outliers that could excel without this support. But what about the large mass of poor women, who need substantial hand-holding to succeed? Not only the required services and hand-holding, but the approach of SHG promotion to scale also leaves very little space for capacity-building programmes essential for such decentralized organizations to grow, to take decisions and to deliver on their own capacities. Without that capacity-building, vibrant villages and vibrant decentralized democracies cannot be imagined.

The problem gets compounded when the collectives are seen as

mere instruments of political mileage. Our political leaders leverage votes quite easily, either through legitimate means of credit linkage or by reaching huge numbers through the use of technology. Crores of rupees are spent on events, to which SHG members are transported for the sake of publicity.

Several government programmes are now being planned for implementation through SHGs. So that village infrastructure can be improved. The village children would get nutritious food. But it is unfortunate that, more often than not, there are disadvantages. Often, these time-bound projects force women into corruption. The burning example is the toilet construction for SHG members. Because this has to be done within a short time-



The big question this gives rise to is: after giving money to SHGs, either for credit or for any developmental project, who is to ensure that the engineer, the veterinary doctor, the school teacher are available to help the women when they need it?

span, SHGs are bound to depend on contractors, who charge heavy bribes to finish the toilet construction on time. And as a result, poor quality infrastructure is being constructed with the hard-earned money of the poor women.

Another example can be given to illustrate this. A few years ago, in a small village of Odisha, SHG members were assigned the work of pond renovation. As per the provision, they mobilized labourers, completed the work and called the engineer-in-charge to come and complete the measurement work. However, the engineer-in charge took four months to come to the site and measure the work, and that was after the rainy season. As a result, due to heavy rain, the earthwork measured by the SHG and the earthwork measured by the engineer showed a difference and, ultimately, the poor women incurred loss.

The women asked me if they should bribe the engineer to get the measurement done correctly. We discussed the issue and I then left it to the women to decide. They decided not to use bribes, no matter how much loss they had to bear. But it was not an

easy decision, when the choice was loss to individual members vis-à-vis bribing. The big question this gives rise to is: after giving money to the SHGs, either for credit or for any developmental project, who is to ensure that the engineer, the veterinary doctor, the school teacher are available to help the women when they need it? In the absence of the required support, the women fail to repay the loan and implement the project and, in the end, they become demoralized. The social capital mobilized for socio-political transformation also loses confidence and energy for positive change. The power game completely demolishes a relationship of the community and establishes the relationship of winner and loser, receiver and gainer.

The governance machinery at the grass roots will remain dysfunctional if the last bastion of independent collective voices in the villages is co-opted, with the grass-roots women's collectives turning into an extended arm of service delivery, a service delivery that is already itself riddled with corruption and leakages. Will that not defeat the very purpose of promoting SHGs?

Conclusion

—

In this scenario, the big question is, "What is the right way?" Should SHGs merely become a conduit to deliver credit or political mobilization and not be a pathway to empowerment? This is a pertinent and a very important question in the context of the most marginalized in our society: the poor women in our villages. SHGs have the potential to be the pathway for development and empowerment. However, in the absence of proper hand-holding, space for independent voices and required service delivery systems (government and non-government), the result is diluted. Promoting agencies forget that SHGs are living organizations and should grow organically along their natural self-driven path rather than be directed by outsiders, aspiring only to economic growth. We must work for the day when SHGs become truly empowering agencies rather than mere tools for implementation.

—

Sahana Mishra works with PRADAN as an Integrator and is based in Patna, Bihar