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INDIA

PARTNERS IN EMPOWERMENT

NGOs AND GOVERNMENT IN THE MAHARASHTRA RURAL CREDIT PROJECT

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Abbreviations

AAA	Ami Amchya Aarogye
BDO	Block Development Officer
BLTF	Block Level Task Force
BOM	Bank of Maharashtra
BPL	Below Poverty Line
CB	Commercial Bank
CBI	Central Bank of India
CEO	Chief Executive Officer
DAH	Department of Animal Husbandry
DCCB	District Cooperative Credit Bank
DIU	District Implementation Unit
DPCC	District Project Coordination Committee
DRDA	District Rural Development Agency
DWCRA	Development of Women and Children in Rural Areas
FO	Field Officer
FWWB	Friends of Women's World Banking
GOI	Government of India
GOM	Government of Maharashtra
HLCC	High Level Coordination Committee
IFAD	International Fund for Agricultural Development
IRDP	Integrated Rural Development Programme
MAVIM	Mahila Arthik Vikas Mahamandal
MCED	Maharashtra Centre for Entrepreneurship Development
MITCON	Maharashtra Industrial and Technical Consultancy Organisation
MRCP	Maharashtra Rural Credit Project
MWS	Million Wells Scheme
NABARD	National Bank for Agriculture and Rural Development
NGO	Non-Government Organisation
OBC	Other Backward Castes
PAP	Peoples' Action Plan
PSC	Project Steering Committee
RBI	Reserve Bank of India
RDD	Rural Development Department
RRB	Regional Rural Bank
SBH	State Bank of Hyderabad
SBI	State Bank of India
SC/ST	Scheduled Caste/Scheduled Tribe
SHG	Self-Help Group
SHY	Sahyogini
SGSY	Swarnjayanti Gram Swarozgar Yojana
VDA	Village Development Assembly
VDC	Village Development Council

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Executive Summary

1. The purpose of the study is to assess the nature of collaboration between non-governmental organisations (NGOs) and the government in the Maharashtra Rural Credit Project, with particular emphasis on the role of NGOs in targeting and empowering the rural poor, especially women.. The study situates the impact and comparative advantage of NGOs within the process of interaction in MRCP between NGOs, Government and IFAD.

2. MRCP, through NGOS, attempts to inculcate qualities of thrift and saving among poor rural women by facilitating the formation of self help groups (SHGs) and establishing linkages between these groups and banks. Fieldwork was carried out in phase one villages in Pune, Chandrapur and Yavatmal districts in Maharashtra where SHG activity is four years old. The work of seven NGOs was assessed through visits to their villages, interviews with beneficiaries, VDC members, Panchayat members and project agencies. The value added of NGO involvement was assessed by examining SHG group activity in four different models: bank contracted NGO, MAVIM contracted NGO, MAVIM efforts through its field workers (sahayoginis), and Bank efforts through Field Officers/Sahayoginis. The benchmarks for comparison were the functional competence of SHGs (ability to keep records, borrow from the bank, usage of funds for productive or consumption activities), signs of empowerment (were women vocal in village meetings, did they act together as a group to pursue social and economic activities such as banning liquor shops, group activities such as hiring out vessels for marriages, fodder sale etc), and the ability of SHG groups to function independently of field workers (measured in terms of frequency and nature of contact between the two). NGO assisted villages were compared with those aided directly by MAVIM and banks. The nature of institutional inputs provided by IFAD and the Government was assessed through a comparison between the villages of an NGO working in MRCP and a German sponsored watershed project.

1. NGO performance has been a mixed bag, with more NGOs functioning below expectations. The few that have performed well in terms of empowerment, group cohesion and vibrant self help groups have tended to be either very large NGOs with manpower, infrastructure and technical resources or very small NGOs which have worked in one or two villages intensively. Only small NGOs have managed to effectively combine the credit and non-credit aspects of MRCP, by nurturing poor and non BPL members of SHGs to take loans, engaged in social awareness and environmental programs and have involved the entire village, particularly the VDC in the nurturing process. Self help villages rather than groups have been the outcome of small NGO activity in MRCP.

1. The rest, particularly medium NGOs fall between the cracks as a result of stretched manpower resources, over-diversification of activities and inability to effectively manage project implementation. These NGOs are plagued with problems of low morale among their field staff caused by low wages, inadequate backup and training by headquarters, low flexibility and rapid turnover of staff.

1. In Pune, MAVIM and large NGOs such as Chaitanya and Gramin Mahila Bal Vikas have turned in good performances with regard to SHG groups, entrepreneurial activities and empowerment. In Chandrapur, Banks and MAVIM have outperformed NGOs (except perhaps one large NGO, Ami

Amchya Aarogye) in the credit and non-credit aspects of MRCP. In Yavatmal, despite their relatively recent entry, small NGOs have turned in a superlative performance when compared to MAVIM, banks and large NGOs such as Subah.

1. Collaboration between NGOs and government has been marked by indifference on the part of the latter and suspicion on the part of the former towards the government. NGO involvement in policy and planning has been non-existent despite project design elements that mandates their participation in district level planning committees (DPCC) and in the core project group. NGO co-ordination with banks, particularly in the establishment of VDCs has tended to vary depending on personalities of bank staff. Small NGOs have generally managed to establish better relations with banks than medium and large ones because of the personal commitment and performance of the NGO directors.

1. One of the success stories of MRCP is the ability of semi-government bodies to function in an effective manner. This proves that given the funds and room for flexibility, government agencies can be just as effective if not better than NGOs. Overall, MAVIM, the semi-government agency, has turned in a better performance when compared to NGOs as a result of proper funding to field a strong group of village level workers, a district implementation unit (DIU) that holds monthly meetings to monitor progress and provides timely backup, a strong training component that provides support for the field level staff in record keeping, building and nurturing groups, empowerment of women, as well as on issues dealing with health and education. Much of the credit goes to MAVIM's committed field level cadre who have benefited from intensive and periodic training of sahayoginis, high recruitment standards, flexibility, and good wages. These characteristics are exhibited by some large NGOs such as Chaitanya, Ami Amchya Aarogya (AAA) and very small ones such as Dilasa and Yuva Vedh Manch. The upshot is that government can perform well in developmental activities if it follows decentralised implementation procedures and provides training and infrastructure to its staff.

1. A surprising finding of the study is the excellent performance of some bank assisted self-help groups and villages. Where the field officers, branch managers and sahayoginis appointed directly by the bank have been active and committed, the village as a whole has been involved in the project. Dynamic village development councils have been instrumental in raising social awareness of men and women in the village. However, as a sustainable model to incorporate the rural poor into formal credit, there are several difficulties which include the variability of individual commitment, institutional indifference of banks towards empowerment, and banking focus on credit rather than non-credit activities.

1. A key contribution of MRCP has been increased exposure of banks and government to the needs of the rural poor. The 100% loan recovery rates in MRCP villages (up from 30-50%) has made bankers well disposed to SHGs and dispelled myths about the poor being bad risks. But several problems remain including difficulties experienced by MAVIM and NGO nurtured SHGs to link with banks as a result of misinformation on bank procedures, slow processing of loan requests and refusal by banks to lend to the SHG even if one member is a former defaulter. Attitudinal changes are slow and will take time before the entire banking sector can be said to be people oriented. The regional rural banks are already proceeding in that direction and have taken up MRCP concepts with great gusto (see discussion on bank models).

1. Small NGOs, particularly those contracted by banks have been successful in integrating the entire village community into MRCP concepts and concerns. However most MAVIM contracted medium and large NGOs and MAVIM have managed such a synthesis since most of their effort has been on building up women's groups. As a result of poor co-ordination, VDC members, panchayats and other influential sections of the village have tended to treat these field workers with indifference.

1. The *poorest* groups have been excluded from SHGs by medium and large NGOs as well as MAVIM. Only small NGOs have successfully integrated this section as a result of concerted and intensive activity in the villages. The *poor* have been included in self help groups of small and large NGOs and MAVIM, but medium NGOs have demonstrated unsatisfactory targeting as a result of internal institutional problems of NGOs (such as inadequate back up of field workers).

1. The study found that NGOs had a major role to play in tribal areas as a result of the special nature of tribal needs which require intensive interaction, patience and commitment. Small and large NGOs with long field presence in tribal areas have performed well.

1. Thus, the main areas where NGO - Government collaboration could be improved include: a) Consultation on selection of project sites; b) Sustained and periodic joint meetings between government functionaries and NGOs/MAVIM which explain the concept and expectations of both agencies; c) Better utilisation of NGOs in tribal areas, and in their areas of comparative advantage; d) Focus on improving marketing and training of NGOs, SHGs and fieldworkers.

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I. INTRODUCTION

1. The rural poor in India have limited access to institutional credit.¹ Poor households face many difficulties in dealing with formal financial institutions including cumbersome procedures, long lags between loan application and disbursement, high transaction costs, and exhibit low confidence in dealing with unsympathetic bank staff.² Most rural poor rely on moneylenders who charge exorbitant rates (about 10% per month) and often retain the mortgaged assets, thus driving their borrowers into the ranks of the abject poor. Micro credit programs are designed to remove these disadvantages by using the twin mechanisms of peer monitoring and joint liability in self-help groups.³ Micro finance institutions deliver small loans to poor borrowers, mainly women organised into small groups of 10-20, combined with more accessible deposit facilities and much greater attention to risk management. The aim is to increase the incomes in the long run and smooth consumption needs of the poor in the short term and thus reduce poverty.⁴

1. In recent years, donors and governments have increasingly supported microcredit programs as anti-poverty mechanisms. The Maharashtra Rural Credit Project (MRCP) is one such attempt to link the rural poor and formal credit institutions.⁵ This study aims to uncover the nature of collaboration between non-governmental organisations (NGOs), Government and IFAD in MRCP, particularly by focusing on NGO performance in promoting empowerment of women and the poorest groups. The impact of NGOs is directly related to the process of implementation and communication with the Government in the project.

II. THE MRCP

A. *Rationale and Objectives*

1. MRCP was designed to meet the large unmet demand for micro-finance services.⁶ The project aims to demonstrate that a sustainable improvement in the delivery of financial services to the rural poor is

¹ While the poverty levels in percentage terms has decreased from 56% in 1972 to 37% in 1994, the number of rural poor have remained static and are estimated to number about 244 million.

² IFAD, 1993

³ Micro-credit refers to small loans, whereas microfinance is appropriate where NGOs and MFIs supplement the loans with other financial services (Sinha, 1998)

⁴ Gaiha, 1999. The rural poor are caught in an unenviable downward spiral where short term consumption needs prevent them from ever increasing their income in the long run through productive activities. Caught in the coils of money lenders, they are seldom able to rise from the ranks of abject poverty.

⁵ IFAD, 1997

⁶ A key anti-poverty strategy in India consists of heavily subsidised directed credit (usually through a nationalised commercial bank), often linked with input supply. However the programs such as IRDP which use this strategy have met with limited success in poverty reduction while simultaneously having an adverse effect on bank profitability and credit discipline. Mis-targeting, corruption, absence of adequate follow up and consequent high default rates have been some of the reasons attributed to the poor performance of IRDP. Not surprisingly, banks were reluctant to lend to the rural poor. (Gaiha, 1999)

feasible. Unlike the old IRDP program of the Government which mixed welfare and credit, MRCP links saving mobilisation to credit.⁷ Broadly, the MRCP was designed to (i) improve access of the rural poor to financial services, (ii) to make them bankable clients, and (iii) to promote savings mobilisation among them through self-help groups (SHGs). To achieve these objectives, a comprehensive strategy was formulated with the following components: financial and technical support for on-farm activities, technical, financial and infrastructure support for micro-enterprises, provision of a line of credit to enable commercial banks to support all viable income generating activities, institutional support to strengthen credit delivery and reception, promotion of savings and credit operations by building the capacity of SHGs, and management support for monitoring and evaluation..

B. Scale

1. The project with an outlay of US\$ 48.35 million is supported by an IFAD loan of US\$ 29.20 million. The contributions of Govt. of India (GOI)/Govt. of Maharashtra (GOM), and of the participating banks are US\$ 14.97 million and US\$ 1.65 million, respectively. The projected co-finance of US\$ 2.5 million has not yet materialised. The loan agreement was approved on 1 June, 1993, and became effective on 6 January, 1994 (UNOPS, 1998). In the initial phase, the project covered four districts (viz. Pune, Chandrapur, Yavatmal and Nanded). Following the Mid-Term Review and Evaluation in October, 1997, seven more districts were added (viz. Thane, Dhule, Jalgaon, Amravati, Bhandara, Gadchirali and Beed). With the proposed expansion (in phase II) the project benefits are expected to cover 91,250 borrowers including 54,300 members of SHGs (UNOPS, 1998).

C. Salient Features⁸

1. The target group consists of households below the poverty line (i.e. with annual household income upto Rs.11000 at 1991-92 prices). Priority is given to those with income upto Rs.8,500. This subset comprises mostly small/marginal farmers, landless, artisans, women headed households and tribals.

1. In order to make the MRCP truly participatory, a Village Development Assembly (VDA) comprising all households in a village is formed which serves as a forum for a preliminary dialogue on the problems, prospects and process of development. Out of the VDA, a Village Development Council (VDC) - comprising 10 – 12 members - is constituted. The VDA prepares a People's Action Plan (PAP), focusing broadly on social development of the village – especially credit requirements and support systems, while the VDC is responsible for its implementation. Bank managers are key figures in facilitating VDCs, while NGOs and MAVIM are supposed to assist VDCs by highlighting self help group concerns.

1. Under MRCP, two channels of credit are used namely individuals and self-help groups.⁹ On loans, banks charge an annual interest rate of 12% for SHGs and individuals. Eligible beneficiaries for

⁷ The IRDP, operating since 1978-98, is a major credit programme designed for the rural poor. This is a centrally sponsored scheme, with equal contributions from the central and state governments. The poor families – mainly the small and marginal farmers, agricultural labourers, rural artisans, and other disadvantaged groups such as women, tribals and schedule castes – receive in vestment grants ranging from 25% to 50% of the cost of the asset purchased (Gaiha, 1999).

⁸ This section draws on Gaiha, 1999.

⁹ Over a period of seven years the project aims to about 92,000 borrowers of which 50,900 will be women. Of the total borrowers, 64,850 will be individual borrowers and the remaining 26,400 will be assisted through SHGs. The project is being implemented in 8 districts of Maharashtra with the involvement of 440 branches of about six participating commercial and regional rural banks.

individual loans are identified by the VDC, using an official list of households below the poverty line.¹⁰ Individual borrowers are given loans for specific productive activities.

1. SHGs, on the other hand, are expected to mobilise savings first. After they demonstrate financial discipline (by collecting regular monthly payments from their members to build a corpus and keeping accounts), they can borrow from a commercial bank based on their mobilised savings.¹¹ SHGs can then onlend to their members at interest rates fixed by the group (generally 2-3% per month) and the difference accrues to the group savings. The members are chosen according to the priorities and needs agreed to by the whole group. Consumption loans are permitted. Eventually, when the credit worthiness of SHGs is established, it is expected that they will be able to borrow independently from CBs.¹²

1. Coordination Committees were set up at the national, state and district levels. Administratively, the project activities are co-ordinated at the district level by the DPCC (in DRDA). A Block Level Task Force coordinates at the block level. VDAs/VDCs, assisted by Village Level Workers, do so at the village level. In addition, NABARD has posted one senior officer per district to coordinate project activities.

1. Information about investment opportunities, skills acquisition and technical advice are provided by MCED and MITCON.). Moreover, members of VDCs are trained to perform their functions efficiently, as also are Sahyoginis. Bank staff, on the other hand, are trained to deal more sympathetically with poor borrowers with limited financial skills and training.¹³ Some major deficiencies of the IRDP are avoided, as the poor borrowers are better equipped to use the loans productively and the implementing agencies (e.g. CBs) are more sensitive to their special needs. Under the MRCP, while CBs lend at 12% per annum, the average cost of funds for them is 9-10%. As this spread does not cover their costs, NABARD provides full refinance at 6%.

1. MAVIM is a major player in the project with the overall responsibility for setting up and nurturing self help groups in the project villages. It sub-contracts some villages to NGOs, while its trained staff of sahyoginis cater to remaining villages. The district implementation units of MAVIM which oversee the smooth functioning of MRCP, arrange periodic training sessions and cluster meetings for sahyoginis (from MAVIM and the contracted NGOs) and self help groups. These units act as a clearing house for feedback from project villages and channel information to the corporate levels and vice versa. MAVIM and NGOs have similar functions at the grass roots since the fieldworkers of both organisations are involved with self help group activities. This is a deliberate design feature of the project which uses multiple institutional channels for implementing the same project activities.

¹⁰ Recently, the Government of Maharashtra commissioned a new list of poor households under an expenditure based survey.

¹¹ The credit-savings ratio could range from 1:1 to 4:1 depending on the financial discipline demonstrated by the SHG (Gaiha, 1999) and personality of the bank manager. As of September, 1998, the total number of SHGs formed under the project is 2006, out of which 815 have been linked to the banks. The loans sanctioned to these SHGs were Rs.12.64 million with an average of Rs.15,460 per SHG. Over 2500 SHGs have opened savings accounts with the banks. The repayment of loans is 100% (UNOPS, 1998).

¹² Apart from lowering the transaction costs for both borrowers and lenders, it is expected that bank staff will overcome their resistance to lending to the poor in course of time.

¹³ For further details, see IFAD (1997).

III. NGO ROLE IN MRCP

1. As one of the custodians (along with MAVIM and banks) of setting up and nurturing self-help groups, NGO role in MRCP is critical to the overall success of the project.¹⁴ Though the non-governmental sphere of operation is relatively small compared to MAVIM and banks, the project offers us an opportunity to assess the value added of NGO involvement in micro-credit schemes.¹⁵

1. Self-help groups are initiated and nurtured by NGOs who are contracted either by MAVIM and/or banks. In addition, MAVIM directly sets up SHGs through its field workers, and Banks too directly set up SHGs through their field officers (see Annex 1).¹⁶ Initiation of self help groups involves holding meetings with villagers to explain the concept of MRCP, bringing like minded women together into groups and taking care to see that the poorest are not excluded.¹⁷ Nurturing of the group involves attending SHG meetings initially, helping the group with maintaining records, fielding queries about government schemes and financial transactions, assisting the group to link with banks, informing MCED and MITCON about group and individual entrepreneurial aspirations, communicating with VDCs on training requirements of the group and assisting them in identifying potential candidates for training; and mobilising/educating the groups on literacy, health etc. To perform these activities NGOs need to maintain close and sustained contact with bank staff, VDC members and their contracting agencies (Banks and/or MAVIM).

IV. RESEARCH DESIGN

1. The study assesses the impact of NGO involvement in the MRCP project, highlights the comparative advantage of NGOs vis a vis other agencies (government, Banks etc), and the institutional and operational problems faced by NGOs and government in empowering the rural poor. Therefore project districts were chosen that had seen an extended period of NGO activity, had significant proportions of rural poor and tribal populations.

A. Districts

1. Two phase 1 districts (Chandrapur and Yavatmal) conformed to the requirements namely: (a) the project has been in operation in these districts for about 5 years; b) Presence of BPL families (old Government list) in Yavatmal and Chandrapur who number 64% and 52% respectively; and c) presence of large numbers of Scheduled Castes and Tribals.¹⁸ In fact, a significant number of Banjara tribal people live in Yavatmal, making up the numbers of landless labourers (comprising 50% of the total

¹⁴ As of August, 1998, MAVIM organised 1123 SHGs, including 238 through contracted NGOs. The CBs organised 883 SHGs, out of which 177 were through contracted NGOs (UNOPS, 1998).

¹⁵ 18% of SHGs were formed by NGOs and the rest by MAVIM and Banks.

¹⁶ This is a special design feature of the project that uses multiple models (NGO contracted by MAVIM, NGO contracted by Bank, MAVIM, and Bank) to set up self help groups.

¹⁷ Phase 1 of MRCP saw an 80:20 proportion of BPL and non-BPL members in SHGs as an acceptable target, while phase 2 has focused on promoting 100% BPL groups.

¹⁸ SC families account for 17% (Yavatmal) and 21% (Chandrapur) of all BPL families, while the highest concentrations of STs in the phase 1 districts are in Yavatmal and Chandrapur (both with 21% of the population). (IFAD, 1993)

workers).¹⁹ While Chandrapur and Yavatmal were the main sites for the study, one large NGO in Pune was also chosen since Pune has a long history of NGO activity.

B. NGOs

1. Detailed studies, which included interviews with the NGO representatives and with beneficiaries in project sites, were undertaken of 7 NGOs (1 in Pune, 3 in Chandrapur, and 3 in Yavatmal) in three districts. Most NGOs in the latter two districts are medium and small ones and were representative in terms of size and experience of NGOs in the MRCP project. The size of the NGO corresponds to the sphere of operations, with small NGOs operating in less than 5 villages, medium ones in between 5-20 villages, and large ones in more than 20 villages spanning a couple of districts.

1. In all three districts, the study compared the performances of NGOs and MAVIM in empowering women, generating social awareness, and SHG cohesion and effectiveness in order to find out the specific value added by NGOs.²⁰ Since the study also assesses NGO performance with regard to poor and tribals, efforts were made to include at least two tribal and two majority BPL villages in each district. In each section, the paper compares NGOs in terms of intra-NGO performance (3 small, 2 medium and 2 large NGOs); and to assess value added of NGO performance, the study compares the performance of NGO fieldworkers with that of MAVIM sahayoginis and Bank field officers/sahayoginis. The study also compared NGO activity in MRCP with watershed projects to discover whether some institutional innovations made a difference to the process of implementation and eventual impact on empowerment.²¹

1. In Pune, I spoke to representatives of two NGOs, Chaitanya and Gramin Mahila Bal Vikas (a bank sponsored NGO), and visited self help groups in three villages (two MAVIM and one Gramin Mahila). In Chandrapur, the value added of NGO involvement was uncovered by assessing SHG group activity in four different models: bank contracted NGO, MAVIM contracted NGO, MAVIM through its sahayoginis, and Bank through Field Officers/Sahayoginis (also see Annex 2). In Yavatmal, only one MAVIM contracted NGO (Subah) has been involved in the project since inception, while five have been contracted in the past year by Grameen Bank and one by MAVIM.²² The Yavatmal experience was useful in highlighting the contribution and problems faced by small NGOs. The issues that were examined include NGO performance in with regard to the poor and poorest groups, since common presumption is that NGOs are the best agencies for ensuring proper targeting of the poor. The rationale being that NGOs possess institutional flexibility, informational advantage, commitment and patience to uncover the needs of the poor.

C. SHGs

1. In every project village I visited, I met with representatives of all the SHG groups in the village, VDC and Panchayat members. The field visits also coincided with several SHG cluster meetings in Chandrapur where I met and listened to experiences of diverse groups, and with the monthly meetings of MAVIM field workers in all three districts. I had the opportunity of assessing different challenges faced by these fieldworkers in phase 1 and 2 districts of MRCP.

¹⁹ IFAD, 1993

²⁰ Of 15 project NGOs in Pune, Chandrapur and Yavatmal, I spoke to representatives of 11 NGOs, and conducted an in-depth analysis of 7 NGOs. I also interviewed two NGOs in Thane district (phase 2 of project), and one non-MRCP NGO in Chandrapur who worked with tribals.

²¹ In order to assess collaboration of institutional (government and bilateral) actors, the study compared NGO (Subah) and MAVIM's performance in MRCP, with NGO performance in watershed projects where NGOs have been involved in implementation for four years.

²² In order to keep the same basis of comparison, I visited the project villages of two small NGOs who had been working in those villages for 4 years and had set up self help groups. These villages were subsequently included in MRCP in 1998.

D. Implementing Agencies

1. Individuals representing official agencies (NABARD, MITCON, MCED, DRDA, Block Development Officers, District Collectors, DLCC and MAVIM), participating banks (SBI, BOM, BOI, and Grameen), local community organisations (VDA, VDC, Panchayat), NGOs and field workers (of MAVIM, NGOs and Banks) were interviewed in the three districts.

V. NGO PERFORMANCE IN MRCP

1. A direct link can be made between the final impact of NGO performance and the process of implementation. First, the impact was assessed with regard to targeting of the poor in self help groups, the focus on tribal populations who tend to be among the poorest and neglected sections of the rural poor, empowerment of women and poverty alleviation. Second, the tensions and contributions of the process of interaction and coordination with the Government (village, block, district and state level officials and MAVIM) and other project agencies (NABARD, MITCON and MCED) was highlighted

IMPACT

A. Targeting the Poor in Self Help Groups

1. The study found that large and small NGOs have incorporated a number of poor households in self-help groups, but medium NGOs have not.²³ The unsatisfactory targeting is a result of three factors:

- (i) **Identification of the poor.** The switch from the old income based Government list of BPL households to the new expenditure based list had drastically reduced the number of families classified as being poor. Now only about 35-40% of the rural poor fall in the BPL category as against the previous estimates of 60%-80%. This has meant that several members of SHG groups now find themselves in the non-BPL category with the result that non-BPL members in SHGs range from 30-40%.²⁴ Even the concept of BPL and non-BPL does not seem appropriate since a) in agricultural communities in the project sites the gap between the two categories is quite narrow especially when land is not irrigated. So small farmers with upto 5 acres of unirrigated land are likely to have similar incomes to those who are agricultural labourers who work for daily wages of Rs 20-50. ; b) The change in the method of classification from income to expenditure does not always reflect the poverty status since expenditure conceals borrowing (Gaiha, 1999)²⁵; and c) The method of determining the list is also questionable.^{26 27} Reports from

²³ For instance, only one-fourth of the total SHG members were from the BPL category in Vikalp villages.
²⁴ MAVIM has issued informal instructions to its field workers to maintain separate data on poor families even if they are not included in the list. Being classified as a BPL is crucial when approaching a Bank for direct individual loans because only BPL households are given a 33% subsidy.

²⁵ Several BPL members had borrowed from the group to install tiled roofs and buy amenities (TV, fan etc) which effectively ruled them out of the new BPL list. One BPL group member, an agricultural labourer in a tribal village in Yavatmal had bought a second hand black and white television with the interest bonus that she had received from the group. She said that her children were always watching TV at neighbour's houses until late and she wanted them to be at home.

²⁶ Those who are supposed to determine the new list are paid pittance of about Rs 1.50 per household.

²⁷ In order to minimise irregularities and personal biases, the government of Maharashtra had ensured that the village survey would be conducted by impartial individuals who were brought in from outside. However in several villages, the SHG group members told the research team that the stranger (usually a

several sahayoginis and SHG members in project villages in Chandrapur and Yavatmal suggest that the method has not worked.²⁸ A common refrain in most villages was that the survey had not been conducted in a fair and transparent manner with the result that several poor people had been excluded and some well off people had been included in the new BPL lists.²⁹ These accusations need to be investigated further by government.

- (ii) **Selection of villages.** Banks select villages with very few inputs from NGOs or MAVIM. The bias is towards villages which are relatively affluent, with low numbers of defaulters, and have proximity to and a history of relationship with the bank branch.³⁰ This is a design feature of the project that needs to be transformed.
- (iii) **Overextended field workers and lack of monitoring by NGO directors.** The field workers of medium and large NGOs have to grapple with large numbers of self-help groups spread over multiple villages and vast physical distances. Since fieldworkers of medium NGOs, who lack adequate backup and resources, live in the district or block head quarters, their access to the villagers is limited to monthly visits to check records.

1. NGO involvement was also supposed to ensure that the *poorest* members of the village were included in self-help groups, but in reality only small NGOs operating in one or two villages have been successful in focusing on the poorest groups. This was a result of intensive and extended interaction with the entire community over 2 years, cajoling and convincing all members about necessity for empowerment of women and the poorest. More time and effort is required to convince the poorest of the merits of saving and of SHGs. In the rest of the villages where MAVIM, banks and larger/medium NGOs have been involved, the poorest sections have not been included in the SHG groups mainly due to inability on their part to contribute regularly to group saving, tendency to migrate often in order to earn money during lean non-agricultural seasons, and lack of attention to their needs by field workers.³¹ NGO and MAVIM field

gram sevak or school teacher from another village) had sat in one place and asked influential persons in the village such as Panchayat members about BPL members. Moreover the new list excludes people who have luxury items (such as TV, fridge) and who live in non-thatched roof houses. But in one village in Chandrapur I met a widow whose husband had built the house, but who had now fallen on bad times. However she had been excluded from the BPL list on the grounds that her house did not fit BPL specifications.

²⁸ Moreover in a number of instances the SHG group members did not know about the gram sabha (which members of all households in the village were supposed to attend) that was supposed to ratify the list. They also did not know whom to complain to in case of falsified lists. In some villages (especially bank assisted ones), VDCs have taken on the task of ensuring correct BPL lists.

²⁹ One government official admitted that sometimes the rules of the gram sabha have been manipulated by unscrupulous Panchayats. The rules state that if the first time the quorum is not fulfilled, then the gram sabha can be held a second time without the required quorum. This has resulted in gram sabha meetings being held at unsuitable times (such as 12 noon) when most households are out in the fields and unable to attend. The second time the gram sabha is assembled without representation from most households especially the poor ones (Source: CEO, DRDA, Yavatmal).

³⁰ Villages with large BPL numbers are regarded by bankers as potential and actual defaulters because of past experience with IRDP where a number of them did not even know that they were supposed to repay IRDP loans. Sometimes entire villages defaulted as a result of poor harvests and since their main source of borrowing was the local money lender, lack of future access to banks did not matter. The study also found a tendency on the part of rural borrowers to regard government money as 'free funds'.

³¹ In one MAVIM village in Chandrapur, a poor widow with a handicapped child informed me that she did not even have money to meet her medical expenses let alone make monthly payments to the group. So she had opted not to join the group. Poorest families, in common with other BPL members suffer from financial problems and disturbed families. However, according to some NGO representatives, most members of these groups can save money since they earn Rs 20-25 a day from daily labour in peak seasons. The problem is that so far no one has asked them to do so or educated them on the merits of saving. Non-governmental organisations have a major role to play in encouraging such groups.

workers have tended to focus their attention on nurturing the existing groups rather than trying to incorporate the poorest.³²

B. Inclusion of Tribal Populations

1. Tribal groups have special requirements in that they need more sustained and committed support from agencies than non-tribal ones because the former are usually cut off from mainstream villages by location, access to education and political power.³³ What is perhaps more glaring is that the tribals are cut off from mainstream village life even though they are physically part of it (Gaiha, 1999). Scheduled Tribes are more likely to lag behind because of the fear that they would be unable to repay the loans due to the uncertain seasonal nature of incomes; habitual dependence on government subsidies; and previous bad experiences with fraudulent savings schemes. These groups require more time (at least 2 years to form a group), nurturing and follow up for a longer period. Government agencies are unable to give these sections such attention and this is where non-governmental agencies are supposed to have comparative advantage.³⁴

1. Small (Dilasa, Yuva Manch) and some large NGOs (AAA) have had great success as a result of committed and intensive interaction between the field staff and directors of the NGO with the tribal groups over a period of two or more years; concentrated activity in a few villages and intensive efforts to assess the needs and initiate self help plans in the villages. The NGO field workers lived in the villages and interacted with them daily and endeavoured to learn about their needs.³⁵ Where tribal groups were incorporated into SHGs, the pace of intra group lending and bank linkages was slower than in non-tribal groups, but unlike the latter, tribal groups preferred group activities to individual activities because of the insular and interdependent nature of their societies.³⁶ But medium NGOs have again failed in meeting expectations.

1. The value added of NGO involvement was compared with a tribal village where no NGOs had been involved. The male members who attended the meeting were drunk, while the female SHG members were mainly quiescent. Lack of access to information about banks, government schemes, entrepreneurial activities and general uses of microcredit contributed to general apathy in that village and low empowerment of its women.

³² Another reason for the low representation of the poorest in SHG groups is that a number of villages had been victims of fraudulent savings schemes. Hence it was more difficult for field workers to gain acceptance in such villages, especially among the poorest who had the most to lose.

³³ Alcoholism among men and women, attachment to traditional practices and low acceptance of strangers makes establishing connections with tribals more challenging. Where tribals lived in close proximity to non-tribals (Scheduled Castes and OBCs), the problems of alcoholism and violence against women are accentuated.

³⁴ Several NGOs such as Ami Amcha Arogye, Dilasa, Yuva Manch, Adarsh Gram Vikas Seva Mandal have done excellent work in tribal areas of Gadchirali, Yavatmal and Chandrapur. The common factor uniting all these NGOs has been the long, intensive and committed involvement on the part of NGOs.

³⁵ In the case of non-MRCP tribal villages with SHGs, the NGO reported that alcoholism was on the decline, and women have become members of the gram panchayats and have started to attend gram panchayat meetings as a group.

³⁶ In some non-MRCP tribal villages where an NGO (Adarsh Gram Vikas Seva Mandal) has been working for four years, 20 groups have engaged in group activities such as running hotels, rearing goats, and making bricks and ready-made garments. Moreover tribals who are generally BPL, like other non-tribal BPL do not prefer to borrow large amounts from informal or formal credit institutions.

C. Empowerment of Women

1. Empowerment is about social transformation. It gives marginalised groups (women, poor, lower castes, tribals) an opportunity to break their shackles and achieve social, civil and economic citizenship. The supply of credit on easy terms to poor, of goats and poultry to tribal women, capacity building through crafts training, reservation of seats in Panchayats have instrumental value in facilitating empowerment (Beteille, 1999). NGO role in nurturing SHGs was aimed at empowering women and poor in taking up credit and non-credit activities. Manifestations of empowerment include becoming joint decision-makers within households, establishing an identity outside the family through participation in productive activities, public meetings, protests and political forums.

1. The claim is often made that NGOs are better suited to filling empowerment needs, especially non-credit ones, than governments or banks since they (NGOs) are supposed to have more flexibility, connection with the village community and more commitment to development needs. If one uses the fall back position to measure empowerment, then 99% of the SHGs women did not have any land or non-land assets registered in their names.³⁷ However about 60% of the interviewed beneficiaries said that they had control over the use of non-land assets (such as goat rearing, kirana shop, thresher units etc). But such assertions need to be investigated.³⁸

1. In most cases, empowerment has been slow and invisible. If we measure non-credit manifestations of empowerment, then it is possible to say that MRCP has succeeded in empowering women and poorer sections (though perhaps not the poorest and/ or tribals).³⁹ Some non-credit indications of empowerment include:

- Changes in male response to SHGs: If changes in male response to SHGs is any indication of empowerment then one could say that almost all villages have experienced some degree of empowerment. For instance initially all fieldworkers had problems with males in the village. Village panchayat members taunted them, while men in the village thought they were cunning women who were out to cheat their wives. Husbands were afraid that women would become uncontrollable and therefore would not allow their wives to attend meetings. But after a year when they saw the returns and benefits, the same men came to the sahayoginis and asked that their wives be admitted to the group. In fact, in several villages male self-help groups have sprung up but have not been cohesive as a result of irregular savings.⁴⁰

³⁷ One can measure empowerment by using the fallback position: a) is land owned by wife in her own name; b) wife's non-land assets; c) whether the wife thinks she can support herself if left alone. If breakdown position is strong, then wife's bargaining capacity is also strong (Bebbington and Riddell, 1997). But the fallback position is at best incomplete since it omits social norms as a conditioning factor (Gaiha, 1999).

³⁸ The claim that women have some control over their income from SHG backed activities is contested by Maya Wankede (Subah director) who says that this is the case only with women headed households. In almost all other cases, men control their wives and make decisions on assets to be purchased from SHG loans and also the uses of such income. Such an assertion will have to be investigated further. The field visits demonstrated that though men still have a disproportionate weightage within households, women have begun to assert themselves more than they did before MRCP.

³⁹ Measuring non-credit manifestations of empowerment (which include vocal and confident women in meetings, stories of women achieving better status in households etc) is an impressionistic exercise and is based on my interaction with SHG group members in 16 villages and two cluster meetings in Chandrapur where some 300 SHG members from Chandrapur district discussed their experiences. Also note that non-credit manifestation refers to the outcome of providing instruments such as credit, access to productive activities and formal banking institutions.

⁴⁰ The reason given by those men was that women have the tendency to save but men do not.

- Participation by women in meetings: Women are now active participants in village meetings and ask questions about facilities in the village such as drinking water, sanitation and transport.⁴¹
- Stories of improved domestic relations: On the domestic front too, SHG members who were interviewed for the study reported a decrease in violence as a result of economic betterment and group pressure on the families. However, such assertions need to be investigated further before one can establish it as a trend.
- Stories about bans on liquor shops and gambling: Where liquor shops and gambling had been forbidden by the VDC and SHGs,⁴² the recurrence level was low, but where only SHGs took it upon themselves to stop these activities, they were less effective in the long run.⁴³ So, it is too early to claim a general trend in decrease of violence and alcoholism. More 'success stories' can be seen in MAVIM villages than in NGO ones (perhaps because MAVIMs area of operation is larger).⁴⁴

1. Some unanswered questions remain. For instance, on the issue of whether women are merely proxies for men in obtaining credit, preliminary evidence from the field visits demonstrates that though men still have a disproportionate weightage within households, women have begun to assert themselves more than they did before MRCP.⁴⁵ SHG members when asked who decided on purchase of assets said that it was a 'joint decision' by the household. Whether the term 'joint' is a proxy for 'husband' remains to be seen, but a number of women did say that their husbands listened to them and consulted them more now.⁴⁶

⁴¹ Source: AAA

⁴² In a Grameen bank sponsored village in Yavatmal, an active VDC headed by the Sarpanch went with SHG members at night into jungle and caught illicit liquor makers. Today the village is free of alcohol and gambling. In another Kolam tribal village supported by Dilasa (a small NGO), the members of the VDC and SHGs jointly resolved that liquor shops would not be permitted in the village. In Pune, MAVIM supported SHGs took up the matter of liquor shops with the chief minister and succeeded in getting them closed.

⁴³ In several instances (such as in a Subah village, and a MAVIM village in Yavatmal), one dominant woman in an SHG group tried to close liquor shops. In the case of the Subah village, the woman (whose husband incidentally did not drink) who started a signature campaign without informing the NGO had to stop a proposed rally because the Subah director (who also happened to be the Sarpanch) did not want the rally to be seen by other villagers as her political vehicle. The death of her political rival (who also happened to be one of the liquor barons) put paid to the demonstration. The momentum was never recovered, though even today, four years later, the woman said that she would stop if others in the groups supported her, but such support was not forthcoming. In the MAVIM case, a dominant SHG woman sadly informed me that she had tried to stop gambling a number of times but none of her group members had backed her up. So she has given up in disgust.

⁴⁴ In one MAVIM village in Pune, an SHG member took her alcoholic husband to the nearby town on another pretext and then dragged him to the hospital and admitted him. He was discharged after treatment and has not yet relapsed. Now other SHG members from neighbouring villages have asked her for the address of the hospital and tips on her modus operandi. In another tribal (Dilasa) village in Yavatmal more savings has resulted in men drinking less and using the money to invest in agricultural activities rather than alcohol. But so far, such instances are not numerous enough to constitute a trend.

⁴⁵ One disturbing hypothesis, which needs to be investigated, is that prior to MRCP, men did not really bother about their wife's participation in SHGs. But after the publicity and visibility of SHG progress in credit activities in MRCP, men have begun to notice SHGs as a source of income (Maya Wankede, Subah).

⁴⁶ The common refrain amongst almost all the groups that I visited was that as a result of increased savings and quick access to loans from SHGs, the economic problems (that were the primary cause of conflict in the household) had decreased. The households had more breathing room and this was reflected in less conflict between husbands and wives. Before MRCP, BPL and non-BPL rural households had no other option but to take loans from the money lender after mortgaging their assets. Several times these assets were not returned even after repayments and the families were doomed to becoming bonded serfs of moneylenders.

1. However, empowerment through self-help-groups is a double-edged sword. The initial enthusiasm cannot be maintained unless the group receives periodic and thoughtful inputs from the implementing agencies (NGOs, MAVIM and Banks). Otherwise, generally one or two women in the group are vocal and confident but the rest of the group becomes quiescent. One would expect NGOs to provide such inputs, but the MRCP experience shows a picture of saturated groups and low levels of enthusiasm among groups fostered by medium and large NGOs.⁴⁷ Though the experience of small NGOs in MRCP is only a year old, a visit to their groups in non-MRCP villages (which are four years old) show sustained enthusiasm and social work by SHGs. MAVIM fieldworkers have been more successful in keeping SHG groups motivated, but even their work has suffered as a result of sahayogini fatigue caused by the imminent end of MRCP in September 2000.

1. One area of concern is that in a number of places, especially large villages where MAVIM and NGOs are active, the SHG BPL members are isolated from the village mainstream. This is partly a result of the modus operandi of NGOs and MAVIM who after the initial general village meeting, tend to focus on the SHG groups. So VDC activities go on parallel to the SHG activity, but there is very little linkage between the two. Women's' empowerment can go only thus far in the absence of general village involvement. For true empowerment, the entire village needs to be taken into confidence and such a scenario can be accomplished only if the VDC, SHG and the Panchayat work together. NGOs can be instrumental in bringing them together (eg. Dilasa, Yuva Vedh Manch in Yavatmal).

D. NGOs, Micro Credit and Reduction in Transaction Costs

1. The poorest sections do not benefit from microcredit because of several reasons including their timidity to borrow large sums (Rs 100 upwards) and institutional biases against them (Gaiha, 1999). The present structure of SHGs cannot properly cover the poorest sections since a lot of patience and time is required to nurture these groups. The medium poor and non-BPL benefit from micro credit schemes since individual loans from banks are available at lower interest rates and easier repayment schedules to start entrepreneurial activities. The poorest either do not join the groups because they cannot afford to maintain regular savings, or when they do join, they tend to borrow small amounts (Rs 100-500) for consumption needs and on-farm activities such as buying seeds. Off farm activities take a beating since the project areas are agricultural. The rural poor associate high levels of risk with off farm activities especially because they have little background, training and no idea about markets. Marketing is a major problem that has not yet been addressed systematically by any agency.⁴⁸

1. Does NGO involvement reduce transaction costs of borrowing? In almost all the cases transaction costs have been reduced, registering sharp decreases where banks have actively assisted NGOs.⁴⁹ NGO (and MAVIM) involvement has allowed hitherto excluded sections to participate in formal credit and gain confidence about their abilities. The comparison of reduction in transaction costs is between

⁴⁷ One interesting aspect was the relationship between empowerment and trust. In some villages, the illiterate and poorer members of the group insisted on accompanying the group leader (generally slightly better off and literate) to the bank because they did not trust her. Whereas in other villages, some women in the group had never been to the bank because they implicitly trusted the group leader. Does mistrust have the unintended consequence of increasing empowerment by exposing the women to outside forces such as banks and government? This needs to be investigated further.

⁴⁸ MAVIM is expected to play an active role in creating marketing channels in the future through innovative concepts such as district marketing centres and marketing through delivery vans. For more details, see 'Evolving a common strategy for formation of SHGs in developmental projects supported by RDD, ' Proceedings of 2 day consultation of NGOs in October 1998, sponsored by RDD, GOM and UNICEF. Gramin Mahila Bal Vikas also plans to initiate schemes to use SHG clusters for marketing.

⁴⁹ In a Dilasa assisted village in Yavatmal, Grameen bank organised an open day where all bank papers were made available to clients and assistance was given in filling the forms and processing loans. In another village in Chandrapur which was directly assisted by a bank, the VDC and bank manager jointly assisted loan applicants with fulfilling banking requirements.

NGOs/MAVIM and the previous scenario when they were absent. The experiment with the cluster and federation approach that has been adopted by some NGOs (Chaitanya, AAA etc) is designed to further reduce the transaction costs of borrowing. These are federations of SHGs (with the SHG as the basic unit, a cluster as the intermediate unit and an apex body) which act as conduits and managers of external funds, assist SHGs with loan recovery in difficult cases, and strengthen weak SHGs. The Federation is supported by an NGO which has helped in capacity building through training, designing of management information systems, and linkages with other organisations.⁵⁰ The opportunities created for poor rural women to manage a wide range of organisational and financial affairs have given them a new social identity and role.⁵¹ However further studies need to be undertaken about the viability of such an option and the profile of organisations needed to sustain such federations.

E. NGO Contribution to Sustainability of MRCP

1. Do SHG groups in NGO villages have a better level of sustainability than in other areas? The assumption is that NGOs will continue to nurture and help the groups after the project ends. But the reality is that older groups which are over four years old have a better chance of remaining as a group than newer ones. Again, overall MAVIM's groups scored over NGO groups since the former had been well nurtured by the field workers.⁵² For the latter, the effect of poor training and backup has led to smaller numbers of sustainable groups. Moreover, once the project ends in September 2000 most NGOs may pack up and leave the villages because of lack of funding.⁵³

1. The word 'exit' has sparked panic among field level staff, particularly sahayoginis of MAVIM whose livelihoods are at stake. So the effectiveness of the project is being compromised since most people are looking for other jobs and are not pursuing SHGs nurturing with the same amount of dedication that they had devoted to the project in the previous years.⁵⁴ While tussles go on at the central level between RDD and Women and Child Development departments over MRCP infrastructure, the field level

⁵⁰ For more details on SHG Federation, see Gaiha, 1999. Questions remain about the sustainability of such federations, capacity of NGOs to provide support in specialised areas (such as finance), and danger of unwieldiness of such organisations.

⁵¹ Gaiha, 1999

⁵² Older SHG members in MAVIM villages in Pune and Chandrapur have already begun the process of training and nurturing new SHGs in their own and neighbouring villages. At the Bank assisted SHG cluster meetings in Chandrapur, MAVIM SHG members were brought in as resource persons.

⁵³ One of the expectations on the part of government was that NGOs would continue in the villages after the project had ended. But MAVIM reported that its experience with NGOs in the earthquake project showed that NGOs pulled out of villages once funding ended. But this expectation of altruism on the part of NGOs appears to be unrealistic since all agencies require funds to continue working. MAVIM has tentatively decided to take over all the MRCP groups (NGO and MAVIM) under the SGSY program, which will be discussed in an exit strategy meeting in December/January 2000.

⁵⁴ Will banks continue to lend to SHG groups after MRCP project? Have bank attitudes changed? Again, RRBs may lend more than commercial banks, but even among the latter, over the past 5 years there seems to be some attitudinal changes among several bankers. NABARD courses for mid level and senior level functionaries of banks as well as branch managers may have helped. Bank of Maharashtra has an NGO in Pune, the RRB in Chandrapur has set up farmers clubs with the added task of fostering at least 2 SHGs in each of their villages, Bank of India branches have lent to SHGs outside the project area too. Moreover, with NABARD's linkage banking project which has already been in operation for 10 years, the SHG experience has had time to percolate into bank functioning and psychology. But in the final analysis, SHG activity remains a minuscule portion of bank lending; interest rate spread is not adequate (about 4%); and skill levels of SHG members are not high enough to warrant bank managers' confidence in lending for productive non-farm activities.

agencies including NGOs are uncertain about who will retain assets such as mopeds, jeeps etc that have been provided as part of institutional support and strengthening.⁵⁵

ACHIEVEMENTS AND TENSIONS IN THE IMPLEMENTION PROCESS

1. The collaboration between NGOs and Government has been marked by achievements (some communication between the two agencies at the village and district levels leading to positive impact on poverty alleviation) and tensions. NGO performance has been marred by flaws in the design of MRCP (too many agencies without a clear division of responsibility, lack of formal structures to ensure that NGOs inputs are considered, lack of clarity in outlining expectations of each agency, ‘duplication’ (which was supposed to induce competition) of grass roots activities of MAVIM and NGOs that has resulted in lack of collaboration between the corporate levels of both agencies); a history of suspicion between NGOs and Government (; internal organisational problems of project agencies (vertical flow of information); lack of communication between the two on expectations, and the role of personalities trumping institutional frameworks. These tensions are displayed in the quality of coordination between NGOs, MAVIM and the government.⁵⁶

A. Co-ordination with Government (Village, Block, District and State Level Functionaries)

1. Overall co-ordination between NGOs, MAVIM and banks on the one hand and the state on the other has been poor as a result of governmental indifference to the project as a result of project design. At the state level, the tug of war between the Rural Development Department (RDD) and NABARD resulted in the impression that NABARD owned the project and RDD merely routed the funds (even though only credit allocation is under the purview of banks). “NABARD decides and RDD is barely involved,” said one top government official who did not want to be quoted. Over the course of the project, the two agencies had only a handful of joint meetings at the state level. In fact one former district CEO, DRDA (Chandrapur) admitted that there was very little involvement of government officials in MRCP. The block development officers felt that bankers were ignoring them, while some bankers on the other hand wanted to keep the government out of the picture because of previous experiences with IRDP.⁵⁷ Other bank officials tried to include government functionaries but were cold-shouldered. These tensions have adversely impacted on the relationship of the government officials with NGOs and MAVIM. By and large, the government (at all levels) treated them as contracted agencies who were only supposed to implement the SHG aspects of the project. Genuine partnership with these agencies was not on the agenda.⁵⁸

1. Even if NGOs demonstrated good will and willingness to work with the government, unfortunately the efficacy of coordination has depended more on the attitude of the government officials rather than of NGOs. Where co-ordination has been good, it has been a result of active CEOs, DRDA, BDOs or elected

⁵⁵ MAVIM argues that MRCP infrastructure should remain with MAVIM and should be used for future projects such as SGSY (Turkar, Under-secretary, Women and Child Development). RDD on the other hand feels that since the project was sourced through that department, the assets belong to it.

⁵⁶ I have focused more on the tensions rather than the achievements since the purpose of the paper is to highlight areas where collaboration could be improved between NGOs, Government and IFAD.

⁵⁷ Bankers (including NABARD) dispute that and say that they tried to involve the government but the latter showed little enthusiasm. All the BDOs and DRDA functionaries were interested in was to fulfil IRDP targets.

⁵⁸ The former CEO, DRDA, Chandrapur commented that even when the government was willing to listen, NGOs did not expand the scope of MRCP beyond narrow SHG formation and linkage to banks. He observed that those NGOs who spoke up at DRDA meetings merely criticised but did not do anything constructive in the field.

representatives such as Sarpanches. Some CEOs (such as the Chandrapur CEO) took an active interest and genuinely tried to include all the parties. The institutional innovation of MRCP in constructing 'duplicate' methods of SHG nurturing helped NGOs (particularly small ones hired by enthusiastic regional banks) to establish good relations with village and block level government authorities. This was due to the gusto with which young branch managers of grameen banks adopted the tenets of MRCP and an inclusive outlook.

1. On being asked to assess the quality of NGO collaboration in MRCP, the state and district level government functionaries expressed disappointment with NGO performance. They cited several instances where NGOs had not risen to the challenge. Training cum production centres were to have been established by 2-3 NGOs, but did not materialise due to internal organisational problems.⁵⁹ At the DRDA meetings which project design had envisaged as a method to incorporate NGO feedback, non-governmental agencies either did not attend, or if they did, their suggestions were not comprehensive or extend beyond the realm of MRCP.⁶⁰ The government had a more favourable impression of NGOs connected with watershed development rather than MRCP, adding that selection of NGOs had posed problems. "Some NGOs do not have right kind of personnel or expertise," said the Collector, adding that the aim of government should be to use field NGOs with a history of working in that area rather than replicating the SHG scheme everywhere and running the risk of using briefcase NGOs.⁶¹

1. The poor nature of communication is prevalent not just between institutions but also *within* these agencies. For instance, the Secretary, RDD expressed dissatisfaction with the SHG experience in MRCP citing three reasons: a) Low saving rate: Savings per person in the SHG was very negligible (Rs 10-20 per month), when daily wages in Pune were up to Rs 70-80.⁶² The complaint was that SHGs were formed only to achieve targets and did not really constitute a true micro credit group; b) Low levels of group productive activity: Implied that the cause of low group activities in the project was preponderance of mixed caste and income SHGs;⁶³ c) Low levels of bank linkages: Banks were in charge of monitoring credit for all SHGs, but only 25% were linked to banks because of indifference on the part of banks, adding that the size of loans was not enough for productive activity.⁶⁴ It should be noted that corporate levels of all implementing agencies (RDD, NABARD, Banks, MAVIM and some NGOs) exhibit such misinformed stances, in contrast to the efficiency of their field level staff. The channels of communication between these levels is seldom two way thus marring the overall effectiveness of the project. This is a result of the vertical nature of the internal structure of these organisations that favours a top-down flow

⁵⁹ NGOs were supposed to establish training-cum-production centers (such as bamboo crafts) under the project.

⁶⁰ The government expectation of NGOs was that they would expand the scope of the project beyond SHG establishment. (Interview with Collector, Yavatmal District)

⁶¹ In fact, one of the dangers of the SGSY scheme is the vast amount of funds allotted to NGOs to set up self-help groups in rural India, in the absence of a strong and cohesive network of NGOs with a track record in development.

⁶² This critique by the government is misinformed since a saving of Rs. 20 for a rural woman is not negligible, and the advantages accruing from inculcation of saving habit in the rural poor should not be overlooked. MAVIM also added that additional expenses for the poor as their standard of living increased meant that savings could not be too high (expenses for schools etc); and secondly that targets were emphasised by RDD at the expense of the quality of SHGs.

⁶³ The sahayoginis of all agencies reported that heterogeneous groups were more cohesive in the long run, and the cause of low group activity was that the poor (even if they belonged to homogeneous groups) were wary of engaging in productive enterprises without adequate training and markets.

⁶⁴ The RDD secretary said that average loan size was Rs 30,000 which meant that a group of 10 would have access to Rs 3000 which was not enough for productive activity. However this contention is flawed since a number of women interviewed in the study had started flourishing businesses with an initial capital of Rs 500-Rs2000. The government planned to remedy this aspect in the SGSY scheme where bank loans would increase to Rs 5 lakhs. However this will not be the recipe for successful group activities because of apprehension on the part of the poor to borrow large sums (see annex on the SGSY scheme).

of information. Medium and large NGOs, which are expected to be more tied to the communities have unfortunately not escaped this trap due to the overextension of directors who have expanded their sphere of operation without adequate supplementation of infrastructure and personnel. The project does not have an adequate incentive structure that could promote involvement of corporate levels, so much of the effectiveness of interaction between fieldworkers of NGOs /MAVIM and the government depends on personalities of the actors. Some suggestions for an institutional incentive structure include periodic compulsory attendance of senior officers in project related meetings (SHG cluster meets, presentations by field staff of NGOs and MAVIM etc.) which would be part of their job performance record.

B. Co-ordination with MAVIM

1. Relations between MAVIM and its contracted NGOs are fraught with tension., which as intensified as the project has drawn to a close. The lack of clarity of expectations by both agencies about their respective roles in the project is evident from a review of their grievances.

- *NGO performance in villages:* MAVIM staff reported that when compared to MAVIM sahayoginis, NGO field workers produced lower numbers of self help groups, and operated in fewer villages.⁶⁵ This was compounded by reluctance on the part of NGOs to nurture more groups or villages. NGOs, on the other hand felt that quantity and targets were being emphasised rather than quality.
- *Use of field workers by NGOs:* MAVIM complained that there was a tendency (particularly on the part of medium NGOs) to recruit unqualified field workers and also fail to provide subsequent training. Moreover the field workers who turned up for training programs run by MAVIM were not sent to MRCP villages but were utilised for other NGO projects. Hence continuity and value added of training was lost and the SHG group suffered in the bargain.⁶⁶ NGOs on the other hand argued that MAVIM had steadily poached on their staff and the turnover had increased as the project matured.⁶⁷
- *Expenditure on project:* Some NGOs spend more project funds on directors' travel and general administrative expenses (upto about 80%) than on training and backing up field staff. Second, though MAVIM pays each NGO Rs 5000 a month, the NGOs pay their field worker (generally only one) between Rs 600-1000 (plus travel expenses).⁶⁸
- *Monitoring NGO performance:* MAVIM said that NGOs did not submit monthly reports on time.⁶⁹ NGOs complain that the reporting format is very elaborate and time consuming.⁷⁰ Second, the interaction between NGO directors and MAVIM DIU is frayed because of the generation and ego problems. NGOs said that they did not feel accountable to MAVIM and complained that in its dealings MAVIM tried to act as a boss rather than as a partner.⁷¹
- *Problems with NGO schemes:* MAVIM has had problems with the federation concept. For instance, MRCP SHGs have been affiliated to the Federation initiated by Chaitanya but

⁶⁵ MAVIM also reports that majority of NGOs have not focused on conducting training programs for SHGs, nor have they concentrated on entrepreneurial and social awareness activities

⁶⁶ According to figures submitted by the Chandrapur DIU, instead of spending at least 50% of funds on training, the NGOs spent about 17% on training and the rest on administration.

⁶⁷ MAVIM pays its sahayoginis Rs 1600 and naturally most NGO fieldworkers (whose wages are between Rs 600-1000 (plus expenses) prefer to shift to MAVIM when given an opportunity.

⁶⁸ One NGO in Chandrapur did not pay its fieldworker travel expenses, and in fact did not pay her at all for over two years. MAVIM has provided one two wheeler to its contracted NGO to be used by the field worker. But the study team found that the transport was used by other NGO staff and the field worker was forced to rely on public transport and had to walk 2-4 kilometres to reach the village.

⁶⁹ Planning, documentation and reporting of training programs conducted by NGOs were not communicated in a timely manner to MAVIM.

⁷⁰ For instance, Chaitanya has to report to 5 agencies. It has to submit quarterly reports to two banks, and detailed monthly reports (in different formats) to NABARD, MAVIM and DPCC.

⁷¹ Conversation with representatives of Subah, Chaitanya and Jagrat Mahila Manch.

MAVIM argued that these SHGs were not as cohesive as a result, and were not receiving requisite support from the NGO.

1. The positive side of the balance sheet has been the quality of training and skill development programs that MAVIM and NGOs have jointly provided their staff. MAVIM has learnt from training programs of NGOs such as BAIF (a specialised agency dealing with training) and Chaitanya, and has used these programs to train fieldworkers of its contracted NGOs (generally medium and small ones). Much of the acrimony between the two agencies is a result of friction between personalities and lack of engagement between the corporate levels.⁷² The above scenario is a case where competition promoted by project design has evolved at the expense of a partnership approach.

C. Co-ordination with Banks

1. The interaction between branch managers and NGO/MAVIM's field workers is generally characterised by indifference on the part of the former.⁷³ In those cases where managers are active and enthusiastic, symbiotic relations have been developed, but such cases are rare. The entry of Grameen Bank in phase 2 of MRCP has reversed the general trend slightly, but overall indifference particularly by commercial bank managers remains the norm.⁷⁴

1. The weak performance impact of NGOs vis a vis incorporation of poor households is directly related to the fact that NGOs and MAVIM have rarely been incorporated in the selection process. MRCP villages have been selected mainly by lead banks in the district in association with NABARD. This has resulted in selection of villages with a preponderant number of non-BPL households. In phase two, MAVIM insisted on being part of the process but to no avail with the result that in Jalgaon and Thane districts villages with low numbers of BPL families were chosen for the project.⁷⁵

1. Bank contracted NGOs in Chandrapur have not performed well since they do not enjoy the advantages of association with MAVIM (no access to training for their field workers who are generally sent to the field after a theoretical explanation of the concepts of SHGs). Moreover, these banks have tended to be commercial banks (which lack incentive structures for good performance in MRCP) where the quality of interaction between the field worker and bank staff depends more on personalities. NGO (all small NGOs) collaboration with Grameen Bank (in Yavatmal) has been more successful. Branch managers and NGO directors and field workers share a good rapport and meet regularly to discuss progress and solve problems.

⁷² For instance, when the managing director of MAVIM was dynamic and eager to involve NGOs, the resulting rapport led to a genuine partnership. But when MAVIM came to be staffed by a series of short term Managing Directors, relations with NGOs suffered as contact became more infrequent between the corporate levels.

⁷³ Several SHGs of MAVIM in Chandrapur reported that bank managers were initially not receptive to SHGs because of the small amounts and large amounts of paperwork as well as hordes of women invading their offices a few times a week, especially with the proliferation of SHGs in the later years of the project.

⁷⁴ Grameen Bank has a women's development cell with one officer and extensive coverage of villages. Unlike CBs, managers of Grameen Bank have a limited area of operation and are generally transferred within a small cluster of districts. The staff, which possesses a rural background, can develop lasting links with villages. Moreover they live in the block or district HQ with their families unlike managers of CBs who are on a rural posting and keep their families in the big cities for purposes of children's schooling.

⁷⁵ Interview with Mrs Balsaraf, MAVIM, November 1999. She also added that Banks prefer to choose villages that are closer to their branches and this results in exclusion of interior and backward villages with large BPL populations.

1. Since the project aims to link poor households with banks, the role of bank managers in setting up village development councils, liaising with the NGO field worker and SHG groups is key to the success of the project. However, in most MAVIM and NGO assisted villages, VDCs have been largely divorced from SHGs.⁷⁶ MAVIM and NGO sahayoginis were confined to SHG formation and nurturing, and VDCs took little notice of them.⁷⁷ This problem has arisen in part because of the timing of VDC formation which in phase one districts was prior to SHG formation. This resulted in low representation of SHG members in VDCs. On the advice of the NABARD AGM in Yavatmal, phase 2 villages have formed VDCs after SHGs are up and running.

D. Co-ordination with IFAD

1. NGOs, MAVIM and Government officials agreed that their association with IFAD staff was characterised by a genuine partnership in project design and implementation. Large NGOs such as Chaitanya pointed out that their inputs were actively sought by IFAD during the project planning and strategy building stages. The periodic review process gave NGOs a chance to speak out and voice their concerns.

1. The common consensus among NGOs is that their collaboration with government and IFAD has had some positive effects on their operations. NGOs have developed record keeping and accounting skills, and also honed their monitoring reporting skills. However some large NGOs (Chaitanya) felt that as a result of association with MRCP, their own work of developing SHGs and establishing SHG federations at a more rapid scale had suffered a set back.⁷⁸

E. Co-ordination with MITCON/MCED and NABARD

1. NGO-MITCON/MCED collaboration has not been successful. MITCON/MCED consultants complained that most NGO field workers did not communicate the needs of their self help groups nor did they join MCED and MITCON during EDP training. So while initiating EDP training, MITCON/MCED tend to inform VDC members and bank managers and MAVIM but not the NGO. This problem was more pervasive among medium and large NGOs because of the larger sphere of their operations and the vertical structure of decision making within these NGOs.

1. NABARD-NGO /MAVIM relations have been characterised by consultations and a genuine partnership. The NABARD officials at the field level provided a focal point for NGOs to air their grievances and the continuity of their tenure (the Chandrapur and Yavatmal officials have been posted for the duration of MRCP) has resulted in prompt and effective resolution of problems. For instance, NGO inputs have been solicited by NABARD officials in Pune on the policy implications of MRCP. However, the lack of clarity of communication between NGOs and government has tended to make NABARD's

⁷⁶ Bank co-ordination with village level elected and unelected bodies has varied with the commitment of the branch managers and/or field officers. Where branch managers/field officers have exhibited motivation and enthusiasm, they have been successful in carrying the panchayats with them by involving them in the VDC, along with SHG members.

⁷⁷ One sarpanch who was also a representative of the VDC in a MAVIM village admitted that his attitude towards fieldworkers was one of indifference since the sahayoginis came to the villages and focused exclusively on BPL groups.

⁷⁸ These NGOs felt that the problems caused by time consuming reporting requirements of MAVIM, the initial cap on the SHGs in a village, and subsequent friction with MAVIM on incorporating SHGs into a federation hampered their activities.

role less effective. Moreover, as we saw earlier, the tension at the corporate levels between NABARD and RDD over the ownership of the project as a result of project design has created indifference on the part of the government officials towards the project and implementing agencies such as NGOs and MAVIM.

VI. OTHER ISSUES IN MRCP PROJECT PERFORMANCE

Nature and Functioning of SHG Groups

1. Are single caste groups better than mixed caste groups? There seems to be a general perception among high level bank and government officials that single caste self help groups are better since they would contribute to cohesiveness and sustainability of the group. However the report from the field favours mixed caste groups except in the case of tribals.⁷⁹ For SHGs, group formation is based on location rather than caste. Physical proximity of group members seems to be the key to forming SHGs. So the majority of groups are mixed caste and where there are single caste groups (such as ST and SC) it is because such groups live in separate hamlets.

1. Should non-BPL members be excluded from the SHG groups, the rationale being that the former will exploit BPL members and will not allow them to benefit from microcredit. However the reality is that mixed income groups are preferred by field workers and beneficiaries especially in the initial years since the non-BPL members tend to be literate and provide initial leadership to the group.⁸⁰ The BPL members lack confidence initially and therefore these women also act as role models. In phase 1 of MRCP, the 80-20 ratio was followed, but in phase 2 the project switched over to 100% BPL groups. This seems to have been a mistake because of the above reasons and also as the project is coming to a close and the groups have not matured, there is in fact a need for literate leaders within newer groups which could have been filled by non-BPL members. SHG members of Grameen Mahila Vikas (NGO, Pune) reported that after the group members became more confident, they replaced the literate leader with illiterate ones who had a stronger voice.⁸¹

1. Are the interest rates charged by SHG groups affordable by the poor? Field research shows that the poor prefer high interest rates for three reasons: a) In setting the interest rate, the SHG members make a comparison with informal credit sources such as moneylenders who charge about 10% per month and take over assets on non-payment; b) repayment will be quicker if rates are higher; and c) contributes to group funds. The argument that the lack of access by the group members especially those dependent on seasonal earnings to interest earnings enhances their poverty does not seem to be the case at least with the groups interviewed by the research team. Access is decided by the group as a whole and most groups including its poorest members prefer to put the interest earnings back into the total funds. These funds are sometimes used for group activities such as social functions, buying shamianas and renting them out

⁷⁹ But the consensus among several groups of Sahayogins of MAVIM and NGOs in Pune, Chandrapur and Yavatmal suggests that mixed caste groups are more likely to stay together and operate as a group rather than single caste groups who may become a group very quickly but just as quickly tend to break up owing to internal tensions between members. These tensions have commonly been a result of clan tensions and who gives respect to whom. Mixed caste groups on the other hand take longer to bind but once they do it tends to remain. The fear that lower castes are discriminated against within the group does not seem to be the norm since several sahayoginis and group members reported that they took special care of the poorest (who were also lower castes) members.

⁸⁰ One sahayogini reported that she knew of several instances when group members or leaders suggested the names of poorest members as beneficiaries of certain schemes. Even in the case of charging interest, sometimes the poorest members are charged lower interest rates. Also interest rates vary for productive activities (lower) and consumption needs (higher).

⁸¹ However, evidence is still scarce on whether this procedure is the trend and also whether non-BPL members would relinquish leadership gracefully.

during functions and earning money for the group, and more rarely are credited to individual accounts (as Diwali bonuses), but more often are added to the group's funds and loaned out.

1. Recently project authorities introduced a self-grading scheme for SHGs. The exercise has not yet been carried out, but one danger is that banks could lend only to those SHGs who have an A grade. Moreover some groups could fall in the A category for record keeping but in the B category for attendance, with the result that the overall grade may not reflect the nuances.

1. In the long run, SHG groups depend on effective VDCs to link them with formal lending institutions as individual beneficiaries. The effectiveness of VDCs seems to depend on timing and membership. Where VDCs were formed after SHGs, the latter had more representation and contributed to better functioning.⁸² Where VDCs were formed before SHGs, variable performance has ensued depending on the involvement of panchayats and SHG members. Effective VDCs are the norm when its Panchayat members are honest and well meaning (e.g. when a strong woman or male sarpanch is a member) and/or when SHG members are VDC members. One interesting finding which needs to be investigated further is that when two or three villages together have one-gram panchayat then members of individual villages are well disposed to the VDC since it is seen as a parallel and alternative panchayat. The friction that could arise between panchayats and VDCs is also not evident in these villages.

VII. RECOMMENDATIONS FOR INCREASING COLLABORATION BETWEEN NGOS AND GOVERNMENT

A. *Listening to NGOs*

1. Ensuring NGO representation at the district level and village levels is not enough. The government has to learn to listen to NGOs. This means that at DRDA and BLTF meetings, NGO participation has to be mandatory and their suggestions generated as a result of their (NGO) grass roots activism must be considered seriously.⁸³ The complaint on part of government officials was that NGOs talked a lot but did not do anything constructive. Also they did not make suggestions that could have widened the scope of the project. NGOs on the other hand said that they received a cold response from government officials and were viewed as implementers rather than partners of government. So governments have to see NGOs as partners and involve them not just in implementation but also at the level of planning and creation of the projects.

1. It is imperative to improve co-ordination at the institutional level which is currently infused with mistrust between government officials and NGOs. The experience of MRCP shows that good co-ordination is possible provided both parties are willing to work with each other. For this, training, access to information and willingness to learn about one another's activities is important. Forums where government and NGO meet as co-workers in poverty alleviation would be a good start. NABARD has conducted several training sessions for bankers and government. NGOs too should be included in such seminars.

⁸² In some cases (a MAVIM village in Pune), the SHGs became so vibrant that they overthrew the VDC and established an all women VDC. In other cases, SHG members have appealed to sympathetic bank managers and made VDC members removed. But such cases are few and do not reflect the general trend.

⁸³ NGOs to be involved in planning and implementation phase in SGSY: as parallel monitoring agencies. In the new program, state and district level committees, reps of 2 or so NGOs are members of these committees. Would be involved in selection of key activities, activity clusters, training, capacity building.

1. Coordination also needs to be improved within both organisations so that information flows from bottom up too. Again, field visits, tying the performance of the project to the personal records of the higher level officers/NGO directors would be a good start in creating incentives.

B. Listening to Government

1. The Government deals with vast numbers of poor, operates large bureaucracies and works with limited budgets. They need assistance from the non-governmental sector at the village level to identify the needs of villagers, activate peoples action plans and involve communities in self-help schemes.⁸⁴ As one government officer said “ 60% of problems of a village can be solved by the villagers themselves without assistance from government.” The problem is that with vast amounts being diverted by multilateral and bilateral donors and by the government (under the SGSY) to non-governmental actors, becoming an NGO has turned into a profitable business. Governments have had bad experiences with briefcase NGOs and with NGOs who are advocacy units but do not really produce results at the field level. Quantity proliferates at the expense of quality leading to accusations by government of bad faith on the part of NGOs. Those NGOs that expanded too fast and took on too many projects without adequate infrastructure (staff, training facilities, and transport) to back them up find themselves stretched thin (Vikalp, Jagrat Mahila Manch, Samyukt Mahila Manch). Others such as Ami Amchya Aarogye have expanded slowly and used alternative means (such as SHG federations) to link and monitor expanding networks. Still others such as Dilasa have refused to take on new projects if they felt that they could not give it individual attention.

C. Assist Government in Selection of NGOs

1. The selection process is key to ensuring good results. Selection is a time consuming process since the government has to identify NGOs with a good track record among a large roster. GOM has vast experience with NGOs in several past projects such as IRDP and DWCRA. The consensus among government officials was that despite good experience with NGOs in watershed development, they found that a large number of NGOs engaged in financial and administrative irregularities. Though GOM has guidelines on selection of NGOs, bureaucrats face the problem of political pressure to select newly formed NGOs who more often than not turn out to be of the briefcase variety. The government needs assistance from NGOs either through an NGO forum/cluster or autonomous research organisations that keep a record of NGOs, visit their sites and monitors performances.⁸⁵

D. Minimising Trade-offs

1. Tradeoffs need to be reduced between effectiveness and expansion of NGO activity by following a process of self-monitoring (don't bite off more than you can chew). Be local, not global would be a good motto for NGOs to follow. In order to ensure efficient NGO activity one option is the cluster approach (used in watershed management) where a regional NGO contracted by the government subcontracts to smaller local NGOs and periodically monitors their work. In this way large sums of money can be channelled through one agency, rather than the government having to field and monitor a number of small contracts.

⁸⁴ 35 lakh BPL families in Maharashtra, and each year govt is helping only 1 and a half lakh (ibid).

⁸⁵ Most NGOs were part of a regional forum, Vidharba Lok Vikas Manch. A study group for NGOs exists at the state level, and at the national level, Voluntary Action Network of India.

E. Village Development with Individual Development

1. Development efforts of NGOs and government should involve the entire village rather than focus on specific groups only. Though some groups such as the poor and women require special attention, attempts should be made to educate the rest of the community about these needs. The MRCP experience shows that ‘duplication’ of activities encourages competition and could promote collaboration among banks, MAVIM, government and NGOs if implemented well (Yavatmal experience). More forums should be promoted where SHG members and field workers from the four models meet.

F. NGO and Bank Collaboration

1. Banks (particularly field officers and some committed branch managers) have started SHG groups in a number of villages. There needs to be a link between bank activity and NGO support in the non-credit areas of SHG nurturing. Funds (from government or NABARD under the microcredit scheme) could be channelled to NGOs and MAVIM to adopt bank villages and nurture weaker groups.

G. Comparative Advantages of NGOs vis-a-vis Other Agencies

- Establishing close links with the people, involvement in the PAPs, assessing needs of village and communicating them to government agencies.
- Information dissemination of government programs
- Skills training and linking groups: Some NGOs such as BAIF and Chaitanya have an advantage. A major lacuna in MRCP has been the gap between skills training and marketing. Since no agency was responsible for providing advice on markets (MITCON was to a certain extent but did not really carry out its role), beneficiaries were firstly afraid to start non-farm activities, and when they did start them found themselves strapped for markets. NGO associations can help individual NGOs link their SHG activities to other groups (eg. One group of SHGs manufactures items and sends them to a village where there is demand for these goods).
- Functional literacy: This is a major handicap for the rural poor since they see illiteracy as the cause for non-participation in leadership of the group and in accessing formal credit institutions. NGOs can be very useful in starting such programs in villages and linking literacy to access to bank/SHG loans in a time bound manner. For instance NGOs could make it mandatory for all SHG group members to learn to sign by the end of the first year and learn the alphabet within two years. The field worker or school teacher or some literate members of the groups could be paid small sums to hold classes.
- Faster decision making process: Unlike other agencies (including MAVIM), NGOs have a less bureaucratic structure and can make decisions quickly. However in the case of medium NGOs with raw field staff, decision making by directors has been slow since it was hampered by poor communication between the field and headquarters.

H. NGOs as Financial Intermediaries

1. Evidence of NGO involvement in MRCP leads one to the conclusion that it is still too early to use NGOs for specialised banking activities. As Ami Amchya Aarogye pointed out, community based NGOs certainly have an advantage in reaching the poor in awareness generation, capacity building etc. However, they argue that such advantage need not necessarily be translated into capacity as financial intermediaries since on-lending activities need special financial clarity and capacity of management that most NGOs currently lack. The amounts are too large and experience with NGOs as financial intermediaries in some government projects (such as the earthquake project in Latur) has not built

confidence.⁸⁶ Some NGOs such as Gramin Mahila Bal Vikas want to assume such roles but they need initial support and advice from banks as well as trained financial experts. Some NGOs have established an SHG federation concept which will function as a bank. However bankers and government officials have adopted a wait and watch attitude.

VIII. NGOS VERSUS MAVIM: CLASH OF THE TITANS?

1. The performance of MAVIM's sahayoginis has been universally acclaimed by all agencies (NGO, Bank and government). The staff is dedicated, well trained and receives prompt and adequate back up from the district implementation units. Monthly meetings are held where MAVIM and NGO sahayoginis (who are contracted by MAVIM) share experiences, discuss needs and chalk out future training programs. An area for improvement is that the training programs need to be more demand oriented rather than being standardised modules.

1. In general, MAVIM field workers have outperformed NGOs in the MRCP project as a result of better selection, training and monitoring of project implementation.⁸⁷ Large NGOs such as Chaitanya, BAIF and AAA have training programs for their field workers, but the medium and small ones who form the bulk of NGOs in MRCP do not. The field workers of those NGOs contracted by MAVIM are included in MAVIM's training programs, but those contracted by the Bank are not so fortunate.⁸⁸ MRCP is the main activity for MAVIM, whose entire machinery has been dedicated to the project. NGOs on the other hand have to dance to the tune of several masters.⁸⁹

1. However, where NGOs score over MAVIM is on the quality of intervention in the villages. This is true of small NGOs who have focused on one or two villages and actively liaised with bank managers, panchayat and VDC members and block level government officers.⁹⁰ This has paid off in terms of vibrant self help groups which have integrated the poorest and tribal sections into general village life and linked them with banks. Self help villages rather than groups have been the result of such interventions.

IX. ASSESSMENT OF INSTITUTIONAL INPUTS INTO MRCP: COMPARISON OF NGO PERFORMANCE IN MRCP AND A WATERSHED PROJECT⁹¹

1. Watershed management is more labour intensive than micro credit in that the initial effort to convince the entire village of the benefits of the project takes time and patience.⁹² The village has to first

⁸⁶ Several government officials said that funds were not managed well by NGOs and there were time lags between repayments by beneficiaries to the NGOs and the subsequent payment by NGOs to the banks.

⁸⁷ The selection process is rigorous consisting of group discussions on women's issues, observation of interaction of applicants, essay writing and math. The field workers hired by NGOs mainly consist of raw recruits who are willing to work for small wages. MAVIM holds 10 training programs in seven months for its SHYs including SHG concept training, bookkeeping, gender sensitisation, functional literacy, social awareness and entrepreneurship development.

⁸⁸ For instance Vikalp has been contracted by bank and MAVIM and finds itself in the odd position that its Bank sahayogini is untrained while the MAVIM one is trained. Often the field workers are sent to the villages without any idea about self help groups, nurturing them and at times do not even get the back up to solve problems.

⁸⁹ In phase 2, MAVIM has tried to recruit NGOs who would have MRCP as the main source of funds (Mrs Balsaraf, MAVIM).

⁹⁰ Some large NGOs such as AAA have done sterling work in the tribal areas (Gadchirali), again because of the fact that the directors live in the area and have close and sustained contacts with the village community.

⁹¹ In Yavatmal, I compared the efforts of Yuva Manch (a small NGO) in a watershed project with NGOs performance in MRCP and also conversed with these NGOs on the merits and demerits of working on both projects.

demonstrate interest by taking up environmentally friendly activities such as tree plantation prior to the commencement of the project. In one case, Kolam tribals had been informed by their zamindar that the NGO (Yuva Manch) had come to convert them, and it took more than a year before they became convinced of the contrary. Despite several differences between the two projects, the institutional arrangements of the two can be compared.

1. Firstly, the co-ordination between NGOs and government was much smoother in a German sponsored watershed project because of the presence of a nodal regional NGO that monitored and provided backup to local subcontracted NGOs. As a result, the Government was spared the time consuming process of selecting NGOs and monitoring their activities. In MRCP, on the other hand, Banks and MAVIM were the nodal agencies and NGOs themselves did not have a voice. So there were problems about contracting and monitoring variable performances of NGOs, while the latter were constantly bombarded with comprehensive reporting formats.

1. Secondly, the watershed development project ultimately aimed at collective village activity rather than merely promoting self help groups (like MRCP). Therefore, the entire village was involved in the project and that made the self help groups more vibrant and co-operative than the MRCP ones. For instance, in the same village, the men helped one woman SHG member to set up a kirana shop and buy the stocks despite owning their own kirana store.

1. The final question is whether all the above suggestions will have a positive and high impact on reducing the ranks of the rural poor. Some suggest that it is not enough to design organisations to serve the interests of the poor. Bureaucrats, elected representatives and NGOs respond either to incentives (performance linked rewards) or to pressures from a strong coalition of the poor. Since incentives are difficult to design because of the multiple and fuzzy nature of objectives, these commentators suggest that strengthening a coalition of the rural poor is a promising option (Gaiha, 1999). The findings of the study suggest that if such rural coalitions are to be a viable option, they need to be groups which involve the entire village. So VDCs with panchayat and SHG representatives would be a viable rural coalition that could put pressure on panchayats and government functionaries. But whether such coalitions are feasible, given the conflicting pulls and pressures of caste and religious politics in India remains unanswered. Feasibility of such coalitions would also depend on the nature of the project - watershed ones may be more conducive to workable coalitions than microcredit.

X. CONCLUDING REMARKS

1. Poor rural women need credit, something that MRCP attempts to give them by improving access to formal lending institutions. But such measures have to be accompanied by additional inputs such as promoting education for children as well as their parents, skill upgradation, raising political and social awareness of patriarchal social structures, environmental awareness, among others. The non-governmental organisations remain the only viable medium for providing these inputs in a sustained manner. The previous two decades which saw NGOs as the magic wand to make poverty disappear has given way to donor and government disappointment with NGO performance. However, the experience of NGO-Government-IFAD collaboration in MRCP shows that like self help groups, NGOs too need nurturing and skill and management training.

1. Empowerment of rural poor especially women is a slow and lengthy process which requires dedication in the face of the invisible character of the results. The MRCP project demonstrates the

⁹² The requirement of the German Watershed Program was that 100% of the villagers should agree to the project and such agreement would be manifested through 'shramadan' i.e. voluntary efforts by villagers to maintain their environment through tree plantation etc.

achievements of such dedication as well as the barriers imposed by institutions and history. Ultimately no amount of institutional tinkering can take the place of dedicated NGO directors and fieldworkers who have direct and sustained links with the village community. The collaboration between NGOs and Government has been stymied by the institutional barriers induced by project design as well as the inherent nature of governments. So, a history of suspicion between non governmental and governmental actors when combined with design flaws (such as confusion over government ownership of MRCP) led to official indifference towards NGOs and the project. This had an impact on the process of implementation (non-involvement of NGOs in policy and planning project strategies) as well as the outcome (less than anticipated impact on empowerment and poverty alleviation).

1. The NGOs that performed well tended to be either very large NGOs with manpower, infrastructure and technical resources or very small NGOs who have worked intensively in one or two villages. Small NGOs have performed superbly in combining credit and non-credit aspects of MRCP, actively including the poorest and tribal populations, and have involved the entire village in the project. Medium NGOs have fallen somewhere between the cracks, demonstrating all the classic negative aspects of the trade-off between effectiveness and expansion of NGO operations.

1. The fact that regional rural banks and semi-government bodies such as MAVIM have performed well in MRCP shows that given proper institutional back up and enthusiastic field staff, these agencies can be effective in poverty alleviation programs.

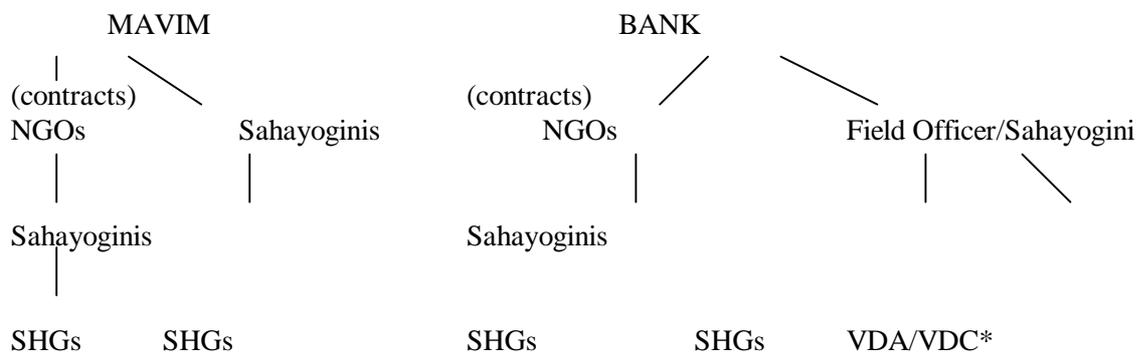
1. Thus, the main areas where NGO - Government collaboration could be improved include: a) consultation on selection of project sites; b) sustained and periodic joint meetings between government functionaries and NGOs/MAVIM which explain the concept and expectations of both agencies; c) better utilisation of NGOs in tribal areas, and in their areas of comparative advantage; d) focus on nurturing and improving skills of NGOs in financial management, reporting and training.

1. In brief, the only way to transcend institutional obstacles to collaboration is to encourage frequent communication between NGOs, Government and Banks at the corporate and field levels. Ultimately, the quality and commitment of the leaders of these organisations has the greatest impact on performance and results. At the institutional level, attempts must be made along the lines of MRCP to encourage competition between different agencies, but at the same time, care must be taken to ensure that it does not poison collaborative elements. Joint efforts towards promoting self help villages should become the motto of development.

XI. AREAS FOR FUTURE RESEARCH

- Comparison of empowerment in MRCP with watershed projects.
- Analysis of impact of SHGs on incidence of violence in Naxalite areas: One report suggests that in some areas in Andhra Pradesh, the SHG groups have thrown naxalites out of their villages; whereas in the Gadchirali region in Maharashtra, one MRCP field worker reported that her SHG groups in a village told her to come only during the day because they had 'other activities' to attend to in the evening.
- Caste composition and Self Help Groups: Do homogenous groups promote group activity, engender greater trust and are more cohesive than heterogeneous groups?
- Objective evaluation of empowerment by constructing a series of indicators to assess whether micro credit promotes empowerment.
- Impact of SHG Federation on Empowerment

Organisational Relationship of NGOs with Banks and MAVIM in MRCP



* After VDCs are formed, NGOs and MAVIM SHYs initially attend those meetings frequently and their participation tapers off as SHG groups become more confident and can articulate their concerns directly in the VDCs. The fieldworkers of NGOs hired by Banks/MAVIM have to sign an attendance register in the Branch Manager's office/MAVIM District Implementation Unit. Hence, institutionally, the project favours frequent interaction between Banks/MAVIM and their contracted NGOs.

Comparison of NGO Performance with Bank and MAVIM

Chandrapur and Pune

Models	Access to poorest ⁹³	Sustainability of SHGs for credit functions ⁹⁴	Empowerment of women ⁹⁵	Co-ordination with government
MAVIM NGO	Medium	Good	Medium	Poor
Bank NGO	Poor	Medium	Poor	Medium
MAVIM	Medium	Good	Good	Poor
Bank	Poor	Good	Medium-Poor	Medium

Yavatmal

Models	Access to poorest	Sustainability of SHGs for credit functions	Empowerment of women	Co-ordination with government
MAVIM NGO	Medium	Medium	Medium	Poor
Bank NGO	Good	Good	Good	Medium
MAVIM	Medium	Good	Medium	Poor
Bank	Poor	Good	Medium	Medium

The above tables are impressionistic and are based on field visits and interviews with SHG groups and bankers. The study found that in Chandrapur and Pune the poorest groups were not really included in the SHG groups in Bank sponsored villages and in villages where Bank NGOs were operational since the focus was on the medium poor and borderline BPL families who were considered more bankable. While MAVIM and its sponsored NGOs focused more on integrating the poorer sections into SHGs, by and large the poorest remained neglected. In Yavatmal, Bank NGOs (who have been operating in less than 5 villages) have performed well on all four counts because of the intensive and sustained nature of interaction with villagers and government authorities. The sustainability of SHGs particularly with respect to the credit and banking aspects was sound in all the cases. Bank sponsored NGO did not perform as well because of the lack of proper back up to the groups by the NGO directors. On empowerment of women, in Chandrapur and Pune, MAVIM performed better than the other models because of the sustained and periodic nurturing of the groups by trained field workers, timely backup by district level implementation units and support from the Bombay headquarters. Demand based training was made available to the group members and efforts were made to educate women in gender awareness, literacy, health, environment etc. Bank sponsored NGOs and Banks performed poorly in comparison because of the focus on the credit aspects of SHGs which led to the empowerment of one or two articulate women in the group while the rest remained quiescent. MAVIM NGOs put in a satisfactory performance but did not reach the levels of MAVIM fieldworkers perhaps because of the fewer resources

⁹³ Good: When 80% or more of the poor have been included in SHG groups
Medium: 60-80% have been included
Poor: Under 60% have been included

⁹⁴ Good: When SHGs have demonstrated sound banking knowledge and are familiar with keeping records without assistance from field workers
Medium: Require periodic assistance from field workers
Poor: Require regular assistance from field workers

⁹⁵ Good: When 80% of members of an SHG group are articulate, proactive, interact with bank staff and officials, undertake group and individual productive activities.
Medium: 50% of members do the above
Poor: 20% of members do the above.

(manpower, training and funds) available. In Yavatmal, the bank sponsored NGOs performed better than all the other agencies. Co-ordination with government functionaries at the district, block and village levels were unsatisfactory in the case of MAVIM and its contracted NGOs because of indifference on the part of the former and a tendency on the part of the latter to focus on SHGs , sometimes to the point of excluding the rest of the village. Moreover MAVIM and its NGOs lacked legal and organisational authority to liaise on equal terms with the government. Banks and their contracted NGOs on the other hand had better relations with government authorities (particularly at the village and block levels) perhaps because of the financial liaisons of bankers with farmers and influential people in the village, and periodic meetings between bankers and block development officers.

Profile of Bank Assisted Villages through Field Officers/Sahayoginis

1. In Gadbori ⁹⁶village in Chandrapur, the Grameen Bank Manager first contacted the villagers in July 1996 and in a village meeting explained the concept of MRCP.⁹⁷ Today there are 18 SHGs in the village and 2 male SHGs. Initially the Manager met prominent customers in the village who then helped to convene a VDA. A 15 member VDC (with five women and three Panchayat members including the Sarpanch) was chosen by the assembly. Subsequently, each of the five women formed an SHG.

1. Crop loan disbursements worth Rs 2.2. lakhs were very quick after MRCP began since procedures were simplified and the VDC ensured that all formalities were completed quickly.⁹⁸ The relations between the bank and the village improved dramatically as bank accounts rose from 3 in 1998 to 22 in 1999. One villager said that now banks were as quick as moneylenders in giving loans. The loan recovery rate is 100% (up from 40% in the pre-MRCP years) as a result of VDC involvement. Grameen Bank also informs the VDC of government schemes and has conducted an animal husbandry camp in the village.⁹⁹ The VDC and Bank manager (without assistance from MAVIM/NGOs) started SHGs which have held cultural programs such as drama competitions and community lunches.

1. The composition of SHGs has tended to be mixed caste, with about 50% BPL members,¹⁰⁰ and monthly savings range from Rs 10- Rs 50. Interest rate ranges from 1.40%-6%.¹⁰¹ These SHGs are shrewder than bankers, since one group member informed me that they initially gave small amounts in the intra-group lending (Rs 100-300) to test whether the members would repay on time. One group (formed in September 1999) charges fines for non-payment of monthly savings (Rs 5) and non-attendance (Rs 2). SHG meetings tend to focus on loans and credit activities including entrepreneurial ones (shop, paddy trading, grain trading)

1. **Empowerment issues:** None of the women had land registered in their names, and within the households the decisions were 'joint' ones. One woman muttered that even if assets were not in their names at least there was 30% reservation of political seats for women!¹⁰²

⁹⁶ The village is mixed caste (predominantly OBC, with a few SC and ST) and has 40% BPL population. Most BPL members, who are also farm labourers, own about 1-3 acres of unirrigated land.

⁹⁷ Avinash Deshmukh, Branch Manager, Grameen Bank, Sindebari.

⁹⁸ The manager asked the VDC to select the applicants for crop loans after informing the VDC of bank requirements. The VDC members told the research team that since they knew each applicant, they could decide on which applicants really needed the crop loans. The VDC also took it upon itself to monitor repayments and when someone was a potential defaulter, the VDC members spoke to him and to the manager and rescheduled repayments.

⁹⁹ Other activities of the VDC over the past two years include recovery of water charges from defaulting farmers and made available water from irrigation tanks to farmers; speeded up bridge construction work on an approach road before monsoons; held parents-teachers meet for improving school functioning; helped Gram Panchayat in building the school and in electrification; removed encroachments on road; restarted bus service to the village which had been abruptly stopped; conducted PRA for PAP; and contacted authorities for correcting the BPL list. These act

¹⁰⁰ Several women complained that the BPL list was not accurate and that the Gram Sevak had been bribed. The VDC has sent a complaint about it to the block headquarters.

¹⁰¹ Those (majority non-BPL member SHG) charging 1.40% chose that rate in comparison to bank rates, while those (majority BPL SHG) charging 6% compared it to moneylenders' rate. The latter admitted that it was too high and they plan to reduce it to 2%. The two groups that saved Rs 50 per month had a majority of non-BPL members.

¹⁰² The village has a SC woman Sarpanch who got in as a result of reservation but has not been effective. Some women said that they wanted 70% reservation of panchayat seats and one SHG president said that she would use the SHG platform to contest the next panchayat elections. A VDC member retorted that they have passed a resolution that no politics would be allowed in SHGs.

1. **Conclusion:** There was a dynamism and vibrancy in the village but the question is how long will it last without proper nurturing. The VDC, assisted by the bank manager, has taken up the role of guardian angel to SHGs and general village welfare. The SHG groups were well on their way to becoming good bankers, but the whole operation is still led by men and influential women (generally OBC and non-BPL). The village has become a self help village but it could be at the cost of empowering the poorest sections and BPL women who need a different kind of patience and nurturing that busy bank managers cannot provide. The VDC too has become a de-facto panchayat and is not trained for empowerment activities. Periodic training by NGOs or MAVIM would be one way to make VDCs take up the nurturing role.

1. The bank model has a number of selling points: vibrant VDCs, bankable SHGs, self help villages.¹⁰³ But on the negative side, one bank field worker/field officer/branch manager cannot manage about 60 SHGs (which is the norm).¹⁰⁴ Weaker SHGs will not be given adequate attention. Moreover emphasis in SHGs tends to be on consumption activities or small agricultural needs (such as buying seeds) since bankers are more reluctant to lend for entrepreneurial activities.

¹⁰³ In one Bank village, once a month the VDC had joint meetings with representatives of all SHG groups where the problems of SHG groups were discussed and resolved.

¹⁰⁴ 20-25 SHGs is a manageable number.

NGO Profiles

(i) **Gramin Mahila vs. Balak Vikas Mandal, Pune**

1. The Trust, which was founded in 1989, is one of the two trusts held by Bank of Maharashtra. Its main goals relate to development of health, education and economic potential of rural BPL women in Maharashtra. It started with a UNICEF sponsored DWCRA scheme and since 1994 has been engaged in developing and nurturing self help groups for MRCP. Though a relative newcomer to the SHG field, the performance of the Trust has been judged by NABARD as having performed fairly well.

1. **Funding:** Initial funding of Rs 1 lakh from UNICEF sponsored DWCRA. Since 1994, MRCP has been the major source of funding. After March 2000, the Trust plans to participate in the government's SGSY program.

1. **Staff:** High ranking officials of Bank of Maharashtra and NIBM have been part of the organisation. Bank of Maharashtra deposes three officers to the Trust, and one woman officer has been posted in the NGO since 1994 in order to manage the MRCP component. The Trust employs 15 field workers at the block level in 56 villages, who look after about 366 self help groups.¹⁰⁵ The field workers have are generally MSW graduates with a rural background and undergo 15 day training on MRCP and SHG concepts. Field staff are paid between Rs 2000- Rs 4000 plus travel expenses.

MRCP Activity

1. The main function of the Trust in MRCP has been to form and nurture self help groups in Pune district. So far the Trust has formed 366 SHGs in 56 villages, 50 of which have been linked to banks. The total savings so far of all groups is Rs 10,68,320. SHGs have taken loans of Rs 800,000 to start various economic activities including selling bangles, shoes, stationary, cutlery, popcorn, vermicelli and a ration shop. 24 of these groups have taken loan twice.

1. The Trust has used the animator concept in MRCP villages. It employs one field worker who lives in the block headquarters and supervises the activities of animators (six animators for 56 villages). The animator concept has been used successfully by NGOs and government in Tamil Nadu and Andhra Pradesh. However the danger is that animators could take over the group and not be able to encourage the weaker and shy members of the group.

1. When the Trust field workers first entered the villages they faced opposition from villagers especially the BPL groups who suspected the Trust of trying to dupe them. So the initial self help groups were formed with 60% BPL and 40% non-BPL members. After the first year or so, more BPL members began to join groups and the ratio became 80:20, and since last year they have been setting up 100% BPL groups.

1. Intra group lending started after 6 months in most groups and members borrowed initially for consumption activities such as health reasons, textbooks for children etc. Group activity has been minimal, with about 20 SHGs engaging in making gunny bags, chilli powder, umbrellas and bricks. Marketing is a major concern for all non-farm activities, and the Trust has taken on the task of finding markets. The Trust plans to use a cluster approach whereby SHGs close to Pune would be used for marketing, while SHGs in the interior (closer to raw materials) would be used for producing items. The Trust plans to purchase these items and market them through the cluster.

¹⁰⁵ Compare these figures to MAVIM who have 11 sahayoginis in Pune district looking after 275 groups in 66 villages.

1. VDCs have been set up in all the villages but only about 60% of them function properly. The rest are apathetic. The Trust has chosen 3 villages per block for intensive activities including adult education and tree plantation for commercial purposes.

1. **Empowerment of Women:** The Trust representatives stated that there was a decline in violence and more financial independence for women. One SHG group member was deserted by her husband. The group went to the Block Development Officer and asked him to appoint the woman as an anganwadi worker so that she could be economically independent. On hearing the news, the husband came back, but the group members refused to allow him to reunite with his wife unless they were given a guarantee by the man's parents that the scenario would not be repeated. They got the guarantee and the woman went back. In another village, the SHG groups combined and closed liquor shops.

1. Political activity among women SHG members has been on the increase. There are 15 female sarpanches in the project villages, and 2-3 all women VDCs. Moreover all VDCs have 3-5 women representatives.

1. **Relations with Bank:** Since the Trust is founded by a bank and has bank officials as its staff, its relations with the main MRCP banks in Pune namely Bank of India and Central Bank of India is very cordial. The Trust facilitates bank linkages of SHGs, and also recommends SHG members for individual loans. However, even despite being a Bank Trust, the NGO admitted that new groups faced problems with linking to banks. The causes were lack of confidence in the village by the bank manager, low physical accessibility of villagers to banks, and the long process of loan documentation and acceptance (which takes up to six months).

1. In selecting MRCP villages, the Trust was consulted but the criteria for choosing the villages seemed to depend more on villages where there were low numbers of defaulters on previous non-MRCP loans, accessibility to the village and links with influential villagers such as the Sarpanch. Whether or not there were large numbers of BPL families in the chosen villages seems to have come a poor second.

1. **SHG functioning:** Most groups have between 15-20 members and the average savings is about Rs 20 per month (though in a few instances with majority non-BPL members the rate was Rs 50). The interest rates fixed by SHGs for intra group lending tend to be between 2-3% per month (though productive loans are charged a lower rate of 1.5%). Group members compare these to the rates charged by moneylenders which are about 5-10% per month. The group members plough back the interest into their total savings and use it for intra lending, as well as for group functions, bank stamps, anganwadi toys etc. Of the groups that are more than 4 years old, 40% of the women can prepare balance sheets. There were a few success stories. For instance, a poor agricultural labourer took a loan from the group of Rs 500 and bought a sewing machine. She was trained by the Trust and then took a second loan of Rs 1000 to purchase a more sophisticated machine for embroidery work. She is now a VDC secretary and has also trained other women in sewing and embroidery. Within four years she lifted her family above the poverty line.

1. **Exit strategy:** The Trust has been using an animator approach to SHGs. Six women who were SHG secretaries (studied upto class 8) have been selected to look after the affairs of about 56 villages. They are paid Rs 500 per month plus travel expenses. The animators, who are provided information on government schemes by the field worker, share this information with the groups. However given the vast numbers of SHGs spread over a large area, it is unclear whether animators would be able to give newer groups the frequent and sustained inputs necessary for nurturing. Newer groups would be in danger of folding up or being taken over by one dominant individual. The Trust has given an undertaking to NABARD to take care of new SHGs for an additional 3 years after project closure.

Other activities of the Trust

- Health camps
- Social functions (e.g. Rangoli competition)
- Plays on SHG concept and women's' issues

Future Plans

- Marketing activities for SHGs
- Financial intermediaries for SHG clusters
- Applied for a Rs 15 lakh grant from NABARD's MAHIMA project which supports marketing activities for non-farm sector.

1. Review of field visit to Landewadi village: 4 SHGs (two were over 4 years old, one was two years old and the last was a year old) with an average of 16 members, monthly savings ranged from Rs 25, interest rates ranged from 2%-3%. The animator, Lalita, lived in the village and was in fact the first entrepreneur of all the groups (potato wafers). Two SHGs had majority SC/ST members (BPL), while three had majority maratha members (60:40 BPL/Non-BPL). All groups had started intra lending activities, and three groups were linked to banks and had borrowed between Rs 10,000-35,000. Two groups were repeat borrowers. Loan recovery among SHG members and individual borrowers is 100%.¹⁰⁶

1. A 14-member VDC was established in 1996, with 5 women SHG representatives and 9 men and representation was given to 3 SC/STs. The VDC meets once a month to discuss individual loan beneficiaries and monitors loan repayments. The female members of the VDC took up the issue of drinking water and along with the VDC and Trust approached the Block Development Officer. A water tank was constructed and the SHG and VDC monitored the construction activity. The foundation of the tank was weak, so they stopped the work for two months until the contractor reconstructed a proper foundation. "The work is our (village) work, not the BDO's job," said the SHG members when asked by the research team why they had protested.

1. Relations between the VDC and Gram Panchayat are amicable, since three GP members are in the VDC (the Sarpanch is the chairman of the VDC). The Panchayat members share information about government schemes with the VDC and SHG members.

1. Interviews with SHG members indicated that the Trust had conducted some joint meetings of men and women in the village and explained the merits of SHGs. Groups were formed based on locational proximity and they chose leaders who were literate. They did not think that savings was high. In fact, some women said that they wanted to increase their savings to Rs 100 per month after a few years. One farm labourer said that with daily wages of Rs 35 and some other sources of income during lean periods she was able to afford savings of Rs 30. In fact she said that to ensure her future, she has taken a loan from the group to buy and rear goats. Several women said that as a result of the SHGs their lifestyle had improved, they got timely loans and no longer were in the clutches of moneylenders. Moreover they had savings and also got non-monetary help from the group. When asked about exit strategy, the women said that their groups would continue but that they expected the Trust to visit them once a year. "We know the advantages of SHGs, of accounts, and we know that banks will help us," said one woman confidently.

¹⁰⁶ Some reasons for high recovery rates include: VDC monitoring of repayments including discussions with potential defaulters, increase in income, social awareness and attitudinal changes whereby debtors realise the importance of repayment, and peer pressure.

1. On loan usage, the bulk was on farm activities. When asked about low incidence of non-farm usage, they said that agriculture was their main activity and support services (electricity, water) were not available for non-farm activities.

1. It was more difficult to determine whether women were fronts for men. Most claimed that decisions on purchase of assets were joint ones. One woman who had started a hotel through SHG loans said that their income of Rs 50 per day was her own. Her husband, who was a machinist, used his income for daily needs of the family. But on the whole it seems likely that husbands and in-laws continue to have the deciding vote.

1. On training, the members said that the leaders had been to leadership training and record keeping and were satisfied with it. The hallmark of a good SHG was unity, regular saving, common decision making and regular attendance, according to all the participants. All were happy with the turn that their lives had taken since it had increased their confidence, exposure to banks and panchayats and block development government functionaries, and financial independence. All had a good word for the animator who had helped them to deal with other groups and banks, and nurtured their self confidence.¹⁰⁷

1. One adolescent male twenty member SHG group also coalesced in 1998 after seeing the increase in savings in women's' groups. Earlier these adolescents had taunted the women's' groups and assumed that women would fight in the SHGs just as they fought at the well. They did not think that the groups would last. Now the men's' group asked the women's' groups and the Trust for guidance. Instead of ending up as farm labourers, they wanted to start profitable businesses (shops, poultry etc) through bank loans.

(ii) Amhi Amchya Arogya Sathi (We for our health), Chandrapur

1. MRCP: 32 SHGs, 7 villages, 2 bank branches, 13-19 members in each group and 60% of poor are included in SHGs.

1. Founded in 1984 with a philosophy of holistic health, AAA sees links between environment, livelihood and socio-political systems of villages. It has been working on a range of developmental issues including health, drinking water and sanitation, education, credit, watershed development and anti-arrack. Community action groups of men and women have been formed to ensure sustainable utilisation of forest resources. Two co-operatives have been formed by SC and women to produce and market tussar silk, handicrafts, herbal medicines etc.

1. AAA started out on a small scale in the tribal district of Gadchiroli and today it is also working in the neighbouring Chandrapur district. Most of these areas are densely forested with over 70% of population living below the poverty line. AAA began to work with the concept of SHGs in 1990. By 1995, 76 SHGs were formed in the two districts. In 1996, in collaboration with DRDA, the agency launched a district wide initiative for the formation of nearly 1500 SHGs with 16,974 members and total savings of about Rs 10 lakhs. Today, the NGO is working with 425 SHGs in Gadchiroli and 65 SHGs in Chandrapur.

1. Currently, Ami Amchya Aarogye has experimented with the idea of autonomous clusters and block level federations of SHG. The credit function of the federation would be to access credit from NABARD, local banks etc and on lend to SHGs. The non-credit function is to act as a pressure group on panchayats, government, banks etc.

¹⁰⁷ As we left the village, the animator said that she herself needed help since her husband was an alcoholic and had recently started beating her up. The Trust field worker had a quiet word with the husband who promised to stop drinking and being violent.

1. **Funding:** Current corpus Rs 20 lakhs per annum. Source of funds: GOI (DRDA, DST, CAPART); semi-government (MAVIM, NABARD), foreign donors (Oxfam, Balance, Netherlands, Action Aid, UNICEF), Dorabji Tata Trust.

1. **Use of MRCP funds:** Of the total amount of Rs 2,89,000, salaries accounted for Rs 72,000; program expenses: Rs 83,000; Travel: Rs 75,000; and administrative expenses: Rs 23,000. AAA worked in MRCP villages for the first year free of cost and then signed the contract with MAVIM.

- Staff: Full time: 22; 50% female
- Part time staff: 4
- Preference is given to candidates who are from the local area, have experience, and are from lower caste.

MRCP Experience

1. AAA experienced difficulties in dealing with banks (who were not prepared to lend to SHGs) and also in building entrepreneurial spirit among the group members.

1. Regularly monitors who takes loans, why some do not take loans and then field worker takes special interest in helping such members.

Field Visit

1. **Medki village,** Contracted by MAVIM. 2 male groups, 7 SHGs (two are four years old, three are three years old - linked to banks, and two are one year old). Four groups have majority BPL members, while the rest have majority non-BPL. Monthly savings are about Rs 20, and interest rate is between 2%-3%. The bank linked groups have taken loans ranging from Rs 7000 - Rs 55,000. Repayment rate is 100%.

1. The caste composition of the groups is SC, ST and NT. Majority of women use loans for agricultural purposes. Issues discussed in their monthly meetings include savings, loans, collection of money, entrepreneurship activities, health and tree plantation activities. No group member has taken a direct loan from the bank. The groups were started with the help of AAA's field worker. Initially the men in the village resisted the SHG concept and did not allow their wives to join. But the women prevailed. One woman said that even if the husbands had objected, they would still have saved.

1. The group members have been to SHG exchange meets and to VDC meets. Alcoholism is a problem. Seven years ago, the women's' group (Mahila Mandal) tried to stop it by closing the liquor shop, but were powerless against government assistance to the liquor barons. In a neighbouring village, a referendum was held that supported banning liquor, but the government registered court cases against the women. AAA has trained a local woman as a health worker.

1. The field worker lives in the village and the current one (the third in a series) has been there for two years. SHG members said that the field worker helps them in meetings, provides support for entrepreneurship, loan disbursement and applications, and provides information on government schemes. She had attended a fifteen day training session of AAA on SHGs, and a two day workshop on bank linkages. She handles six villages and 36 SHGs. She visits the other villages at least once a month and talks to group members. Entrepreneurial activities include paddy sales, vegetable shop, paan shop etc.

VDC

1. The VDC (comprising of 4 women and 7 men including the Gram Sevak) has not been functioning for five months. Earlier the VDC had been active in discussing issues such as debts, water supply, toilets etc.

1. **Exit policy:** When asked whether the SHGs could manage without AAA, one woman said that what is an office without a peon. In other words the groups would like to utilise the field worker as a peon in record keeping, banking and calling meetings. Would this be classified as empowerment?

1. When MRCP ends, 15-20 SHGs of 3-4 villages will form a cluster and two members of each SHG will be representatives at the cluster where they will discuss and manage their affairs.

Problems Faced

- Bank linkages have not been smooth. Bank managers have been reluctant to advance loans to SHGs and seven SHG applications have been pending for six months. When the new Bank manager, who had taken over three months ago, was asked by the team, he said that he did not know that these applications had been pending and in fact had just authorised the seven loans that very day.
- 36 proposals have been submitted by farm labourers for sericulture activities (promoted by AAA), but none have been sanctioned so far. The manager promised that 15 proposals would be reviewed shortly.
- VDC meetings have not been held because the President said that since MRCP was coming to an end, there was no need to have VDC meetings. In other villages, VDAs have been held twice a year and VDCs are functioning more regularly (once a month). Discussions include non-credit needs of the village such as building community hall etc.
- On the whole the relationship with MAVIM has been satisfactory, but AAA would like MAVIM to be more supportive in providing technical information such as rules and regulations about IGP, and also be supportive about problems with banks.
- With MCED and MITCON, AAA would like them to provide training on IGP and capacity building of NGO and SHG.
- Financial support also needs to increase.
- Women from poor sections have started to participate in village meetings but require more time to become more vocal.
- Financial discipline is a serious problem among poor women because of lack of experience with financial transactions and failure to appreciate the potential benefits of savings mobilisation.

Success Stories

- One individual SHG member aged 40, illiterate, took a loan of Rs 2000 from group, started small business of selling biscuits and peppermints to children. She repaid Rs 2000 in one year and is now running a profitable enterprise.
- Group activity in one village where SHG took a loan of Rs 30,000 to sell roof tiles.

(iii) *SUBAH, Yavatmal*

Director: Maia Wankhede

1. **Activities:** Adult education, entrepreneurship, SHGs, organic farming, health and empowerment. The NGO was formed in the early 1990s by a couple and SHG activity started in one village, Methikheda. By 1994, some 30 SHGs were formed and the NGO was drafted into MRCP. Initially Subah did not have any staff, but today it operates with one field worker in five villages and 15 SHGs. The field worker was trained by MAVIM.¹⁰⁸

1. **Funding:** Subah depends on MRCP funds. Half the funds are used for administration, training and exchange visits of SHGs, while the rest is spent on salaries (the director is paid Rs 1500 per month).

1. **Relations with MAVIM:** Initially since MAVIM's offices were on Subah's premises, there was frequent and excellent communication between the two. Later, as the reporting and record keeping arrangements for MAVIM became cumbersome, friction developed between the director of Subah and MAVIM's DIU. Subah rebelled against the frequent schedules and targets sent by the DIU.

1. **Relations with VDC, government and banks:** The importance of the VDC grew because of control over recommendations for bank loans. More men became involved and started taking decisions. Women were afraid to speak up in VDC meetings and also did not have adequate representation. Subah then fought for 1/3 representation for women and also arranged for SHG groups to submit lists of members who wanted individual loans to the VDC. The NGO also made an attempt to incorporate the Panchayat into the VDC but failed due to infighting between the NGO director (who had been a Sarpanch until 1995) and the new panchayat members. Subah's director attended the DRDA meetings and gave suggestions but the relationship with government was characterised by indifference on the part of the latter. Subah's SHG groups had excellent relations with the bank (Central Bank of India) as a result of active and interested bank staff.

1. **Empowerment of women:** The Subah director was pessimistic about micro credit and SHGs as a tool to achieve empowerment. She said that five years later women who were engaged in small businesses also worked as day labourers. She conducted a survey to examine the reason and found that once the business became successful the men or children took over. Women continued to be exploited and only in women dominated families (headed by widows or matriarchs) genuine empowerment was visible.

Areas where SHGs Require Continued Assistance

1. **Account maintenance:** As funds grow larger in the SHG accounts, group members find it more difficult to keep track of savings and interest. The Subah field worker continues to maintain the yearly records of the SHGs and is also training the women to manage their accounts.

Field visit to Methikheda village, Yavatmal: (5 SHGs - 2 have over 50% BPL membership)

1. The SHG groups are all 4-5 years old. The women of the groups were articulate but their enthusiasm had reached saturation levels. This was obvious from the fact that the activities of the groups were now confined to credit ones such as saving. Women face several social problems such as rampant alcoholism by men and domestic violence. Initially the groups tried to combat these problems by starting a signature

¹⁰⁸ The field worker is paid Rs 1200 (plus Rs 300 for travel expenses). She takes a bus and walks to the villages and does not use the moped that is provided by MAVIM because of previous accidents.

campaign (without informing Subah). However, after the failure of these activities because of numerous factors, the groups lost interest.

1. If credit and lending activities are seen as visible signs of empowerment then all the groups had it. But if financial control over their savings is the benchmark then it is more difficult to establish the presence of empowerment. "Joint decisions", weightage to men and in-laws wishes remains the norm in most households. Subah's performance in Methikheda is a classic case of a committed NGO motivating SHGs in the initial stages, but as the conviction of the NGO director peters out over the years the groups' enthusiasm wanes correspondingly.

1. The Methikheda experience also demonstrates the danger of over-involvement of the NGO in village affairs. The directors of Subah decided to live in the village, contested panchayat elections and became Sarpanches. But these actions drew them into village rivalries which took its toll on SHG activity and the functioning of the VDC. When their tenure in the panchayat ended in 1995, despite the stricture introduced by them that panchayat members should be in the VDC, the succeeding panchayats ignored the VDC. Moreover, some crusading activities of the SHGs such as closing liquor shops were stymied by infighting between the Subah director in her capacity as a Panchayat member and a liquor baron who was her political opponent.

1. Lastly, as the NGO's convictions shift towards other activities, the older activities suffer in the bargain. Subah now sees organic farming as a new way of enriching women and empowering them and has lost interest in the SHG route. This has also led to reduced levels of enthusiasm for micro credit schemes on the part of the villagers.

1. Thus, Subah's experience in Methikheda demonstrates that even if the NGO is well meaning and committed, it does not necessarily lead to empowerment in the long run. Training, periodic inputs and sustained interest in the project by the directors is necessary to maintain performance levels.

(iv) Vikalp, Chandrapur

Director, Anil Mogre

1. Vikalp is contracted by BOM and MAVIM to work on six villages each. It was started in 1994 by a group of MSW graduates and is housed in the garage of one of its directors, a rice mill owner. Vikalp is a classic case of an NGO that is well meaning and engaged in various awareness generating activities among rural communities without requisite field personnel and timely back up by the directors. Vikalp's focus is on reaching the community rather than the individual. As a result, the activities of the NGO are diffuse, ill conceived and ineffective since several diverse areas are aimed at by Vikalp including health, environment, education, SHGs etc.

1. **Funding:** Vikalp started with a corpus of Rs 11000 (Rs 1000 contributed by each of its 11 directors). The main source of funding today is the MRCP program which contributes approximately Rs 5-7 lakhs per year.¹⁰⁹

1. On visiting the villages, both of whom were four years old, and considered successes by the NGO, the picture was a mixed one.

- There was very little difference between bank and Mavim contracted villages of Vikalp. The reason was that the same SHY serviced both. Both focused mainly on savings. More group activities in bank village

¹⁰⁹ Mavim pays Rs 5000 per month (Rs 3 lakhs a year), and BOM pays Rs 8400 per SHG (for 49 SHGs).

- Only about ¼ of all SHG members are below the poverty line. So most groups have a preponderance of non-BPL members. This is a bizarre result since NGOs are supposed to be looking after the interests of the poor, if not the poorest.

Problems NGO Faced with Government and Banks

- Initial contracting: by BOI. NGO started working in the villages and set up SHGs, employed one SHY for the purpose. But never got the contract even after 2 years of letters to the Bank. The lead bank manager who was from BOI said that the bank was not satisfied with the quality of work and therefore did not offer the contract.
 - Funds release: Quarterly payments by bank and MAVIM. Slow. Were not paid for a few months, but sometimes got an advance. With the bank, because of slow disbursements to the bank by NABARD and GOM, the banks were unable to pay on time. Led to constraints on their finances
 - With MITCOM: very little contact even through the SHY. So was unaware of whether they had done anything for their groups. The reverse argument was made by the MITCON representative who said that Vikalp's directors took very little interest in their SHG activities and never contacted MITCON about proposals and training.
 - MCED: no one in their group in their bank village (Virai) in the four years had gone for EDA training.
1. SO need more support from MICOM and MCED through SHYs i.e. NGO should be involved in the process. Right now the NGO does not know of proposals given to the bank etc.

Relations with MAVIM

- good. useful. Especially their training programs. Earlier little interaction with MAVIM, but a year ago, jointly decided to attend their training programs.
- have monthly meetings with MAVIM, so good follow-up. But in the MAVIM village, the problem was that the NGO itself was unaware of the needs of the SHGs and therefore unable to report to MAVIM for backup.

With Bank

- poor relations, no inputs
- monthly reports, no meetings. No follow-up. Branch manager is given a report

Problems

- Vikalp expanded too fast and took on too many contracts without adequate manpower. It started with 4 SHYs and a project officer to service the villages, and over the years the number came down to 2 SHYs and one project officer. Vast area, number of villages divided among SHYs who are paid only Rs 500-1000 (plus actual). But the striking fact is that MAVIM SHYs also deal with similar numbers of villages and SHGs, but comparatively have done much better at motivating the groups, setting up bank linkages etc. Vikalp works in 10 villages and 49 SHGs in bank; and 6 villages and 59 SHGs in MAVIM.
- SHY lives in Chandrapur and goes to the villages, unlike MAVIM. So constant contact and being part of village community and links generated by such contact are missing.

- Not enough is spent by Vikalp on training the SHYs.¹¹⁰ The SHY servicing MAVIM contracted villages has benefited from training provided by MAVIM for its SHYs. But in house training is only for 2 days and as and when problems come up they are addressed. One SHY who had worked for Vikalp and had moved to MAVIM a year ago compared the two and said that in Vikalp the training and backup was minimal. Therefore much of her learning was on the job.
- Rapid turnover of trained staff. MAVIM had poached on Vikalp's SHYs who had worked with SHGs for 2 years. So the benefits of initial on-the-job training was being utilised by MAVIM. But such turnover is normal if the SHYs are being paid half of MAVIMs rates, and are asked to shoulder larger burdens as a result of rapid attrition.
 - Breakdown of expenses: major is spent on administration, very little on training and salaries. Vehicles given to SHYs are usually used by other NGO personnel, while sahayoginis are forced to use public transport.
 - Building motivation requires time and patience and constant nurturing at least in the initial couple of years.

1. It also requires repeated visits and backup for SHYs. As the case stands, SHYs visit the village once or maybe twice a month, generally their visits do not coincide with the SHG meetings. Most of their time is spent on keeping records, and very little is devoted to other concerns which are important for empowering the groups (interaction, discussion of issues other than savings, group activity etc).

Comparative Advantage as perceived by Vikalp Director

- can act as facilitators between Banks and SHG groups. Can plead the cause of SHGs. But in the villages I visited, the Bank village had a vibrant VDC which was doing that job for individual beneficiaries. Good rapport between the bank manager and VDC chairman and Vikalp was nowhere in the picture.
- Recently Vikalp too joined a network of NGOs 'Vidharba Lok Vikas Manch' which is a forum of 45 NGOs who have been funded by a German donor to discuss skills training and community development, among other activities.

Moral of Story

- Effective VDC does not mean effective SHGs. Both are on different tracks. VDCs focus more on individual beneficiaries and general village activity. NGO should be links but are not.
- Effective action by bank mgrs and FO = effective VDCs.
- Effective action by SHYs (with monitoring and backup by HQ) = effective SHGs
- Where panchayat members are members of VDCs = more synergy (again, monitoring by banks and NGOs is essential)

1. The tragedy is that money talks. So banks will always be listened to rather than NGOs. And effectiveness of VDCs depends mainly on the banks. But, where SHGs are active, they can make a difference by taking over VDCs and thus establishing synergies with banks. Here the role of nurturing is very important - something that NGOs ought to provide.

¹¹⁰ Only 25% of total funds are spent on training, while about 50% is spent on administrative expenses! (source: Mr Mogare, Director)

Field Visits:

Vikalp MAVIM Village

1. The village has 580 households of which about 90 households are BPL (old list), and 50 households are BPL under the new list. The village has an illiterate female Sarpanch who seemed more of a front for her husband. She was unable to comprehend our questions unlike her friend who was very articulate and intelligent. Six SHGs are in the village of which one is completely non-BPL, and one is fully BPL, and the others have a 40:60 BPL proportion. Most groups are mixed caste except for one which was comprised of 20 illiterate BPL nomadic tribal group that lived outside the main village.

1. The poorest have not been covered and in fact about 5 groups of 10-15 members could be made. Two groups with majority non-BPL members has linked up with the bank and has taken loans for agricultural purposes three times. The majority BPL (set up in 1996) group has not linked with banks claiming that its members did not require bank assistance. Most loans taken by BPL members are confined to fulfilling consumption needs. The groups also needed assistance on promotion of entrepreneurship and marketing, counselling on a garments business. Though Vikalp boasts of undertaking literacy programs in its villages, there were no functional literacy programs in this village, and illiteracy was the main barrier to starting new groups. There has been rapid turnover of school teachers who do not live in the village.

Virai Village: Bank of Maharashtra contracted Vikalp village

1. 9 SHGs, majority were BPL under old list but under the new one the majority are non-BPL. Mixed groups. At least 3 groups of BPL families could be formed.

1. In this village the Bank field officer has been very active and hence the VDC is strong. So far the VDC has recommended about 150 members, 100 of whom are BPL for individual loans. Most loans are for agricultural purposes. SHGs are regarded as useful institutions for women to save mainly for small consumption needs. The VDC also carries out a yearly review of the borrowers, talks to bankers and reschedules debts.

1. Gram Panchayat members are part of the VDC and the interaction is useful for non-credit activities of the village such as health camps.

1. **NGO inputs:** Vikalp fieldworker comes in once a month and scrutinises group records. SHG groups are generally left to their own devices, and most information they receive is from the VDC and panchayats. The groups have met with others in the district a few times, but only one woman has attended EDP training.

1. When asked what they wanted to do with their savings, most SHG members evinced a desire to start entrepreneurial activities. Two group activities were undertaken: One group (with only 2 active members) started an utensil shop, earned a profit of Rs 300, now they have started a fertiliser business but have not succeeded since it was too late in the season. A second group started a roof tile business and got some assistance from Vikalp's project officer.

1. **Empowerment:** Most members said that they did not find much difference in their lives as a result of joining SHGs. As a group, the women had in fact closed a liquor shop eight years ago before the start of MRCP and entry of Vikalp. Since then they have not done much as a group.

1. In short, the groups have not been mobilised and nurtured adequately by Vikalp, with the result that the groups are unable to act collectively to satisfy credit and non-credit needs. For instance, they said that

the village needed a bus service and a chemists shop, but were unsure how to lobby for these. Contrast this attitude to the behaviour of some four year old MAVIM groups in Pune who marched to the bus depot and refused to budge until a bus was sanctioned and took them back to their village.

List of Persons Interviewed

(Officers)

Bombay

Mrs. Balsaraf, Project Liaison Officer, MAVIM
Mr. Ramaswamy, Managing Director, MAVIM
Mr. PKK Nair, DGM, NABARD
Mr. Pandit, NABARD
Ms. Sudha Sudarshan, NABARD
Mr. Ramesh Kumar, Secretary, Rural Development Department, GOM
Mrs. Joyshankar, Secretary, Women and Child Development Department
Mr. Chandrasen Turkar, Joint Secretary, Women and Child Development Department
Mr. A.K. Sinha, General Manager, MCED

Delhi

Mrs. Chandra Iyengar, Former Secretary, Women and Child Development, GOM

Pune

Mr. C. Ganapati Rao, General Manager, NABARD.
Mrs. Annie Koshy, Assistant General Manager, NABARD
Mr Satyanarayan, Managing Director, NABARD
Mr Joshi, NABARD
Mr. V.R. Kulkarni, Lead Bank District Manager, Bank of Maharashtra.
Mr. D.M. Mulay, Field Officer, Bank of Maharashtra
Mr. P. S. Panse, Field Officer, Bank of India
Mr. Madhe, MCED
Mr. Dhongde, Chief Consultant, MITCON
Ms. Sarita Pathak, DIU, MITCON
District Program Coordinator, MAVIM

Chandrapur

Mr. S.A. Pande, District Development Manager, NABARD
Mr. P.V. Borde, Block Development Officer, Mul Block
M.S. Thawle, Agriculture Officer, Mul Panchayat Samiti
Mr. Vasant Kholgade, Manager, RRB, Mul Branch
Mr. D.B. Rane, Managing Director, RRB
Mr. D.K. Dhapodkar, General Manager, Grameen Bank
Mr. Avinash Deshmukh, Branch Manager, Sindebari, Grameen Bank
Mr. A.T. Dane, District Coordinator, MRCP, RRB
Mr. R. Ingle, District Program Coordinator, DIU (MRCP), MAVIM
Mr. Ashok Durge, Assistant Monitoring Officer, MAVIM
Mr. Vishnu Jadha, Project Assistant
Mr. Satish Markhand, Monitoring Officer
Mr. N.B. Paunekar, Lead Bank Manager, Bank of India and Member Secretary, DRDA
Mr. Atul Satkute, Asst Manager, Credit, Bank of India
Mr. V.J. Naik, Branch Manager, Bank of India
Mr. R.N. Vaidya, Field Officer, Bank of India
Mr. Ram Teke, Field Officer, Bank of India
Mr. M.S. Tonge, District Coordinator, Gatcholi, State Bank of India
K.N. Raut, Branch Manager, State Bank of India
Mr. Abhay Kulkarni, District Coordinator, MITCON

Mr. A.R. Ingole, District Consultant, MITCON

Yavatmal

Mr. Bhallal, District Development Manager, NABARD

Mr. Gole, General Manager, Grameen Bank

Mrs. Patil, Grameen Bank

Mr. Dinesh Waghmare, CEO, DRDA

Mrs. Dube, DRDA

Mr. Jhambade, Social Scientist, DRDA

Mr. Kharge, Collector, Yavatmal (former CEO, DRDA, Chandrapur)

District Coordinator, DIU, MAVIM

NGO

Chaitanya, Pune: Dr. Sudha Kothari, Managing Trustee, Chaitanya, Rajgurunagar, Pune.

Ms. Subhangi Borkar, Field-Worker/Sahyogini, Chaitanya.

Ms. Shantabai A. Manjare, Field-Worker/Sahyogini, Chaitanya.

Grameen Mahila Bal Vikas : Mr. Jahagirdar

Ms. Vandana Jadhav

Mr. Kurungiri

Ms. Aasha Toke

Mr. P.B. Bhadange, ABM Samaj Prabodhan Sanstha Kalyan, Thane

Ms. Neela Limaye, Maharashtra Mahila Parishad, Chembur, Bombay

Mr. Suresh Agade, Sevadhan, Pune

Mr. Anil Mogre, Director, Vikalp, Chandrapur

Mrs. Sandhya, Jagrat Mahila Manch, Chandrapur

Mr. Abid Ali, Director, Adarsh Gram Vikas Seva Mandal, Chandrapur

Mrs. Koreshi, Field Worker, Jagrat Mahila Manch, Chandrapur

Phone conversation on questionnaire with the Director, Ami Amchya Aarogye, Chandrapur

Ms. Pushpa Phadke, Priyadarshani Mahila Mandal, Yavatmal

Mr. Madhukar, Director, Dilasa Samsthan, Yavatmal

Mr. Madhur Dakore, Prerana, Yavatmal

Mr. Manohar Gade, Gramjot Samajseva Samsthan, Yavatmal

Mrs. Maya Wankhede, Subah, Yavatmal

VDA/VDC

Mr. Gorakshanath Ule, VDC Secretary, Landewadi

Mrs. Shindubai, VDC member, Devoshi

Mrs. Jhadav, VDC member, Devoshi

Mrs. Pushpa, VDC member, Kaman

Mr. D.M. Kowte, VDC President and Sarpanch

Sarpanch/Panchayat Members

Mr. Kowte, Sarpanch

Mrs Tarabai, Sarpanch

Sahayoginis

MAVIM: Attended the meeting of Sahayogini and Project Monitoring Officers from Pune, Thane, Latur, Bheed and Bhog, districts

Mrs Lalita, Animator, Landewadi

Mrs. Koreshi, Jagrut Mahila Manch
Mrs. Katlava, Vikalp
Ms. Shalu Korde, AAA
Ms. Kalpana, MAVIM
Ms. Meera Kambli, Bank of India
Ms. Chaya Devgade, Sarvakal Mahila Manch
MAVIM Chandrapur District Sahayoginis (Monthly meeting)
MAVIM Yavatmal District Sahayoginis (Monthly Meeting)

Male SHG Groups

Landewadi Village, Pune
Gadbori Village, Chandrapur

SHG representatives

I met all the SHG groups (generally 4-5) in each of the following villages.

Landewadi Village, Pune (Grameen Mahila Bal Vikas)
Haji Thakre Village, Pune (MAVIM): Sowmangal Nichit, Sunanda Gowde, Vimal Gowki,
Zanabai, Samabai Kandarkar, Sulabai Nichit, Hamsebai, Satyaben Nischit, Paurbai Nischit,
SHG Cluster Meeting (directly supported by Banks), Chandrapur District
Dhanapur Village, Chandrapur (MAVIM)
Boregaon Village, Chandrapur (Non-MRCP)
Kemara Adivasi Village, Chandrapur (Non-MRCP)
Virai Village, Chandrapur (Vikalp contracted by BOM)
Medki Village, Chandrapur (AAA contracted by MAVIM)
Gadbori Village, Chandrapur (Grameen Bank)
Kalamna Village, Chandrapur (Jagrat Mahila Manch contracted by MAVIM)
Kude Savadi Village, Chandrapur (Bank of India)
Echori Village, Yavatmal (Priyadarshani Mahila Mandal contracted by Grameen Bank)
Methikheda Village, Yavatmal (Subah contracted by MAVIM)
Kharad Village (tribal) (Non-MRCP Grameen Bank), Yavatmal
Pimpri Village, Yavatmal (MAVIM)
Pahapal Village, Yavatmal (MAVIM)
Dhanora Village, Yavatmal, (MAVIM)
Vasari Village, Yavatmal (Dilasa contracted by Grameen Bank)
Pofni Village, Yavatmal (Non-MRCP Watershed Development by Yuva Manch, NGO)

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