AN EXAMINATION OF THE IMPACT OF MICROCREDIT PROGRAMMES AT
THE INTERSECTIONS OF GENDER AND CASTE IN NORTH INDIA

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Abstract

Microcredit, once hailed as the cure-all panacea for tackling poverty in the developing world, has become the subject of intense debate. Proponents assert that microcredit programmes help poor households to tackle economic shocks and build the entrepreneurial capacity of credit constrained clients, especially impoverished women in the developing world. They also point out that the nearly perfect loan repayment rates indicate the development of a structurally sound lending mechanism. On the other hand, naysayers call attention towards the inability of microcredit programmes to achieve sustainable reductions in poverty, to challenge the social construction of gender roles, and to increase the intra-household bargaining power of women. Moreover, providing credit to women may not lead to an improvement in their status if the other forms of access to markets, such as restricted mobility, gender biases, and time constraints due to their reproductive role, remain unchanged. Through my research, I address this debate by presenting and discussing my research findings from an examination of the impact of microcredit programmes on the status of women, particularly low-caste women, in rural Rajasthan, India. More specifically, I draw upon 46 interviews with women who are members of self-help groups, 21 interviews with corresponding male heads of households, and 6 key informant interviews. Study results show that most respondents viewed microcredit as a mere addition to their repository of credit sources—that is, an additional resource which could be used to meet regular household expenses, and, occasionally, to avert or endure a household crisis. However, there was an increase in the capacity of respondents to use their loans for larger expenses with increasing lengths of time spent in the programme. Furthermore, there were three significant pre-conditions for women to use their loans for productive purposes, as well as to exercise control over their loans: middle or old age, not residing with in-laws, and supportive or absent husbands.
Lay Summary

My doctoral research examines the impact of microcredit programmes on the status of women, particularly women belonging to socially disadvantaged groups, in rural Rajasthan, India. Through microcredit programmes, small loans are given to impoverished borrowers, who lack collateral and steady income. Over the last two decades, microcredit has come to be viewed as an effective tool for poverty reduction, as well as women’s empowerment. The findings of this research, however, show that participation in a microcredit programme does not reduce poverty, although it can help the families of women members to meet daily expenses. Loans procured through microcredit programmes can also help the households of long-term members to deal with larger expenses, such as weddings and health problems. This study also shows that significant improvements in the status of women cannot be brought about by microcredit without a focus on education, wage employment, and social awareness programmes.
Preface

This dissertation is original, unpublished, independent work by the author. The fieldwork carried out for this research was approved by the Behavioural Research Ethics Board of UBC Okanagan. The Ethics Certificate number is H15-01534.
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List of Acronyms

BPL  Below poverty line
CAD  Canadian Dollar
CMF  Centre for Microfinance (in Jaipur)
CRP  Community resource person
DPIP  District Poverty Initiatives Project
GAD  Gender and Development
HDI  Human Development Index
IMF  International Monetary Fund
MFI  Microfinance institution
MPoWeR  Mitigating Poverty in Western Rajasthan
NABARD  National Bank for Agriculture and Rural Development
NFHS  National Family Health Survey
NGO  Non-government organisation
NRLM  National Rural Livelihood Mission
NRLP  National Rural Livelihood Project
OBC  Other backward class
PRA  Participatory rural appraisal
RBI  Reserve Bank of India
RGAVP  Rajasthan Grameen Aajeevika Vikas Parishad (Rajasthan state rural livelihood mission)
RLFI  Reproductive Loan Fund Institution (a 19th century Irish loan fund organisation)
RRLP  Rajasthan Rural Livelihood Project
Rs.  Indian Rupee
SBLP  Self-help group bank linkage programme
SC  Scheduled caste
SEWA  Self Employed Women’s Association
SHG  Self-help group
ST  Scheduled tribe
UNCDF  United Nations Capital Development Fund
USAID  United States Agency for International Development
VO  Village organisation
WAD  Women and development
WID  Women in development
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Dedication

To the wonderful women of Singwara and Aari—my heroines.
Chapter 1: Introduction

1.1 Background and motivation for study

It is 42 degrees Celsius in eastern Rajasthan, the famous Indian desert state, as I make my way to Binya’s home for my third interview of the day\(^1\). My trusty water bottle seems uninviting. The water has turned hot. Just as I am beginning to think that I’ve lost my way, I see her standing outside her home with her 4-year-old son, waving to me. She takes me inside, and gets a glass of precious, cold water for me from her little refrigerator. “I just bought this refrigerator with my own money”, she tells me with great pride. Binya is an impoverished, low-caste woman, who lives in a village not too far away from Jaipur—the capital city of Rajasthan. Her husband works as a daily wage labourer in Bangalore, a metropolis in southern India, where he spends all his money on drinking and gambling. When he visits, he physically abuses Binya. Yet Binya independently manages to send her son to a private school, meet household expenses, and improve her living conditions, largely due to her participation in the self-help group bank linkage programme of microcredit.

In Rajasthan, as in most Indian states, microcredit is operationalised through self-help groups. These groups are usually composed of 10-12 women members from poor households. Once a group is formed, the members are required to hold weekly meetings to collect a fixed amount of money from each member. The amount of individual weekly savings is decided collectively by group members. Next, group members begin to use this common pool of money to make small internal loans to one another based on the principle of greatest need. If they manage to do this successfully for 6 months, and maintain good records of the intra-group lending and borrowing, they can approach a bank to ask for a collateral-free loan. Banks have been mandated to provide such loans to well-functioning self-help groups by India’s central banking institution, known as the Reserve Bank of India. If the bank finds that everything is in

\(^1\) Research participant’s name changed to preserve anonymity.
order, the group receives a collateral-free loan of up to 4 times the total savings amount of the
group. Group members can then use the bank loan for productive purposes, or to meet larger
household expenses. Moreover, group members are collectively responsible for the repayment of
the bank loan, and this collective responsibility replaces the need for collateral. In this way,
microcredit enables impoverished women in rural areas of the developing world to get access to
credit, as well as to the formal banking sector.

Over the last two decades, microcredit has come to be viewed as an effective tool for
poverty reduction, as well as for women’s empowerment, particularly in rural areas of the
developing world. The idea of microcredit gained global popularity in the wake of the success of
Muhammad Yunus’s Grameen Bank in Bangladesh, which employs a significantly different
credit delivery model than the Indian self-help group programme. The global enthusiasm for
microcredit—fuelled in large part by international organisations, such as the World Bank and
United Nations—has led to a corresponding increase in microcredit-related research. However,
research on the impact evaluation of microcredit continues to yield contradictory findings. For
example, some studies show an improvement in the economic conditions of households which
have access to microcredit, as well as an increase in the entrepreneurial capacity of female
recipients. On the other hand, other research shows that poverty reduction through microcredit is
not sustainable, and that access to credit, by itself, cannot lead to an improvement in the status of
women.

Furthermore, existing research on microcredit lacks nuanced studies at the intersection of
gender and caste in rural India. The Indian caste system divides Hindus into complex, rigid, and
hierarchical social groups based on their occupation. Owing its origins to the Hindu religion, the
caste system has resulted in the oppression, sanctioned by religion and society at large, of low-
castes at the hands of upper-castes for thousands of years. Although caste-based discrimination was outlawed by the constitution of independent India in the year 1950, it continues to define almost all aspects of social life in rural India. As such, impoverished, low-caste women are marginalised on 3 counts: poverty, caste, and patriarchy. This research was, therefore, undertaken to not only evaluate the impact of microcredit on the livelihoods and status of female recipients, but also to understand the ways in which patriarchy and the caste system interact with the self-help group programme.

1.2 Structure of thesis

This thesis is divided into 6 additional chapters. Chapter two, literature review, discusses contemporary and historical microcredit programmes, economic principles and operating mechanisms of group lending, academic debates on the impact of microcredit, and the theoretical framework—Gender and Development—used to design and carry out this research.

The third chapter, research setting and methods, introduces the study area, Rajasthan, in terms of its geography, economy, status of women, and microcredit programme. This chapter also discusses the rationale for this study, research questions, and research objectives. It then delves into the selection of study sites, that is, the administrative districts and villages where this study was conducted, data collection procedures, and the translation and transcription of interview data.

The fourth chapter, the first of two findings chapters, describes the structure of the self-help group programme. It also describes the respondents in terms of their employment, caste, age, and education. The chapter then discusses the ways in which respondents used their loans. The fifth and second findings chapter discusses the degree of control exercised by respondents.
over their loans and income. It also brings forth the issues of formation and composition of self-help groups in terms of personal relationships and caste hierarchies.

The sixth chapter answers the research questions through an analysis of loan use, degree of control over loans and income, and degree of gender-progressive thinking. These indicators are used to assess the overall programme impact by measuring them against 2 variables: duration of programme participation and caste. The final concluding chapter summarises the study findings, makes policy recommendations, and suggests directions for future research in the subject area.
Chapter 2: Literature Review

2.1 Review of literature

The literature review chapter of this thesis builds upon, and consolidates, several reviews of literature that I conducted over the course of my doctoral work. These were undertaken for two broad subject areas: a) Microfinance, and b) Gender and Development. The former subject area was reviewed to understand the origins, underlying economic principles, different models, and the impact of microfinance. However, there has been an unprecedented increase in studies on microfinance in the last two decades. Microfinance has come to be regarded as a field of research, often embedded within economics and management but making forays into various disciplines, such as gender studies (Fouillet et al., 2013). In introducing a special issue on microfinance in the journal Oxford Development Studies, Fouillet et al. (2013) note that there has been a significant increase in the number of scholarly publications on microfinance since the mid-1990s2.

Indeed, the most recent literature search that I undertook in May 2017, within major social sciences academic databases, yielded a staggering number of research papers on microfinance, published over the last two years: 278 in EconLit, 215 in WorldCat, 101 in Academic Search Complete, and 377 in Web of Science. To explore the literature most relevant to my research, I used the following criteria:

a) Research situated within the fields of economic development, economic behaviour, and gender studies.

b) Studies conducted in India and Bangladesh.

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2 Oxford Development Studies, Volume 41, Supplement 1
c) Research which compares the Indian model of microfinance with models used in other developing countries across the globe.

d) Impact assessments of microfinance on the lives of women borrowers.

e) Studies on borrower group formation and operation.

The second subject area reviewed in this chapter—Gender and Development—provides the theoretical underpinning to assess the impact of microfinance in this research. It is also the framework on which the research design of this study is based. To select the most relevant papers on Gender and Development for this research, I used the following criteria:

a) The evolution of the Gender and Development framework.

b) Comparisons of Gender and Development (GAD) with its precursors—Women in Development (WID) and Women and Development (WAD)

c) Research on the social construction of gender roles, gender power dynamics, and empowerment.

d) Microfinance studies conducted using Gender and Development, especially in India and Bangladesh.

This chapter is broadly divided into three parts: a) Microfinance, b) Gender and Development, and c) Conclusion.

2.2 Introduction to microfinance

The origins of contemporary microfinance are often traced back to the 1983 establishment of the Grameen Bank in Bangladesh by Professor Muhammad Yunus (Ghosh, 2013). The Grameen Bank is a microcredit or microfinance institution (MFI) which provides microloans, usually for short periods of time, to the rural poor, who do not have access to formal sources of credit in the absence of collateral and steady income. Such loans are usually intended
as boosters for small businesses and self-employment initiatives (Bernasek, 2003; Morduch, 1999). In setting up the Grameen Bank, Professor Yunus wished not only to alleviate poverty in rural Bangladesh, but also to improve the economic status of impoverished rural women, who face significant cultural constraints in accessing the market and formal financial institutions. Therefore, since its inception, the Grameen Bank has increasingly focused on lending to women. The Bank now lends almost exclusively to poor women in rural Bangladesh, and according to its website, 97% of the Bank’s current borrowers are women\(^3\). Owing to high repayment rates, combined with its capacity to provide opportunities for income-generation to the rural poor outside the conventional lending sector, the Grameen Bank model became immensely popular, and came to be adopted by 58 countries across the world (Haldar & Stiglitz, 2016).

2.2.1 *Grameen Bank model of group lending*

The Grameen Bank extends credit to the poor through its branches, each of which serves an area comprising 15-22 villages. Once a branch is set up, bank staff survey the villages to identify potential borrowers, as well as to provide information about the Grameen Bank and its credit delivery mechanism. Potential borrowers are then encouraged to organize themselves into groups of five, and collateral-free loans are given to 2 members in each group. The remaining group members become eligible to receive loans only if the first 2 borrowing members make regular weekly repayments over the initial 4-6 weeks. In subsequent years, the Grameen Bank started to give individual loans to borrowers with established histories of borrowing and repayment. The original group lending model, however, continues to be in operation to this day.

\(^3\) http://www.grameen.com/
2.2.2 The Indian experience

Nearly a decade after the establishment of the Grameen Bank, the self-help group (SHG) model of lending was conceived by two prominent public sector institutions in India—National Bank for Agriculture and Rural Development (NABARD), and the central bank known as the Reserve Bank of India (RBI). The defining feature of the Indian programme is the linkage of SHGs with formal sector banks, which is meant to make formal sources of credit accessible to the unbanked rural poor. This programme was tested through a pilot project put together by NABARD, and supported by RBI, in the early 1990s. Since then, the SHG-bank linkage programme (SBLP), has expanded into one of the largest, and fastest growing, microfinance programmes in the world. As of 2006-2007, it boasted the participation of 687,000 SHGs, 44,000 branches of 547 banks, and 4,896 non-governmental organisations (Swain & Floro, 2012). The programme is regarded as a key component of national and provincial strategies for rural development and poverty alleviation. Additionally, it is worthwhile to note that there are a number of for-profit microfinance institutions in India which function outside the aegis of the SBLP.

2.2.3 Self-help group model of lending

In the first stage, SHG promoting institutions—NGOs, banks, or government departments—help to form SHGs, which typically consist of 10-20 women members. For the first 6 months, group members are encouraged to meet regularly, to save a designated amount of money at each meeting, to use the group’s saving to make loans to one another, and to develop good bookkeeping practices. The group makes autonomous decisions regarding the frequency of meetings, the mandatory savings amount, and lending to group members. After 6 months, the promoting institution helps to link the group with a bank. If the bank is satisfied with the group’s
financial discipline during the first 6 months of its functioning, the group receives a collateral- free loan which is up to 4 times the total savings amount of the group.

The Indian SHG model of extending credit to the rural poor, although based on similar economic principles, differs from the Grameen Bank model in several respects. The most important distinguishing factor is the role played by public sector formal lending institutions, and the national and provincial governments in the development and promotion of the Indian programme. Furthermore, within this programme, the borrower groups function more autonomously as compared to their Bangladeshi counterparts, where the frequency of meetings and loan terms are dictated by the Grameen Bank.

2.3 Economic underpinnings and operating mechanisms of group lending

In establishing the Grameen Bank, Professor Yunus was inspired by Joseph Stiglitz’s ideas of extending small-scale credit services to the poor who were excluded from the formal credit sector. Stiglitz proposed that banks could minimize default rates by setting up peer monitoring mechanisms in target villages. Peer monitoring, Stiglitz argued, would address the problem of asymmetric information (Young, 2010). Information asymmetry occurs in a transaction when one party has more information than the other. Asymmetric information can lead to two problems—adverse selection and moral hazard. Adverse selection occurs in the case of microcredit because borrowers possess information about the bank’s lending policies, but the bank does not have access to the credit histories of borrowers due to their exclusion from formal credit markets. Thus, the bank is unable to differentiate between risky and safe clients. Moral hazard occurs when the borrower indulges in risky behaviour due to insufficient incentives to repay the loan. Both forms of information asymmetry cause the rates of interest to go up in
response to increased administrative costs of providing loans as the bank diverts its resources to determine the credit-worthiness of potential clients (Banerjee & Duflo, 2010).

The problem of information asymmetry is addressed by applying Stiglitz’s idea of peer monitoring in group lending models, such as the Grameen Bank and Indian SHG models, by providing loans to groups of borrowers. Group lending is based on joint liability where each member of the borrower group is held responsible for the repayment as well as default of other members. Furthermore, group lending exploits the idea of social capital by insisting on the voluntary self-selection of members into borrower groups. Existing social ties and networks ensure that borrowers refuse to form groups with individuals in possession of histories of risky behaviour (Ghosh, 2013; Young, 2010). This leads to a reduction in adverse selection. Group lending also allows members to monitor each other within the group, leading to lower rates of default and, therefore, a reduction in moral hazard (Banerjee & Duflo, 2010). Although the bank or microfinance institution (MFI) remains clueless about the credit-worthiness of clients, the reduction in adverse selection and *ex-ante* moral hazard through self-selection and joint liability cuts administrative costs, which allows banks and MFIs to administer loans at low interest rates and to reach a wide pool of credit constrained clients (Banerjee & Duflo, 2010; Ghosh, 2013).

A significant feature of the group lending model is the mandatory weekly group meeting. The weekly group meeting is significant for three reasons—to build social capital, to provide opportunities for peer monitoring, and to reduce the administrative costs of lending. Several studies attribute the success, at least in part, of microcredit programmes to the social capital built during weekly meetings (Banerjee & Duflo, 2010; Feigenberg, Field, & Pande, 2013; Haldar & Stiglitz, 2016; Moodie, 2008). The Feigenberg et al. (2013) study uses field experiments to demonstrate that borrowers who met more frequently were more likely to trust their fellow group
members. Weekly meetings are also crucial because they coincide with the collection of repayment amounts, which allows group members to keep a check on defaulters. Furthermore, since the group leader is responsible for the collection of weekly repayment amounts for all group members, loan officers are able to collect repayments from a large number of borrowers within the same day. The simplified method of collection allows MFIs to hire loan officers with little education and training at low wage rates. These factors, combined with the reduction in adverse selection and moral hazard, further help to reduce the administrative costs of lending for MFIs (Banerjee & Duflo, 2010; Hunt & Kasynathan, 2001).

2.4 A review of 19th century microcredit institutions

Although the contemporary narrative of microfinance is linked to the work of Yunus and the Grameen Bank, there are similarities between modern-day MFIs and a few 19th-century microcredit organisations in Europe. Hollis and Sweetman (1998) examine six such organisations—a lending charity in England, two loan fund organisations in Ireland, and three credit cooperative movements in Germany, Ireland, and Italy.

2.4.1 English lending charity

In 18th century London, hundreds of wealthy people established their legacies in the form of charitable funds, which were made available to young men as revolving loans. These loans were often administered by town councils and trade organisations. One such charity was established by Samuel Wilson in 1766 through his bequest of £20,000. These funds were lent to young men in the first two years of their trading careers in London and its surrounding areas. The loans were given for a maximum period of 5 years; the loan amount was £100-300; and the interest rate was 1% for the first year and 2% for the rest of the loan period. The need for collateral was addressed
by requiring each borrower to have 2 cosignatories, but this number was eventually increased to 4 cosignatories due to significant difficulties in securing repayments. Although Wilson’s lending charity was in operation for more than 50 years, it is unclear whether the charity may be deemed successful. In the later years of its operation, the charity’s trustees, confronted by numerous cases of default, started lending to established traders instead of young men who needed to set up their trading careers. Moreover, the charity was plagued by high administrative costs due to its complete dependence on donated funds. This was also the fate of many similar lending charities across England during the same time period (Hollis & Sweetman, 1998).

2.4.2 Irish loan fund organisations

Concurrently, in early 19th century Ireland, a loan fund organization was established in the wake of a famine. The Reproductive Loan Fund Institution (RLFI) was formed with a capital of £55,000 in 1822. This capital was generated through private donations made to a committee in London. The committee distributed the capital among nine of the worst famine-hit counties in Ireland. The county committees were further responsible for giving funds to voluntary associations in towns with the mandate of lending small amounts of money to the poor. The loan amount was not to exceed £10, the interest rate was 12%, and the loans were to be repaid over a period of 20 weeks. Subsequently, owing to the substantial amount of capital administered by RLFI, a law was enacted to protect its funds, as well as to create an environment for the establishment of more institutions based on this model (Hollis & Sweetman, 1998; Hollis & Sweetman, 2001).

Indeed, the above-mentioned legislation led to the formation of many other loan funds in Ireland. The initial capital required to set up these loan funds was garnered through donations, and augmented by charging interest on loans. The incomes thus generated were used to set up
interest-bearing deposits, which were meant to generate additional revenues and expand the operations of such organisations. Many loan funds, thus, started generating large profits through deposits and lending at high interest rates. Since this conflicted with the stipulated purpose of poverty alleviation, legislation was enacted in 1836 to establish a central board in Dublin to monitor and regulate these independent loan funds. The establishment of the board encouraged the formation of more loan funds, which led to a total of 300 loan funds functioning across the country in 1843. By the early 1840s, these organisations were giving loans to about 20% of the total Irish households, at the rate of 500,000 loans per year, with an average loan size of £3.3. Thus, even though the history of Irish loan funds is tarnished by numerous cases of corruption and appropriation by profiteers, these organisations were remarkably successful in achieving a high penetration rate across Ireland and staying in operation for over 75 years (Hollis & Sweetman, 1998; Hollis & Sweetman, 2001).

2.4.3 German credit cooperatives

Raiffeisen credit cooperatives were conceived in Germany during the 1840s. By 1910, there were 14,500 Raiffeisen cooperatives with 1.4 million members across the country. The cooperative members had exclusive borrowing privileges, along with unlimited liability for the deposits. Indeed, the formation of a cooperative was contingent upon the coming together of individuals who could accept the unlimited liability principle. Since, according to this principle, the wealthiest members had to bear the consequences of unlimited liability, the cooperative members were usually homogenous in terms of social and economic status. Upon formation, each cooperative constituted its own committee to review and grant loans, which varied in size from less than £10 to more than £250 and were granted for an average loan term of 6 years.
Borrowers were usually required to have two cosignatories to secure the loans (Guinnane, 1995; Guinnane, 1997).

Raiffeisen cooperatives were quite successful in preventing substantial losses for their members. Their success is attributed to the unlimited liability principle, which was a strong incentive for members to repay loans. Moreover, most of the Raiffeisen cooperatives were located in small rural areas, which meant that members had information about the credit-worthiness of each loan seeker, as well as the purpose of each loan. Hollis and Sweetman (1998) contend that the Raiffeisen cooperative is one of the most resilient and extensive microcredit institution models in the world. Not only was this model adopted by European and North American countries, it also travelled to China and British India.

**2.4.4 Irish credit cooperatives**

Based on the Raiffeisen model, Irish credit cooperatives were established in 1895 with the help of government subsidies. Their primary purpose was to fulfill the credit needs of smallholders. However, in spite of substantial financial assistance from the government, the Irish credit cooperatives did not enjoy the success of their German counterparts. Their inability to attract deposits was the primary reason for their failure. These organisations faced stiff competition from a well-established banking system, especially the Post Office Savings Banks, which offered a secure and convenient deposit-taking system. Moreover, the Irish cooperatives bore some similarity to loan fund organisations, which had incurred heavy losses for their depositors before shutting down in the late 1890s (Guinnane, 1994; Hollis & Sweetman, 1998).
2.4.5 Italian Casse Rurali

Italian credit cooperatives, known as the Casse Rurali, were also based on the Raiffeisen model. The first of the Italian credit cooperatives was established in 1883, and with the support of the Roman Catholic church, 2,100 Casse Rurali, with 115,000 members, had been established in villages and small towns across Italy by 1916. These cooperatives spread rapidly, and were highly successful, in northern Italy (Galassi, 1997; Hollis & Sweetman, 1998). However, they did not enjoy the same success in southern Italy. This phenomenon can be understood through the difference in the degrees of trust in rural communities in the north and south. More specifically, the significant success of the Casse Rurali in the north is attributed to high levels of trust and social capital, which facilitated the formation of the unlimited liability cooperatives. On the other hand, the dominant culture of familism—an acute focus on the interests and needs of family members which can erode social cohesion—in the south led to low levels of trust and social capital. Thus, people in the south were unwilling to form credit cooperatives based on the unlimited liability principle (Galassi, 2001).

This brief review of microfinance institutions in 19th century Europe will be useful in the succeeding sections, where I will address the debates surrounding contemporary microfinance. More specifically, the lessons learnt from the successes and failures of the historical institutions will be used to assess the functioning of present-day institutions. At the same time, however, it will be prudent to remember that the functioning of the historical institutions must be considered within their respective geographic, cultural, and temporal contexts.

2.5 Debates on microfinance

Microfinance, once hailed as the cure-all panacea for tackling poverty in the developing world, has recently become the subject of intense debate. Proponents assert that microcredit
programmes help poor households to tackle economic shocks and build the entrepreneurial capacity of traditionally credit constrained clients, especially impoverished women in the developing world. They also point out that the nearly perfect loan repayment rates indicate the development of a structurally sound lending mechanism (Field, Pande, Papp, & Rigol, 2013; Garikipati, 2008; Kabeer, 2001, 2005; Swain & Wallentin, 2009). On the other hand, naysayers call attention towards the inability of microcredit programmes to achieve sustainable reductions in rural poverty, to challenge the social construction of gender roles and established social stratification systems, and to increase the intra-household bargaining power of women (Ackerly, 1995; Banerjee, Duflo, Glennerster & Kinnan, 2015; Ghosh, 2013). Additionally, critics argue that microcredit programmes can increase conflicts within the household, which further diminishes the status of women (Goetz & Sen Gupta, 1996; Holvoet, 2005; Leach & Sitaram, 2002).

Notwithstanding the arguments put forth by critics, microfinance has been accepted and promoted with enthusiasm by many prominent international development organizations such as the International Monetary Fund (IMF), United States Agency for International Development (USAID), United Nations Development Programme (UNDP), United Nations Capital Development Fund (UNCDF), and the World Bank. The global impetus for microfinance was reflected in the declaration of the year 2005 as the ‘International Year of Microcredit’ by the United Nations, as well as in the joint Nobel Peace Prize for Muhammad Yunus and the Grameen Bank (Bateman & Chang, 2009; Weber, 2004). Over the last two decades, microcredit has come to be regarded as one of the most important tools for poverty reduction, as well as for the empowerment of women. The poverty reduction argument is based on the capacity of microfinance programmes to reach previously unbanked, rural communities in the developing
world. The second argument is that giving loans directly to women helps them to undertake entrepreneurial ventures and, therefore, to overcome traditional and cultural constraints which block their access to formal and informal sources of credit. Therefore, the above-mentioned international development actors advocate lending almost exclusively to poor women in the developing world (Swain & Wallentin, 2009).

However, providing credit to women may not lead to an improvement in their status if the other forms of access to markets, such as insecure property rights, restricted mobility, gender biases, and time constraints due to their reproductive role, remain unchanged (Duflo, 2012). Moreover, the mechanisms of microcredit programmes, as discussed previously, lay the onus of monitoring and collection of repayment amounts on the borrowers. The assumption of administrative roles, combined with entrepreneurial activities tied to loans, can lead to a significant increase in women's dual burden of market and household labour. In a time-use study conducted in rural India, Garikipati (2012) found that men are largely self-employed as they work on the family’s agricultural or non-agricultural assets, while women are largely employed as daily wage workers—which means that they get paid poorly, work under exploitative conditions, and suffer social stigmatization. Furthermore, men enjoy two more hours of leisure time compared to their wives. These findings are characteristic of the gendered patterns of market and household labour in rural regions of the developing world. Under such circumstances, additional demands on the time and efforts of women due to participation in microfinance programmes may lead to further deterioration in the quality of their lives in the form of reduced time for leisure and sleep.

The adverse effects on women may be especially pronounced if women are pressured, indirectly or directly, to participate in microfinance programmes. In a study of rural credit
programmes in Bangladesh, Goetz and Sen Gupta (1996) argue that women might come to be viewed as conduits for securing credit when loans are given exclusively to women in an environment with rigid gender roles. On one hand, this can elevate the status of women within the household as other household members look towards them to gain access to credit. But, on the other hand, it can have a disempowering effect if women are forced or manipulated by family members to join the programme. Indeed, Holvoet (2005) cites qualitative data from an impact study of microfinance in South India to report that women joined the programme on the insistence of their husbands, who had their eyes on easy access to credit through their wives. Moreover, Goetz and Sen Gupta (1996) find anecdotal evidence that indicates an increase in domestic violence when women are unable to gain access to loans, or when the waiting period to get a loan is excessive. This finding also suggests that women may not have a choice regarding their participation in microfinance programmes.

Furthermore, lending to women fails to induce positive changes in the lives of women if men, rather than women, control how the loan money is used (Ackerly, 1995; Goetz & Sen Gupta, 1996; Garikipati, 2012). Using a sample of 106 Bangladeshi women borrowers, Goetz and Sen Gupta (1996) find that women exercised significant control over their loans in 37% of the cases, no control in 22% cases, and partial control of varying degrees in the remaining 63% cases. Ackerly (1995) reports similar patterns of women’s control over loans in her study of loan use in rural Bangladesh, and cautions that women can become mere conduits for family credit in the absence of mechanisms to increase women’s participation in market activities related to loan use. More recently, in a time-use study of borrowers in rural South India, Garikipati (2012) finds that participation in a microfinance programme does not reduce women’s engagement in wage work, but enables their husbands to spend more time in self-employment. This implies that
women do not have control over their loans, and that the loans are being used to meet the productive needs of the household.

There is an overwhelming amount of contradictory evidence regarding the impact of microfinance on women’s lives, which might be detrimental to the microfinance project. Since most microfinance programmes target women with the objective of empowering them, negative evidence can shake the moral foundations of microcredit. It is important to note here that women did not constitute the priority target group of early poverty-oriented credit programmes in rural areas of the developing world, but as women displayed a significantly higher propensity to repay loans, they came to be regarded as a good credit risk and became the primary recipients of microloans (Garikipati, 2008). Thereafter, owing to early reports of the positive impact of credit on women, microfinance programmes were linked to the project of improving women’s lives. Since then, however, the idea of microfinance as a device to empower women has been diluted due to the contradictory findings of impact studies.

A study by Garikipati (2008), undertaken to resolve the conflicting evidence on the impacts of microcredit, confirms the very paradox it sought to examine. Garikipati finds that microcredit loans help poor households to diversify their sources of income and increase their capacity to tackle crises. However, women have little or no say in the use of loan money or the productive assets of the household. A lack of control over the loan money implies that women cannot secure money for repayment of the loan from investment-related activities. Instead, they may be forced to turn towards wage labour activities to ensure repayment. This study indicates that in spite of having a positive impact on the mobility of women within the labour market as well as on household income, microcredit programmes can disempower women when loans are extended without addressing intra-household inequalities. The project of empowering women
through microcredit, therefore, remains elusive. Proponents of microcredit claim that the provision of credit to women improves their status within the household. However, the bargaining power of individuals within the household depends on the interplay of various factors, such as ownership of productive assets, government policies, and social norms. As such, even when microcredit programmes have a positive impact on household income and the ability to tackle crises, the position of women within the household does not improve (Garikipati, 2008).

The most scathing critique of microfinance stems from scepticism about its objectives of poverty reduction and empowerment of women. Indeed, a number of scholars have argued that it is important to investigate if the global enthusiasm for investment in women is meant to promote gender equality and empowerment of women or if it is another attempt to shift the onus for development onto the people who need it, and to achieve further economic liberalization (Bateman & Chang, 2012; Chant & Sweetman, 2012; Ghosh, 2013). Although the recognition of women’s contribution towards economic development is laudable, the proponents of microcredit may be overestimating the ability of women to singlehandedly engender positive social and economic transformations within their households and communities. For instance, consider the quintessential image of a woman empowered through microfinance—a woman in a nondescript village in a developing country running a successful microenterprise. Her status in the household is elevated, she stops experiencing spousal violence, her family enjoys better health and nutrition, and she invests in the education of her children (Ackerly, 1995). This exaggeratedly optimistic model of the empowered woman borrower puts the spotlight on the capacity of women to change their lives and uplift their households while drawing attention away from the factors which are more likely to determine the impact of credit programmes—such as governance and policy measures to remove the institutional and traditional barriers which
constrain women, the extent to which the credit product addresses the needs of recipients, delivery mechanisms, and the commitment of MFIs or NGOs towards improving the lives of women (Kabeer, 2005; Chant & Sweetman, 2012). In the absence of the above-mentioned measures, women cannot be expected to become agents of social and economic change simply by gaining access to credit.

Furthermore, the poverty-reduction claims of microfinance programmes have also been challenged. Bateman and Chang (2012) argue that in spite of some short-run positive impacts of microfinance in terms of income-generation and consumption smoothing for a small group of individuals, there is no evidence of sustainable poverty reduction in the long-run. On the contrary, they argue, microfinance can be an obstacle to poverty reduction as it creates the illusion of development without large-scale investments, and saturates the local economy with informal sector microenterprises of the same or similar nature. Indeed, there is evidence to suggest that microfinance does not alleviate poverty. In a year-long study of microfinance loan use in south India, Dattasharma, Kamath, and Ramanathan (2015) used the financial diaries of poor households to assess weekly consumption patterns, and found that borrowers were unable to use these loans for income generation. Instead, the loan money was spent on consumption items—food and repayments for other loans. In addition to providing evidence against the poverty reduction potential of microfinance, the results of this study also suggest that multiple loans with rigid repayment schedules can lead to further impoverishment of the poor.

Additionally, several scholars cite the example of the microfinance crisis in Andhra Pradesh, India to point out that the profit-driven model of microfinance is especially problematic (Ghosh, 2013; Haldar & Stiglitz, 2016; Taylor, 2011). In the year 2010, the Indian microfinance industry—one of the largest and most rapidly expanding in the world—was hit by default rates
approaching 90 percent. The rapid expansion was caused by the reckless lending practices of MFIs, such as giving multiple loans to a single borrower for consumption purposes. However, a tipping point was reached when some borrowers, burdened by severe indebtedness and the heavy-handed loan recovery tactics of MFIs, committed suicide. The Andhra Pradesh state government responded to this situation by implementing an ordinance to impose harsh restrictions on loan recovery by MFIs. Predictably, this led to mass default, and loan recovery rates dropped to 10 percent (Ghosh, 2013; Haldar & Stiglitz, 2016; Banerjee et al., 2010). Due to its nature and magnitude, the Andhra Pradesh crisis shook the microfinance industry across the globe, and rendered insignificant the poverty reduction claims of MFIs.

2.6 Empowerment, group formation, caste, and gender

While the previous section explored the larger debates on microfinance, this section takes a nuanced look at the processes through which women borrowers are empowered or disempowered as a result of their participation in microfinance programmes. This section also examines and brings forth issues arising from the interaction of caste with social capital and self-selection. Literature on microfinance suffers from a lack of understanding of the individual journeys of borrowers, as well as the ways in which social and cultural norms affect self-selection during the formation of borrower groups. I will use this section to identify such gaps in the existing literature, and to position my research. In keeping with the focus of my research, most studies reviewed in this section are based on the SHG bank linkage programme in India.

The empowerment of women borrowers is one of the most widely-cited objectives of microfinance. However, the processes through which women are empowered are not well-understood in spite of a host of studies which attempt to gain such an understanding (Ackerly, 1995; Agier, Garikipati, Guerin, & Szafarz, 2013; Field et al., 2013; Garikipati, 2008; Goetz &
Sen Gupta, 1996; Hunt & Kasynathan, 2001; Holvoet, 2005; Kabeer, 2000, 2005; Leach & Sitaram, 2002; Pitt, Khandker, & Cartwright, 2003; Swain & Wallentin, 2009, 2017). For instance, Swain and Wallentin (2009) call attention to an important, but largely unacknowledged challenge faced by microcredit programmes—varying degrees of empowerment experienced by borrowers belonging to the same group. Although Swain and Wallentin’s (2009) results showed that group members were empowered by their participation in the SHG bank linkage programme, the authors caution that the results must not be interpreted to mean that all group members experienced similar levels of empowerment, or that all members were empowered at the same pace. Feigenberg, Field, Pande, Rigol, and Sarkar (2014) add to this complexity by providing evidence of higher social capital gains through increased meeting frequency for groups consisting of members with the same borrowing history relative to groups where borrowers did not share the same duration of membership. The degree and pace of empowerment of group members is, therefore, likely to depend on group composition, the differences in their cultural and religious practices, socio-economic status, education, respective relationships with their family members, and exposure to training programmes. While they acknowledge the importance of examining differences in the experiences of group members, and determining the extent to which each external factor is likely to impact the individual process of empowerment of each borrower, Swain and Wallentin (2009) stop short of conducting this analysis.

Literature on microfinance lacks fine-grained studies on individual empowerment processes. In a notable exception, however, the impact of social and cultural norms on the performance of borrowers is illustrated by Field, Jayachandran, and Pande (2010). In this study, the authors examined the constraints posed by traditional institutions to female entrepreneurship, using a randomly drawn sample from a pool of the Self Employed Women’s Association
(SEWA) Bank customers in Ahmedabad, India. In spite of working with a homogenous sample in socioeconomic terms—identical in terms of education, household income, and family size—the authors found significant differences in the way Muslim women, upper caste Hindu women, and low caste Hindu women responded to the training module designed for this experiment. More specifically, upper caste Hindu women displayed a significant improvement in business earnings as a result of the training module, which implies that they used the financial literacy and business skills acquired during training to set up or improve entrepreneurial activities. However, low caste Hindu women and Muslim women did not experience similar improvements in business earnings. The authors explain the difference in results in terms of the distinct norms regarding mobility and social interactions which govern the three groups of women.

Due to the stringent norms which govern interaction between castes, upper castes are expected to remain at a safe distance from lower castes to maintain purity. In particular, upper caste women are expected to remain veiled, have limited interaction with low caste women, and refrain from interacting with men outside their households. These restrictions on mobility and social interaction are not equally applicable to low caste women because they cannot be ‘polluted’ through interaction with upper castes. As well, owing to greater poverty levels, low caste households cannot ignore the importance of women’s earnings (Deshpande, 2007; Field et al., 2010). Therefore, among the three groups of women in the Field et al. study, low caste Hindu women face the least amount of social restrictions. As such, they are equipped with business skills acquired from experience and the training module did little to enhance their entrepreneurial capacity. Upper caste Hindu women, on the other hand, face stringent social restrictions which cause knowledge gaps and hinder their entrepreneurial capacity. Therefore, they were able to use knowledge acquired from the training module to improve their business skills, which resulted in
increased earnings. In the case of Muslim women, the social restrictions imposed on their mobility and interaction might have been too oppressive for them to benefit from their newly acquired skills. The Field et al. study illustrates the significance of understanding caste- and religion-based restrictions on mobility, and the ways in which these restrictions affect the impact of microfinance programmes. The findings of this study can also be extrapolated to call for rigorous examinations of the empowerment processes of borrowers based on class, caste, social status, previous borrowing experience, and existing entrepreneurial activities.

Moreover, the individual empowerment journeys of borrowers cannot be understood without a close examination of group formation and composition. Most studies do not discuss the formation of borrower groups, except for briefly stating that group formation is based on self-selection, and that most groups are comprised of 10-15 members. However, there is evidence to suggest that self-selected borrower groups in which members are homogenous in terms of social and economic standing are more successful than non-homogenous groups (Ghatak, 1999). Moreover, in an assessment of microfinance groups in northern India, Baland, Somanathan, and Vandewalle (2011) found that the caste composition at village level is not reflected in group composition—the groups are more homogenous than the villages in terms of caste composition. This implies that borrowers are more likely to look within their own socio-economic classes when asked to self-select into groups. Self-selection works in rural areas of the developing world because borrowers possess good quality information about the credit-worthiness of others from the same village due to a high degree of social connectedness (Ghatak, 1999). Interestingly, this bears close resemblance to the Raiffeisen credit cooperatives in Germany, where individuals formed economically and socially homogenous cooperatives under the unlimited liability principle. The success of Raiffeisen cooperatives is attributed to unlimited liability, which, in
turn, worked because the cooperatives were located in small rural areas with high levels of social capital.

The long-standing and widespread success of the Raiffeisen cooperatives, combined with contemporary evidence of the relative success of homogenous microfinance groups, suggests that self-selection is desirable. Indeed, this mechanism lowers lending costs for the bank or MFI due to the exclusion of risky borrowers—such as widowed women, unemployed women, old women, and low caste women belonging to poor households. But the ways in which self-selection interacts with local social and cultural norms, leading to the inclusion or exclusion of borrowers during group formation, are not well understood. Consider, for example, that an unemployed woman with a supportive husband might be preferred as a group member over an employed widow (Goetz & Sen Gupta, 1996). The impact of such factors on group formation cannot be understood in the absence of studies which take into account the complex nature of the village economy, and the ways in which the economy is affected by local social and cultural norms.

Among the various determinants of social hierarchy which play a role in borrower group formation, caste deserves special attention due to its inherently rigid system of social stratification, as well as the contradictory evidence related to its impact on poverty and women’s autonomy. Consider, for instance, that low caste women in Ahmedabad enjoy relaxed norms of social interaction and mobility which allow them to succeed at business ventures, but in Rajasthan, a place with a long history of marginalization of the lower castes, self-selection might play into the hands of the privileged upper-castes and enable them to control the membership of borrower groups (Field et al, 2010; Moodie, 2008). Moreover, MFIs and banks are unwilling to lend to women who have a history of financial instability, which means that low caste women as well as members of other marginalized groups are viewed as high-risk borrowers and
systematically excluded from microcredit groups or pressured to form groups among their own kind (Ghosh, 2013). Even if risky borrowers manage to form groups amongst themselves, they will face substantially higher costs of borrowing compared to groups of safe borrowers (Ghatak, 1999; Ghosh, 2013). Indeed, there is some evidence of such processes of exclusion: Baland et al. (2011) show that low caste borrowers are more likely to be members of unsuccessful microfinance groups, and they are more likely to leave their groups.

It is useful to recall here the case of Wilson’s lending charity in 18th century London—the charity’s mandate was to give loans to young men in the first two years of their trading careers, but the charity trustees eventually came to regard such young men as risky borrowers due to high rates of default, and started lending to established traders instead. This historical case can serve as a reminder that individuals who are socially or economically marginalized are likely to be risky borrowers, but they are also likely to be the ones in acute need of credit. If such individuals are excluded from poverty-oriented microfinance programmes, they will be further marginalized. This means that the principle of self-selection must not be used to form groups without understanding its interaction with systems of social and economic stratification, such as caste.

Self-selection works in areas with high levels of social capital as borrowers exploit local information, and assume joint liability, to form groups (Ghatak, 1999). To understand self-selection, therefore, it is important to examine the ways in which local social and cultural norms affect social capital. For instance, recall the case of the late 19th century Italian Casse Rurali—these credit cooperatives enjoyed great success in northern Italy due to high levels of social cohesion. In southern Italy, however, the Casse Rurali were not successful due to the dominant culture of familism, which diluted social cohesion and discouraged individuals to form cooperatives based on unlimited liability. To add to this complexity, consider a study of village
level governance in contemporary India: Anderson, Francois, and Kotwal (2015) found that social capital is higher in villages dominated by the historically privileged, upper caste, Maratha landowners. In these villages, the Maratha landowners constitute the minority elite, while smallholders and the landless make up the electoral majority. The high level of social capital in such villages is explained through the clientelist thesis—to retain political power, the minority elite buy the votes of the electoral majority in exchange for access to established caste-based trading networks, as well as inclusion in state welfare programmes. Since the success of microcredit programmes depends on high levels of social capital, the impact of such programmes can be negatively affected in situations where social capital is contingent upon the maintenance of caste hierarchy. Furthermore, Besley and Coate (1995) argue that group lending succeeds in communities with high degrees of social connectedness because of social collateral, which means that group members do not default for fear of incurring the potentially substantial social costs of conflict within the community. However, social penalties, intended to secure repayments in a community with high levels of social capital based on caste hierarchy, can also be used by the upper castes to consolidate their social standing, and to further marginalise the low castes.

The findings of the above-mentioned studies gain increased significance when viewed in light of Deshpande’s (2002) reading of the interplay of social norms and economic growth at the intersection of gender and caste. She argues that the trade-off between the greater autonomy enjoyed by low caste women and the privileged social status of high caste women is fast vanishing. This is due to sanskritization—a process in which low castes, as a result of experiencing economic growth, adopt the ways of the upper castes in an attempt to demonstrate their improved social position. Thus, the constraints on the mobility and social interaction of upper caste women are imposed on low caste women as well. The improvements in the material
condition of low caste communities, however, are not sufficient to offset the negative impacts of the newly imposed constraints. As such, Deshpande (2002, 2007) argues that low caste women are at the very bottom of the social and economic hierarchy in contemporary India. Indeed, low caste women face marginalisation on three counts: a) as women in a patriarchal society, b) as members of an economically depressed class, and c) as members of a socially disadvantaged group. Deshpande’s argument contradicts the findings of the Field et al. (2010) study, discussed above. However, note that Deshpande uses national household survey data, whereas Field et al. conduct a field experiment using a random sample drawn from the customers of a single MFI located in the city of Ahmedabad, India. The findings of the two studies are not comparable, but together they illustrate that microcredit programmes designed without understanding local manifestations of gender and caste will not be successful. A lack of economic literature at the intersection of gender and caste further hinders the project of designing effective microcredit initiatives (Deshpande, 2007).

My research makes significant contributions towards filling the gap in literature on the overlap of gender and caste in India. This research also brings out narratives of the diversity of individual journeys of women borrowers within the same group, and thus demonstrates the importance of considering the relative significance of external factors to women’s empowerment or disempowerment. Furthermore, this research helps to address the significant gap in microfinance literature posed by a lack of studies which investigate the impact of caste and social capital—in terms of social ties and personal relationships—on borrower group formation and group dynamics.
2.7 Theoretical framework - Gender and Development

The research design is based on a feminist development framework—gender and development (GAD). Gender-related development theory has come a long way—from the initial Women in Development (WID) approach that focused exclusively on the productive work of women to the GAD framework that is concerned with an exploration of gendered power dynamics within socially constructed gender roles. The GAD framework is acknowledged for shifting the focus from women to gender, which allows the inclusion of men in gender-specific development policy and programmes. The GAD framework, particularly the concept of social construction of gender roles, will prove to be invaluable for understanding women’s experiences in my research. As well, the idea of empowerment within the GAD approach will be used to assess the impact of microcredit programmes on the lives of women in Rajasthan.

The conception of the GAD framework was a response to the exclusive focus accorded to women’s issues by its predecessors—WID and WAD. Rathgeber (1990) explains that the theoretical underpinnings of GAD are derived from social feminism. Social feminists are concerned with determining the reasons for the systematic marginalization and oppression of women. They argue that the answer lies in the analysis of the social relations of gender. This is due to the recognition that an exclusive focus on women’s issues perpetuates the sexual division of labour—the idea that men are engaged in productive work outside the home while women are responsible for domestic and reproductive work. Approaches that target women’s concerns do not permit the analysis of the social construction of gender roles—that is, the different roles played by men and women in society (Razavi & Miller, 1995). GAD theorists contend that gender roles are often shaped by cultural stereotypes about gender characteristics, for example,

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4 Women and Development
in most cultures, young boys are encouraged to be tough and aggressive whereas young girls are expected to behave in a timid fashion (Mukhopadhyay, 1995). As such, the GAD approach signifies a marked shift from the customary inclusion of women in development projects towards a nuanced study of the social and cultural construction of gender roles (Parpart, 1995; Razavi & Miller, 1995). The adoption of ‘gender’ as the unit of analysis makes space for the inclusion of men, and allows an examination of gendered power dynamics (Connelly et al., 2000). Unlike WID and WAD, the GAD approach does not advocate an exclusive focus on economic development for empowering women. Instead, this approach emphasizes the need to strengthen the bargaining power of women within and outside the household to improve their access to resources (Razavi & Miller, 1995; Rathgeber, 1990). Additionally, the GAD approach recognizes the agency of women as opposed to the WID approach, which merely portrayed women as passive recipients of development efforts. Within the GAD framework, women are encouraged to empower themselves by forging local, regional, and national alliances to challenge their traditional roles (Kabeer, 2005).

2.7.1 Limitations of the Gender and Development framework

Although considered to be a significant improvement over its predecessors, the GAD approach has been subjected to intense criticism. One of the criticisms pertains to GAD’s inability to comprehend and include cultural intricacies within its framework. This is, in part, due to a particularly oppressive and unchanging narrative of Third World culture within gender studies. This rigid understanding does not allow gender analysts to engage with the constructed and evolving nature of culture (Mohanty, 1988; Tripathy, 2010). Moreover, culture is often misconstrued as tradition, which makes it impermeable to critique. The failure of gender analysts to recognize the constructed nature of culture leads to the creation of totalizing categories, such
as ‘Muslim women’ and ‘African culture’. It is ironic that the GAD thesis of exploring the constructed nature of gender roles does not extend to a similar understanding of culture, which often comes to be viewed as an obstacle to development initiatives. Thus, the GAD approach follows its predecessors in relegating women in the developing world to the position of victims. However, in this case, culture replaces patriarchy as the oppressive mechanism.

One of the most serious charges levelled against the GAD framework is the nearly complete absence of men. Despite the theoretical shift in focus from women’s issues to the investigation of socially constructed gender roles, there seems to have been little effort to understand the concerns and dilemmas faced by men (Cleaver, 2002). Indeed, Tripathy (2010) and Marchand (2009) lament that the very meaning of the relative term, ‘gender’, has come to be equated with ‘women’. Tripathy argues that gender praxis has become the absolute domain of women. There is almost no mention of men’s roles in gender policy; the scant mention that does exist categorizes men as oppressors and obstacles to women’s development (Cleaver, 2002; Tripathy, 2010). Therefore, it is no surprise that GAD has been criticized for pitting women against men, thus rendering it impossible for them to work together to achieve development goals.

Another significant weakness in this framework is the difficulty of developing effective policy tools based on its theoretical principles. Although GAD allows the questioning and analysis of deep-rooted social and political structures, it does not seamlessly lend itself to the design of practical interventions. The sincere application of this framework often translates into a loss of power for established social structures, institutions, as well as individual men and women, and development organizations are often unwilling to implement programs which are meant to bring about structural changes in societies and shifts in intra-household power dynamics. For
instance, the World Bank’s Report on Engendering Development – 2001 advocates the achievement of gender equality through institutional reforms and policy measures. In practice, however, the World Bank and other major development actors are more likely to support economic development interventions, rather than structural and legislative changes (Chant & Sweetman, 2012; Duflo, 2012). In spite of growing evidence that the provision of credit to women needs to be accompanied by changes in property rights, restricted mobility, and gender biases, the World Bank continues to focus on economic development through microcredit initiatives (Duflo, 2012). Thus, the widespread academic acceptance of the GAD framework provides little assurance when major development actors continue to implement programmes based on WID/WAD frameworks.

2.7.2 Application of Gender and Development

The above-discussed limitations notwithstanding, the GAD framework can prove to be a useful tool for conducting gender analysis in the developing world. I will primarily use two aspects of the GAD framework to conduct my research. First, I will employ the concept of the social construction of gender roles to understand women’s experiences within and outside the household. Molyneux (1985) argues that addressing women’s interests without understanding gender roles and gender power dynamics allows the existing structures responsible for women’s subordination to prevail without hindrance. She argues that women’s strategic gender interests can only be achieved through interventions which challenge the sexual division of labour, women’s unpaid labour within and outside the household, political marginalization of women, and denial of bodily integrity including domestic violence and autonomy in childbirth. Moreover, the study of gender roles makes it possible to examine socially defined relationships between men and women, thus bringing the aspect of power in gender relations to the forefront.
Given the stark inequalities of gender and caste in Rajasthan, such a study will be an indispensable tool to investigate the impact of microcredit programmes on the lives of women. To elaborate, consider one of the most significant critiques of microcredit initiatives—the idea that the loan money awarded to women, is often appropriated by male members in the household. In a study of credit programmes in Bangladesh, Goetz and Sen Gupta (1996) found differences in the degree of loan control exercised by women according to their age and marital status. Mothers-in-law, older married women, and senior wives in polygamous families were found to exercise a greater degree of loan control as compared to young, newly married women, unmarried women, and junior wives. Furthermore, when men assumed control of the loan money and refused to make repayments, women reported an increase in household conflicts and violence. These findings illustrate the importance of understanding the social construction of gender roles and power dynamics within the household.

Second, I will use Naila Kabeer’s (2005) discussion on empowerment to assess the capacity of microcredit programmes in Rajasthan to improve the lives of women. Kabeer explains empowerment in terms of the ability to make choices. She argues that disempowerment entails the denial of choice while empowerment refers to the processes by which disempowered individuals gain the ability to make choices. Thus, disempowerment is a necessary pre-condition in order to achieve empowerment. Kabeer’s discussion of empowerment is based on three ideas: agency, resources, and achievements. Agency refers not only to the processes of making and exercising choices, but also making choices which challenge the inequalities in existing power relations. I will use the concept of agency to examine changes in the ability of women to exercise choices once loans have been awarded. Resources are defined as, “the medium through which agency is exercised” (Kabeer, 2005, p. 15), and are distributed through social institutions and
relationships. For example, if a woman’s access to resources depends on her relationship with the head of the household, she will only be able to exercise limited control over the use of loan money. In my research, I will use this idea to assess the degree of control exercised by women over the loan money awarded to them. The third aspect of empowerment, *achievements*, refers to the extent to which people’s potential for making their choices through access to resources is realized or falls short of realization. I will use this framework to understand whether the choices made by women challenge existing gender inequalities and socially ordained gender roles. If, for instance, a woman uses her loan money to achieve economic independence rather than to fulfill her traditional roles, it will be regarded as an empowering choice.

Furthermore, keeping in view the limitations of the GAD framework, I will include an examination of local cultural practices in this research. For example, consider that Hindu women belonging to higher castes, such as Brahmans, Rajputas, Jats, and Gujjars in rural Rajasthan are expected to observe the *purdah*[^5], and to maintain a distance from women and men belonging to lower castes in order to preserve the chastity of their respective castes (Moodie, 2008). Such practices can have a significant impact on borrower group dynamics when groups are composed of women from different castes. As such, understanding local caste and cultural practices such as the *purdah* will be imperative to my research—especially for establishing the impact of group dynamics on the effectiveness of microcredit programs and the diversity of women’s experiences as ordained by their socially constructed gender roles and caste identities. Moreover, a critical appreciation of group dynamics will help government agencies and microfinance institutions to improve the design of microcredit programmes.

[^5]: Female seclusion through veiling
The second limitation of the GAD framework with respect to my research is the exclusion of men from both theory and practice. This continues to be the norm in spite of the purported shift from WID/WAD to GAD, that is, from a focus on women’s practical interests towards recognition of the social construction of gender roles, as well as the gender power dynamics between men and women. The quest to include men in gender-related development programmes acquires urgency amidst suggestions that the practice of lending exclusively to women, practiced by most MFIs, is a misguided attempt at empowering women. Indeed, there is evidence to suggest that lending exclusively to women can increase household conflicts and violence when women are unable to exercise control over the use of the loan money and their male relatives refuse to make repayments (Goetz & Sen Gupta, 1996; Rahman, 1999). Moreover, the deliberate exclusion of men from microcredit programmes leads to a propagation of the traditional stereotyping of men as egoistic and irresponsible individuals as opposed to women who are regarded as altruistic and trustworthy. This singular view of men as misogynist patriarchs subsumes the diversity of men’s attitudes in different cultures, and leads to missed opportunities for achieving development goals (Tripathy, 2009, 2010). Given the complexities of power relations based on gender and caste in Rajasthan, combined with the potentially negative effects of lending exclusively to women, an examination of the experiences of men—especially, poor, low-caste, and marginalized men—acquires critical importance in my research.

Furthermore, Tripathy (2009) argues that men are facing numerous challenges due to social, economic, historical, and political changes. They are losing their identity as breadwinners and protectors as increasing numbers of women enter the workforce. However, gender analysts continue to label them as unchanging, oppressive, patriarchal figures. Owing to its failure to address these contradictions, the GAD narrative robs the modern man of possibilities to construct
new roles and identities, essentially condemning him to play the part of the historical oppressor of women. It is, therefore, important for my research to reject the generalized notion of man as oppressor and instead, to investigate the gamut of men’s concerns. Without such an examination, my quest for understanding intra-group power dynamics and intra-household decision making patterns will remain elusive.

This chapter has lain the foundation of the thesis by explaining the economic principles of group lending, the interaction of such principles with caste and gender, the functioning of self-help groups, the major debates regarding the effectiveness of microcredit programmes, and the theoretical framework on which this research is based. Moreover, this chapter has identified crucial gaps in existing microcredit research, and established the need for this research. The next chapter, research setting and methods, describes the study area and data collection procedures. It also discusses research questions and objectives.
Chapter 3: Research Setting and Methods

3.1 Introduction to study area: Rajasthan

Owing to its rich history, unique geography, and diverse culture, Rajasthan (literally, land of kings) is one of the most famous tourist destinations in India. A local saying in Rajasthan warns that the dialect, cuisine, water, and style of turban change after every twelve miles. The state’s 5000 year old history is fraught with battles as the Rajput clans fought numerous dynasties, Muslim rulers, and the British for political control of the region. As a result, the state is home to a number of forts and palaces built on hills, in the expanse of the desert, and on lake islands. The people of Rajasthan add significantly to the intrigue generated by its history and landscape.

The population of Rajasthan (a total of 68.5 million – see Table 3.1) is made up of complex social and economic groups divided by religion and caste. Hinduism is the major religion in the state as it is practiced by 88.8 per cent of the total population. Muslims account for 8.5 per cent, Sikhs for 1.4 per cent, and Jains for 1.2 per cent of the population (Census of India, 2011). The Rajputs, members of the warrior class which ruled the majority of the state during the British rule, form the most prominent ethnic group in contemporary Rajasthan. Jats and Gurjars are the two most prominent agricultural castes, while the Meenas, Bhils, Garasias, and Kanjars are some of the major, traditionally nomadic, tribes. However, the Meenas, Bhils, and Garasias now earn their livelihood through agriculture and cattle breeding. The Kanjars have begun to practice agriculture and wage labour, but they also continue to earn their livelihood by working as entertainers (Government of Rajasthan, 2002). In sum, the Rajasthan State Election Commission lists 59 scheduled castes and 12 scheduled tribes.
Table 3.1: Demographic profile of Rajasthan

<table>
<thead>
<tr>
<th>Total State Population</th>
<th>Absolute</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
<td>Urban</td>
</tr>
<tr>
<td>Persons</td>
<td>51,500,352</td>
<td>17,048,085</td>
</tr>
<tr>
<td>Females</td>
<td>24,858,605</td>
<td>8,138,835</td>
</tr>
<tr>
<td>Males</td>
<td>26,641,747</td>
<td>8,909,250</td>
</tr>
<tr>
<td>Sex Ratio</td>
<td>933</td>
<td>914</td>
</tr>
</tbody>
</table>

Population in the age group 0-6

<table>
<thead>
<tr>
<th>Percentage to total population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>Persons</td>
</tr>
<tr>
<td>Females</td>
</tr>
<tr>
<td>Males</td>
</tr>
<tr>
<td>Sex Ratio</td>
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</tbody>
</table>

Literate Population

<table>
<thead>
<tr>
<th>Percentage</th>
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<tbody>
<tr>
<td>Rural</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>Persons</td>
</tr>
<tr>
<td>Females</td>
</tr>
<tr>
<td>Males</td>
</tr>
</tbody>
</table>

Scheduled Caste Population

<table>
<thead>
<tr>
<th>Percentage to total population</th>
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</thead>
<tbody>
<tr>
<td>Rural</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>Persons</td>
</tr>
<tr>
<td>Females</td>
</tr>
<tr>
<td>Males</td>
</tr>
<tr>
<td>Sex Ratio</td>
</tr>
</tbody>
</table>

Scheduled Tribe Population

<table>
<thead>
<tr>
<th>Percentage to total population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
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<tr>
<td>-------</td>
</tr>
<tr>
<td>Persons</td>
</tr>
<tr>
<td>Females</td>
</tr>
<tr>
<td>Males</td>
</tr>
<tr>
<td>Sex Ratio</td>
</tr>
</tbody>
</table>

Source: Census of India, 2011

3.2 Geography

Rajasthan, the largest state in India with an area of 342,239 square kilometers, is located in the northwestern region of India. It is bounded on the north by Punjab and Haryana, on the east by Uttar Pradesh, on the southeast by Madhya Pradesh, on the southwest by Gujarat, and on the west by Pakistan (refer to Figure 3.1). The Aravalli Range—the oldest fold mountains in India—divides the state into two geographical zones: a) the arid zone, known as the Thar Desert, which is encompassed by the 12 western and northwestern districts of Barmer, Bikaner, Churu,
Hanumangarh, Jaisalmer, Jalore, Jhunjhunun, Jodhpur, Nagaur, Pali, Sikar, and Sri Ganganagar (refer to Figure 3.2), and b) the semi-arid to sub-humid zone which lies in the eastern and southeastern region of the state. The Thar Desert is the most densely populated desert in the world. It constitutes roughly 60 per cent of the total land mass of Rajasthan, but only accounts for 40 per cent of the state population (Planning Commission, 2006). As a result, the population density of the state—201 persons per square kilometre—is well below the national figure of 382 persons per square kilometre (Census of India, 2011).
Figure 3.1: Location of Rajasthan in India

Source: Survey of India, 2012
3.3 Economy

Rajasthan has been identified as one of the least developed states in India by the Raghuram Rajan Committee, which was set up to develop a composite index of the relative backwardness of states in order to inform the allocation of central funds to states (Ministry of
Rajasthan is also categorized as one of the five states in India with the lowest per capita income. The per capita income in Rajasthan was Rs. 19,920 (CAD 490) in 2006-07, well below the national figure of Rs. 29,069 (CAD 715). The disappointing per capita income figures appear even starker when compared to the trend growth rate of a little below 6 per cent for the period of 1980-2006. This is explained by Rajasthan’s high population growth rate of roughly 2.5 per cent per annum—among the highest for Indian states—combined with a lack of opportunities for livelihood diversification (Sen, Amarnath, Choudhury, & Das, 2009).

Indeed, census data show that the majority of workers earn their livelihood by working as cultivators or agricultural labourers (Census of India, 2011). In a significant departure from the traditional cultivation of subsistence crops, such as maize and millets, and pastoralism, Rajasthan has followed the ‘green revolution’ model of agricultural development for the last few decades. The state has applied this model to aggressively promote the settled cultivation of cash crops—such as wheat, oilseeds, sugar cane, and rice—in conjunction with intensive irrigation. The application of the green revolution model, combined with rapid urbanisation, high population growth rates, and repeated droughts, has depleted the already scarce underground water reserves in the state (Government of Rajasthan, 2008). As a result, the agricultural sector has slowed down after enjoying three decades of steady growth. Indeed, the average annual growth rate of Rajasthan’s Gross State Domestic Product (GSDP) from agriculture and allied sectors fell from 10.9 between 2000-01 and 2004-05 to 5.5 between 2005-06 and 2011-12 (Planning Commission, 2013).

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6 Other states in the least developed category are Arunachal Pradesh, Assam, Bihar, Chattisgarh, Jharkhand, Madhya Pradesh, Meghalaya, Odisha, and Uttar Pradesh; Dr. Raghuram Rajan was the Governor of the Reserve Bank of India from 2013 to 2016.

7 Rs.: Indian Rupee; CAD: Canadian Dollar; Conversion based on Reserve Bank of India’s exchange rates for the year 2006-07.
Agricultural output remains errant due to frequent droughts and insufficient irrigation. The severe and frequent droughts—particularly in western districts—combined with improved rural road networks and public transport, as well as a lack of opportunities for income diversification lead to large-scale seasonal out-migration of male workers. This has led to feminisation of the agricultural workforce as women step in to take the place of male migrant workers (Government of Rajasthan, 2008). Indeed, census data show that female cultivators and agricultural labourers outnumber their male counterparts in Rajasthan (Census of India, 2011).

As a result of the slowdown in the agricultural sector, agricultural wages fell over the period of 2005 to 2012. Workers in this sector are increasingly earning less than workers employed in other sectors (Planning Commission, 2013). As such, income diversification has become imperative for poverty reduction in Rajasthan. Indeed, field research conducted by Krishna (2004) in rural Rajasthan reveals that poor households escape poverty due to a single crucial factor—diversification of income sources. Successful income diversification, in turn, is determined by the household’s access to information about opportunities in urban areas. Institutional sources of information are inadequate, and as such young male members of the household depend heavily on friends or relatives in cities for access to non-agricultural work. For 64 per cent of the surveyed households, having a contact in the city was a critical factor to escape poverty through income diversification (Krishna, 2004).

The Planning Commission of India reports significant reduction in poverty in Rajasthan—from 34.4 per cent of the total population in 2004-05 to 14.71 per cent in 2011-12 (Reserve Bank of India, 2013). However, these figures were computed using a methodology—Tendulkar poverty line—which has now been abandoned. For the year 2011-12, the Tendulkar committee fixed the poverty line at Rs. 27 (CAD 0.56) per person per day in rural areas and Rs.
33 (CAD 0.69) per person per day in urban areas. But the Rangarajan committee, formed to revisit the Tendulkar method, fixed the poverty line for 2011-12 at Rs. 32 (CAD 0.67) per person per day in rural areas and Rs. 47 (CAD 0.98) per person per day in urban areas (Planning Commission, 2014). Given the substantial confusion surrounding official poverty estimates, it is useful to consider poverty figures based on a local construction of poverty, such as the Krishna (2004) study. This study was conducted in 35 villages, culled from 5 districts in Rajasthan, to understand the trajectories of rural households which escape from and fall into poverty. More specifically, separate groups of men and women were formed in each village, and asked to identify the stages that a household goes through as it escapes from or falls into poverty.

Remarkably, all groups in all 35 villages identify poverty through four stages: a) buying food to eat; b) sending children to school; c) possessing clothes to wear outside the house; and d) repaying debt in regular installments. Using this local definition of poverty, Krishna finds that 26 per cent of the surveyed households were poor in the year 2002, as compared to 29 per cent of poor households in 1977. He also notes that a disproportionate number of scheduled caste and scheduled tribe households, as compared to upper castes and backward castes, have either remained poor (Category A) or fallen into poverty (Category C) over the 25 year period (refer to Table 3.2).

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8 Conversion based on Reserve Bank of India’s exchange rates for the year 2011-12
9 The 5 districts included in the study were Ajmer, Bhilwara, Rajsamand, Udaipur, and Dungarpur
10 Based on recall data
Table 3.2: Poverty in different caste groups over 25 years in surveyed villages

<table>
<thead>
<tr>
<th>No. of households</th>
<th>Category A</th>
<th>Category B</th>
<th>Category C</th>
<th>Category D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled castes</td>
<td>945</td>
<td>24</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Scheduled tribes</td>
<td>1,336</td>
<td>34</td>
<td>15</td>
<td>7</td>
</tr>
<tr>
<td>Backward castes</td>
<td>1,013</td>
<td>15</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Upper castes</td>
<td>2,311</td>
<td>11</td>
<td>9</td>
<td>6</td>
</tr>
</tbody>
</table>

1 Poorest 25 years ago and poor today (Remained poor)
2 Poor 25 years ago and not poor today (Escaped poverty)
3 Not poor 25 years ago and poor today (Became poor)
4 Not poor 25 years ago and not poor today (Remained not-poor)

3.4 Status of women

Rajasthan has long been perceived as one of the most oppressive Indian states for women due to the persistence of patriarchal practices, such as child marriage, dowry, female seclusion, and female foeticide. These practices continue to inform socio-cultural norms in the state, especially in rural areas, in spite of intense efforts on the part of successive governments to improve the status of women. Indeed, the state human development report of Rajasthan for 2008 finds that women lag behind men in education and in the labour market. The gender gap in literacy rates in Rajasthan is significantly higher than the national average—52.1 per cent of females are literate as compared to 79.2 per cent of males (refer to Tables 3.1 and 3.3). The primary school enrollment rate for females in Rajasthan is higher than the national average, but enrollment rates at the upper primary and secondary levels are dismal as the older girls are expected to share the burden of household labour before getting married. In the labour market, women face significant wage discrimination within all sectors—earning merely two-thirds to three-fourths of male wages. Furthermore, women are largely confined to employment within the
agriculture sector in rural areas as marginal and casual labourers. As such, they account for roughly 90 per cent of the total marginal workers in Rajasthan.

Using Indian Census data from 2001, Hatti et al. (2004) find that the sex ratio imbalance is more pronounced in the northwestern region of India, which includes Rajasthan. The imbalance in sex ratios is indicative of the entrenched unequal gender relations in this region, characterized by son preference, sex selective abortions, female infanticide, and discrimination against girl children in terms of nutrition and health care. Displaying a worrisome trend, the juvenile sex ratio in Rajasthan has deteriorated from 909 in the year 2001 to 888 in 2011, while the adult sex ratio has shown a marginal improvement from 921 in 2001 to 928 in 2011\(^\text{11}\). However, the juvenile sex ratio is a better measure of gender inequality since the life expectancy of adult women is higher than that of men.

Another critical factor which adversely affects the position of women in Rajasthan is the widespread practice of child marriage. According to the National Family Health Survey (NFHS)-3 for 2005-06, more than 60 per cent of Rajasthani women in the age group of 20-24 years were married before attaining the legally marriageable age of 18 years. And although the NFHS-4 for 2015-16 reports a substantial decline of 30 percentage points for this indicator, there remains a sharp disparity between the numbers for urban areas (20.3%) and rural areas (40.5%). In rural India, early marriage is one of the most important factors for the withdrawal of girl children from schools, particularly in the states of Rajasthan, Bihar, and Madhya Pradesh (Chugh, 2011).

Another finding of the NFHS-3 indicates that age at marriage is directly and positively correlated with education—women who have attained 12 or more years of education are married 6.35 years later than uneducated women. Although the results of the two rounds of NFHS are not strictly

\(^{11}\) The juvenile sex ratio is calculated for children in the age range of 0-6 years.
comparable due to a substantial difference in sample size—34,915 Rajasthani households were surveyed for NFHS-4 against 3,282 households for NFHS-3—but, taken together, the findings of these surveys indicate that early marriage is a significant obstacle in the education of women in rural Rajasthan.

Furthermore, Rajasthan does not perform well in terms of women’s health indicators. Consider, for example, that the maternal mortality rate and infant mortality rate are significantly higher in Rajasthan as compared to national averages (refer to Table 3.3). The state human development report of 2008 attributes the high maternal mortality rate in Rajasthan to a widespread negligence of women’s health and reproductive needs, nutritional discrimination against women, and the dominance of men in the public health system. In sum, the human development indicators present a grim picture of the status of women in Rajasthan.

Table 3.3: Human development indicators for Rajasthan

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Infant mortality rate</td>
<td>65</td>
<td>58</td>
</tr>
<tr>
<td>Maternal mortality rate</td>
<td>388</td>
<td>301</td>
</tr>
<tr>
<td>Anaemia among women (15-49 years)</td>
<td>48.5%</td>
<td>51.8%</td>
</tr>
<tr>
<td>Malnutrition (0-3 years)</td>
<td>50.6%</td>
<td>47.0%</td>
</tr>
<tr>
<td>Drop-out rate in elementary education</td>
<td>68.5%</td>
<td>52.2%</td>
</tr>
<tr>
<td>Gender gap in literacy rate</td>
<td>27.1</td>
<td>21.6</td>
</tr>
</tbody>
</table>

Source: State human development report of Rajasthan, 2008

3.5 Overview of microfinance programmes

The depressed status of women in the state has inspired government agencies and non-governmental organisations to undertake numerous women’s development programmes. The self-help group movement—which began in Rajasthan in the early 1990s—is one such initiative. Since then, self-help groups have become the preferred mechanism of implementation of poverty
alleviation and women’s development efforts in the state. Indeed, credit delivery to the rural poor in Rajasthan is being channelled through the self-help group-bank linkage programme (SBLP)\textsuperscript{12}. Acknowledged as the largest microfinance programme in the world, the SBLP boasts an outreach of 10 crore (100 million) households through 85 lakh (8.5 million) self-help groups across India (NABARD, 2017). This programme has connected a large proportion of marginalised rural households to mainstream banking institutions, and given them access to formal sources of credit. Furthermore, the programme’s emphasis on women’s self-help groups has initiated a process of improvement in the status of women.

In Rajasthan, however, it is difficult to evaluate the impact of the SBLP due to the substantial confusion regarding numbers on self-help groups in the absence of a uniform reporting system and a central database. Anecdotal evidence suggests that self-help group promoting institutions continue to keep inoperative groups in their databases, and attempts to collate numbers are hindered by the co-optation of a single self-help group by several promoting institutions (Centre for Microfinance, 2011). In order to resolve these ambiguities, and to streamline the implementation of SBLP and rural development programmes through self-help groups, the Department of Rural Development, Government of Rajasthan set up a central body, known as Rajasthan Grameen Aajeevika Vikas Parishad (Rajeevika), in the year 2010. Rajeevika is co-opting existing self-help groups across Rajasthan and creating new self-help groups to expand SBLP, as well as to implement several development programmes, such as the World Bank-funded Rajasthan Rural Livelihood Project (RRLP) and National Rural Livelihood Project (NRLP), the Government of India funded National Rural Livelihood Mission (NRLM), and the International Fund for Agricultural Development funded Mitigating Poverty in Western

\textsuperscript{12} For details of the programme, refer to Chapter 2: Literature Review.
Rajasthan (MPoWeR) (refer to Table 3.4). These development programmes are meant to enhance the impact of SBLP through the provision of grants and credit to self-help groups.

Table 3.4: Rajeevika’s outreach, 2017

<table>
<thead>
<tr>
<th>Activities</th>
<th>RRLP</th>
<th>NRLP</th>
<th>NRLM</th>
<th>MPoWeR</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total blocks</td>
<td>60</td>
<td>9</td>
<td>58</td>
<td>7</td>
<td>134</td>
</tr>
<tr>
<td>Total villages</td>
<td>6,109</td>
<td>881</td>
<td>2,091</td>
<td>755</td>
<td>9,836</td>
</tr>
<tr>
<td>Number of self-help groups</td>
<td>51,428</td>
<td>7,627</td>
<td>14,663</td>
<td>4,954</td>
<td>78,672</td>
</tr>
<tr>
<td>Number of households</td>
<td>607,374</td>
<td>89,999</td>
<td>170,002</td>
<td>52,017</td>
<td>919,392</td>
</tr>
<tr>
<td>Credit linkage</td>
<td>15,655</td>
<td>2,082</td>
<td>2,861</td>
<td>3,565</td>
<td>24,163</td>
</tr>
</tbody>
</table>

Source: Rajeevika progress report, 2017

Key to programme abbreviations:
RRLP: Rajasthan Rural Livelihood Project
NRLP: National Rural Livelihood Project
NRLM: National Rural Livelihood Mission
MPoWeR: Mitigating Poverty in Western Rajasthan

According to its progress report for the year 2017, Rajeevika has co-opted and created a total of 78,672 self-help groups from 919,392 households in Rajasthan. However, the total number of credit-linked self-help groups is far less impressive at 24,163, which is 30.71% of the total (Rajeevika, 2017). Here, it is useful to compare Rajeevika’s numbers with the total numbers in Rajasthan. The Centre for Microfinance—an autonomous organisation which provides technical support to self-help group promoting institutions in Rajasthan—reported a total of 4.03 lakh (403,000) self-help groups, out of which only 2.8 lakh (280,000) self-help groups were estimated to be functional in the year 2011. The total number of credit-linked self-help groups was 172,621, which is 61.65% of the total (Centre for Microfinance, 2011).

Clearly, Rajeevika is still far away from its goals of consolidating and credit-linking all self-help groups in Rajasthan. The task of consolidation is hindered by the ambiguity regarding the number of functional self-help groups, as well as the multiplicity of funding organisations and development programmes through which funding is disbursed to groups. As such, the import of the positive impacts of microfinance, widely reported in assessment studies undertaken by
non-governmental organisations and government agencies, is diminished as well\textsuperscript{13}. The absence of reliable aggregate data on the impact of microfinance programmes in Rajasthan lends further urgency to this research project.

The introduction to Rajasthan, in terms of its geography, economy, status of women, and microfinance programmes, has outlined the particularities which make it an interesting study area. This information, in combination with the research gaps identified in the previous chapter, provides the study rationale.

3.6 Rationale for research

This study examines the impact of microfinance programmes on the status of women participants, particularly socially marginalized women, within the household and in the labour market in Rajasthan, India. The study also seeks to understand the impact of personal relationships and caste-based hierarchies on the effectiveness of microfinance programmes.

3.6.1 Research questions

1. In what ways does the duration of programme participation impact women participants, particularly low-caste women, within the household and in the labour market?

   1a) Are there differences in the ways in which women with varying durations of programme participation use their loans?

   1b) Does the control exercised by women over their loans and incomes increase with an increase in the duration of programme participation?

\textsuperscript{13} Widely reported positive impacts of microfinance programmes include improvement in women's status, poverty reduction, access to formal banking, reduced dependence on local money lenders, and improvement in access to government assistance programmes.
1c) Does the duration of programme participation have an impact on the attitudes of participants towards gender-based social issues, such as dowry, education, and land ownership for women?

2. What role do personal relationships and caste-based hierarchies play in the formation and functioning of borrower groups?

3.6.2 Objectives of research

The aims of this study are:
1. To examine the impact of microfinance initiatives on the empowerment of impoverished women, especially lower caste women, within the household and in the labour market, this research examines the:
   a) Impact on earning capacity
   b) Impact on bargaining power within the household: i) control over loans; ii) control over income
   c) Impact on attitudes towards gender-based social issues

2. To establish an understanding of the impact of social ties and hierarchies on the formation, composition, and financial viability of borrower groups, this research investigates the:
   a) Impact of social ties and personal relationships
   b) Impact of caste-based hierarchies

3. This research makes policy and programme recommendations to the National Bank for Agriculture and Rural Development, non-governmental organizations, and microfinance institutions in the following areas:
   a) Design of microfinance contracts and programmes
b) Borrower group formation and composition

c) Enhancing the capacity of women to exercise control over their loans

3.7 Study sites: Dausa and Dholpur

The study was conducted in two of Rajasthan’s eastern districts: Dausa and Dholpur (refer to Figure 3.3). Dausa and Dholpur are two of the smallest districts in Rajasthan with areas of 3,432 and 3,033 square kilometres, respectively. Dausa is located at a distance of 55 kilometres, and Dholpur at a distance of 263 kilometres, from Jaipur—the state capital and the largest city in Rajasthan. Dholpur is situated at the northeastern border of Rajasthan with the neighbouring states of Uttar Pradesh and Madhya Pradesh. The western region of Dholpur is characterized by a low range of hills, while the southern boundary of Dholpur is defined by the Chambal River. The river lends a unique topographical character to the region due to the extensive ravine formations in its catchment area (Government of Rajasthan, 2009). Dholpur’s location, along with its peculiar geography, makes it one of the remotest and least developed regions in Rajasthan (refer to Table 3.5).

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14 The depth of the Chambal ravines ranges from 20 to 50 feet.
It is significant to note that Dausa and Dholpur found a place among the seven poorest districts in Rajasthan targeted by the state government’s—World Bank funded—District Poverty Initiatives Project (DPIP). The project was implemented over a period of seven years (2000-)

15 The other five districts targeted by the District Poverty Initiatives Project include Baran, Churu, Jhalawar, Rajsamand, and Tonk.
2007) with the objective of improving economic opportunities and raising the living standards of
the poor in the target districts. Moreover, both are among the worst performing districts in the
state in terms of the status of women as shown by adverse sex ratios, low female literacy rates,
and low values of the human development index (refer to Table 3.6 and Figure 3.3). Indeed,
Dholpur figures among the three least developed districts in Rajasthan in terms of the human
development index. The adult and juvenile sex ratios in Dholpur—846 and 857, respectively—is
among the most adverse in the state. Dausa fares better than Dholpur in terms of the adult
and juvenile sex ratios (Government of Rajasthan, 2009). Interestingly, the juvenile sex ratio is
higher than the adult sex ratio in Dholpur, whereas the opposite is true for Dausa. Furthermore,
both districts show stark differences between female and male literacy rates (refer to Table 3.6).

Table 3.5: Administrative units and infrastructure in Dausa and Dholpur

<table>
<thead>
<tr>
<th>Units</th>
<th>Dausa</th>
<th>Dholpur</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of sub-districts</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>No. of census towns</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>No. of villages</td>
<td>1,109</td>
<td>819</td>
</tr>
<tr>
<td>No. of villages with electricity</td>
<td>941 (85%)</td>
<td>644 (79%)</td>
</tr>
<tr>
<td>No. of villages with drinking water facilities</td>
<td>1,025 (92%)</td>
<td>786 (96%)</td>
</tr>
<tr>
<td>Road length (in kilometres)</td>
<td>2,606</td>
<td>1,854</td>
</tr>
<tr>
<td>Total area (in square kilometres)</td>
<td>3,432</td>
<td>3,033</td>
</tr>
</tbody>
</table>

Sources: Census of India – 2011; Government of Rajasthan

Table 3.6: Status of women and human development in Dausa and Dholpur

<table>
<thead>
<tr>
<th>Districts</th>
<th>Adult sex ratio</th>
<th>Juvenile sex ratio (0-6 years)</th>
<th>Female literacy rate (%)</th>
<th>Male literacy rate (%)</th>
<th>HDI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dausa</td>
<td>905</td>
<td>865</td>
<td>51.93</td>
<td>82.98</td>
<td>0.576</td>
</tr>
<tr>
<td>Dholpur</td>
<td>846</td>
<td>857</td>
<td>54.67</td>
<td>81.22</td>
<td>0.497</td>
</tr>
</tbody>
</table>

Sources: Census of India - 2011; State human development report of Rajasthan - 2008

In addition to the physical, social, and economic factors discussed above, the selection of
districts was based on discussions with the Centre for Microfinance (CMF) in Jaipur16. An

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16 Jaipur is the capital city of Rajasthan.
autonomous organisation, CMF provides technical support to self-help group promoting institutions in order to facilitate the growth of microfinance in 14 districts of Rajasthan. According to CMF, these two districts were most likely to present opportunities for the study of mixed caste borrower groups. Dausa has benefited from microfinance programmes for the last 15 years, whereas Dholpur—owing to its peculiar terrain and geographic remoteness—has only been targeted by these programmes for the last 6 years. By implication, a comparative study of the two districts has provided opportunities to assess the difference in the impact of mature borrower groups relative to newer ones.

However, the selection of villages within each district was finalised after I arrived in the field and carried out detailed consultations with CMF and the non-governmental organisations working to promote self-help groups in Dausa and Dholpur. The selection of villages was based on the purposive sampling method, which allows the researcher to use one or more of the following sampling strategies: a) deviant case sampling to identify extreme cases of success and failure, b) typical case sampling to identify average cases, and c) criterion sampling to select cases which satisfy a set of pre-determined criteria. I used a combination of all three sampling strategies to select two villages—Singwara in sub-district Dausa within district Dausa, and Aari in sub-district Saipau within Dholpur. More specifically, the selection of villages was based on the following set of criteria:

1) Presence of mixed-caste borrower groups and low-caste groups
2) Presence of mature as well as new borrower groups
3) Presence of outliers, that is, cases of remarkable success or failure
4) Presence of informal money lenders
It was important to select villages with mixed-caste borrower groups—that is, groups comprising of low-caste and upper-caste members—to study the effects of caste-based hierarchies on group formation and functioning, and to compare the programme impacts between mixed-caste groups and low-caste groups. Moreover, the inclusion of mixed-caste groups was necessary to compare the impacts of programme participation on low-caste members and upper-caste members.

The second criterion—the presence of mature as well as new borrower groups—was included in the selection of villages to understand the functioning of groups over varying lengths of time. A comparison of this nature would be useful in identifying any differences in the borrowing and investing behaviour of members belonging to new and mature groups. Such an analysis, when intersected with caste-based dynamics, would be valuable in understanding whether the programme affects the status of low-caste women over long periods of time.

The third criterion—presence of outliers—was important to understand the causes of outstanding success or failure of groups or individual members. A nuanced understanding of such causes, overlaid with the caste of individual members and caste-based group dynamics, would be useful in evaluating the weaknesses and strengths of the programme.

The fourth and final criterion—presence of informal money lenders—was included in village selection to understand the impact of informal money lending on the household consumption and production of microfinance borrowers.

### 3.8 Data collection procedures

I collected primary data through semi-structured interviews with women who are recipients of microcredit in Singwara and Aari (refer to Appendix A). I also conducted semi-structured interviews with the male heads of households corresponding to the interviewed
women (refer to Appendix C). The interviews were based on a pre-defined questionnaire, but additional questions were asked to clarify responses and to glean supplementary information. Semi-structured interviews use elements from both structured and unstructured interview methods to employ an interview schedule in order to guide the interview, albeit with room for flexible questioning by the interviewer. The questionnaire developed to interview women for this research project followed a pyramid structure, that is, the interviews began with straightforward demographic questions and gradually progressed towards more abstract questions which required the participants to provide their opinion on gender-based social issues. This interview technique allowed participants to acquire some degree of comfort with the interviewer and the subject of the interview before they were asked to reflect on potentially sensitive issues (Hay, 2010). More specifically, the interview schedule contained questions grouped under the following broad categories:

1. Demographic information
2. Household members, household income, and household expenses
3. Local antecedents of poverty
4. Impact of microcredit on earning capacity and asset ownership
5. Influence of informal lending on household consumption and production
6. Household decision making and control over loan money
7. Impact of microcredit on household conflicts and spousal violence
8. Borrower group dynamics
9. Impact of caste-based hierarchies
10. Social attitudes, mobility, and empowerment
The first section of the interview schedule, demographic information, was used to collect information regarding the participants’ age, marital status, religion, caste, and education. This information will be primarily used to compare the impact of programme participation on upper and lower caste women. It will also be used to examine the relationship between participants’ age, marital status, education, and the impact of programme participation.

The questions contained in the second section of the interview schedule will be used to assess the burden of unpaid labour performed by the woman within the household. Moreover, questions regarding the presence of in-laws, household income, and expenses will help to establish the bargaining power of the woman.

The third section, local antecedents of poverty, contained questions derived from the Krishna studies (2004, 2010), where the author argues that it is important to examine the reasons for the decline of households into poverty as well as to understand the mechanisms employed by households to cope with poverty once they have fallen into it. Indeed, field research conducted by Krishna (2004) in rural Rajasthan reveals that a number of households fell into poverty in the twenty-five years preceding the year 2002. Within the same time period, however, a large number of households escaped poverty. Therefore, the questions in this section will be used to understand the local origins and dynamic manifestations of poverty in the study area.

The fourth section of the interview schedule sought to understand the impact of programme participation on the respondent’s earning capacity and asset ownership through questions regarding length of participation, number and size of loans, ability to make repayments, ability to spend earnings independently, and ability to save.

The fifth section of the schedule was inspired by the 2002 All India Debt and Investment Survey which shows that the share of formal credit in total rural cultivator household debt
decreased and the share of informal credit increased for the first time since the 1950s. A study of Jain moneylenders in a village in Rajasthan, conducted by Jones (2008) to understand this trend reversal, reveals that loans obtained from formal institutions take the form of supplemental credit, but they do not replace the loans from local moneylenders\textsuperscript{17}. Therefore, the questions in this section will be used to examine the significance of informal credit vis-à-vis loans obtained through the programme.

The sixth section of the schedule will be used to determine the impact of programme participation on the bargaining power of women within the household through questions regarding the attitude of husbands, breakdown of household chores, household decision making, and birth control strategies. The seventh section contains questions regarding the issues which lead to household conflict, as well as the occurrence and degree of physical abuse, to assess the impact of programme participation on household conflicts and spousal violence.

The eighth and ninth sections—group dynamics and impact of caste-based hierarchies, respectively—contained questions to examine the impact of social ties and personal relationships on borrower group formation, to understand the ways in which caste dynamics manifest within the group, and to establish the role of caste-based hierarchies in the success or failure of individual members as well as borrower groups.

The final section of the interview schedule was designed to seek the opinions of participants regarding the status of women in rural Rajasthan. More specifically, the questions were framed around issues, such as dowry, female infanticide, female land ownership, education

\textsuperscript{17} Jains are followers of the religion of Jainism
of women, participation of women in democratic processes, and mobility of women in public spaces.

I conducted semi-structured interviews with 24 female respondents in Singwara and 22 female respondents in Aari. The selection of women participants was based on their participation in a mixed-caste microcredit borrower group, duration of group membership, age and marital status, caste membership, and particular success or failure within the household and/or in the labour market. For each of these criteria, I looked for cases with maximum variation to capture the diversity of experiences and perspectives of participants (Creswell, 2007). Furthermore, I used the snowball recruitment method when previously interviewed participants suggested potential participants with relevant and diverse insights. I also used the deviant case sampling technique to identify and interview up to 2 women in each village, who participated in failed microcredit borrower groups or those who were excluded from the programme (refer to Appendix B).

In keeping with the gender and development theory, I conducted semi-structured interviews with 13 male respondents in Singwara and 8 male respondents in Aari. These male respondents were heads of households corresponding to the interviewed women. The interviews with male respondents will be used to understand their perspectives on the participation of women in microcredit programmes, gendered power relations, socially constructed gender roles, poverty within the household, and women’s empowerment (refer to Appendix C). Recall that the gender and development approach advocates a nuanced study of the social and cultural construction of gender roles (Parpart, 1995; Razavi & Miller, 1995). As well, the replacement of ‘women’ with ‘gender’ as the unit of analysis allows the inclusion of men, and facilitates an
examination of gendered power dynamics (Connelly et al., 2000). The interview schedule for men contained questions taken from the following sections of the women’s interview schedule:

1. Local antecedents of poverty
2. Influence of informal lending on household consumption and production
3. Household decision making and control over loan money
4. Impact of microcredit on household conflicts and spousal violence
5. Attitudes towards women’s mobility and empowerment

In addition to semi-structured interviews, primary data was also collected through key informant interviews (refer to Appendix D). Key informants are individuals who are uniquely positioned to assist the researcher in gaining access to potential participants, and, as such, they are usually the primary contacts for the researcher in the field. Moreover, key informants possess considerable knowledge—usually from the perspective of a practitioner or policy maker—regarding the research subject (Hay, 2010). Based on a combination of purposive sampling and snowball recruitment, I selected 6 participants for key informant interviews. Two of the key informants were the team leaders of Saheli Samiti and Pradan—the self-help group promoting institutions in Dausa and Dholpur, respectively. The other key informants were: a) Executive Director of the Centre for Microfinance in Jaipur, b) Branch Manager of Rajeevika’s mission facilitation team in Dholpur, c) Head of Financial Inclusion at Rajeevika in Jaipur, and d) Deputy General Manager at Rajeevika in Jaipur. These interviews were conducted to establish the degree of success—in terms of poverty reduction and improvement in the status of women—of microfinance programmes in Rajasthan, to examine the recruitment and training processes of loan officers and field workers, and to understand the impact of government policy on the sector. The objective of
understanding recruitment and training methods of field workers deserves elaboration here. Consider that loan collection officers and fieldworkers in Goetz and Sen Gupta’s (1996) study of microcredit programmes in rural Bangladesh displayed adherence to the mandate of lending to women without believing in the objective of women’s empowerment, or the capacity of women to make repayments without the support of their husbands, fathers, and sons. Furthermore, investigations into the roles of field workers and programme officials are largely absent from the academic literature on the efficacy of microfinance institutions and programmes. As such, it was important to gather this information, if only indirectly, through key informant interviews.

3.9 Issues of consent and privacy in recruiting research participants

The fieldwork for this research was carried out in compliance with the requirements of the University of British Columbia’s Behavioural Research Ethics Board regarding informed consent of research participants. The procedures of informed consent in human subject research are meant to ensure that research participants understand the risks, benefits, and procedures of the research before agreeing to participate in it. In both locations—Singwara and Aari—I spent the first 6-7 days to carry out reconnaissance surveys with the help of the field staff of Saheli Samiti and Pradan, respectively. During these preliminary surveys, I invited the members of self-help groups, as well as their families, to have a conversation with me about my research. This exercise served as an opportunity to introduce my research to potential participants and to gain their trust. Furthermore, I enlisted the help of field staff to start a dialogue with the sakriye mahila or active women, who acted as facilitators of the self-help group movement in their respective villages. I spent a considerable amount of time with the active women to ensure that they gained a good understanding of my research objectives and procedures, as well as the
criteria for selecting research participants, before asking them to communicate this information to the members of self-help groups.

When self-help group members, who met the pre-defined criteria, conveyed their willingness to participate in this research, I approached them with the oral consent script for women participants (refer to Appendix F) and offered a detailed explanation of the following aspects of this study: a) purpose, b) procedures, c) publication of findings, d) potential risks, e) potential benefits, and f) confidentiality measures. When they gave oral consent to participate, I recorded their response along with the date, time, and location. Upon the conclusion of each interview with women participants, I asked them if their husbands would be willing to participate in the study. When the husbands of interviewed women showed willingness to participate, I obtained their consent through the procedures discussed above in the case of women participants (refer to Appendix G). Written consent forms could not be used to conduct interviews with self-help group members and their husbands due to high levels of illiteracy among these two groups of research participants. However, written forms were used to gain the consent of key informants before conducting interviews with them (refer to Appendix H).

The only difference in the procedures of obtaining consent between the two primary groups of research participants—self-help group members and their husbands—was a slight difference in the verbal consent scripts. The women were asked to devote roughly 1.5 hours of their time for the interview, while their husbands were only asked for 45 minutes. Moreover, the consent script for women contained a warning about the possibility of psychological or emotional risk due to some interview questions about domestic violence. To minimise this risk, I informed the participants about their right to refuse to answer any of the interview questions, to refuse to be audio taped, and to withdraw from the study at any time. I also prepared a list of
local resources—government departments, non-governmental organisations, counselling helplines, and women’s cells within local police stations—to provide information to women participants about the ways in which they could deal with domestic violence (refer to Appendix I). While there is no legal duty to report domestic violence in India, these measures were developed in accordance with the precedent established by the National Family Health Survey (NFHS), conducted by the Ministry of Health and Family Welfare, Government of India. The NFHS collects substantial data on domestic violence across India, and observes these measures to protect participants: a) obtaining informed consent, b) maintaining confidentiality, and c) providing a list of organizations for women in distress in case the participants ask for assistance.

To minimise social risk due to loss of privacy, I did not ask the research participants for their names during the interviews. Instead, I used a numeric code to reflect the location of each participant, the date of the interview, and the order of the interview. This code served as a unique identifier for each participant throughout the processes of data collation, organisation, and analysis. Furthermore, even when participants mentioned any identifying information during the interviews, it was not included in the transcripts.

3.10 Data management

I ensured that the data collected during fieldwork were stored in a secure place. More specifically, while working in the field, I saved backup copies of computer files in an external hard drive and a USB drive, which were kept under lock and key at all times. All devices and electronic data files used to store data were encrypted and password-protected. I carried my field journal and laptop with me at all times, but I ensured that the journal and laptop were not left unattended. Moreover, I refrained from using online services—such as email, cloud storage, and file sharing platforms—to store or transfer data in any form. When I returned to the University,
the data was stored in locked filing cabinets in my office. Once I graduate, the data will be kept in my research supervisor’s office in a locked filing cabinet. At the end of the mandated 5-year period after publication, in the year 2022, the hard copies will be shredded, and the digital data will be erased from storage devices.

The substantial amount of qualitative and demographic data collected for this research necessitated the use of effective data management and analysis tools. I used Stata—a statistical software package—to clean and analyse the demographic data collected during interviews with women participants. The process used to clean and analyse data within Stata is reproducible and transparent as the researcher works with the data by writing a code, instead of making irreversible changes to the dataset. Therefore, the advantages of using Stata were that the integrity of the raw data was maintained, and the decisions taken to clean and analyse the data were documented within the code. I also used NVivo—a powerful qualitative data management software—to store transcribed interviews, link demographic data with transcribed interview data, develop preliminary codes for the interview data, refine the coding structure, and create themes for data analysis. More specifically, I used the Tree Nodes function in NVivo to label the transcribed interview data using a hierarchy of main codes and sub-codes. At the data analysis stage, I used NVivo to examine relationships between different themes, and to refine the coding structure through the modelling function for codes. The modelling function provides a visual representation of the relationship among existing codes, and allows the researcher to add codes, as well as to change the hierarchy of codes directly within the model.

3.11 Issues of translating and transcribing interview data

The interviews with women participants and their husbands were conducted in Hindi—the principal language spoken in Rajasthan. I am completely fluent in Hindi, but there are
significant regional variations in the dialects of Hindi spoken in Rajasthan. More specifically, the
*Dhundhari* dialect of Hindi is spoken in village Singwara in district Dausa, while the *Braj Bhasha* dialect of Hindi is spoken in village Aari in district Dholpur. The two dialects differ
significantly from each other, and from the Hindi language, in terms of pronunciation, words,
and colloquialisms. Indeed, I spent the first week in each village learning the nuances of the local
dialects through conversations with the field staff and *sakriye mahila*. The conversations with
*sakriye mahila* were particularly helpful as these women were habitual of acting as the
spokespersons of self-help groups with government officials, representatives of funding
organisations, journalists, and researchers. As such, when speaking with me, they understood, a
priori, the need for translating unique words and ways of speaking in their dialects into Hindi.
The field staff members were also fluent in the local dialects as most of them belonged to the
area where they worked. Some field workers had been recruited on the basis of their experience
with self-help groups elsewhere in Rajasthan, but they had also acquired fluency in the local
dialects through frequent interactions with local self-help group members. By the time I started
conducting interviews with research participants, I could understand the local dialects, albeit
with the occasional difficulty. It would have been better to hire a translator to assist me during
the interviews, but I had to decide against it for several reasons. First, in spite of their apparent
good intentions and willingness to help with translation, I could not allow the field staff or
*sakriye mahila* to remain present during the interviews as they had the potential to influence
lending decisions within self-help groups based on the information shared by research
participants during interviews. Second, I could not hire a male translator to conduct interviews
with women—my primary research participants—due to stringent local social norms which
prohibit women from interacting with unrelated men. Third, due to the same social norms, local
women were not willing to act as translators, as their families felt that the task of conducting unsupervised conversations with strangers put the women at risk of acquiring unsavoury reputations. I, therefore, decided to conduct the interviews on my own, but I listened to recorded interviews at the end of each day to identify the words and phrases that I did not understand. I then asked the *sakriye mahila* or field staff members to translate the problematic words or phrases by listening to specific portions of the recorded and anonymised interviews.

I used a digital recording device to record the interviews. The use of a recording device allows the researcher to concentrate on listening to the research participant, instead of taking frantic notes. Furthermore, digitally recorded interviews can be transcribed to produce rich data which include nuances, such as the tones of the participant’s and researcher’s voices, laughter, emotion, sounds emanating from the surroundings, and interruptions to the interview. Transcription is an essential first step in qualitative data analysis because the conversion of interview data from audio recordings to written texts enables the researcher to study the data closely, to code the data using themes, and to make connections between themes. Often regarded as a straightforward and mechanical task, the transcription process actually requires the researcher to take many decisions regarding the level of detail to include in transcripts. The process is even more complicated when interviews need to be translated into English from another language. Given the complexity and arduousness of translating and transcribing 46 interviews with women and 21 interviews with men in two different dialects, as well as six key informant interviews in Hindi mixed with English, I decided to tackle the task myself instead of hiring a transcriber. Indeed, having spent a considerable amount of time and effort in the field to learn the dialects used by research participants, I felt that I was well-placed to produce reliable transcripts. Using the following steps, I spent roughly 5 hours to translate and transcribe each
hour of interview recordings: a) listening to the interview using VLC media player—a free programme which allows the user to pause and play the recording from the keyboard, b) translating the research participant’s words into English in my head, and c) using a Word document to transcribe the translated English text. In developing this process of transcription, I decided to skip the possible intermediate step of transcribing in Hindi before producing the final English transcripts. Although the addition of that intermediate step would have helped to preserve the richness and cultural context of the interview data, it also would have, at the very least, doubled the amount of time taken to produce the final transcripts. However, in an attempt to retain the cultural context, particularly when I could not find appropriate English words to convey the meaning of the participant’s words, I used the Roman alphabet to transcribe the original spoken words. For such words, I gave the closest English meaning in brackets. In taking translation-related decisions, and in spending a considerable amount of time to finish transcription, I gained the advantage of closely engaging with the interview data, which proved to be quite useful for the coding process.

3.12 Researcher positionality

The notion of objective knowledge production, espoused by positivists, has been replaced by the idea of situated knowledge. The production of objective knowledge requires the researcher to adopt an independent position and to suspend all previously held knowledge. Within the positivist view, the researcher is expected to become a neutrally detached observer in the field; ostensibly, positioning the researcher in this way frees her of the constraints of bias and personality and, thus, prevents the contamination of data (England, 1994). However, Haraway (1988) strongly argued against such a position, “I am arguing for the view from a body, always a complex, contradictory, structuring, and structured body, versus the view from above, from
nowhere, from simplicity” (p. 16). It has now come to be widely acknowledged that the pursuit of objective knowledge is a futile quest—there is no independent position which allows the researcher to adopt a God’s eye view. It is, therefore, important for researchers to practice reflexivity—a process in which researchers engage in self-critical introspection about their subject positions in order to situate themselves within the research project, particularly with respect to research participants (England, 1994; Haraway, 1988; Hay, 2010; Rose, 1997). Before starting fieldwork, for situating myself within my research project, I acknowledged my position as a privileged member of Indian society, and anticipated that my subject position as an urban, middle-class, upper-caste, educated woman would have a significant influence on my interactions with research participants.

Based on my previous interactions with the impoverished in my hometown, and in several different locations across India, I expected that the research participants in Singwara and Aari would remain at a distance from me, but treat me with deference. This harsh separation between the castes and classes is the result of a centuries-long history of oppression of the lower castes and classes at the hands of the privileged in the Indian sub-continent. Although I personally rejected the caste system quite early in life, I was born and brought up in an upper-caste household with a strict segregation between the members of the household and the low-caste staff. This uncomfortable realisation necessitated that I accept my caste membership—a reflexive task which I accomplished through conversations with friends and family, watching films, reading, and writing about the caste system—before adopting the role of a supplicant with my research participants in the hope of bridging some of the distance between us. England (1994) explains that the researcher-as-suppliant develops reciprocal relationships with research participants based on empathy and respect, accepts that the participants’ knowledge of the
research questions is greater than her own, and, thus, tips the scale of power dynamics in favour of the participants. The process of accepting my caste membership made me acutely aware of my position as a member of a historically oppressive group, and enabled me to slip into the role of a supplicant in the field. Furthermore, adding the gaze of an upper-caste, North Indian woman to that of a researcher in a Western university helped me to recognise the resilience of low-caste women as they continue to build meaningful lives in spite of oppressive forces. Indeed, I came to regard them as veritable heroines—not helpless victims of the caste system and patriarchy—and this helped me to form respectful and empathic relationships with them during my fieldwork.

In addition to engaging in a reflexive process, I attempted to gain the trust of the people of Singwara and Aari by dressing modestly in a pair of loose-fitting, worn-out jeans with knee-length, dull-coloured tunics, and long scarves. I used the scarves to cover my chest, and to obey the local tradition of covering one’s head while speaking with elderly, upper-caste men as a mark of respect. However, even though I dressed in drab clothes and suffered from a perpetually upset stomach—mostly caused by the liberal use of strong red chilli peppers in Rajasthani food—I still had the appearance of a well-fed and privileged person compared to the residents of Singwara and Aari. The difference in our positions was driven home during a particularly harrowing interview when a woman respondent told me that she had not eaten anything for two days. In response, I stopped the interview and offered her some walnuts and almonds from the reserves I was carrying in my bag, but she did not even know what they were. When I explained that eating the nuts would give her some strength, she hesitatingly took some, but asked what she was supposed to do when she needed strength in the future. I did not have an answer.

Perhaps this obvious difference in our positions offers, at least, a partial explanation for the way in which my research participants, women and men, attempted to sit at a lower level
than me during the interviews. Invariably, I was offered a chair or woven cot while the respondent sat down on the floor near me. England (1994) explains that there is an inherent hierarchy in the relationship between the researcher and researched. My research participants were intensifying the already hierarchical nature of our relationship by physically creating a level difference between us. A widespread practice in North India, sitting at a lower level than those you regard to be your superiors in status, age, and gender is meant to show deference. Although, or perhaps because, I understood the significance of the practice, I joined the respondents on the floor or asked them to join me on the cot in a feeble attempt to bridge the distance between us. In a further attempt to form respectful relationships with my research participants, I partook of water, tea, and food with respondents and their families. This step was meant to demonstrate to the research participants—indeed, to the whole village community—that I do not believe in the caste system. Recall here that caste segregation is operationalised through a notion of purity, which means that the upper-castes can be polluted by any contact—for example, sharing food and water, utensils, a common water source, or even a place of worship—with low-castes.

While it is not possible to fully understand the impact of my actions in the field, I did get some positive reactions from my research participants. Several women participants told me that they had enjoyed the interview process, because I was interested in not only their experience in self-help groups, but also their opinions and feelings regarding social issues, such as female infanticide, dowry, and property rights for women. To give another example, while I was conducting interviews in Aari, a team of researchers from a government-aided organisation was conducting a census survey of Aari’s female population. The sakriye mahila or local resource person in Aari, who had witnessed the way I interacted with my respondents, remarked that she wished that the other researchers would also treat the village women with respect.
I will continue to address the issues of positionality in the next chapter, where I discuss the results of this research. Indeed, there were many instances when the interviews were affected by my subject position vis-à-vis the positions of research participants. Each such case deserves to be examined with reflexivity about the *betweenness*—the world between myself and the research participants (England, 1994).

In this chapter, I described the geographical setting—the desert state of Rajasthan—of the research in terms of its culture, geography, location in India, and economy. I also discussed the depressed status of Rajasthani women, particularly women in rural areas, and gave an overview of microfinance programmes in the state. These sections were essential to ground this research within its geographical setting, as well as to establish the rationale for this research, which is rooted in the particularities of the geographical setting. Having read these sections, the reader will be better equipped to engage with the discussion of research results in the next chapter. The rationale section was followed by sections containing the research questions and the objectives of this research. In the last sections of this chapter, I described the villages where the research was conducted and discussed the sampling methods, interview procedures, the issues of obtaining informed consent from research participants, the struggles of ensuring the privacy of participants, the process of translating and transcribing interview data, and the ways in which I attempted to position myself as a researcher during fieldwork. In the next chapter, the first of two findings chapters, I explain the tiered structure of the self-help group microcredit model, provide a demographic description of respondents from both villages, and discuss the ways in which they used their loans.
Chapter 4: Sample Description and Loan Use

4.1 Chapter introduction

This chapter comprises the first part of the findings and discussion of this research. More specifically, this chapter lays the groundwork for partly answering the first research question through a demographic description of respondents, and a detailed discussion of the ways in which respondents used their self-help group loans. This discussion is divided into the two study villages: Singwara and Dausa. Furthermore, for each village, respondents were grouped by employment type to examine any differences in the programme impact experienced by respondents by virtue of their employment. The chapter ends with a discussion of loan use by caste categories.

4.2 Sample description, Singwara

To begin with, it is useful to review the fact that 18 of the 24 (75%) Singwara respondents had an independent income. The respondents with an independent income were divided into two major groups: A) federation employees, and B) daily wage labourers. A third group, C, was constituted by the 6 unemployed respondents with no independent income (refer to Table 4.1).

<table>
<thead>
<tr>
<th>Group</th>
<th>Respondent category</th>
<th>Number of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Federation employees</td>
<td>6</td>
</tr>
<tr>
<td>B</td>
<td>Daily wage labourers</td>
<td>12</td>
</tr>
<tr>
<td>C</td>
<td>Unemployed</td>
<td>6</td>
</tr>
</tbody>
</table>
4.2.1 Group A

In Singwara, 6 of the 18 respondents with an independent income were employed directly by Saheli Samiti—the self-help group (SHG) cluster-level federation, which operates in 51 villages of a single block within district Dausa. A cluster-level federation forms the third tier of community institutions in the SHG model. The executive body of the cluster-level federation is composed of active SHG leaders from the village-level organisations. A village-level organisation consists of all the self-help groups within the village, and forms the second tier of the model. Self-help groups are comprised of 10-15 women members, and constitute the first tier of the model (refer to Figure 4.1). The federation, being the highest-level institution in the SHG model, is responsible for SHG formation, nurturing newly formed SHGs, and promoting livelihood activities related to agriculture and livestock. As such, the federation hires active women from the existing self-help groups in the role of community resource persons. These women work to form new groups, and to strengthen existing groups through training programmes, which are based on the need and age of the self-help groups. Some women are also trained and hired to work as community resource persons in specific livelihood promotion roles, such as krishi sakhi, an agriculture service provider and pashu sakhi, a livestock service provider.
Figure 4.1: Structure of self-help group model

- **Cluster level federation**: Each cluster level federation consists of 40 village organisations.

- **Village organisation**: Each village organisation consists of all self-help groups in the village.

- **Self-help group**: Each self help group consists of 10-12 women from poor households.

- **Self-help group members**
The Singwara respondents, who were employed by the federation, were working in the following roles: 3 women as community resource persons for SHGs, 1 woman as a community resource person and executive member of the federation, 1 woman as a *krishi sakhi*, and 1 woman as a *pashu sakhi*. For these 6 respondents, the membership of self-help groups had a directly positive impact on their earning capacity. Consider, for example, the testimony of the respondent who worked as a *pashu sakhi* in Singwara\(^\text{18}\):

> I’ve been a *pashu sakhi* for 3 years. I get Rs. 3,500 (CAD 70) per month for this work\(^\text{19}\). . . . I educate the villagers about animals—I tell them how to look after their animals. I tell them not to spend money on purchasing feed from the market, it is cheaper to make it at home, giving them healthy amounts of water, taking them to the veterinary doctor for vaccination.

This respondent was 23 years old, married, scheduled caste, and had 7 years of schooling. This profile is typical of the Singwara women employed by the federation (refer to Table 4.2). Indeed, all 6 women were married, had some education, and belonged to socially disadvantaged groups—scheduled caste (SC), scheduled tribe (ST), and other backward class (OBC). However, a low-caste membership cannot be considered a determining factor in being employed by the federation since all 125 self-help group members in Singwara belonged to low-castes. At the same time, belonging to a low-caste increased the likelihood of a woman’s participation in a self-help group, and therefore, increased the likelihood of being employed by the federation. In spite of the efforts of local community resource persons, the upper-caste women of Singwara had not been mobilised into self-help groups at the time of my fieldwork. Indeed, it is difficult for upper-caste women to join self-help groups since their mobility, as well as their interaction with women and men belonging to low-castes, is restricted by caste-based norms.

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\(^{18}\) Respondent code: 150924\_003.

\(^{19}\) Conversion based on Reserve Bank of India’s exchange rates for the year 2015-16
Table 4.2: Profile of Singwara respondents—Group A

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Caste</th>
<th>Age</th>
<th>Education (in year of schooling)</th>
<th>Monthly Income (in Rs.)</th>
<th>Monthly Income (in CAD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>150924_001</td>
<td>SC</td>
<td>24</td>
<td>10</td>
<td>12,000</td>
<td>240</td>
</tr>
<tr>
<td>150924_003</td>
<td>SC</td>
<td>23</td>
<td>7</td>
<td>3,500</td>
<td>70</td>
</tr>
<tr>
<td>150924_004</td>
<td>OBC</td>
<td>55</td>
<td>9</td>
<td>1,000</td>
<td>20</td>
</tr>
<tr>
<td>150929_002</td>
<td>SC</td>
<td>22</td>
<td>11</td>
<td>3,000</td>
<td>60</td>
</tr>
<tr>
<td>150929_005</td>
<td>ST</td>
<td>35-36</td>
<td>10</td>
<td>6,000-7,000</td>
<td>120-140</td>
</tr>
<tr>
<td>151004_004</td>
<td>SC</td>
<td>22-23</td>
<td>10</td>
<td>3,580</td>
<td>72</td>
</tr>
</tbody>
</table>

The federation employees were educated with all 6 women having finished at least 7 years of schooling, which means that they had basic numeracy skills, as well as the ability to read and write. An examination of the age variable shows that the federation employees tended to be young—indeed, 4 out of the 6 women were in the age group of 20-25 years. Furthermore, a high degree of mobility—the ability to travel and stay away from their families—was another factor which increased the likelihood of securing a federation job for the women. In a respondent’s own words, “...I go everywhere on my own. I’ve been to Delhi, Jaipur, Dholpur, Tonk, Alwar for visits on behalf of the federation”\(^{20}\). The degree of mobility is determined by the attitude of the woman’s family towards her job. The next two interview extracts show that women’s mobility—and, therefore, their job prospects—is determined by their families. It is worthwhile to note here that social norms in rural Rajasthan dictate a patrilocal system of residence, that is, women move into the family home of their husbands after marriage. Therefore, any mention of ‘family’ by a married woman is a reference to her husband’s family. A young federation worker acknowledged that her family’s support made it possible for her to undertake extensive travels for her work: “I go alone for meetings, I’ve been to Lucknow, Karnal. Earlier, I would not even go to Dausa, I wasn’t allowed to. Now the family is also supportive when I have

\(^{20}\) Respondent code: 151004_004
Another young federation worker described her work-related travels in the same vein:

I: Does your family let you travel to other places for your work?
R: Yes, I was away from home for 7 days when I went to Jhalawar. I also went to Karnal for 3 days. They let me go, they don’t say anything, I take my daughter along with me because she’s very young and I need to feed her. My son goes to school, so he stays here. There’s no problem.

Both women adopted an obvious tone of gratitude towards their families for allowing them to travel unaccompanied, which indicates that this is against the norm. Indeed, the first respondent cited above noted that she was not even allowed to travel alone to Dausa city, which is only about 12 kilometres away from Singwara, during the initial period of her employment. Therefore, the degree of a woman’s mobility—as determined by her family—is a crucial factor in securing employment for women in this particular socio-economic environment.

4.2.2 Group B

In addition to the 6 federation workers, there were 11 respondents with an independent income in Singwara—10 were employed as daily wage labourers in agricultural work, and 1 woman ran a convenience store in the village. This group of respondents was made up of 1 ST, 5 SC, and 6 OBC women. The respondents in this group were young, with an age range of 22-35 years, which corresponds to the physical demands of agricultural wage labour. It was a mixed group in terms of education—6 respondents had no education, while 5 had completed 5-8 years of schooling (refer to Table 4.3).

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21 Respondent code: 150924_003
22 Respondent code: 150929_002
Table 4.3: Profile of Singwara respondents—Group B

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Caste</th>
<th>Age</th>
<th>Education (in year of schooling)</th>
<th>Employment</th>
<th>Monthly Income (in Rs.)</th>
<th>Monthly Income (in CAD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>150928_001</td>
<td>OBC</td>
<td>25-26</td>
<td>none</td>
<td>daily wage labourer</td>
<td>2000-3000</td>
<td>40-60</td>
</tr>
<tr>
<td>150928_002</td>
<td>ST</td>
<td>33</td>
<td>none</td>
<td>daily wage labourer</td>
<td>3000</td>
<td>60</td>
</tr>
<tr>
<td>150929_003</td>
<td>OBC</td>
<td>25</td>
<td>none</td>
<td>occasional daily wage labourer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>150929_007</td>
<td>SC</td>
<td>31</td>
<td>8</td>
<td>convenience shop owner</td>
<td>1000</td>
<td>20</td>
</tr>
<tr>
<td>150930_001</td>
<td>SC</td>
<td>29-30</td>
<td>8</td>
<td>daily wage labourer</td>
<td>9000</td>
<td>180</td>
</tr>
<tr>
<td>150930_006</td>
<td>SC</td>
<td>23</td>
<td>8</td>
<td>daily wage labourer</td>
<td>600-1200</td>
<td>12-24</td>
</tr>
<tr>
<td>151001_002</td>
<td>SC</td>
<td>22-23</td>
<td>6</td>
<td>daily wage labourer</td>
<td>1750-2625</td>
<td>35-53</td>
</tr>
<tr>
<td>151001_003</td>
<td>SC</td>
<td>25</td>
<td>5</td>
<td>daily wage labourer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>151003_001</td>
<td>OBC</td>
<td>30</td>
<td>none</td>
<td>seasonal daily wage labourer</td>
<td>4000-5000 (per season)</td>
<td>80-100</td>
</tr>
<tr>
<td>151003_003</td>
<td>OBC</td>
<td>28</td>
<td>none</td>
<td>daily wage labourer</td>
<td>2000-3000</td>
<td>40-60</td>
</tr>
<tr>
<td>151004_002</td>
<td>OBC</td>
<td>35</td>
<td>none</td>
<td>daily wage labourer</td>
<td>1500-2000</td>
<td>30-40</td>
</tr>
</tbody>
</table>

4.2.3 Group C

The third group of respondents was made up of 6 unemployed women, which included 5 SC women, and 1 OBC woman. The respondents in this group were mixed in terms of age with 3 women in the age range of 60-65 years, and the other 3 between 25 and 36 years of age. The women in this group had very little or no schooling (refer to Table 4.4).

Table 4.4: Profile of Singwara respondents—Group C

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Caste</th>
<th>Age</th>
<th>Education (in year of schooling)</th>
</tr>
</thead>
<tbody>
<tr>
<td>150930_003</td>
<td>SC</td>
<td>65</td>
<td>none</td>
</tr>
<tr>
<td>150930_004</td>
<td>SC</td>
<td>36</td>
<td>5</td>
</tr>
<tr>
<td>150930_005</td>
<td>SC</td>
<td>35</td>
<td>none</td>
</tr>
<tr>
<td>151001_005_008</td>
<td>SC</td>
<td>25</td>
<td>none</td>
</tr>
<tr>
<td>151001_009</td>
<td>SC</td>
<td>60</td>
<td>5</td>
</tr>
<tr>
<td>151003_002</td>
<td>OBC</td>
<td>60</td>
<td>none</td>
</tr>
</tbody>
</table>
The 3 respondents in the age range of 60-65 years could not work due to poor health. Consider, for example, the following excerpt from an interview with one of the older respondents:

I used to work as a daily wage labourer, but my son does not allow me to work now. I am old, I can’t work like I used to, my breathing becomes irregular if I try to push myself too much in this hot weather.

Of the younger respondents in this group, the woman aged 36 years was also unable to work due to poor health. Another woman in this age range had to give up her daily wage work due to the birth of a child. However, she intends to go back to work once her 2-year old son is older. The third, and youngest, woman in this group was the only one who seemed not to have a reason for being unemployed. Moreover, this respondent was unable to answer any questions related to the formation of her self-help group, group members, or the size and use of loans. Upon further questioning, the respondent admitted that her husband attended group meetings, borrowed money from the group, and made repayments on her behalf. This suggests that the respondent had no agency, and was probably not allowed to work.

4.3 Impact of loans on earning capacity, Singwara

At first glance, it appears that participation in self-help groups did not have a discernible impact on the earning capacity of respondents in Singwara. When asked about the ways in which they used the loans received through their respective self-help groups, most respondents in all three groups mentioned consumption, not production, purposes. They used the loans to fund funerals, weddings, and medical treatments, to meet daily household expenses, pay children’s school fees, buy groceries, make repayments for other loans, build homes, add extensions to

23 Respondent code: 150930_003
existing homes, and buy fodder for animals. The next two interview excerpts illustrate the typical ways in which respondents used their loans:

1: “These (loans) are used to run the household, to meet every day expenses, sometimes my *devar* needs money—he’s studying in class 11.” Sometimes my husband does not get paid on time, so I have to borrow from the group. And once my husband gets paid, we repay the group loans.”

2: “To repay the loan we took to build our house, to buy these animals, to buy fodder for the animals, to pay school fees for the children, to buy food grains, to meet medical expenses if someone falls sick.”

Although these respondents reported using their loans for consumption purposes, a closer examination reveals that the loans had an indirect, but positive, impact on their earning capacity. Consider that the respondents belonged to poor households, which face a constant struggle to meet the expenses of their often-numerous members. The fragility of their economic condition pushes these households into crisis-like situations whenever the inflow or outflow of money is disrupted. The respondents were, in fact, using loans to smooth over such disruptions.

For instance, the first interview excerpt regarding loan use, cited above, shows that the respondent borrowed money from her self-help group to meet household expenses when her husband did not get paid on time. In this case, loans allowed the respondent’s household to tide over a disruption in the inflow of money. When used thus, loans must be viewed as a means of averting crises and increasing the resilience of the household towards economic shocks.

Furthermore, the second interview excerpt illustrates that the respondent borrowed money from her group to pay for the medical treatment of her family members. When used to meet the medical expenses of a sick wage earner in a poor household, the loan becomes an investment in restoring the earning capacity of a household member whose wages are critical to the running of

24 In the Hindi language, *devar* is husband’s younger brother
25 Respondent code: 150930_006
26 Respondent code: 151004_002
the household. The next two interview excerpts illustrate the impact of a sick wage earner on the functioning of a poor household:

1: I had an eye surgery two years ago, they replaced the lens of one of my eyes, but it has gone bad now, I can’t see clearly. You are sitting close to me so I can see you, but the faces of the people who are sitting beyond the doorway are unclear. The doctor told me to undergo a surgery for the other eye as well, but we do not have enough money for it. I can’t see anything with this eye. So, my husband is the only one who is earning for our family. That is why we cannot meet our expenses. The family’s expenses can only be met when both husband and wife make money\(^{27}\).

2: . . . . some time ago, my husband fell sick, it lasted for 2 months, he could not go to work, there was no money in the family, it was terrible. I had to borrow money from several people for his treatment—he is the only earning member in the family and he fell sick\(^{28}\).

These two interview excerpts show that the respondents themselves linked the medical expenses of sick wage earners to the earning capacity of their households. Furthermore, in this regard, consider a particularly instructive excerpt from a key informant interview with Mr. Yatesh Yadav, the executive director of the Centre for Microfinance in Jaipur:

“. . . . it is also difficult to say which loan is a consumption loan. If I am eating good food and I am healthy then I am earning, I won’t get sick. So, there is a very thin line between these. For poor people, especially, what is a consumption loan and what is a productive loan. For me, if a person is getting a loan for medical purposes, it is a productive loan because that person can get well within 2-3 days and can go to work, whether it is male or female. If the wife is sick, then the male will have to attend to household chores. Ultimately, he will suffer in terms of the wages”.

A crucial concept to emerge from the data—the distinction between a production loan and a loan which is used for consumption smoothing, or indirectly productive purposes—will be used henceforth to assess loan use in this study.

4.4 Use of loans for production, Singwara

Within group A, 50%—that is, 3 out of 6—of the respondents used their loan money for

\(^{27}\) Respondent code: 150930_004
\(^{28}\) Respondent code: 150930_005
directly productive purposes. One of the respondents took two loans of Rs. 20,000 (CAD 400) each to install a motor and lay water pipes to irrigate the family’s agricultural land. At the time of the interview, she was also planning to invest some of the loan money in crop cultivation:

Now I am going to plant some wheat with the help of big loans. If I get a good crop, I can sell some of it and get something to eat, I’ll have a good income. We are also thinking of planting some vegetables, if we can sell some vegetables, our income will increase. We can have some of those vegetables for our own consumption, and we can sell the rest.

Another respondent within this group handed over her loans to her father-in-law, who invested the money in his carpentry work. This respondent’s loans were used for productive purposes even though she could not exercise control over the use of her loans. The issue of control over loan use, as brought out by this case, will be discussed in the next chapter. Indeed, understanding the degree of control exerted by respondents over loan use is one of the key objectives of this study. To return to the matter at hand, yet another respondent in group A used her loan money for productive purposes—more specifically, to buy cotton and other supplies for her quilt-making business. In addition to using their loans for productive purposes, these 3 respondents used their loans to meet regular household expenses, pay for medical treatments, and school fees. The remaining 3 respondents in group A did not use their loans for directly productive purposes, but cited the following consumption smoothing uses: regular household expenses, school fees, and medical expenses (refer to Table 4.5).

In group B, 10 of the 11 respondents used their loan money to smooth over the disruptions in their respective household incomes, while 2 respondents used their loans for directly productive purposes (refer to Table 4.5). One of these respondents established a daily convenience shop in a corner of her single-room home with the help of her loan. The other respondent gave the loan money to her husband, who used it to buy equipment for his pipe-

29 Respondent code: 150924_001
fitting work. In addition to these productive uses, both respondents used their loans in ways that were similar to the ones reported by their cohort— to meet household expenses, to pay school fees, and to repay other creditors.

In group C, none of the respondents used their loans for directly productive purposes (refer to Table 4.5).

**Table 4.5: Loan use by employment group, Singwara**

<table>
<thead>
<tr>
<th>Group A</th>
<th>Loan use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondent code</td>
<td>Productive purposes</td>
</tr>
<tr>
<td>150924_001</td>
<td>✓</td>
</tr>
<tr>
<td>150924_003</td>
<td>✓</td>
</tr>
<tr>
<td>150924_004</td>
<td>✓</td>
</tr>
<tr>
<td>150929_002</td>
<td>✓</td>
</tr>
<tr>
<td>150929_005</td>
<td>✓</td>
</tr>
<tr>
<td>151004_004</td>
<td>✓</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Group B</th>
<th>Loan use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondent code</td>
<td>Productive purposes</td>
</tr>
<tr>
<td>150928_001</td>
<td>✓</td>
</tr>
<tr>
<td>150928_002</td>
<td>✓</td>
</tr>
<tr>
<td>150929_003</td>
<td>✓</td>
</tr>
<tr>
<td>150929_007</td>
<td>✓</td>
</tr>
<tr>
<td>150930_001</td>
<td>✓</td>
</tr>
<tr>
<td>150930_006</td>
<td>✓</td>
</tr>
<tr>
<td>151001_002</td>
<td>✓</td>
</tr>
<tr>
<td>151001_003</td>
<td>✓</td>
</tr>
<tr>
<td>151003_001</td>
<td>✓</td>
</tr>
<tr>
<td>151003_003</td>
<td>✓</td>
</tr>
<tr>
<td>151004_002</td>
<td>✓</td>
</tr>
</tbody>
</table>

Table 4.5: Loan use by employment group, Singwara

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Productive purposes</th>
<th>Household expenses</th>
<th>School fees</th>
<th>Building or adding rooms to house</th>
<th>Repay creditors</th>
<th>Medical expenses</th>
<th>Wedding or funeral expenses</th>
<th>Avert crisis</th>
</tr>
</thead>
<tbody>
<tr>
<td>150930_003</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>150930_004</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>150930_005</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>151001_005_008</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>151001_009</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>151003_002</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

4.5 Availability of health care, Singwara and Aari

The next section discusses the use of loans to tide over household crises, and concludes that unforeseen medical emergencies pushed respondent households into crises in most cases. It is, therefore, worthwhile to briefly review the availability of, and accessibility to, healthcare in Singwara and Aari. There were no clinics or hospitals in both villages at the time of fieldwork. The residents of Singwara had to travel to the nearest city, Dausa, located at a distance of roughly 12 kilometres, to access health facilities, such as a government hospital, private maternity clinics, and private general practitioners. To access more specialised medical facilities, the Singwara residents had to travel to the nearest urban centre, Jaipur, located 72 kilometres away. Similarly, the residents of Aari had to travel to the nearest city, Dholpur, for basic health care services, and to the nearest urban centre, Agra, for specialised health care (refer to Table 4.6). The approximate cost of two-way trips, using public transport, from both villages to the nearest cities and urban centres is given in Table 4.6.
Table 4.6: Access to medical facilities

<table>
<thead>
<tr>
<th>Villages</th>
<th>Distance to nearest city (in km)</th>
<th>Two-way trip cost (in Rs.)</th>
<th>Distance to nearest urban centre (in km)</th>
<th>Two-way trip cost (in Rs.)</th>
<th>Two-way trip cost (in CAD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singwara</td>
<td>12</td>
<td>50</td>
<td>72</td>
<td>100</td>
<td>2</td>
</tr>
<tr>
<td>Aari</td>
<td>30</td>
<td>100</td>
<td>90</td>
<td>150</td>
<td>3</td>
</tr>
</tbody>
</table>

More importantly, however, access to health care needs to be considered in terms of the monetary cost of availing health services in the study area. Respondent households were pushed into crises when they were forced to spend substantial amounts of money on procuring private health care services due to the severe inadequacy of the government health care system. Indeed, Ghosh (2010) found that there was an increase in the number of people in Rajasthan who became impoverished due to out-of-pocket payments on health care over the period: 1993-94 to 2004-05 (refer to Table 4.7).

Table 4.7: Impoverishment due to out-of-pocket payments on health care

<table>
<thead>
<tr>
<th></th>
<th>1993-94</th>
<th></th>
<th>2004-05</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent</td>
<td>Number</td>
<td>Percent</td>
<td>Number</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>3.68</td>
<td>1,700,518</td>
<td>4.71</td>
<td>2,825,246</td>
</tr>
<tr>
<td>India</td>
<td>4.0</td>
<td>35,217,191</td>
<td>4.40</td>
<td>47,376,688</td>
</tr>
</tbody>
</table>

Source: Adapted from Ghosh (2010)

In principle, health care services are to be rendered free of charge at government facilities, but a lack of supplies and staff, combined with corrupt practices, translates into a dysfunctional health care system across India. The following two interview excerpts bring out the tension regarding public health care between government officials and users. The first excerpt is taken from a key informant interview with a senior RGAVP (Rajasthan state rural
livelihood mission) official, while the second is from an interview with a 55-year old, OBC respondent from Singwara:

1: Whatever you have seen in Dausa or elsewhere, is basically a lack of awareness. Government of Rajasthan—Rajasthan is the first state to make medicines available for free, it is applicable for all—right from the chief minister to the lowest levels. So if people are not going and availing this, it is due to lack of information, or they are in the habit of going to private doctors, they are not ready to go to government hospitals. . . . So you get generic medicine, the free medicines given by the government are generic, but the private doctors give antibiotics in heavy doses, so it takes more time to get better by taking generic medicines. So people say that the government medicine doesn’t work. But it takes time, if they go once or twice it will be okay. But people don’t have much confidence and awareness, but we are tackling this issue. Health is not an issue at all. Rajasthan government is a pioneer in India for launching the free medicine scheme.

2: Let me tell you about government hospitals. If we go to a government hospital today, they’ll check the patient and prescribe medicines, we’ll go there again after 2-4 days, and it will make no difference. In the end, we have to go to that same doctor’s home, where he sees patients privately, and then the treatment works. Now, it’s the same doctor, we see him in the hospital and it makes no difference, but when we see him at his home and pay a consultation fee of Rs. 100 (CAD 2), he prescribes effective medicines. It makes such a huge difference—between the government hospital and the Rs. 100 that the doctor charges. No one is paying any attention to the poor people.

Indeed, despite the exorbitant cost of availing private medical treatments, all respondents favoured private clinics and hospitals over government health care facilities.

4.6 Use of loans for averting crises, Singwara

Before discussing loan use during crises, a description of the way in which the crisis question was put to respondents is warranted. I asked respondents to recall the last time they were faced with a substantial expense, which they were unable to meet. Only one respondent in group A reported using her loans to avert a crisis:

My elder son fell ill, there was something wrong with his kidneys. I had to borrow some money from the group, and some money from elsewhere. He received medical treatment for 3 months. I’ve repaid the money I borrowed from the group. But now everyone in my

30 Respondent code: 150924_004
family is fine.31

The other respondents in group A also borrowed money in times of crises, but not from their respective self-help groups. One respondent borrowed money from her father for the delivery of a child, two respondents borrowed money from relatives and neighbours for the medical treatment of family members, one woman borrowed money from her husband’s elder brother to meet her own medical expenses after a miscarriage, and another respondent had to stop the construction of her house when she and her family ran out of money. Running out of money for the construction of a house might not seem like a crisis when compared to the medical emergencies cited by other respondents, but this respondent was thinking about her children’s future: “Our children are growing up. We have to think about their marriage and education, so we must have our own house before we start making these decisions”32.

In group B, 2 of the 11 respondents said that they used their loan money to avert crises. In both cases, the respondents borrowed money for the medical treatment of a family member. Consider, for example, the particularly telling testimony of a 33-year old, ST, daily wage labourer:

We used to be very poor, my husband couldn’t find work, we were very poor. But now our family is doing better. . . .We had to struggle very hard, we had to take one day at a time, we struggled to find daily wage work and borrowed money from friends and relatives. For example, my sister was going to have a baby, but there was no money for her to go to a hospital for the delivery, so I had to take a loan from the group33.

Most of the other respondents in group B also talked about medical expenses in response to the household crisis question. However, these respondents borrowed money from relatives, neighbours, and village moneylenders, instead of their respective self-help groups.

31 Respondent code: 150924_003
32 Respondent code: 150929_005
33 Respondent code: 150928_002
Two respondent households were pushed into crises due to wedding-related expenses for their sisters-in-law. Indeed, one respondent had to put up some of her own jewellery as collateral to borrow Rs. 12,000 (CAD 240) from a jeweller in Dausa city for a wedding-related ritual for her sister-in-law. Of the remaining respondents in this group, one borrowed money from the sahukar, or village moneylender, as well as her neighbours and relatives, when her husband suffered a huge loss in his contractual work as a stonemason, and one respondent had not experienced a crisis.

All respondents in group C reported that their households were pushed into crises when a family member, or they themselves, required medical treatment. Indeed, two of the respondents in this group were unable to work due to medical complications. However, more respondents in this group said that they took loans from their self-help groups during a crisis as compared to respondents in groups A and B. The remaining respondents borrowed from the sahukar, relatives, and neighbours.

The data show that respondents across the 3 categories did not rely solely on loans from their respective self-help groups during times of crisis. Even when they borrowed money from their groups during crises, it was usually supplemented by loans from other sources, such as relatives, neighbours, and village moneylenders. This can be explained by the inadequacy of self-help group loans in terms of: a) size, and b) timely availability. A respondent illustrated the first factor, inadequacy of size, by pointing out that group loans were inadequate for large expenses, such as the impending wedding of her daughter:

"You only get a limited amount of money from the group, but you need a huge sum of money for a wedding. Even if we decide to have a modest wedding, we will have to spend about Rs. 1 lakh (CAD 2,002). Everything is so expensive. Village weddings are excessive, even a modest one will cost a lot of money.

Respondent code: 150930_005

A lakh is a unit in the Indian numbering system, which is equal to 1,00,000."
not extravagant like the ones that take place in cities, but you still have to spend roughly Rs. 1 lakh, that is, if you do not give dowry. We have to invite everyone in the village to the wedding feast. So, you have to spend Rs. 50,000 (CAD 1,001) on the food alone.

The second factor, the issue of timely availability of loans, was exemplified by a respondent who needed money for the treatment of dysentery\textsuperscript{36}. This respondent’s testimony shows that loans are given to group members using the principle of greatest need, which means that respondents with less urgent needs often have to wait to receive a loan:

R: I keep borrowing small amounts from the group. But this time when I asked my group members to give me a loan for my treatment, they refused. They gave a loan to another member.
I: How did they take this decision to refuse you and accommodate someone else?
R: It all happens according to the group’s intentions. Each member who wants a loan states her need and then the group takes a decision. My group has promised to give me a loan next month. We all cooperate with each other in this regard. There are 12 of us, we work together to address everyone’s needs.

The ways in which respondents used group loans during crises indicate that they viewed microcredit as a mere addition to the repository of sources—moneylenders, relatives, and neighbours—that they could draw upon in times of need. This finding is contradictory to the literature which presents microcredit as a panacea.

4.7 The compounding of crises

Medical expenses led to crises for most respondents in all 3 categories. Although medical emergencies severely diminished the capacity of respondent households to fulfil the basic needs of household members, such crises were often worsened due to the compounding of adverse circumstances. Several respondents narrated instances when their households suffered on various counts:

My husband had to pay his fees, but I didn’t have money because I had just given birth to my daughter—I had to undergo an operation. My mother-in-law also had an operation.

\textsuperscript{36} Respondent code: 150930_001
We had to sell a buffalo and a cow, we also had to borrow money, the family was going through very troubled times. We could not even buy enough vegetables for two meals in a day.\footnote{Respondent code: 150929_002}

Another respondent had to stop working when she developed a complication in her eyes. She borrowed money from her self-help group for the eye surgery. The surgery, however, was unsuccessful, and the respondent had not been able to raise enough money for another surgery at the time of fieldwork. To make matters worse, the family had to start purchasing milk for daily consumption when they lost their cow in an electrocution incident during the rains. Yet another respondent recounted a crisis-like situation in her household when she fell sick, and her husband had to borrow money from the sahukar for her treatment. This situation was further aggravated by a failed crop: “Yes, we need money to buy food grains. We are usually able to produce enough bajra for our family, but the crop failed this year because of insufficient rains.”\footnote{Bajra is the Hindi word for Pearl Millet}

During situations of compound crises, the respondents either did not borrow from their self-help groups, or borrowed money from the village moneylenders, relatives, and neighbours to supplement their group loans. The reasons cited above—inadequacy of group loans in terms of size and (un)availability during time of need—are valid here as well.

\section*{4.8 Sample description, Aari}

There were 12 respondents, out of a total of 22 respondents, with an independent income in Aari. The respondents with an independent income were divided into two major groups: A) employed, and B) self-employed. A third group, C, was made up of the 10 unemployed respondents (refer to Table 4.8).
Table 4.8: Grouping of respondents by employment, Aari

<table>
<thead>
<tr>
<th>Group</th>
<th>Respondent category</th>
<th>Number of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Employed</td>
<td>5</td>
</tr>
<tr>
<td>B</td>
<td>Self-employed</td>
<td>7</td>
</tr>
<tr>
<td>C</td>
<td>Unemployed</td>
<td>10</td>
</tr>
</tbody>
</table>

The 5 respondents in group A include 3 daily wage labourers, 1 cook, and 1 federation employee. The group was composed of 2 OBC, 1 SC, and 2 general caste women. Most respondents in this group were middle-aged, and had no education (refer to table 4.9). The only educated respondent in this group was 40 years old, upper-caste, and a federation employee. Here, it is interesting to note that in opposition to Singwara, upper-caste women in Aari had been mobilised into self-help groups. Furthermore, not only were upper-caste women in Aari connected to the self-help group movement, but they had also formed groups with lower-caste women. While it is difficult to pinpoint the reasons for this particular difference between the two villages, Aari seems to have benefited from the work of Pradan—an established rural development NGO, which works in 37 of India’s poorest districts spread across 7 states. Pradan has been working to strengthen the self-help group movement in Dholpur district since the year 2000.

Table 4.9: Profile of Aari respondents—Group A

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Caste</th>
<th>Age</th>
<th>Education (in year of schooling)</th>
<th>Employment</th>
<th>Monthly Income (in Rs.)</th>
<th>Monthly Income (in CAD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>151026_003</td>
<td>OBC</td>
<td>40</td>
<td>none</td>
<td>Daily wage labourer</td>
<td>6000</td>
<td>120</td>
</tr>
<tr>
<td>151027_007</td>
<td>OBC</td>
<td>50</td>
<td>none</td>
<td>Daily wage labourer</td>
<td>3000</td>
<td>60</td>
</tr>
<tr>
<td>151028_013</td>
<td>SC</td>
<td>30</td>
<td>none</td>
<td>Daily wage labourer</td>
<td>700-900</td>
<td>14-18</td>
</tr>
<tr>
<td>151029_023_024</td>
<td>General</td>
<td>40</td>
<td>10</td>
<td>Federation employee</td>
<td>15000</td>
<td>300</td>
</tr>
<tr>
<td>151031_002</td>
<td>General</td>
<td>50</td>
<td>none</td>
<td>Cook</td>
<td>1000</td>
<td>20</td>
</tr>
</tbody>
</table>

---

39 Aari lies in Dholpur district.
Group B was comprised of 7 self-employed respondents. All respondents in this group earned money by selling buffalo milk, except one woman who worked as a tailor from her home. She explained that she could not work as a wage labourer on the agricultural land of others as she was a Brahmin—the highest-ranking caste within the caste system. This example illustrates the pervasive rigidity of the caste system, which continues to dictate the livelihoods of women even in a village where the presence of mixed-caste self-help groups indicates some flexibility in caste hierarchies. Furthermore, with the exception of 2 women, who had completed 8 years of schooling, most women in group B had no education. This group was made up of 1 SC, 2 OBC, and 4 general caste women. It was a mixed group in terms of age distribution: 3 women were in the age range of 40-45 years, 2 were in the range of 30-35 years, and 2 were between 21 and 27 years of age (refer to Table 4.10).

Table 4.10: Profile of Aari respondents—Group B

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Caste</th>
<th>Age</th>
<th>Education (in year of schooling)</th>
<th>Employment</th>
<th>Monthly Income (in Rs.)</th>
<th>Monthly Income (in CAD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>151027_009</td>
<td>OBC</td>
<td>35</td>
<td>none</td>
<td>sells milk</td>
<td>2000-3000</td>
<td>40-60</td>
</tr>
<tr>
<td>151028_014</td>
<td>General</td>
<td>45</td>
<td>none</td>
<td>sells milk</td>
<td>2000-3000</td>
<td>40-60</td>
</tr>
<tr>
<td>151028_016</td>
<td>General</td>
<td>30</td>
<td>8</td>
<td>self-employed (tailor)</td>
<td>1000-2000</td>
<td>20-40</td>
</tr>
<tr>
<td>151028_017</td>
<td>General</td>
<td>26-27</td>
<td>8</td>
<td>sells milk</td>
<td>1667-2500</td>
<td>33-50</td>
</tr>
<tr>
<td>151029_019</td>
<td>OBC</td>
<td>40</td>
<td>none</td>
<td>sells milk</td>
<td>833-1667</td>
<td>17-33</td>
</tr>
<tr>
<td>151029_020</td>
<td>SC</td>
<td>21-22</td>
<td>none</td>
<td>sells milk</td>
<td>2500</td>
<td>50</td>
</tr>
<tr>
<td>151029_021</td>
<td>General</td>
<td>45</td>
<td>none</td>
<td>sells milk</td>
<td>1250-1667</td>
<td>25-33</td>
</tr>
</tbody>
</table>

Note that none of the Singwara respondents earned money by selling milk, while 27% of the Aari respondents did so. This difference can be attributed to the presence of a small dairy in Aari. Interestingly, this dairy is owned by one of the respondents from group A—the upper-caste federation employee, who is also a champion of the self-help group movement in Aari. Her dairy is one of the many dairies established across Dholpur district under the World Bank-funded District Poverty Initiatives Project (DPIP), launched in the year 2000. Sanjay Sharma, the Pradan
team leader in Dholpur, explains the contribution of DPIP to the self-help group movement in Dholpur in the following interview excerpt:

. . . . the progress we’ve made so far is due to the mobilisation that occurred at that time. We’ve reached here because of the support we received through that programme. The catalysis that took place then—the buffaloes came, milk collection started, dairies were set up—it all started from there. That’s how we’ve reached here. The programme worked very well in some districts. . . .

Inasmuch as DPIP was a precursor to the present-day microcredit programme, the 6 milk-sellers in group B had experienced a directly positive impact on their incomes due to programme participation. In contrast, even though DPIP was implemented in Dausa district as well, there were no dairies or milk-sellers in Singwara at the time of fieldwork. The reason for this difference between the two study sites is not clear from the data.

Group C was made up of 10 unemployed respondents. The caste composition of this group was: 5 OBC, 4 SC, and 1 general caste. It was a mixed group in terms of the age distribution: 5 middle-aged women between 45 and 55 years of age, 2 women in the range of 30-35 years, and 3 women in the range of 20-25 years. Expectedly, the respondents in this group had very little or no schooling (refer to Table 4.11).

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Caste</th>
<th>Age</th>
<th>Education (in year of schooling)</th>
</tr>
</thead>
<tbody>
<tr>
<td>151026_002</td>
<td>OBC</td>
<td>45</td>
<td>none</td>
</tr>
<tr>
<td>151027_005</td>
<td>OBC</td>
<td>45</td>
<td>none</td>
</tr>
<tr>
<td>151027_010</td>
<td>OBC</td>
<td>50</td>
<td>none</td>
</tr>
<tr>
<td>151028_012</td>
<td>SC</td>
<td>50</td>
<td>none</td>
</tr>
<tr>
<td>151029_022</td>
<td>General</td>
<td>55</td>
<td>5</td>
</tr>
<tr>
<td>151031_001</td>
<td>SC</td>
<td>35</td>
<td>none</td>
</tr>
<tr>
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<td>151101_004</td>
<td>SC</td>
<td>22-23</td>
<td>5</td>
</tr>
</tbody>
</table>

40 Reference to DPIP
The gruelling nature of the most commonly available form of work—agricultural, daily wage labour—made it unsuitable for the 5 middle-aged women in group C, and was a major reason for their unemployment. Consider that a combination of 3 factors—the almost complete absence of publicly funded healthcare, dismal nutrition levels due to poverty, and decades of manual labour—causes accelerated aging in rural women of the developing world, and decreases their ability to take up physically demanding work. Furthermore, the availability of agricultural labour jobs fluctuates according to crop cultivation and harvesting seasons. Respondents noted that when such work was available, employers chose to give it to younger, and more able-bodied, women.

Of the 5 younger respondents in group C, 3 cited poor health as the reason for not being able to work, 1 woman could not work as she was fully responsible for the cultivation of her family’s agricultural land, and 1 woman was unemployable because she was a Mehtar—an untouchable caste. Mehtars are considered untouchable due to their caste-ordained work as sweepers and scavengers.

4.9 Use of loans for production, Aari

In group A, 2 respondents used their loans for directly productive purposes. One respondent invested her loans in agricultural production. This respondent belonged to a smallholder family, with a farm size of 0.4 acres. The agricultural produce from small-sized farms is often consumed by the smallholder families themselves. Even so, loans used to increase the agricultural output of small, family-run, farms must be considered productive as these loans enable the household to raise its capacity to fulfil the nutritional requirements of its members.

---

41 Untouchable castes are at the very bottom of the caste hierarchy.
The other woman in this group to use her loans for productive purposes was the only federation employee in the Aari sample, and the only respondent in this study who managed to set up a small, successful business. Her story is exceptional:

I borrowed Rs. 9,000 (CAD 180) from the group because I wanted to buy a second buffalo, I already had one buffalo from the DPIP scheme, so we started setting up our dairy when we had 2 buffaloes. Then I borrowed Rs. 20,000 (CAD 400) to establish a small convenience shop. I used to look after the buffaloes, run the shop, and travel all the way to Dholpur for my federation work. I have always worked hard. I didn’t even know the difference between day and night. If I had to go to a federation meeting, I wouldn’t be able to sleep all night, I would be up at 4 am. I would finish all the housework and reach the office by 9 am. I had to walk for 3 kilometres in the morning and 3 kilometres in the evening while coming home. Everyone says that we have money now, but behenji I worked very hard for all this, I used to leave my children behind for 15-30 days when I travelled to other villages to form self-help groups as part of my federation work. We didn’t have a motorcycle, so my husband used to go to Saipau on his bicycle to get stock for our shop. Then we finally made some money, so we started building our house—we built 3 rooms inside, and 2 outside.

In addition to the above-mentioned productive purposes, the respondents in group A also used their loans to meet medical expenses, pay school fees, buy food grains, and repay creditors (refer to Table 4.12).

In group B, 3 respondents reported using their loans for productive purposes: a) one woman invested the loan money in her small, family-run farm, b) another used her loans to buy raw materials for her husband’s pottery work, and c) the third used a small loan for the treatment of a sick buffalo, and a bigger loan for purchasing an additional buffalo to boost milk production. In addition to these productive uses, the respondents in this category used their loans to meet medical expenses, buy food grains and vegetables, pay school fees, repay creditors, meet the wedding expenses of their children, and buy fodder for buffaloes. Finally, one respondent used

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42 Respondent code: 151029_023_024
43 Behenji is a respectful Hindi word for sister.
44 Saipau is the nearest town to Aari.
her loan money to replace the thatched roof of her house with a permanent one.

In group C, 4 respondents used their loans for productive purposes (refer to Table 4.12). More specifically, 2 respondents invested their loan money in agricultural production and bought a buffalo each. The third respondent invested her loan in agricultural production, and the fourth used her loan to buy a buffalo. The other ways in which group C respondents used their loan money include wedding expenses, a funeral feast, medical expenses, school fees, and regular household needs. Lastly, one of the respondents in group C was a fairly new programme participant—she had only joined her self-help group 4-5 months before the interview was conducted, so she had not yet received a loan. However, she planned to use her first loan to invest in her husband’s cloth selling business, and repay creditors.

<table>
<thead>
<tr>
<th>Table 4.12: Loan use by employment group, Aari</th>
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<td><strong>Group A</strong></td>
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### Table 4.12: Loan use by employment group, Aari

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<th>Household expenses</th>
<th>School fees</th>
<th>Building or adding rooms to house</th>
<th>Repay creditors</th>
<th>Medical expenses</th>
<th>Wedding or funeral expenses</th>
<th>Avert crisis</th>
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</table>

4.10 Use of loans for averting crises, Aari

All respondents in group A said that they used their loans to tide over crises. The crisis situations described by these respondents were familiar—medical emergencies and weddings of children. One of the respondents—a 40 year-old, OBC, daily wage labourer—talked about the crippling effect of medical expenses on her household, “Behenji, these expenses are ridiculous. If someone falls sick, the medical expenses can be as high as Rs. 20,000-50,000 (CAD 400-1,001). But if no one falls sick, everything is okay”\(^{45}\). For most respondents in this category, self-help group loans were a primary, but not the only, source of credit in times of crises. One respondent, however, depended entirely on loans from her self-help group due to a unique, ongoing, crisis-like situation\(^{46}\):

My home is kuccha\(^{47}\). I don’t have any stable source of income, so I can’t spend much on food either. Most of the times, I do not have enough money to buy vegetables, so we have

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\(^{45}\) Respondent code: 151026_003  
\(^{46}\) Respondent code: 151028_013  
\(^{47}\) Kuccha houses are built with mud, thatch, and other low-quality materials.
to eat *roti* with *chutney*\(^{48}\). If I do not get loans, my family has to go hungry. I borrowed Rs. 5,000 (CAD 100) from the group, I’ve repaid Rs. 1,500 (CAD 30) so far. . . I am always in need of money. I never have enough. Most of the times, my group helps me by giving me loans. Other people do not lend me money because they think that I will not be able to repay the loan. There was only one member in my family who was earning, but he passed away. Now there is no one to bring money into the household.

This woman experienced a particularly significant impact of programme participation. Indeed, she would not have been able to run a household with 4 young children without the support of her self-help group as her husband had passed away.

In group B, only 1 respondent reported using the loans from her self-help group during a crisis. The other respondents borrowed from the village moneylender, the village milkman, relatives, neighbours, and the federation employee from group A. The households of respondents in this group were pushed into crises due to the usual reasons—medical expenses and weddings of children. However, one of the respondents experienced a crisis when an intended production loan turned out badly\(^{49}\):

> We borrowed money from the milkman to buy a buffalo, but the buffalo fell sick and died. We thought the buffalo would pay for itself, but now most of the money that we are earning is being used to repay that loan.

With the exception of one woman, the respondents in this group did not use loans from their respective self-help groups to tide over crises. However, even as they borrowed large sums from other sources during crises, the self-employed women of the Aari sample continued to borrow small amounts of money from their groups to meet regular household expenses.

In group C, 4 respondents used loans from their respective self-help groups during crises. The others borrowed money from relatives, neighbours, the moneylender, the milkman, and the federation employee. In addition to these frequently cited sources of informal credit, a group C

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\(^{48}\) A *roti* is a wholemeal flatbread, while a *chutney* is a crude sauce.

\(^{49}\) Respondent code: 151029_020
respondent’s husband acquired a loan from a formal bank in Saipau—the nearest town. This is the only example in this study where a respondent household borrowed money from the formal sector. Respondent households in group C were pushed into crises due to the usual suspects—medical emergencies and weddings. In the following interview excerpt, a 45 year-old, OBC, respondent lamented the debilitating impact of medical emergencies:

Haye behenji, yeh mat pucho, isi se toh hum barbad ho gaye” (Sister, please do not talk about this, it is the one thing that has completely destroyed us) . . . . I developed complications during my last pregnancy. We had to borrow money for the medical expenses, but we did not have any money to repay the loan, so we had to sell our land to repay the loan. Despite going through all this, my daughter only lived till 7 years of age.

The next interview portion contains another respondent’s description of the crisis in her household brought about by the wedding expenses of her two sons:

We needed a lot of money for the weddings of our sons. . . . We borrowed money from the mahajan, but we did not have enough money to repay the loans. So, we have to use our crop harvest to repay the loans. We are left with a very small amount of food grains for our consumption. . . . This year, the crops also failed.

For both respondents, adverse circumstances turned into compound crises as they had to borrow money at the expense of precious resources—agricultural land in the first case and crop harvest in the second.

These two examples, along with the other respondents in group C who did not borrow from their self-help groups during crises, demonstrate the limited capacity of self-help groups to alleviate the adverse circumstances of impoverished women, as well as their households. At the same time, however, the consistent availability of small loans from self-help groups allowed respondents to keep their households functioning at a basic level even during crises. Given that

50 Respondent code: 151027_005
51 Respondent code: 151028_012
52 Mahajan is a reference to the village moneylender.
the respondents in group C were unemployed, self-help group loans were particularly significant for the survival of their households.

4.11 Loan use and crises by caste

This section summarises the major aspects discussed previously in this chapter by the four major caste groups to which the respondents of this study belonged: OBC, ST, SC, and General.

A total of 16 respondents in Singwara and Aari were OBC, and 6 of these respondents reported using their loans for productive purposes. The other uses cited by OBC respondents were the familiar household, social, and medical expenses. Furthermore, 12 OBC respondents (75%) said that their households experienced crises due to medical emergencies, 3 respondents cited wedding-related expenses, one respondent’s husband suffered a huge loss at work, and one respondent had not experienced a crisis. However, only 6 of the 12 respondents (50%) who experienced medical emergencies used their loans to tide over the crises, and 1 respondent used loans to resolve a crisis brought about by wedding expenses.

There were 20 SC respondents in the combined sample of Singwara and Aari, but only 4 (20%) reported using their loans for productive purposes. The other SC respondents used their loans to meet household, medical, and wedding-related expenses. Furthermore, medical emergencies pushed 14 SC households (70%) into crises, but only 3 of these respondents (21%) used their group loans to tide over the crises. Of the remaining, one respondent had not experienced a crisis, 4 respondent households experienced crises due to wedding-related expenses, and 1 respondent cited the death of a buffalo bought on credit. These respondents did not use group loans to resolve their crises.
There were 2 ST respondents in the Singwara sample, but none in the Aari sample. In addition to the usual household and medical expenses, one of the ST respondents used her loans to buy cotton for her quilt-making business. This respondent had not experienced a crisis. The second ST respondent used her loans to meet medical and wedding-related expenses, as well as regular household expenses. She also used her loan money to tide over a medical crisis.

There were 7 upper-caste respondents in the Aari sample, but none in the Singwara sample. The reasons for the presence of upper-caste women in self-help groups in Aari have been explored previously in this chapter. Only 2 of the 7 upper-caste respondents used their loans for productive purposes. The others used their loans to meet household and medical expenses. Furthermore, 4 upper-caste respondents experienced a medical crisis, while 3 respondents experienced crises due to wedding-related expenses. However, only one respondent used her loan money to tide over a medical crisis, and one used her loan to meet her daughter’s wedding expenses.

In this chapter, I presented the study findings related to loan use in terms of employment, age, education, and caste. In the next chapter, I will discuss the control exercised by respondents over their loans and income, as well as the impact of social ties and personal relationships on self-help group formation and functioning.
Chapter 5: Control over Loans and Income & Self-help Group Dynamics

5.1 Chapter introduction

This chapter analyses the second part of the research findings. More specifically, this chapter discusses the degree of control exercised by respondents over their loans and income to understand their status within their respective households. The second part of the chapter contains a discussion of the impact of social ties and personal relationships on self-help group formation and functioning. The discussion of these two aspects is presented for the Singwara respondents, followed by the Aari respondents.

5.2 Control over income and loan use – Group A, Singwara

In order to understand the impact of programme participation on the status of women within their households, this section discusses the degree of control exerted by respondents over the use of their loans, as well as over income. Among the 6 respondents of group A, 2 could exert full control over their income, as well as use of loans. Both respondents could borrow money from their groups and take decisions about major expenses without consulting their husbands. Although both respondents enjoyed autonomy over their income and loans, one was able to do so because her husband trusted and supported her decisions, while the second respondent did not have to contend with her abusive, alcoholic husband since he worked as a migrant labourer in a distant city. Furthermore, both respondents could exercise an enhanced degree of agency since they were not living with their in-laws. The following interview excerpts bring out the contrasting circumstances of these two respondents, who exercised the highest degree of agency in the Singwara sample:

1: . . . . it was my niece’s wedding a few weeks ago. My husband and I talked about a
suitable wedding gift for her and decided to buy a Godrej almirah for her. In fact, my husband asked what I wanted to give her, when I said I wanted to give her an almirah, he agreed and helped to buy one, he did not argue with my choice[^53].

2: . . . I don’t ask him, I spend it as I see fit. He is not here most of the time, he drinks, so I don’t ask him[^54].

The oldest respondent—55-years old, OBC—in group A, could also spend her earnings without asking her husband, but she discussed major expenditures with him (refer to Table 5.1). However, she exercised full control over her loans, which can be attributed to her 13 years of programme participation, her age, and the presence of two daughters-in-law within her household. A woman in most of South Asia remains in a subordinate relationship with her mother-in-law—although she experiences an increase in autonomy with age—until her sons get married and she herself acquires the status of a mother-in-law (Anderson & Eswaran, 2009).

Two more respondents exercised partial control over their earnings as they could spend small amounts of money on groceries and stationery for their children, but they had to seek permission from their husbands and parents-in-law for larger expenditures. Both respondents were young, in their early twenties, but the woman with 5 years of programme participation could exert partial control over the use of her loans, while the woman with 2 years of participation had no control over her loans under typical circumstances. However, this respondent noted that she once borrowed money from her self-help group of her own accord during a period of distress: “. . . I had a fight with my mother-in-law at that time, so I was excluded from the family for 10 days. I had no money, so I had to borrow from the group”[^55].

[^53]: Respondent code: 150929_005
[^54]: Respondent code: 151004_004
[^55]: Respondent code: 150929_002
Finally, one respondent in group A had no control over the ways in which her earnings were spent: “I give all my income to my family. My mother-in-law keeps the whole family’s income in one place. You know how they say that the elders run the family”\(^{56}\). She could, however, exercise partial control over her loans by suggesting productive uses for the loans to her family, and estimating the size of loans required for such uses.

The control exercised by respondents on their earnings was not always easily detectable as demonstrated by the following example. One of the women who exerted partial control over her earnings told me discreetly that she earned Rs. 5000 (CAD 100) per month, but she had told her family that her monthly income was Rs. 3000 (CAD 60). Although I did not get an opportunity to inquire further about this 22-year old, SC, respondent’s novel method of saving due to the presence of her family members during the interview, her testimony shows that opportunities existed for women to exercise agency over their earnings despite the authoritarian control exerted by their parents-in-law. Indeed, an opportunity for individual savings was available to the members of self-help groups: members could deposit individual savings with the group’s secretary, or munshi, so that the money could be kept in a safe place away from their homes.

Table 5.1: Control over income and loans – Group A, Singwara

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Age (in years)</th>
<th>Duration of programme participation (in years)</th>
<th>Control over income</th>
<th>Control over loan money</th>
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</tbody>
</table>

\(^{56}\) Respondent code: 150924_001
5.3 Control over income and loan use – Group B, Singwara

In group B, 4 respondents had no control over their income or loans, 3 respondents could exert partial control over their income and loans, and 3 exercised partial control over their income, but not over their loans. None of the respondents in this group could exert full control over their earnings or loans. It is significant to note that the 3 respondents with the highest degree of agency in group B, who exercised partial control over both their income and loans, had the longest durations of programme participation within group B (refer to Table 5.2). Overall, group B respondents had a lower capacity, as compared to group A respondents, to exercise control over their income, as well as loans. This finding is unsurprising considering that group A respondents were federation employees, while group B respondents were daily wage labourers, and group A respondents were better educated than group B respondents.

Seven respondents (70%) in group B reported that their husbands or in-laws were the ones who took decisions regarding the size and use of loans, making the women mere conduits for channelling credit into the household. The following excerpt from an interview with a respondent who had no control over her income or loans captures the typical transfer of loan money from the recipient to the husband, or the in-laws, once it enters the respondent’s household: “. . . . he gives me the money to make repayments. Who else will help me? When I get a loan from the group, I give it to my husband, and he gives me money to make repayments every month”\(^{57}\). Furthermore, adding another layer to the issue of control over financial resources, 2 young respondents, who lived with their husband’s families, noted that not only did they have to get permission from their husbands before spending or borrowing money, but their husbands, in turn, had to seek permission from their parents before taking decisions about

\(^{57}\) Respondent code: 150928_001
expenses and loans. Respondents in such situations were even further away from exercising control over financial resources than respondents who only had to contend with their husbands.

Table 5.2: Control over income and loans – Group B, Singwara

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<tr>
<th>Respondent code</th>
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5.4 Control over loan use – Group C, Singwara

In group C, the group of unemployed respondents, 5 of the 6 women could exercise partial control over their loans (refer to Table 5.3). Two respondents, 35 and 36 years old respectively, could exercise partial control over their loans as their husbands consulted them before taking major decisions regarding expenses and credit. Three respondents who could partially control their loans were in the age group of 60-65 years. These 3 respondents relied on their sons to give them money for repaying their loans as two of them had lost their husbands and one woman’s husband was too old to work. This finding suggests that a woman experiences an increase in autonomy with age only when she can retain control over financial resources directly, through her own income, or indirectly, through her husband’s land, income, and support. In the absence of both factors, the well-being of older women is subject to the benevolence of their
sons. Finally, only one respondent in this group reported that she had no control over her loans and no knowledge of the ways in which her husband used the loans. The following interview excerpt illustrates the husband’s complete control over loans taken out in this respondent’s name:

I: What was the size of these loans?
R: One was for Rs. 1,000. I don’t know about the rest.
I: How come?
R: Usually, my husband takes out the loans.
I: Your husband? So, you don’t attend group meetings?
R: I do attend meetings sometimes, but most of the time, he delivers the mandatory monthly saving amount to the group, and he borrows from the group as well.
I: So, you don’t know how much money has been borrowed in your name?
R: No
I: Do you know how this money is being used?
R: My husband uses the money whenever he needs to.
I: What about the repayments?
R: My husband manages that as well.

The self-help group was at fault for allowing this respondent’s husband to attend meetings, and to borrow money, in violation of the membership and functioning rules of self-help groups. This respondent was the only one among the 46 self-help group members interviewed for this research to experience not only a complete lack of control over her loans, but also restrictions on attending group meetings.

Table 5.3: Control over loans – Group C, Singwara

<table>
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<td>65</td>
<td>6</td>
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<tr>
<td>150930_004</td>
<td>36</td>
<td>5-6</td>
<td>partial</td>
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<td>150930_005</td>
<td>35</td>
<td>2</td>
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<td>151001_005_008</td>
<td>25</td>
<td>2</td>
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<tr>
<td>151001_009</td>
<td>60</td>
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</tr>
<tr>
<td>151003_002</td>
<td>60</td>
<td>12</td>
<td>partial</td>
</tr>
</tbody>
</table>

58 Respondent code: 151001_005_008
5.5 Control over income and loans – Group A, Aari

In group A, one respondent—30 years old, SC, with 4 children, and 6 years of programme participation—could exercise full control over her income and loans as her husband and in-laws had passed away (refer to Table 5.4). Although this respondent acquired the role of head of household, and took independent decisions regarding her financial resources, her agency was constrained due to the absence of a male head of household. The following two excerpts illustrate the significant social constraints to her agency:

My home is kuccha. I don’t have any stable source of income, so I can’t spend much on food either. Most of the times, I do not have enough money to buy vegetables, so we have to eat rotis with chutney. If I do not get loans, my family has to go hungry. . . . I am always in need of money. I never have enough. Most of the times, my group helps me by giving me loans. Other people do not lend me money because they think that I will not be able to repay the loan. There was only one member in my family who was earning, but he passed away. Now there is no one to bring money into the household. . . .

I: Do you own land or other assets?
R: The land is still in my husband’s name. It will eventually be transferred to my children, not to me.
I: Why will it not be transferred to you?
R: That is what the panchayat has decreed.

The testimony shows that the respondent was not considered credit-worthy by relatives, neighbours, and moneylenders, who would have lent her money if her husband or father-in-law had not passed away. Furthermore, she was denied legal access to her husband’s agricultural land by the panchayat, who deemed her unworthy of land ownership in the absence of a male head of household.

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59 Respondent code: 151028_013
60 Kuccha houses are built with mud, thatch, and other low-quality materials.
61 A roti is a wholemeal flatbread, while a chutney is a crude sauce.
62 Panchayats are village-level units of local administration in India.
Table 5.4: Control over income and loans – Group A, Aari

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Age (in years)</th>
<th>Duration of programme participation (in years)</th>
<th>Control over income</th>
<th>Control over loan money</th>
</tr>
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<td>151027_007</td>
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<td>partial</td>
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<td>151028_013</td>
<td>30</td>
<td>6</td>
<td>full</td>
<td>full</td>
</tr>
<tr>
<td>151029_023_024</td>
<td>40</td>
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</tr>
<tr>
<td>151031_002</td>
<td>50</td>
<td></td>
<td></td>
<td>no</td>
</tr>
</tbody>
</table>

It is also instructive to consider, in detail, the case of another respondent in group A, a 40-year-old, upper-caste woman, who was the only federation employee in the Aari sample. In addition to being a self-help group member for 12 years and gaining a high-ranking position with the federation, this respondent owned a dairy in the village. Taking these factors into account, I expected this respondent to exercise full control over her income and loans, but she could not take any major decisions without consulting her husband:

I don’t make any decisions on my own. I discuss everything with my husband. He also discusses everything with me. Occasionally, he makes a decision without talking to me about it, but I always talk to him about everything.63

However, the following interview excerpt, where she talks passionately about the freedom of women, suggests that the respondent had a high capacity to exercise her agency through her work:

When I go on my CRP rounds, I always tell the women that they have been sleeping because they didn’t know anything about the ways in which self-help groups can transform their lives.64 I tell them to wake up, go out into the world, and learn new things. How long are women going to be subdued and subjugated (kab tak dab kar rahegi mahila?). I tell them that they can gain freedom through self-help groups. I won my freedom (mujhe toh khub azadi mil gayi). It is inspiring for them to hear my story, they start to think that they can escape poverty as well. Look, I went to Bari this morning to help a VO to open their bank account, then I got a call from the office so I went to

---

63 Respondent code: 151029_023_024  
64 CRP (community resource person) rounds are undertaken by experienced self-help group members to form new self-help groups in previously untapped locations.
Dholpur, then you called me and I am back here (*laughs*). So, I am ready to go wherever I am needed, but if women don’t even come out of their houses, what will they do?

Even though the federation employee could not fully control her income and loans, she was in a better position than the respondent who could exercise full control over her financial resources. This finding illustrates that a woman’s status and quality of life hinges on the presence of a supportive husband. It also shows that the degree of control over income and loans, by itself, is not an accurate indicator of a woman’s capacity to exercise her agency. Of the remaining 3 respondents in group A, two 50-year-old respondents had no control over their income. One of these respondents had been a programme participant for 5 years, while the other was a member of a failed self-help group. This finding suggests that these 2 respondents had not experienced an increase in their agency with age.

5.6 Control over income and loans – Group B, Aari

Among the 7 respondents in group B, only one respondent—a 35-year-old woman with 5 years of programme participation—could not exercise any control over her income or loans (refer to Table 5.5). Two more respondents could not control their income, but one of them could exercise partial control over her loans, while the other had not received any loans as she had only been a self-help group member for 4 months at the time of the interview. However, the following interview excerpt shows that this respondent’s future loans would be controlled by her husband:

    . . . he gave me money for the mandatory savings. I haven’t taken any loans from the group yet, but when I do he will help me to make repayments. Of course, I will ask him before borrowing any money from the group. If I get a loan from the group, I’ll bring the money home and give it to him, so he can repay his creditors. If he uses the loan money to repay his debts, he must help me with the repayments.

65 Bari is a city located 26 kilometres away from Dholpur. A VO is a village organisation, composed of all the self-help groups in a village.

66 Respondent code: 151028_017
In addition to the respondent’s acknowledgement of her husband’s control over her future loans, the husband’s intention to exercise full control over the loans is also evident from the fact that he gave money to the respondent to match the mandatory savings amount of existing group members, thus fulfilling the most challenging condition to acquire the membership of a mature self-help group. Recall that members are required to save a small amount of money, which is collectively decided by the group, at each bi-weekly or monthly meeting. New members are allowed into a mature group only if they can deposit an amount equal to the individual, cumulative savings of existing members; such amounts are usually substantial in self-help groups which have been functioning for more than 5 years.

Table 5.5: Control over income and loans – Group B, Aari

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Age (in years)</th>
<th>Duration of programme participation (in years)</th>
<th>Control over income</th>
<th>Control over loan money</th>
</tr>
</thead>
<tbody>
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<td>no</td>
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<tr>
<td>151028_014</td>
<td>45</td>
<td>4</td>
<td>partial</td>
<td>partial</td>
</tr>
<tr>
<td>151028_016</td>
<td>30</td>
<td>5-6</td>
<td>full</td>
<td>partial</td>
</tr>
<tr>
<td>151028_017</td>
<td>26-27</td>
<td>4 months</td>
<td>no</td>
<td>partial</td>
</tr>
<tr>
<td>151029_019</td>
<td>40</td>
<td>4-5</td>
<td>full</td>
<td>partial</td>
</tr>
<tr>
<td>151029_020</td>
<td>21-22</td>
<td>7</td>
<td>no</td>
<td>partial</td>
</tr>
<tr>
<td>151029_021</td>
<td>45</td>
<td>3-4</td>
<td>partial</td>
<td>partial</td>
</tr>
</tbody>
</table>

In group B, two women exercised full control over their income, but partial control over their loans. The following interview excerpts suggest that both women could exercise their agency to a certain degree due to the benevolence of their husbands:

I: What kind of decisions are you responsible for within the household?
R: My husband and I talk about everything before taking any decisions. Sometimes, for small issues, I take my own decisions as well.
I: Can you give me some examples?
R: If my husband is not at home and someone comes to our doorstep to ask for help, I do
what I think is right. I help them out and my husband never questions my decision\textsuperscript{67}.

I: What kind of decisions are you responsible for within the household?
R: If my husband is at home, I ask him before taking a decision or doing something. If he is not home, I don’t wait for him, I don’t seek him out, I simply do what I think is right (laughs). I am telling you the truth\textsuperscript{68}.

The remaining 2 respondents in group B, both 45 years old with 3-4 years of programme participation, could exercise partial control over their income as well as loans. Both women could make minor purchases, such as small amounts of groceries, on their own, but they could not spend large amounts of money without consulting their families: one respondent had to discuss expenses with her husband and parents-in-law, while the other had to consult her husband and son.

5.7 Control over loans – Group C, Aari

Of the 10 unemployed respondents in group C, 4 could not exercise any control over their loans. Two of these respondents were 45 years old, with 12 and 6 years of programme participation respectively (refer to Table 5.6). The 45-year-old respondent with 6 years as a self-help group member ascribed her inability to take independent decisions, including decisions regarding loans, to the superior position occupied by her husband within the household, “I talk to my husband before taking any decisions or doing anything. I have to ask him. How can I do anything alone? Woh malik hain (He is the owner)\textsuperscript{69}. The other two respondents without any control over their loans were in the age range of 20 to 23 years, and had been members of self-help groups for 4-5 years. The diversity, in terms of age and length of programme participation, of respondents who had no control over their loans suggests that other factors were at play.

\textsuperscript{67} Respondent code: 151028_016
\textsuperscript{68} Respondent code: 151029_019
\textsuperscript{69} Respondent code: 151027_005
Table 5.6: Control over loans – Group C, Aari

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Age (in years)</th>
<th>Duration of programme participation (in years)</th>
<th>Control over loan money</th>
</tr>
</thead>
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<td>45</td>
<td>12</td>
<td>no</td>
</tr>
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<td>151027_005</td>
<td>45</td>
<td>6</td>
<td>no</td>
</tr>
<tr>
<td>151027_010</td>
<td>50</td>
<td>5</td>
<td>partial</td>
</tr>
<tr>
<td>151028_012</td>
<td>50</td>
<td>6</td>
<td>partial</td>
</tr>
<tr>
<td>151029_022</td>
<td>55</td>
<td>5-6</td>
<td>full</td>
</tr>
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<td>.</td>
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<td>151031_003</td>
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<td>12</td>
<td>full</td>
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<td>151101_002</td>
<td>20-22</td>
<td>4-5 months</td>
<td>.</td>
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<td>5</td>
<td>no</td>
</tr>
<tr>
<td>151101_004</td>
<td>22-23</td>
<td>4-5</td>
<td>no</td>
</tr>
</tbody>
</table>

To find these factors, it is useful to consider the 2 respondents in group C who exercised full control over their loans. The older of the two, a 55-year-old woman with 5-6 years as a self-help group member, had full control over her loans as her husband behaved irresponsibly and she was considered to be the head of the household by her sons:

Most of the time, my husband doesn’t do anything, he roams around without a purpose, sometimes he takes up a little work, at other times he drinks all day and abuses me when he gets home. He tells me that I am nothing to him. I am very disappointed with life. He is my husband, and the husband is similar to God (pati parmeshvar saman hota hai) . . . . Now I don’t know what to do with him, he curses me very badly when he gets drunk. I am alive because of my children. The household is running on the earnings of my elder son, my husband doesn’t do anything. As far as my children, my daughter-in-law, and my grandchildren are concerned, I am the head of the household.

The younger of the two respondents with full control over their loans, a 30-year-old woman with 12 years in the programme, could borrow money from her self-help group without her husband’s permission. There were two factors in her favour: the benevolence of her husband and the absence of in-laws.

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70 Reference code: 151029_022
In both Singwara and Aari, across the 3 groupings by employment, the respondents who exercised full control over their loans had one or more of the following factors in their favour: a) absence of in-laws, b) supportive husband, and c) absence of the husband. The third factor, the absence of the husband, took 3 forms: a) the husband had passed away, b) the husband worked in a city as a migrant labourer, or c) the husband did not contribute to the functioning of the household in any way. However, respondents could only gain full control over their financial resources when the absence of the husband, or the presence of a supportive husband, was complemented by the absence of in-laws. Furthermore, the acquisition of full control by respondents over their earnings and loans due to the death or irresponsible behaviour of the husband was accompanied by negative consequences, such as the refusal of relatives, neighbours, and moneylenders to lend money to the women.

5.8 Formation and composition of self-help groups, Singwara

All Singwara respondents belonged to self-help groups formed by Saheli Samiti, the self-help group federation in Dausa. Federation workers identify impoverished households in target villages using participatory rural appraisal (PRA) methods, in which the people of the village are involved in the identification exercise. The next step is to form self-help groups, with 10-12 women from the identified households. Following group formation, federation workers attend the meetings of newly formed self-help groups to provide training and support to group members. Federation workers also help to ensure that self-help groups adhere to the five golden rules, or panch-sutra: a) regular meetings, b) regular savings, c) internal loans from the pool of savings, d) regular repayment of loans, and e) bookkeeping of all saving and lending activities.

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71 Refer to chapter 4 for a discussion of the federation’s structure.
The following interview excerpts illustrate the process of group formation as recalled by respondents:

1: A behenji came to the village, her name was Sunita, she talked to us about starting a self-help group. We were interested and asked her to explain. She said that we would only have to contribute Rs. 10 (CAD 0.2) as bi-weekly savings to begin with, and if we did this over a period of time we would be able to accumulate some money to fulfil our own credit needs. We would not have to ask other people for money. So, we started with bi-weekly savings of Rs. 10, but we soon increased the amount to Rs. 50 (CAD 1).

3: Dinesh ji from the office visited our village, and explained how we can get together to form a group. He also explained the advantages of forming a group. Some women liked the idea and formed the group. They started saving small amounts of money. Dinesh ji attended group meetings and acted as a mentor for the group. We kept meeting and saving money for 9-10 months before we were able to get a bank loan.

It is worthwhile to note that the 2 respondents cited above were convinced to form self-help groups when federation workers explained that members would be able to address their own credit needs by saving small amounts of money at regular intervals. This finding underscores the severe lack of reliable sources of credit, as well as the near absence of savings mechanisms, for impoverished women in the study area.

Furthermore, respondents who joined self-help groups often perceived them as an escape from, or at least an alternative to, exploitation at the hands of moneylenders. The following interview excerpt illustrates this sentiment:

A lady had come to the village from the Dausa office. She explained how self-help groups work and she was looking for women to form a new group. I heard her talking about it and I thought it was a great idea. I thought I will not have to beg the sahukar or other people for money. When you ask someone to lend you money, they say all sorts of things to you. Even when they agree to lend you the money, they make you wait. You don’t know when you are going to get the money. All these problems are resolved by joining a group.

I: Right, so the sahukar makes people wait for the money?

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72 Behenji is a Hindi word for sister, which is also used as a respectful form of address for women in general.
73 Respondent code: 150930_003
74 Respondent code: 150930_006
75 Sahukar is a Hindi word for moneylender.
R: Yes, he has so much money, but if you ask him for a loan in the morning he will tell you to come back in the evening, when you go in the evening he will ask you to come back the next morning . . . the sahukar has more money than other people in the village, so he is very arrogant. He believes he is superior to us, to the poor. He treats us very badly. If we miss an instalment he comes to our home and says nasty things. That’s why I am so happy with the group, I go to the meetings and borrow money from the group, and no one says bad things to me. This is the advantage of being in a group.\(^{76}\)

In addition to these respondents, who were convinced of the advantages of becoming self-help group members, were the women who initially viewed the idea of self-help groups with suspicion, thus complicating the process of group formation. Indeed, 4 Singwara respondents said that their respective self-help groups were formed with difficulty because some women and their families suspected that federation workers were trying to cheat them of their money.

The mistrust of strangers stems from the character of rural Indian communities, which are bound together by strong relationships based on religion, caste, and kinship. Furthermore, in the near absence of education and employment opportunities, as well as state support, such communities continue to hold deeply-entrenched, patriarchal views regarding the roles of women. A federation worker, who enters this particular environment and challenges the socially acceptable roles of women by forming self-help groups with them, is bound to be perceived with suspicion and hostility. Thus, even when federation workers succeeded in convincing women of the benefits of self-help groups, the women preferred to form groups based on social ties and personal relationships due to the close-knit nature of rural communities.

5.9 Impact of social ties and personal relationships on group formation, Singwara

Indeed, 15 (62.5\%) Singwara respondents knew all the women in their respective groups before the groups were formed, and none of the respondents reported not knowing any of their

\(^{76}\) Respondent code: 150929_007
group members before group formation. Furthermore, in most cases, respondents formed groups with members of their extended family, such as the wives of their husbands’ brothers and mothers-in-law, as well as neighbours. Since marriages, especially in rural India, are arranged within the same caste, the preference to form groups with family members leads to a proliferation of single-caste groups. Most respondents also reported that their fellow group members lived in close proximity to their homes, that is, within their mohallas. A mohalla is a cluster of households belonging to the same caste; a spatial concept used to enforce residential segregation by caste, which remains an unfortunate reality in many Indian villages. Singwara is no exception. The village sketch of Singwara, given below, shows the caste-based segregation of households (refer to Figure 5.1). Therefore, caste was the common denominator for the two major factors that guided the selection of group members by respondents: a) women from their extended families, and b) women who lived close to their homes. However, even when respondents admitted women belonging to other castes into their self-help groups, residential proximity remained a concern\(^7\):  

I: How many group members did you know before joining the group?  
R: We all know each other very well; all the group members belong to our extended family.  
I: So, all group members belong to the same caste as well?  
R: Yes, most of them. But there are 2 Mehtars, one of them is a widow, poor thing. They asked if they could join the group. We told them that they’ll have to come to every meeting and they live a bit farther off. They said they’ll come to every meeting and they do. They are really good, if we give them a loan they make the repayments on time. They are both really good, that’s why we’ve included them in the group, otherwise we don’t easily include women who live far away.

\(^7\) Respondent code: 150924_001
The reasons for the importance given to residential proximity as a desirable characteristic for group membership are not clear from the data, but the restrictions on women’s mobility in rural India might provide an explanation. It is socially unacceptable for women to step out of their homes without having a good reason to do so. Good reasons include paid work, cattle grazing, and visits to hospitals and banks. However, even when women step out of their homes for these specific purposes, it is preferable for them to be accompanied by a male family member. Furthermore, the restrictions on mobility are even more severe for women belonging to upper-castes, and young women belonging to all castes. Respondents and their families understood the advantages of self-help groups, but continued to be vulnerable to the opinions of others in the village who engaged in the character assassination of women in self-help groups for
attending group meetings, interacting with male federation workers, and travelling to the federation office in nearby Dausa city. The following excerpt, from an interview with the husband of a 23-year-old, SC respondent, illustrates this sentiment:

I: What is your attitude towards your wife’s participation in the programme?
R: I like some aspects of it, but I dislike some things strongly.
I: What are the things you dislike?
R: We live in a village, this is not a city where we can do whatever we like. People are jealous here, they harass me about my wife’s involvement with the group.
I: What do they say?
R: That I have lost control over my wife, that she is always going somewhere or the other. How much of this am I supposed to tolerate? I know these people are jealous and they do not want us to progress, but I am human, I feel bad sometimes. You cannot force people to not say anything, they will say what they want to. Sometimes I am able to talk back, at other times I ignore them, but sometimes I lose my patience.

The issue of harassment by people also came up during an interview with a young, SC, federation worker, who happens to be one of the 2 respondents with full control over their income and loans in the Singwara sample:

Two weeks ago, on the 14th of September, he was drunk when he got home. You know how people in the village like to incite the husbands of working women; they told him that his wife is getting too big for her boots (*teri lugai toh madam banti ja rahi hai, roz Dausa jati hai, pata nahi kyun jati hai*). When he came home I was having dinner. He didn’t say anything, didn’t ask me anything, he started beating me and saying that I cannot go to Dausa from now on. But I had to go to the federation office the next morning. He didn’t say anything in the morning, he is fine when he is not drunk, but when he is drunk he succumbs to this kind of talk.

The restrictions on, as well as the intense scrutiny of, women’s mobility in Singwara, probably led respondents to prefer forming groups with those who lived in close proximity to them.

5.10 Impact of caste-based hierarchies on self-help groups, Singwara

The discussion of the impact of social ties and personal relationships on group formation

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78 Respondent code: 150930_007
79 Respondent code: 151004_004
in the previous section has already illustrated the significance of caste in not only group formation, but also in the residential segregation of village life. This section advances the discussion on the role of caste-based hierarchies in the functioning of self-help groups.

Of the 24 Singwara respondents, 8 belonged to single-caste groups, 15 to mixed-caste groups, and 1 woman had been evicted from her group. The presence of mixed-caste groups is encouraging as it signifies an increased level of social interaction between different castes. However, a closer glance at the composition of mixed-caste groups shows that all members of mixed-caste groups belonged to socially disadvantaged caste groups: a) 1 respondent belonged to a group of SC women from 2 different castes, b) 2 respondents belonged to groups of SC, OBC, and ST women, c) 5 respondents belonged to groups of SC and OBC women, and d) 6 respondents belonged to groups of ST and OBC women (refer to Table 5.7). As discussed in the previous chapter, the upper-caste women in Singwara had not formed or joined self-help groups.

Table 5.7: Self-help group composition and dynamics, Singwara

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Number of members</th>
<th>Group composition by caste</th>
<th>Repayments for members</th>
<th>Repayments by members</th>
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<tbody>
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<td>Bhairava</td>
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<td>yes</td>
</tr>
<tr>
<td>150924_004</td>
<td>10</td>
<td>Jangirh, Bhairava, Meena</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>150928_001</td>
<td>12</td>
<td>Meena, Jogi</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>150929_002</td>
<td>14</td>
<td>Bhairava</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>150929_003</td>
<td>12</td>
<td>Jogi, Meena</td>
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</tr>
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Table 5.7: Self-help group composition and dynamics, Singwara

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<th>Group composition by caste</th>
<th>Repayments for members</th>
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</table>

Key to castes: Bhairava, Mehtar - SC; Jangirh, Jogi/Yogi, Mali - OBC; Meena - ST

In the following interview excerpt, a 33-year-old, ST respondent from a mixed-caste group discussed the complex ways in which caste affects the functioning of self-help groups:

R: There is no caste-based discrimination in our group, we sit together, we are very friendly with each other. But there are problems in some groups which are composed of Bhairava women and upper-caste women. The upper-caste women in these groups do not like to sit with the Bhairava women; sometimes they don’t want to hold meetings because they do not want the Bhairava women to enter their homes and they do not want to go to their homes either.

I: So how do these groups function?

R: Such groups cannot function for long, they usually fall apart. Sometimes mixed-caste groups consisting of upper-caste and low-caste women work, but usually groups are composed of members belonging to a single caste. This is because the upper-caste women do not want to mingle with low-caste women. Ours is the first group in which there are Meena and Jogi women. It’s easy to find mixed groups composed of Mali and Meena women, but the Bhairava groups do not have members belonging to any other caste.

This respondent’s testimony shows that there is a difference of status between castes even if they fall in the same official category, that is, SC, OBC, or ST. For instance, the respondent notes that it is easy to find mixed groups of Mali (OBC) and Meena (ST) women, but suggests that groups composed of Jogi (OBC) and Meena (ST) women are uncommon. This finding indicates a

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80 Respondent code: 150928_002
81 Bhairava, Mehtar – SC; Jangirh, Jogi/Yogi, Mali – OBC; Meena - ST
difference of status between the Mali and Jogi castes although both are categorised as OBC.

Another respondent, a 24-year-old, Bhairava woman, indicated a difference in status between the Bhairava and Mehtar castes, both officially categorised as SC, “We don’t differentiate between castes at all. We all sit in a circle on the floor. We even ask the 2 Mehtar women to sit with us. We treat everyone equally within the group”\(^{82}\). Although this respondent reported that there was no caste-based discrimination in her group, she suggested that the equality accorded by the Bhairava women to the Mehtar women was against the norm.

The hierarchy of specific castes within each broad official category is noteworthy as it means that caste-based issues remain at play even when mixed-caste groups are composed of women from the lower-castes, and caste-based hierarchies can negatively influence the functioning of mixed-caste self-help groups if members indulge in discriminatory behaviour.

This is one of the most important reasons for the preference for single-caste groups displayed not only by respondents but also by the self-help group promoting institutions. Indeed, in the following interview excerpt, Mr. K.M. Noordeen of the Rajasthan state rural livelihood mission (RGAVP) discussed the relative sustainability of, as well as the mission’s preference for, single-caste groups:

There are issues in Rajasthan regarding higher castes and lower castes. If we talk about group sustainability, we talk about homogeneity, we prefer groups that are within the same caste, they work well for long periods of time. If we mix two communities, there will be some or the other problem, the problem will be of sustainability. Otherwise there is no issue, we are saying that if we are promoting an institution it should be sustainable. So, our approach from day one, and also that of our active women, the first preference is to form groups within caste\(^{83}\). Otherwise if there aren’t enough numbers in an area and 1-

\(^{82}\) Respondent code: 150924_001

\(^{83}\) Active women are experienced self-help group members who have been recruited by the mission to form and support new self-help groups.
2 members are from other castes, it is fine. In fact, we have mixed-caste groups already, but preferably we want groups to be formed within caste, those are better.

On the other hand, Mr. Yatesh Yadav, the executive director of Centre for Microfinance in Jaipur, held a more nuanced view of caste-based hierarchies with respect to group formation and functioning:

So, if you see, the basic principle is to form groups of socially, economically homogeneous people. They function better. But we do not promote groups based on caste; we promote people who are poor, they should come together. People already have natural affinities, and this comes from decades, you know, generation to generation, that mindset is always there. So, in certain places, in villages where the households are very large, obviously, you might see that group members will be of same or similar castes. On the other hand, there are many mixed-caste groups as well. And if I can give you an example, in Alwar district, there was a mixed group of SC and Rajput women. Initially the lady from Rajputs used to bring a *muddi* (low seat) to group meetings, but when she saw me sitting in that circle on the ground with the SC women, she dropped the *muddi*, and she also started sitting in the circle. Slowly, slowly, that group became a very good group, a good, homogenous group—meaning economically homogenous.

In spite of a difference of opinion regarding the preference for single-caste groups, both key informants, cited above, agreed that single-caste groups are more likely to be sustainable than mixed-caste groups. The example of the Rajput woman who refused to sit at the same level with the SC women until she saw a high-ranking official from the city sitting with them illustrates the potential of caste-based hierarchies to obstruct the functioning of self-help groups. One wonders what would have happened to the aforementioned group if Mr. Yadav had not attended the initial group meetings. Additionally, it is useful to consider the testimony of a 30-year-old, Yogi, respondent who felt compelled to exit a self-help group composed mainly of Bhairava women:

> I was very punctual, I used to reach the designated spot for group meetings at the scheduled time, but the other members were not punctual. They would not arrive at the scheduled time, so the group meetings were always delayed. But I could not wait because I had to go to work. I used to give my loan instalments to a group member, and ask her to submit the money on my behalf. But the others did not accept the money. They wanted

84 *Rajput* is an upper-caste.
85 Respondent code: 151003_001
me to be present, they told me that I needed to pay penalties because I had missed my repayments.

While this respondent did not report any overt caste-based discrimination at the hands of her group members, she suspected that her group members would have been more willing to accommodate her if she belonged to their caste, “. . . It is possible that they might have treated me nicely if I belonged to the same caste”.

To sum up, the preference for single-caste groups can be attributed to a preference for social and economic homogeneity among group members, which can be achieved in single-caste groups as caste continues to determine not only social status, but also economic circumstances, particularly in rural India. Homogeneity in social status among group members is desirable since low-caste women are likely to be unwilling to form groups with upper-caste women for fear of discrimination, and upper-caste women are likely to be unwilling to form groups with low-caste women for fear of deterioration in their social status. Economic homogeneity among group members is desirable because inasmuch as caste affects economic circumstances, upper-caste women are more likely to have a higher credit absorption capacity than their low-caste counterparts, which can lead to the dominance of upper-caste members in mixed-caste groups. Furthermore, the principle of self-selection, which means that members self-select into groups at the stage of group formation, allows for the proliferation of single-caste groups. Given the strong familial affinities, restrictions on the mobility of women, and fear of harassment by others in the village, a group formed through self-selection is more likely to be composed of women from a single household, making it a single-caste group.

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86 For a detailed discussion of self-selection, see chapter 2.
The preference for single-caste groups and the pervasiveness of caste-based hierarchies notwithstanding, none of the Singwara respondents who belonged to mixed-caste groups reported any caste-based discrimination in their respective self-help groups. In fact, in a demonstration of strong group cohesion, 5 respondents from mixed-caste groups made repayments on the behalf of their group members, and the group members of 3 of these respondents made repayments on their behalf when called upon to do so (refer to Table 5.7). Furthermore, 5 respondents from mixed-caste groups had developed close friendships with group members who did not belong to their own caste. More evidence in favour of mixed-caste groups was provided by a Meena respondent who credited such groups for bringing about a change in social attitudes towards caste-based hierarchies in Singwara, “. . . I have seen a lot of people discriminating against the low-castes in this village, although things have improved since women started joining self-help groups. Now group members believe that their status will not be lessened in any way if they visit a low-caste woman’s home”87. The following interview excerpts suggest that the change in attitudes towards caste has been spearheaded, at least in part, by federation workers, who addressed the issue of caste at the time of group formation:

1: There are no problems related to discrimination. We are all nice to each other. Our group is old, but nowadays the office people give training to women who want to form groups. They say that there are two ways of forming groups, you can either choose all group members from the same caste, or you can have members from different castes, in that case there cannot be any caste-based discrimination in the group. They warn the women that the group will not work if discrimination occurs. . . . 88

2: . . . You see, Rachna madam (a federation worker) told us that caste doesn’t matter, group members can be from any caste as long as they belong to a BPL (below poverty line) family89.

87 Respondent code: 150928_002
88 Respondent code: 151003_003
89 Respondent code: 151003_002. For a discussion of the poverty line in India, see chapter 3.
On one hand, interviews with Singwara respondents and key informants illustrated the rigid prevalence of caste-based hierarchies, while on the other hand, there emerged a parallel narrative of an increased level of interaction and trust between women of different castes due to their participation in self-help groups.

5.11 Formation and composition of self-help groups, Aari

Self-help groups in Aari were formed either by Pradan, a rural development NGO which has been working on strengthening the self-help group movement in Dholpur district since the year 2000, or by the cluster-level federation of self-help groups for the Dholpur block. The process of group formation in Aari was similar to the process described previously for Singwara. However, 3 Aari respondents discussed the World Bank-funded District Poverty Initiatives Programme (DPIP) in the context of group formation, while none of the Singwara respondents mentioned this programme. As discussed in chapter 4, DPIP was regarded to be successful in Aari, but not in Singwara. The following interview excerpts illustrate the impact of DPIP on self-help group formation in Aari:

1: I’ve been with the group for 6 years. Earlier, I was a member of a group that was included in the DPIP programme. All members received a buffalo through DPIP, but the groups started malfunctioning and went defunct soon after. But then, Pradan started forming groups again, that is how this group came into existence.
I: Why did the earlier groups go defunct?
R: When the members received buffaloes, they stopped taking their group obligations seriously. Also, many groups were brought into DPIP’s fold, but the programme failed to grow.

2: I’ve been with the group for 5 years, my group broke apart for some time before that, but we formed it again. It has been functioning well for the last 5 years.
I: Why did your group break apart?

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90 A block is an administrative subdivision of a district. Dholpur district is divided into 5 blocks: Dholpur, Rajakhera, Bari, Baseri, and Saipau.
91 Respondent code: 151027_005
Both respondents reported that their self-help groups stopped functioning once DPIP was discontinued. Although members received substantial incentives, such as buffaloes to set up small-scale dairies through the programme, many of the groups included in, or formed under, DPIP broke apart when it was discontinued. These groups were later re-formed, nurtured, and organised into a structure of village organisations and cluster-level federations by Pradan. This finding underscores the fragility of self-help groups, especially in the early years of their functioning. It also illustrates the importance of a self-help group promoting organisation like Pradan, which had the capacity to use the impetus of the DPIP incentives to strengthen the self-help group movement in Dholpur district. Furthermore, the testimony of one of the respondents, cited above, shows that her self-help group disintegrated when group members stopped taking their responsibilities seriously after receiving buffaloes through DPIP. The lesson here is that discontinuing a programme after providing grants or resources to self-help groups can be detrimental to their health and survival, unless such incentives are followed by regular training and guidance by supporting organisations.

5.12 Impact of social ties and personal relationships on group formation, Aari

Displaying the same trend observed in Singwara, respondents in Aari considered social ties and personal relationships to be the most important factor for group formation. Indeed, a majority of the Aari respondents, 13 out of a total of 22 (59%), echoed most of their Singwara counterparts in reporting that they knew all the women in their respective self-help groups before
the groups were formed. However, while none of the Singwara respondents reported not
knowing any of their group members before group formation, one young, SC respondent from
Aari said that she did not know any of her group members before joining the group93:

R: I didn’t know anyone before joining the group. You see the group was formed only
two years after my marriage. I used to be in my ghoonghat all the time, I didn’t know
anyone. Now that I have kids I have stopped being in the ghoonghat, now I know
everyone.
I: Is this mandatory, do all women have to stay in a ghoonghat after their wedding?
R: Yes, women are expected to stay in a ghoonghat at least for 1 year after their wedding.
I: And what happens after a year?
R: After a year, the norm is relaxed, it depends on the family. But you have to be careful,
especially when you go to relieve yourself in the fields, I still drape a chunni or chadar
when I go to relieve myself94.

This respondent’s testimony shows that the tradition of ghoonghat, which requires married
women to cover their faces with a long scarf or a part of their sari, is a significant constraint to
the agency of women, particularly newly married women in rural Rajasthan. Being in a
ghoonghat prevented this respondent from forming any social ties or relationships with other
women during the first two years of her marriage. Although she did not mention any
disadvantages of unfamiliarity with her group members, it is probable that her initial experience
of group membership differed significantly from that of the women who knew their group
members before group formation.

Social ties and personal relationships in Aari, as in Singwara, were based largely on
caste. Furthermore, residential segregation by caste was practiced in Aari as well (refer to Figure
5.2).

93 Respondent code: 151101_004
94 A chunni is a long scarf, and a part of many South Asian women’s dresses. A chadar is a sheet which can be used
to cover the body from head to foot.
In spite of these similarities between the two villages, Aari could boast mixed-caste groups composed of women from upper and low castes, who resided in spatially segregated sections of the village:

1: I never used to step out of the house before joining the group, so I didn’t know anyone. I only knew the Thakur women, I didn’t know the Kumhar or Kusva women.

2: I knew the Jatava women because they all live close by. But I got to know the other women in my group only after joining the group.

3: I am friendly with all members of my group, but I am closer to the women from my basti\(^5\).

The testimonies of these 3 respondents illustrate that their mobility was restricted to their specific

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\(^5\) \textit{Basti} is another word for \textit{Mohalla}. 
caste-based *mohallas* or *bastis* before joining mixed-caste groups. The restrictions on mobility, combined with residential segregation by caste, limited the social ties and relationships of respondents to the women who belonged to their caste and *mohalla*. Despite these obstacles, there were mixed-caste groups in Aari composed of women from castes which are far apart in social hierarchy. The reason for this is not clear from the data, but it may be attributed to the 15 years of Pradan’s work in Dholpur district\(^96\). Moreover, RGAVP, the state government’s rural livelihood programme, was being implemented in the area by RGAVP staff in collaboration with Pradan since 2013\(^97\). The rural development expertise of an established NGO like Pradan, combined with the state government’s resources, had probably accelerated the rate of social change, and led to the formation of mixed-caste groups between upper and low-caste women.

When quizzed about the impact of caste-based hierarchies on group formation, Mr. Sanjay Sharma, the Pradan team leader in Dholpur, said, “We don’t work according to caste, we work according to poverty, so a lot of general category women work with us, and there also SC and OBC women”. Another key informant, Mr. Amarish Tyagi, a senior member of RGAVP’s mission facilitation team in Dholpur, discussed the changing caste dynamics among women involved in the self-help group movement in the district:

> It is changing. It has changed a lot. When we started working here, for an upper-caste woman to visit a low-caste woman’s home was a far cry, the Thakur women would not even walk too close to the low-caste *mohalla*. Now they even attend meetings with each other. Let me talk about Kainthri, the Thakur sentiment there is very strong, so they refused to go to the low-caste *basti*, and the Kusva and Nai said that they would not go to the upper-caste *bastis*. So, we formed separate groups for the Thakurs and others. Almost 7 months have gone by since the formation of groups, and we have witnessed this change in front of our eyes that they are all together today. We formed a Village Organisation there and everyone came and sat together—there were women from SC, OBC and General, all three castes sat together. It feels wonderful to witness this change, but it happens slowly. Earlier, we had thought that if we try to form mixed groups, fights will erupt in the village. But after this period of 7 months, we didn’t need to say or do

\(^96\) Pradan had started its work in Dholpur in 2000 and I carried out my fieldwork in 2015.

\(^97\) For a detailed discussion of RGAVP, see chapter 2.
anything to bring the women together.

In sum, within-caste social ties and personal relationships remained significant for group formation in Aari, but the Aari respondents showed an enhanced capacity, compared to Singwara respondents, to develop relationships and form groups with women belonging to other castes.

5.13 Impact of caste-based hierarchies on self-help groups, Aari

Of the 22 respondents in the Aari sample, 5 belonged to single-caste groups, 15 to mixed-caste groups, 1 to a failed group, and 1 respondent had not been able to join a group at the time of fieldwork. Furthermore, it is useful to consider the composition of mixed-caste groups: a) 5 respondents belonged to groups of General and OBC women, b) 8 respondents belonged to groups of General, OBC, and SC women, and c) 2 respondents belonged to a group of women from 2 different General castes (refer to Table 5.8).

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<tr>
<th>Respondent code</th>
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<th>Group composition by caste</th>
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<th>Repayments by members</th>
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### Table 5.8: Self-help group composition and dynamics, Aari

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</table>

* Had not been able to join a group at the time of fieldwork  
** Member of a failed group  
Key to castes: Jatava, Mehtar - SC; Prajapati, Kusva, Kumhar - OBC; Thakur, Brahmin - General

While the presence of mixed-caste groups of women from upper and low-castes in Aari is, in itself, an achievement, it is even more encouraging to note that none of the respondents who belonged to such groups reported any caste-based discrimination within the groups. The following 3 interview excerpts, one each from an SC, a General, and an OBC respondent, belonging to mixed-caste groups of upper and low-caste women, illustrate that these groups had overcome the discriminatory norms of caste-based segregation:

1: We do not have any discrimination in the group, we all sit together in a circle on the ground during the meetings. We lend money according to the needs of members, not according to caste. The members with the most urgent needs get the loans.  

2: Can you talk about caste-based dynamics within the group? No, there’s no such thing, even when the Jatava women come to my home I treat them

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98 Respondent code: 151028_013
with respect, I ask them to sit on the cot with me. I know that my blood is the same as theirs. A lot of people tell me that I should not let them enter my home, but I do not care. I: But this kind of discriminatory talk does take place. R: Oh yes, it goes on all the time. But I don’t discriminate, I have a clear heart, I think we are all equal as humans.

3: We are treated with respect. The meetings are usually held at the home of one of the Brahmin women, but she treats us with respect, she lays a nice sheet for the meeting, and everyone sits on it together for the meeting. She doesn’t observe untouchability.

In addition to the role played by Pradan and RGAVP, the success of groups composed of upper and low-caste women in Aari may be attributed to the example set by Lakshmi, a Thakur woman, who went against the rigid restrictions on the mobility of upper-caste women to form a group with SC and OBC women, and eventually rose from a BPL-status family to become a high-ranking federation employee, as well as the owner of a dairy. A substantial improvement in the economic conditions of Lakshmi’s household, coupled with the success of her self-help group, has led, in part, to the acceptance of mixed groups composed of socially incompatible castes in Aari. For example, in the following interview excerpt, a 26-27 year old, Thakur respondent, who belonged to a mixed-caste group, accredited her group membership to clan, and therefore, caste, affinity with Lakshmi:

. . . . Lakshmi behenji helped me to join the group. I knew Mukesh bhaiya, he helped me with the milk collection, we belong to the same gotra (clan), I talked to him about joining a group, and he told his mother, Lakshmi behenji, about it. That is how I ended up joining.

On the other hand, in spite of the success of mixed-caste groups, caste-based hierarchies remained important for group formation and functioning in Aari. For instance, in the following

99 Key to castes: Jatava, Mehtar - SC; Prajapati, Kusva, Kumhar - OBC; Thakur, Brahmin - General
100 Respondent code: 151028_016
101 Respondent code: 151029_019
102 Name changed to protect identity.
103 Respondent code: 151028_017; names changed to protect identities; bhaiya is a Hindi word for brother.
An interview excerpt, a 50-year-old respondent from a single-caste group composed of 10 Kusva women reported that she and her group members did not want women from other castes to join the group:

I: How would you respond if a woman from another caste wishes to join your group?
R: No, we don’t want that, our group is functioning well, we do not want any more members.
I: So, is it a matter of number of members, or will you object to having a member from a different caste?
R: Both things behenji. I am telling you the truth. The group is functioning well, we do not want to upset the way it is functioning.104

In another example—the starkest in this research—of the role played by caste in determining group membership, a Mehtar woman explained that she had been unable to join a self-help group because she belonged to an untouchable caste:

I: Why have you not been able to join a group yet?
R: The women from other castes do not want me in their groups because I am untouchable, so it’s best if Lakshmi behenji can find interested women from my caste, then we can have a group with women belonging to the same caste, there will be no problem of untouchability.
I: So, the women who are members of mixed-caste groups also observe untouchability?
R: Yes, everyone practices untouchability except for Lakshmi behenji. They hate me, I belong to the lowest caste, so everyone wants to stay away from me.
I: Where is your mohalla in the village?
R: Next to the Prajapati mohalla.105
I: And all the people who belong to your caste live in that mohalla?
R: Yes106

This testimony reinforces one of the most important findings related to caste-based hierarchies from the Singwara sample—the significance of understanding the differences in social status not only between the broad official caste categories of General, OBC, ST, and SC, but also between the castes contained within each broad category. Although this respondent belongs to a caste

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104 Respondent code: 151027_010
105 Refer to figure 5.2 for the location of the mohallas.
106 Respondent code: 151031_001
which falls within the SC category, she was unable to join or form a group with women belonging to other castes which are categorised as SC or OBC. The Mehtar caste, to which the respondent belongs, is considered to be a caste of sweepers and scavengers, which renders its members untouchable within the Hindu tradition. Therefore, this respondent could only join a single-caste group composed entirely of Mehtar women. However, given that the members of untouchable castes have severely restricted work opportunities, as well as limited access to education, it is unlikely that a group composed entirely of Mehtar women would function successfully. Caste-based norms not only lead to the exclusion of women from the lowest, untouchable castes, but also prevent women belonging to the highest castes from joining self-help groups, or running the groups successfully. In the following interview excerpt, a 50-year-old respondent, who belonged to a failed single-caste group of 12 Thakur women, discussed the detrimental impact of caste-based social norms on the functioning of her self-help group:

I: Why do you think the other group members lost interest in the group?
R: They started thinking that the whole thing was a hassle, they did not fully understand the advantages of being in a group, even if I tried to explain things to them, they did not make an effort to learn anything. They were all Thakur women, so they were more concerned about maintaining their reputations, they did not want to venture out of their homes lest people start pointing fingers at them.

The breaking apart of this self-help group due to a conflict between the mobility required of group members and the desire of upper-caste women to preserve their reputations by remaining within their homes is reminiscent of the upper-caste sentiment in Singwara, where not a single upper-caste woman had joined a self-help group. It is baffling that a credit-constrained, impoverished, upper-caste household would choose to maintain its caste status over an opportunity to gain access to collateral-free credit, but the significance of caste can be gauged from the testimony of a 45-year-old, Thakur respondent from Aari, which illustrates that social standing, which is primarily dictated by caste, particularly in rural India, is more significant than
financial stability:

We are not too distressed about our poverty because we still have social standing. Money is not as important as good social status. We do not have money, but whenever someone in the village hosts a social event, we are among the first ones to receive an invitation. These things are very important in villages. In sum, caste-based dynamics played a crucial role in self-help group formation and functioning in both villages. Impoverished women belonging to the lowest castes faced structural exclusion from self-help groups due to the norms of untouchability, while impoverished women from the highest castes practiced self-exclusion to retain their social status.

In this chapter, I presented study findings related to the degree of control exercised by respondents over their loans and income, as well as the formation and functioning of self-help groups. To understand the overall impact of programme participation in the next chapter, I will compile key learnings from the two findings chapters, and assess these in terms of the length of time spent in the programme and caste.

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107 Respondent code: 151028_014
Chapter 6: The Impact of Programme Participation – A Caste and Gender-based Discussion

6.1 Chapter introduction

This chapter compiles and discusses the findings from this research, and answers the research questions. More specifically, the findings of the two previous chapters—use of loan money, degree of control over income, and degree of control over loans—are measured against the duration of programme participation and caste to answer the first research question: *In what ways does the duration of programme participation impact women participants, particularly low-caste women, within the household and in the labour market?*

Furthermore, this chapter measures the impact of the duration of programme participation on the attitudes of respondents towards gender-based issues, such as dowry, ownership of land for women, and education of girls. These 3 factors were used to construct an index to determine the degree of gender-progressive thinking for each respondent, which was then assessed in terms of the length of programme participation.

6.2 Issues of data presentation and analysis

This chapter presents a series of graphs, which illustrate loan use, control over loans, control over income, and gender-progressive thinking by duration, as well as caste categories. The number of respondents in each category are:

<table>
<thead>
<tr>
<th>Duration category (in years)</th>
<th>Number of respondents from all castes</th>
<th>Sample size: 42 Population size: 202</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-3</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>3-5</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>5-7</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Above 7</td>
<td>8</td>
<td></td>
</tr>
</tbody>
</table>
### Table 6.1: Number of respondents in each duration and caste category

<table>
<thead>
<tr>
<th>Caste category</th>
<th>Number of respondents</th>
<th>Population size</th>
</tr>
</thead>
<tbody>
<tr>
<td>SC</td>
<td>19</td>
<td>74</td>
</tr>
<tr>
<td>ST</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>OBC</td>
<td>15</td>
<td>101</td>
</tr>
<tr>
<td>Upper-caste</td>
<td>6</td>
<td>21</td>
</tr>
</tbody>
</table>

### Table 6.2: Duration in programme by respondents in each caste

<table>
<thead>
<tr>
<th>Duration category (in years)</th>
<th>Number of SC respondents</th>
<th>Number of OBC respondents</th>
<th>Number of Upper-caste respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-3</td>
<td>8</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>3-5</td>
<td>4</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>5-7</td>
<td>7</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Above 7</td>
<td>0</td>
<td>7</td>
<td>1</td>
</tr>
</tbody>
</table>

I used percentages to construct graphs which illustrate research results for respondents from all castes. However, to construct graphs in which respondents are divided by duration and caste categories, I used numbers, instead of percentages. These subsets of respondents cannot be used to derive patterns or make generalisations due to their small size, but they can be used to identify outliers—defined as outstanding cases of success and failure—to make specific inferences.

### 6.3 Loan use by duration of programme participation

This section answers the first sub-question: *Are there differences in the ways in which women with varying durations of programme participation use their loans?* In order to examine if the use of loan money changed with an increase in years in the programme, respondents were grouped into the following categories: a) 0-3 years, b) 3-5 years, c) 5-7 years, and d) above 7 years. Figure 6.1 shows that meeting household expenses was the most commonly cited use of loan money by respondents across all categories. The proportion of respondents who used their
loans for productive purposes spiked in the 3-5 years category (60%), dwindled in the 5-7 years category (10%), and increased in the above 7 years category (38%). The use of loan money for medical expenses increased significantly from 36% of respondents with 0-3 years to 60% of respondents with 3-5 years. Furthermore, the proportion of respondents who used loans for medical expenses remained stable for respondents in the last 3 categories. The use of loans for wedding expenses spiked to 50% of respondents with more than 7 years from 10-20% of respondents with 0-7 years in the programme. The proportion of respondents who used their loans to avert crises increased from 14% in the 0-3 years category to 50% in the last 2 categories.

Figure 6.1: Loan use by duration of programme participation

As expected, a high proportion of respondents in the 0-3 years category used their loans to meet daily consumption needs (79%), and displayed a low propensity to use their loans for second-order consumption purposes, such as medical expenses (36%), wedding expenses (21%), and to avert crises (14%). On the other end of the spectrum, respondents in the above 7 years category continued to use their loans for daily consumption needs (75%), but showed a high
propensity to use loans for second-order consumption purposes: medical expenses (63%), wedding expenses (50%), and to avert crises (50%). Interestingly, however, Figure 6.1 does not show a significant increase in the proportion of respondents using loans for productive purposes with an increase in the duration of membership from 0-3 years to above 7 years.

With increasing lengths of time spent in self-help groups, members are expected to gradually shift from using their loans for consumption purposes to productive purposes. Interviews with key informants illustrate that under ideal circumstances, self-help group members are expected to begin using loans for livelihood activities after roughly 8-10 months of group membership. Assuming that a self-help group is composed of 10 members, who save Rs. 100 (CAD 2) per member per month, the group will begin saving at the rate of Rs. 1000 (CAD 20) per month. After three months, the group will have savings worth Rs. 3000 (CAD 60). However, this amount is insufficient for investment in livelihood activities, so the members will use it to make small, internal loans to meet their day-to-day consumption needs. After six months, with savings worth Rs. 6000 (CAD 120), members can make larger internal loans for second-order consumption purposes, such as school fees and medical expenses. Moreover, after six months, the group will be eligible to receive a bank loan of up to 10 times the total savings amount. If the group receives a bank loan of Rs. 60,000 (CAD 1,201), group members should start using their loans for livelihood activities.

However, in practice, this ideal pathway for self-help group members to graduate from subsistence loans to production loans is disrupted in several ways. Disruptions occur when a member’s household uses all its resources to avert, or endure, a crisis. A crisis is likely to cause a debt-free household to fall into debt, or a debt-ridden household to sink even further into debt, thus preventing the self-help group member from using her loans for productive purposes. Other
disruptions can occur when the self-help group lacks the capacity to apply for a bank loan, or when the bank refuses to give a loan to the group. The following two excerpts from interviews with key informants illustrate the unwillingness of bank managers to give loans to self-help groups despite being mandated by the Reserve Bank of India to do so:

But still if you ask me, the large majority of bankers still do not perceive SHGs as a business portfolio. They still perceive it as an obligation which they have to fulfill.

The financial institutions, mainstream financial institutions, still do not consider these people to be credit-worthy. . . . Because of Dholpur’s political economy, the bank managers who come to work here are not coming by choice, they do not want to work here, so it is a punishment posting. The attitude is that they can’t be sent to a worse place, so they don’t want to do anything, there’s no incentive. I am saying this on record that the bank managers say that the work we are asking them to do is non-productive for them. If they give loans to SHGs, what are they going to get out of it?

Disruptions, in the form of household crises and a lack of bank loans, constrained the capacity of respondents to graduate from consumptive to productive use of loans even after substantial lengths of time in the programme. There was, however, an increase in the capacity of respondents with longer durations of programme participation to use their loans for second-order consumption, such as medical and wedding expenses.

6.4 Loan use by caste

This section examines differences in loan use between respondents belonging to the 4 major caste categories: a) scheduled castes, b) scheduled tribes, c) other backward classes, and d) general or upper castes. Figure 6.2 shows that a high proportion of SC respondents used their loans to meet daily consumption needs (84%). Medical expenses constituted the most significant second-order consumption use of loans for SC respondents (53%), while productive purposes

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108 Reserve Bank of India is India’s central banking institution.
109 Anil Kumar Singh, a senior RGAVP official
110 Sanjay Sharma, team leader, Pradan, Dholpur
were only cited by roughly 21% of respondents in this category. Next, for the OBC respondents, daily consumption needs were the most commonly cited use of loans (80%). Respondents in this category showed a high propensity to use their loans for second-order consumption purposes: medical expenses (53%), wedding expenses (40%), and averting crises (53%). Moreover, a significant proportion of OBC respondents used their loans for productive purposes (47%). Akin to the previous caste categories, meeting daily consumption needs was the most common use of loan money for upper-caste respondents (50%). Second-order consumption uses in the form of medical expenses (33%), averting crises (33%), and repaying creditors (33%), as well as productive uses (33%), were reported by equal proportions of upper-caste respondents. Lastly, there were only 2 ST respondents in the dataset, so Figure 6.2 does not show loan use for this category. Both ST respondents used their loans for household and medical expenses, and one used her loans for production.

*Figure 6.2: Loan use by caste*

<table>
<thead>
<tr>
<th>Caste</th>
<th>Production</th>
<th>HH</th>
<th>Medical</th>
<th>Wedding</th>
<th>Crisis</th>
<th>Creditors</th>
<th>Building</th>
</tr>
</thead>
<tbody>
<tr>
<td>SC</td>
<td>20</td>
<td>30</td>
<td>40</td>
<td>50</td>
<td>10</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>OBC</td>
<td>30</td>
<td>50</td>
<td>30</td>
<td>20</td>
<td>10</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>General</td>
<td>30</td>
<td>50</td>
<td>30</td>
<td>20</td>
<td>10</td>
<td>10</td>
<td>0</td>
</tr>
</tbody>
</table>

Meeting daily consumption needs was the most commonly reported use of loan money for all 4 caste categories, although a lower proportion of upper-caste respondents used loans for
daily consumption as compared to SC and OBC respondents. Medical expenses were reported by more than half of the SC and OBC respondents, as well as one-third of the upper-caste respondents. More than half of the OBC respondents used loans to avert crises, while only one-third of the upper-caste respondents did so. The proportion of respondents who used their loans for productive purposes was lowest for the SC respondents (21%), followed by upper-caste (33%), and OBC (47%). These differences in patterns of loan use are further studied through examinations of each caste category by length of time in the programme.

The next 3 graphs (Figures 6.3, 6.4 and 6.5), one each for SC, OBC, and upper-caste respondents, illustrate loan use by duration of programme participation. Figure 6.3 shows that meeting daily consumption needs was the most commonly reported use of loan money by SC respondents across all categories of length of time in the programme. Second-order consumption uses in the form of medical expenses, averting crises, and building costs increased significantly for SC respondents with 5-7 years compared to SC respondents with 0-3 years in the programme. The proportion of SC respondents who used loans for productive purposes doubled across the 0-3 years to 3-5 years categories, but none of the SC respondents with 5-7 years used their loans for productive purposes.
Figure 6.3: Loan use by duration of programme participation, SC

Figure 6.4 shows that meeting daily consumption needs was the most commonly reported use of loans for OBC respondents across all categories of duration of programme participation. The figure also identifies 3 outliers: 1 respondent in the 0-3 years category and 2 respondents in the above 7 years category, who used their loans for production.

Figure 6.4: Loan use by duration of programme participation, OBC
Table 6.3 shows that the outliers were not educated, did not reside with their in-laws, and had supportive husbands. Supportive husbands are defined as husbands who supported the programme participation of their wives. However, there is a significant difference in the ages of the respondent in the 0-3 years category and the respondents in the above 7 years category. As discussed previously in chapter 5, women are likely to gain power within their households, and experience enhanced participation in household decision making, as they age. Therefore, the degree of control exercised by these respondents over their loans will be examined in the next section to understand if there were differences in the status of the young woman and the 2 older women within their households.

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Loan use</th>
<th>Duration of programme participation (in years)</th>
<th>Age</th>
<th>Education</th>
<th>Work</th>
<th>Residence with in-laws</th>
<th>Husband’s attitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>150929_003</td>
<td>Production</td>
<td>0-3</td>
<td>25</td>
<td>none</td>
<td>occasional daily wage labourer</td>
<td>no</td>
<td>supportive</td>
</tr>
<tr>
<td>151026_002</td>
<td>Production</td>
<td>Above 7</td>
<td>45</td>
<td>none</td>
<td>unemployed</td>
<td>no</td>
<td>supportive</td>
</tr>
<tr>
<td>151026_003</td>
<td>Production</td>
<td>Above 7</td>
<td>40</td>
<td>none</td>
<td>daily wage labourer</td>
<td>no</td>
<td>supportive</td>
</tr>
</tbody>
</table>

Figure 6.5 shows that 2 upper-caste respondents used their loans for production: 1 in the 3-5 years category and 1 in the above 7 years category. A profile of these 2 respondents is given below in order to understand the factors that allowed them to use their loans for productive purposes.
Table 6.4 shows that both respondents were in the age group of 40-45 years and had supportive husbands. However, the other factors—education, work, and residence with in-laws—are not common, which makes it necessary to examine the degree of control exercised by these respondents over their loans.

A study of loan use by caste and duration of programme participation has shown that respondents, within all caste categories, were more likely to use their loans for production if they were advanced in years, had stable employment, enjoyed the support of their husbands, and did not live with their in-laws. The two major findings of the overall assessment of loan use by length of time in the programme—a) the lasting significance of loan use for first-order
consumption across all duration categories, and b) an increase in the capacity of respondents to use loans for second-order consumption with increasing lengths of time in the programme—held true within each caste category as well.

6.5 Control over loans by duration of programme participation

This section answers the first half of the second sub-question: Does the control exercised by women over their loans and incomes increase with an increase in the duration of programme participation? Understanding the impact of increasing lengths of time in the programme on the degree of control exercised by respondents over their loans is complementary to understanding changes in loan use with time. Figure 6.6 shows that the proportion of respondents who did not exercise any control over their loans decreased significantly across the 0-3 years to above 7 years categories (64% to 13%). A corresponding pattern can be seen for respondents who exercised partial control over their loans; their proportion increased from 7% in the 0-3 years category to 63% in the above 7 years category. However, there was no significant increase in the proportion of respondents who exercised full control over their loans across the 4 categories of duration of participation. Moreover, none of the respondents with 3-5 years in the programme exercised full control over their loans.
6.6 Control over loans by caste

This section examines differences in the degree of control over loan use exercised by SC, ST, OBC, and upper-caste respondents. Figure 6.7 shows that roughly equal proportions of SC respondents exercised no control (42%) and partial control (47%) over their loans, while only one-tenth of SC respondents could exercise full control. Next, one-third of the OBC respondents had no control over their loans, less than half exercised partial control (47%), and more than one-tenth exercised full control (13%). None of the upper-caste respondents had no control over their loans, a significant proportion exercised partial control (67%), and 17% exercised full control. Furthermore, a comparison of degrees of control across castes shows a pattern of decline in the proportion of respondents who had no control over their loans across the SC, OBC, and upper-caste categories. Roughly half of the SC and OBC respondents exercised partial control, but this proportion increased to 67% for the upper-caste category. The proportion of respondents who
exercised full control over their loans remained relatively small, but increased by 3 percentage points across the SC to OBC, and OBC to upper-caste categories.

**Figure 6.7: Control over loans by caste**

The next 3 graphs (Figures 6.8, 6.9 and 6.10) illustrate control over loans by duration of programme participation for SC, OBC, and upper-caste respondents. Figure 6.8 shows that 2 SC respondents, one in the 0-3 years category and the other in the 5-7 years category, exercised full control over their loans.

**Figure 6.8: Control over loans by duration of programme participation, SC**
Table 6.5 shows that both respondents were young, had an independent income, and did not reside with their in-laws. Moreover, the absence of the husband was also a common factor for both outliers. The first respondent’s husband was non-supportive, but he was absent from home for most of the year since he worked as a migrant labourer in a distant city. While the absence of the non-supportive husband is significant, it does not fully explain the respondent’s autonomy over her loan money. Indeed, there are several examples in this research where husbands worked in distant cities, but the respondents could only exercise partial control over their loans. The other pieces in this puzzle are the respondent’s education, a job with the federation, and exceptionally progressive thinking about gender-based issues.

Table 6.5: Profile of outliers – Control over loans by duration of programme participation, SC

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Control over loans</th>
<th>Duration of programme participation (in years)</th>
<th>Age</th>
<th>Education</th>
<th>Work</th>
<th>Residence with in-laws</th>
<th>Husband’s attitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>151004_004</td>
<td>full</td>
<td>0-3</td>
<td>22-23</td>
<td>10</td>
<td>Federation employee</td>
<td>no</td>
<td>not supportive</td>
</tr>
<tr>
<td>151028_013</td>
<td>full</td>
<td>5-7</td>
<td>30</td>
<td>none</td>
<td>Cultivator</td>
<td>no</td>
<td>passed away</td>
</tr>
</tbody>
</table>

Figure 6.9 shows the degree of control over loans exercised by OBC respondents in the 4 duration categories. In the above 7 years category, 1 respondent had no control, while 2 respondents had full control over their loans. It is important to examine the experiences of these respondents to understand the factors which led to diametrically opposite degrees of loan control within the same caste and duration categories.
Table 6.6 shows that the respondent with no control over her loans was 45 years old, uneducated, unemployed, did not reside with her in-laws, and had a supportive husband.

Surprisingly, one of the respondents with full control over her loans was also uneducated, unemployed, and did not reside with her in-laws, but the following interview excerpt suggests that the support of her fellow group members allowed her to have autonomy over her loans:

He is okay now, but he objected quite a lot in the beginning\(^{111}\). My father-in-law was also against it, he used to create a huge ruckus. But the other women in the group supported me, especially Lakshmi *behenji*\(^{112}\). This used to be a common problem in most women’s homes, so we supported one another through those tough times.

### Table 6.6: Profile of outliers – Control over loans by duration of programme participation, OBC

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Control over loans</th>
<th>Duration of programme participation (in years)</th>
<th>Age</th>
<th>Education</th>
<th>Work</th>
<th>Residence with in-laws</th>
<th>Husband’s attitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>151026_002</td>
<td>no</td>
<td>Above 7</td>
<td>45</td>
<td>none</td>
<td>Unemployed</td>
<td>no</td>
<td>Supportive</td>
</tr>
<tr>
<td>150924_004</td>
<td>full</td>
<td>Above 7</td>
<td>55</td>
<td>9</td>
<td>Federation employee</td>
<td>no</td>
<td>Supportive</td>
</tr>
<tr>
<td>151031_003</td>
<td>full</td>
<td>Above 7</td>
<td>30</td>
<td>none</td>
<td>Unemployed</td>
<td>no</td>
<td>Tolerant</td>
</tr>
</tbody>
</table>

\(^{111}\) The respondent is referring to her husband’s attitude towards her group membership.  
\(^{112}\) Name changed to protect identity. Lakshmi was a high-ranking federation employee in Aari.
Figure 6.10 shows that there was only 1 upper-caste respondent across the 4 duration categories who exerted full control over her loans, while the other 4 respondents had partial control over their loans. A closer glance shows that the respondent with full loan control was middle-aged, unemployed, did not reside with her in-laws, and had an apathetic husband (see Table 6.7). The following interview excerpt illustrates that in spite of the presence of her husband, the respondent was the *de facto* head of the household, and therefore, responsible for taking major decisions regarding financial resources:

Most of the time my husband doesn’t do anything, he roams around without a purpose, sometimes he takes up a little work, at other times he drinks all day and abuses me when he gets home . . . . The household is running on the earnings of my elder son, my husband doesn’t do anything. As far as my children, my daughter-in-law, and my grandchildren are concerned, I am the head of the household.

**Figure 6.10: Control over loans by duration of programme participation, Upper-caste**

**Table 6.7: Profile of outlier – Control over loans by duration of programme participation, Upper-caste**

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Control over loans</th>
<th>Duration of programme participation (in years)</th>
<th>Age</th>
<th>Education</th>
<th>Work</th>
<th>Residence with in-laws</th>
<th>Husband’s attitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>151029_022</td>
<td>full</td>
<td>5-7</td>
<td>55</td>
<td>5</td>
<td>Unemployed</td>
<td>No</td>
<td>Apathetic</td>
</tr>
</tbody>
</table>
The examination of loan control has shown that there was an overall decrease in the proportion of respondents who had no control over their loans, as well as a corresponding increase in the proportion of respondents who exercised partial control over their loans, with increasing lengths of time spent in the programme. However, the duration of programme participation did not have a discernible impact on the capacity of respondents to exercise full control over their loans. Furthermore, a caste-based study of loan control shows that respondents within each caste category were more likely to exercise partial control, rather than no or full control, over their loans. For each caste, the most significant factors for respondents to exert full control over their loans were: a) absence of husbands, b) not residing with in-laws, and c) support of fellow group members.

6.7 Control over income by duration of programme participation

This section answers the second half of the second sub-question: *Does the control exercised by women over their loans and incomes increase with an increase in the duration of programme participation?* The second indicator, control over income, is used to understand changes in the participation of respondents in household decision making with increasing lengths of time spent in the programme. Figure 6.11 shows the number of respondents who exercised no, partial, and full control over their incomes by the four duration categories. Figure 6.11 shows that only 1 respondent out of a total of 5 in the above 7 years category could exercise full control over her income. On the other end of the spectrum, 2 respondents in the 0-3 years category had full control over their income.
The profiles of these 3 outliers indicate the particular reasons for the exceptional degrees of control over income exercised by these women: Table 6.8 shows that the 2 respondents with full control over their income in the 0-3 years category were young, educated, federation employees, and did not reside with their in-laws. One respondent’s husband was not supportive of her participation in the programme, but he worked in a distant city as a migrant labourer for most of the year. The outlier in the above 7 years category was not educated, worked as a daily wage labourer, did not reside with her in-laws, and enjoyed the support of her husband.

**Table 6.8: Profile of outliers – control over income by duration of programme participation**

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Control over income</th>
<th>Duration of programme participation (in years)</th>
<th>Age</th>
<th>Caste</th>
<th>Education</th>
<th>Work</th>
<th>Residence with in-laws</th>
<th>Husband’s attitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>150929_005</td>
<td>Full</td>
<td>0-3</td>
<td>35-36 ST</td>
<td>10</td>
<td>Federation employee</td>
<td>No</td>
<td>Exceptionally supportive</td>
<td></td>
</tr>
<tr>
<td>151004_004</td>
<td>Full</td>
<td>0-3</td>
<td>22-23 SC</td>
<td>10</td>
<td>Federation employee</td>
<td>No</td>
<td>Not supportive</td>
<td></td>
</tr>
<tr>
<td>151026_003</td>
<td>Full</td>
<td>Above 7</td>
<td>40   OBC</td>
<td>None</td>
<td>Daily wage labourer</td>
<td>No</td>
<td>Supportive</td>
<td></td>
</tr>
</tbody>
</table>
6.8 Control over income by caste

This section examines differences in the degree of control over income exercised by SC, ST, OBC, and upper-caste respondents. Figure 6.12 shows the following outliers: 4 SC respondents with no control, and 2 with full control over their incomes. In the upper-caste category, 1 respondent had no control, and 1 had full control over her income. Table 6.9 shows that all 4 SC respondents with no control over their income were young, 3 had completed at least 5 years of schooling, 2 did not reside with their in-laws, and 3 had supportive husbands. On the other hand, both SC respondents with full control over their incomes did not reside with their in-laws. Moreover, the husbands of both respondents were absent: one had passed away and the other worked as a migrant labourer in a distant city.

Next, the 2 upper-caste respondents with no control and full control over their incomes were similar in all aspects: both were young, had completed 8 years of schooling, did not reside with in-laws, and had supportive husbands. Although the reason for this difference is not clear from the data, consider that the respondent with no control over her income was married at an exceptionally young age of 13 years\(^{113}\). Moreover, the following excerpt from an interview with this respondent’s husband suggests that she was expected to conceive soon after the marriage, “We could only manage to have a child after 10-11 years of marriage, so I had to spend a lot of money on my wife's treatment and delivery”\(^{114}\). It may be that an early marriage, combined with a decade of fertility treatments and familial pressure to conceive, prevented this respondent from exercising her agency.

\(^{113}\) The legal age of marriage in India is 18 years.

\(^{114}\) Surgical sterilisation of women once they had given birth to the desired number of children was the only method of contraception reported by respondents in both villages.
Figure 6.12: Control over income by caste

Table 6.9: Profile of outliers – control over income by caste

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Control over income</th>
<th>Caste</th>
<th>Age</th>
<th>Education</th>
<th>Work</th>
<th>Residence with in-laws</th>
<th>Husband’s attitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>150929_007</td>
<td>no</td>
<td>SC</td>
<td>31</td>
<td>8</td>
<td>Self-employed</td>
<td>no</td>
<td>supportive</td>
</tr>
<tr>
<td>151001_003</td>
<td>no</td>
<td>SC</td>
<td>25</td>
<td>5</td>
<td>Daily wage labourer</td>
<td>yes</td>
<td>supportive</td>
</tr>
<tr>
<td>150924_001</td>
<td>no</td>
<td>SC</td>
<td>24</td>
<td>10</td>
<td>Federation employee</td>
<td>yes</td>
<td>not supportive</td>
</tr>
<tr>
<td>151029_020</td>
<td>no</td>
<td>SC</td>
<td>21-22</td>
<td>none</td>
<td>Self-employed</td>
<td>no</td>
<td>supportive</td>
</tr>
<tr>
<td>151004_004</td>
<td>full</td>
<td>SC</td>
<td>22-23</td>
<td>10</td>
<td>Federation employee</td>
<td>no</td>
<td>not supportive</td>
</tr>
<tr>
<td>151028_013</td>
<td>full</td>
<td>SC</td>
<td>30</td>
<td>none</td>
<td>Cultivator</td>
<td>no</td>
<td>passed away</td>
</tr>
<tr>
<td>151028_017</td>
<td>no</td>
<td>Upper caste</td>
<td>26-27</td>
<td>8</td>
<td>Self-employed</td>
<td>no</td>
<td>supportive</td>
</tr>
<tr>
<td>151028_016</td>
<td>full</td>
<td>Upper caste</td>
<td>30</td>
<td>8</td>
<td>Tailor</td>
<td>no</td>
<td>supportive</td>
</tr>
</tbody>
</table>

The next 3 graphs (Figures 6.13, 6.14 and 6.15), one each for SC, OBC, and upper-caste respondents, illustrate control over income by duration of programme participation. Figure 6.13 shows that one SC respondent in the 0-3 years category, and another in the 5-7 years category, exercised full control over their income. It is important to understand the reasons for their
autonomy, as well as the reasons for the lack of autonomy of the respondent who had no control over her income even after 5-7 years in the programme.

Figure 6.13: Control over income by duration of programme participation, SC

Table 6.10 describes the outliers identified above. Significantly, the 2 SC outliers with full control over their income were also identified previously as outlier SC respondents who exercised full control over their loans (see Table 6.5). The reasons discussed above for their autonomy over loans—the absence of in-laws and husbands—are applicable here as well. The respondent with no control over her income was young, uneducated, self-employed, did not reside with her in-laws, and had a supportive husband. However, she was married at 12-13 years of age, which might have negatively affected her capacity to exercise her agency.
Table 6.10: Profile of outliers – Control over income by duration of programme participation, SC

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Control over income</th>
<th>Duration of programme participation (in years)</th>
<th>Age</th>
<th>Education</th>
<th>Work</th>
<th>Residence with in-laws</th>
<th>Husband’s attitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>151004_004</td>
<td>full</td>
<td>0-3</td>
<td>22-23</td>
<td>10</td>
<td>Federation employee</td>
<td>no</td>
<td>Not supportive</td>
</tr>
<tr>
<td>151029_020</td>
<td>no</td>
<td>5-7</td>
<td>21-22</td>
<td>none</td>
<td>Self-employed</td>
<td>no</td>
<td>Supportive</td>
</tr>
<tr>
<td>151028_013</td>
<td>full</td>
<td>5-7</td>
<td>30</td>
<td>none</td>
<td>Cultivator</td>
<td>no</td>
<td>Passed away</td>
</tr>
</tbody>
</table>

Figure 6.14 shows that 2 OBC respondents—one in the 3-5 years category and one in the above 7 years category—could exercise full control over their income. A study of their profiles reveals that both were 40 years old, uneducated, and had supportive husbands (see Table 6.11). One respondent lived with her in-laws, while the other did not. However, the respondent who lived with her in-laws did not have to contend with her mother-in-law as she had passed away. As discussed previously, the mother-in-law’s presence is one of the most significant obstacles to a woman’s autonomy in rural South Asia.

*Figure 6.14: Control over income by duration of programme participation, OBC*
Table 6.11: Profile of outliers – Control over income by duration of programme participation, OBC

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Control over income</th>
<th>Duration of programme participation (in years)</th>
<th>Age</th>
<th>Education</th>
<th>Work</th>
<th>Residence with in-laws</th>
<th>Husband’s attitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>151029_019</td>
<td>full</td>
<td>3-5</td>
<td>40</td>
<td>none</td>
<td>self-employed</td>
<td>yes</td>
<td>supportive</td>
</tr>
<tr>
<td>151026_003</td>
<td>full</td>
<td>above 7</td>
<td>40</td>
<td>none</td>
<td>daily wage labourer</td>
<td>no</td>
<td>supportive</td>
</tr>
</tbody>
</table>

Figure 6.15 shows that only one upper-caste respondent across the 4 duration categories could exercise full control over her income. She was 30 years old, had completed 8 years of schooling, did not reside with her in-laws, and had a supportive husband (see Table 6.12). Moreover, this respondent’s capacity to exercise her agency could have increased due to land ownership: “My father-in-law passed away recently, so my husband and his elder brother decided to divide the land among themselves. I got a portion of the land during that process because it costs less to register land in a woman’s name in Rajasthan”. Indeed, Rajasthan, along with a few other Indian states, offers lower mortgages and cheaper registration of property in women’s names to address dismal rates of women’s land ownership in India. The financial incentives for women’s land ownership notwithstanding, only 2 out of 46 respondents in this study owned land.

Figure 6.15: Control over income by duration of programme participation, Upper-caste
Table 6.12: Profile of outlier – Control over income by duration of programme participation, Upper-caste

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Control over income</th>
<th>Duration of programme participation (in years)</th>
<th>Age</th>
<th>Education</th>
<th>Work</th>
<th>Residence with in-laws</th>
<th>Husband’s attitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>151028_016</td>
<td>full</td>
<td>5-7</td>
<td>30</td>
<td>8</td>
<td>Tailor</td>
<td>no</td>
<td>supportive</td>
</tr>
</tbody>
</table>

An examination of control over income has shown that young respondents who did not reside with in-laws, and had education, stable employment, and supportive or absent husbands, were more likely to exercise full control over their income. Older respondents could exercise full control over their income without education and stable employment as long as they did not reside with their in-laws and had supportive husbands. The duration of programme participation did not seem to have a significant impact on the control exercised by respondents over their income.

A caste-based examination of control over income has shown that SC respondents with no control over their income were likely to be young. On the other end of the spectrum, the absence of the husband and in-laws were the 2 most significant factors for SC respondents to exercise full control over their income. Similarly, OBC and upper-caste respondents, who were advanced in years, with supportive husbands and absent mothers-in-law, were more likely to fully control their income. Moreover, land ownership, a rare privilege for women of this demographic, had a significant and positive impact on control over income. Finally, respondents across all caste categories who were married during pre-adolescence (10-13 years) were unlikely to exercise any control over their income even when other factors were in their favour. Although I did not directly study the impact of age at marriage on the capacity of respondents to control their financial resources, it emerged as a significant indicator of women’s agency, and, as such, warrants further research.
### 6.9 Gender-progressive thinking

This section answers the third sub-question: *Does the duration of programme participation have an impact on the attitudes of participants towards gender-based social issues, such as dowry, education, and land ownership for women?* To answer this question, I constructed an index of gender-progressive thinking, and measured it against the duration of programme participation. To construct the index, I assigned scores to respondents based on their answers to each of the following questions:

1. What are your views on dowry?
2. Do you think women should own land?
3. What are your views on the education of women?

The assignment of scores was rooted in the Gender and Development (GAD) theoretical framework\(^{115}\). More specifically, the scores were based on the concept of *agency*, defined by Kabeer (2005) as the process of making choices which challenge the inequalities in existing power relations. Therefore, negative responses, defined as answers in which respondents accepted the socially inferior position accorded to women, were given 0 points. Moderate responses, in which respondents disagreed with, but were resigned to oppressive social practices against women, were given 1 point. Positive responses, in which respondents expressed strong views against and talked about the need to change oppressive practices which target women, were given 2 points. For each question, examples of the 3 kinds of responses are given in Table 6.13.

\(^{115}\) For a detailed discussion of GAD, see chapter 2.
Table 6.13: Examples of negative, moderate, and positive gender-progressiveresponses

**Question 1:** What are your views on dowry?

<table>
<thead>
<tr>
<th>Negative response</th>
<th>What can I say? That depends on the families that are involved in this give-and-take.</th>
</tr>
</thead>
<tbody>
<tr>
<td>150930_006</td>
<td></td>
</tr>
<tr>
<td>Moderate response</td>
<td>When people ask for too much, it is wrong. But it is all right if it remains within a reasonable limit.</td>
</tr>
<tr>
<td>150930_001</td>
<td></td>
</tr>
<tr>
<td>Positive response</td>
<td>This tradition should be stopped. People have to spend Rs 5-10 lakh on the weddings of their daughters. Some people can afford it, but others cannot. This should not happen at all, I’ll be very happy if it is stopped.</td>
</tr>
<tr>
<td>150928_002</td>
<td></td>
</tr>
</tbody>
</table>

**Question 2:** Do you think women should own land?

<table>
<thead>
<tr>
<th>Negative response</th>
<th>If the woman owns land, and she has a fight with her husband, the woman can easily leave her husband’s home with the land to her name. What will the husband eat then?</th>
</tr>
</thead>
<tbody>
<tr>
<td>151001_009</td>
<td></td>
</tr>
<tr>
<td>Moderate response</td>
<td>(laughs) Yes, women should own land, but the men will never agree to it.</td>
</tr>
<tr>
<td>150928_002</td>
<td></td>
</tr>
<tr>
<td>Positive response</td>
<td>Yes, women work as hard as men. They should have land to their name. When we manage to build our house, it will be registered in my name also.</td>
</tr>
<tr>
<td>150929_005</td>
<td></td>
</tr>
</tbody>
</table>

**Question 3:** What are your views on the education of women?

<table>
<thead>
<tr>
<th>Negative response</th>
<th>There was no negative response to this question.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate response</td>
<td>R: Girls should study.  I: Why do you think so?  R: So they can look after their husband, in-laws, and children, an educated girl will ensure that her children go to school.</td>
</tr>
<tr>
<td>151029_021</td>
<td></td>
</tr>
<tr>
<td>Positive response</td>
<td>I: Do you think education is important for girls?  R: Yes, absolutely, girls are as good as boys, they can do whatever boys can do.</td>
</tr>
<tr>
<td>151029_022</td>
<td></td>
</tr>
</tbody>
</table>

Next, the scores given to individual questions were added to derive a composite score for each respondent. The 25th, 50th, and 75th percentiles of the composite scores were calculated, and the respondents were categorised as not progressive, moderately progressive, and most progressive corresponding to the position of their composite scores within the 3 quartiles.
6.10 Gender-progressive thinking by duration of programme participation

Along with poverty reduction, the other major goal of microcredit programmes is the empowerment of women, particularly in rural areas of the developing world\textsuperscript{116}. As such, women participants are expected to become increasingly progressive in their thinking about gender-based issues with increasing lengths of time in the programme. Figure 6.16 shows that the proportion of respondents who were not progressive decreased from nearly 36\% in the 0-3 years category to 25\% in the above 7 years category. The proportion of respondents with moderately progressive thinking increased from roughly 21\% to 38\%, but the proportion of most progressive respondents decreased from 43\% to 38\% across the 4 duration categories. Although the reason for decreasing proportions of most-progressive respondents with increasing durations of programme participation is not clear from the study, it is advantageous for older women to subscribe to traditional attitudes and practices towards gender, which lead to an increase in the agency of women as they age.

\textit{Figure 6.16: Gender-progressive thinking by duration of programme participation}

\textsuperscript{116} For a detailed discussion of poverty reduction and empowerment of women through microcredit, see chapter 2.
6.11 Gender-progressive thinking by caste

In addition to examining the impact of the length of programme participation, it is important to understand whether differences in caste membership had an impact on gender-progressive thinking for members of self-help groups. Figure 6.17 shows high proportions of non-progressive OBC (53%) and upper-caste (67%) respondents as compared to non-progressive SC respondents (22%). Moreover, the highest proportion of most progressive respondents was found in the SC category (44%). These findings are consistent with the norms governing castes. Maintained through ideas of purity, caste hierarchy dictates members of upper-castes to have as little contact as possible with members of low-castes to prevent contamination. These ideas of purity, combined with patriarchal customs, such as ghoonghat, place the burden of preserving the family’s honour on women\textsuperscript{117}. This burden is much heavier for upper-caste women, compared to low-caste women, since a disregard of caste-based segregation norms and patriarchal customs is likely to lead to a loss in social status for upper-caste women. On the other hand, low caste women are more likely to challenge caste-based norms and patriarchal customs, which dictate their place at the bottom of social hierarchy. Therefore, upper-caste women tend to be more conservative than low-caste women.

\textsuperscript{117} The custom of ghoonghat requires married women to cover their faces with a long scarf, sheet, or a part of a sari.
The next three graphs (Figures 6.18, 6.19 and 6.20) illustrate gender-progressive thinking by duration of programme participation for SC, OBC, and upper-caste respondents. The graph for SC respondents shows that 3 respondents with 0-3 years in the programme were most progressive (see Figure 6.18). In the 5-7 years category, the longest duration for SC respondents, one respondent was not progressive while 3 were most progressive. An examination of the profiles of these outliers reveals that the 3 most progressive respondents in the 0-3 years category were young, and had some education (see Table 6.14). Two of the 3 respondents were federation employees, which is likely to have a positive impact on gender-progressive thinking. Furthermore, respondents in this category were progressive despite residing with their in-laws and having non-supportive husbands.

In the 5-7 years category, the non-progressive respondent was 60 years old, unemployed, did not reside with in-laws, and had some education, as well as a supportive husband (see Table 6.14). Two of the most progressive respondents in this duration category were unemployed,
had no education, and 2 did not reside with their in-laws. Furthermore, one of the husbands was not supportive, one had passed away, and one was supportive.

Figure 6.18: Gender-progressive thinking by duration of programme participation, SC

Table 6.14: Profile of outliers – Gender-progressive thinking by duration of programme participation, SC

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Index category</th>
<th>Duration of programme participation (in years)</th>
<th>Age</th>
<th>Education</th>
<th>Work</th>
<th>Residence with in-laws</th>
<th>Husband’s attitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>150929_002</td>
<td>most</td>
<td>0-3</td>
<td>22</td>
<td>11</td>
<td>Federation employee</td>
<td>yes</td>
<td>succumbs to rumours</td>
</tr>
<tr>
<td>151001_003</td>
<td>most</td>
<td>0-3</td>
<td>25</td>
<td>5</td>
<td>Daily wage labourer</td>
<td>yes</td>
<td>supportive</td>
</tr>
<tr>
<td>151004_004</td>
<td>most</td>
<td>0-3</td>
<td>22-23</td>
<td>10</td>
<td>Federation employee</td>
<td>no</td>
<td>not supportive</td>
</tr>
<tr>
<td>151001_009</td>
<td>not</td>
<td>5-7</td>
<td>60</td>
<td>5</td>
<td>Unemployed</td>
<td>no</td>
<td>not supportive</td>
</tr>
<tr>
<td>150930_004</td>
<td>most</td>
<td>5-7</td>
<td>36</td>
<td>5</td>
<td>Unemployed</td>
<td>yes</td>
<td>supportive</td>
</tr>
<tr>
<td>151028_012</td>
<td>most</td>
<td>5-7</td>
<td>50</td>
<td>none</td>
<td>Unemployed</td>
<td>no</td>
<td>not supportive</td>
</tr>
<tr>
<td>151028_013</td>
<td>most</td>
<td>5-7</td>
<td>30</td>
<td>none</td>
<td>Cultivator</td>
<td>no</td>
<td>passed away</td>
</tr>
</tbody>
</table>
Figure 6.19 shows gender-progressive thinking by duration of programme participation for OBC respondents. In the 0-3 years category, there was one most progressive respondent, while in the above 7 years category, there were 2 non-progressive and 2 most progressive respondents. The most progressive respondent in the 0-3 years category was young, uneducated, employed, resided with her in-laws, and had a supportive husband (see Table 6.15). The 2 non-progressive respondents in the above 7 years category were not educated and did not reside with their in-laws. One of them was employed and had a supportive husband, while the other was unemployed and had a tolerant husband. The 2 most progressive respondents were uneducated and did not reside with their in-laws. The older of the two was an unemployed widow, while the younger respondent was a daily wage labourer with a supportive husband.

Figure 6.19: Gender-progressive thinking by duration of programme participation, OBC
Table 6.15: Profile of outliers – Gender-progressive thinking by duration of programme participation, OBC

<table>
<thead>
<tr>
<th>Respondent code</th>
<th>Index category</th>
<th>Duration of programme participation (in years)</th>
<th>Age</th>
<th>Education</th>
<th>Work</th>
<th>Residency with in-laws</th>
<th>Husband’s attitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>150928_001</td>
<td>most</td>
<td>0-3</td>
<td>25-26</td>
<td>none</td>
<td>Daily wage labourer</td>
<td>yes</td>
<td>supportive</td>
</tr>
<tr>
<td>151026_003</td>
<td>not</td>
<td>above 7</td>
<td>40</td>
<td>none</td>
<td>Daily wage labourer</td>
<td>no</td>
<td>supportive</td>
</tr>
<tr>
<td>151031_003</td>
<td>not</td>
<td>above 7</td>
<td>30</td>
<td>none</td>
<td>Unemployed</td>
<td>no</td>
<td>tolerant</td>
</tr>
<tr>
<td>151003_002</td>
<td>most</td>
<td>above 7</td>
<td>60</td>
<td>none</td>
<td>Unemployed</td>
<td>no</td>
<td>passed away</td>
</tr>
<tr>
<td>151003_003</td>
<td>most</td>
<td>above 7</td>
<td>28</td>
<td>none</td>
<td>Daily wage labourer</td>
<td>no</td>
<td>supportive</td>
</tr>
</tbody>
</table>

Figure 6.20 shows gender-progressive thinking by duration of programme participation for upper-caste respondents. A single upper-caste respondent was categorised as most progressive across the 4 duration categories. Table 6.16 shows that she was 40 years old, educated, employed by the federation, did not reside with her in-laws, and had an exceptionally supportive husband. Moreover, in addition to being a self-help group member for 12 years and owning a dairy, this respondent held a high-ranking position with the federation. The focus of her work with the federation was to provide training to self-help group members to run village organisations\(^\text{118}\). And as she herself had to undertake gender-sensitive training programmes in order to perform her work, she was acutely aware of gender-based issues, which made her one of the most gender-progressive respondents in this study.

\(^{118}\) A village organisation, or gram sangathan, is composed of 1-2 members from all self-help groups in a given village.
An examination of gender-progressive thinking by duration of programme participation has shown that the length of time spent in the programme had a moderating effect on the first 2 categories of the index of gender-progressive thinking. The proportion of non-progressive respondents decreased, and the proportion of respondents with moderately-progressive thinking increased, with increasing lengths of time spent in the programme. However, the proportion of respondents in the radical category, that is, most-progressive, decreased with a substantial increase in the duration of programme participation.
A caste-based study of gender-progressive thinking has shown that OBC and upper-caste respondents were more likely to be non-progressive as compared to SC respondents. Moreover, SC respondents were more likely to be most-progressive as compared to OBC and upper-caste respondents. Indeed, as discussed previously in this section, upper-caste women have more to gain by adherence to non-progressive attitudes towards caste and gender, while the opposite is true for SC women. Furthermore, the most-progressive SC respondents in the initial years of programme participation were likely to be young, educated, and federation employees. Although education remained an insignificant indicator of the degree of gender-progressive thinking for most caste and duration categories, it seemed to have a positive impact when combined with federation work. Additionally, the most-progressive SC respondents with 5-7 years in the programme were likely to be older, have supportive or absent husbands, and to reside away from in-laws. For OBC respondents, it was not possible to gain a similar understanding due to a significant diversity in the profiles of OBC outliers. This finding suggests that the study did not capture the factors which can impact gender-progressive thinking in their entirety.
Chapter 7: Conclusions

7.1 Research questions and main findings of the study

This section revisits the research questions and discusses the main findings of the study. The first question is: In what ways does the duration of programme participation impact women participants, particularly low-caste women, within the household and in the labour market? This question is divided into 3 sub-questions, which are answered one by one in the next 3 sub-sections. From there, the section addresses the second research question: What role do personal relationships and caste-based hierarchies play in the formation and functioning of borrower groups?

Are there differences in the ways in which women with varying durations of programme participation use their loans?

This discussion is divided into 3 categories of loan use: first-order consumption, second-order consumption, and production. The data show that first-order consumption in the form of household expenses was the most commonly cited use of loan money by respondents across all categories of duration of programme participation, that is, ranging from a few months to more than 7 years of programme participation. An examination of loan use by caste also shows that meeting household expenses was the most common use of loan money for respondents belonging to all castes. This finding is in contradiction to the expectation from members of self-help groups to graduate from subsistence loans to production loans within 1-2 years of group membership\(^\text{119}\). This study shows that the ideal pathway of graduation from subsistence to production use of loans can be disrupted in many ways. One of the major disruptions for respondents took the form

\(^{119}\) Key informant interview with an RGAVP official.
of household crisis, that is, a situation in which a household failed to meet a substantial expense through its usual financial resources, such as the combined wages of household members. The discussion of crises in chapter 4 illustrates that medical expenses were the most common cause of household crises for respondents in both villages. Furthermore, the discussion of loan use in chapter 6 shows that a significant proportion of respondents across all duration and caste categories used their self-help group loans to meet medical expenses, which suggests that respondent households could not rely on the wages of household members to meet medical expenses. Respondent households also fell into crises due to wedding expenses, particularly when respondents were responsible for the wedding of a daughter or a close female relative, such as a sister-in-law. However, only an insignificant proportion of respondents used group loans for averting or dealing with household crises. This is due to the inadequacy of self-help group loans in terms of size and timely availability to avert crises. Therefore, even when respondents used group loans during crises, these were often meant to supplement substantial sums of money amassed through informal sources of credit, such as village moneylenders, relatives, and neighbours.

On the other hand, when medical and wedding expenses did not push households into crises, they became the most significant second-order consumption uses of loans for respondents in this study. While the use of loans for first-order consumption remained significant for respondents in all duration categories, there was an increase in the capacity of respondents to use loans for second-order consumption with increasing lengths of time spent in the programme. Furthermore, an examination of loan use by caste and duration shows an increase in the capacity of SC and OBC respondents to use their loans for second-order consumption with increasing lengths of time spent in the programme. These findings are unsurprising since respondents are
expected to acquire progressively larger loans with increasing lengths of time due to a corresponding growth in group savings, as well as group loans from formal sector banks.

However, study findings do not show a pattern of increase in the proportion of respondents who used loans for productive purposes with increasing lengths of time spent in the programme. Rather, there were scattered cases of respondents with diverse backgrounds in terms of duration of programme participation, as well as caste, who used their loans for productive purposes. A study of the individual profiles of respondents who used their loans for productive purposes revealed differences in age, caste, education, employment, residential arrangement, and husband’s attitude towards respondent’s participation in the programme. Despite this diversity, there seemed to be 3 significant pre-conditions for women to use their loans for productive purposes: middle or old age, not residing with in-laws, and supportive or absent husbands. At the same time, however, the diversity in the profiles of respondents who used their loans productively indicates that this part of the first research question, which examines loan use, cannot be considered independently of the next part, which questions the control exercised by women over their loans. For instance, it is probable that young respondents with less than 1 year of group membership, who reported using their loans for production, were merely acting as conduits for conveying credit to other household members—husbands or in-laws—who used the loans for production.

Although I divided the discussion in this section into 3 categories of loan use, it is worthwhile to recall, as discussed in chapter 4, that the distinction between loans used for consumption and production is often blurred for impoverished households. For instance, loans used to meet the medical expenses of sick wage earners in poor households must be considered productive inasmuch as they are an investment in restoring the earning capacity of a household
member whose wages are critical to the running of the household.

**Does the control exercised by women over their loans and incomes increase with an increase in the duration of programme participation?**

There was a significant decrease in the proportion of respondents who had no control over their loans with increasing durations of programme participation. Corollary to this, the proportion of respondents who exercised partial control over their loans rose significantly with increasing durations of programme participation. However, a similarly encouraging trend was not observed for respondents who exercised full control over their loans. This finding is unsurprising given the deeply-entrenched patriarchal social framework, which constrains the agency of women. Indeed, the degree of control exercised by women over their loans is often subject to the benevolence of household members with traditionally ascribed powers of control over resources, such as husbands and in-laws. Women usually gain some agency over financial resources as they age. Seniority in age gives them partial control over their loans, but they are unable to gain full control as they remain in subordinate relationships with their husbands and in-laws. Also, while the length of time spent in the programme did not seem to have a discernible impact on the capacity of respondents to exercise full control over their loans, the absence of husbands and in-laws emerged as the most significant common factors among respondents who fully controlled their loans.

An examination of loan control by caste shows that significant proportions of respondents belonging to SC, OBC, and upper-castes exercised partial control over their loans. Moreover, within each caste category, respondents were less likely to fully control their loans. A study of outliers—respondents who exercised unexpectedly high or low degrees of control over their loans with respect to the length of time spent in the programme—within each caste revealed the
necessary pre-conditions for respondents to exercise full control over their loans. To exert full control over loans, it was important for SC respondents to have an absent husband, an independent source of income, and to not reside with in-laws. For OBC respondents, it was important to have more than 7 years in the programme, an education, an independent income, a supportive or tolerant husband, and to not reside with in-laws. Additionally, a single factor—the support of fellow group members and advocacy by a senior, upper-caste, federation employee—compensated for the lack of education and independent income to enable an OBC respondent to exert full control over her loans. The only upper-caste respondent to exercise full control over her loans was middle-aged, had been a self-help group member for 5-7 years, and did not reside with her in-laws. Most significantly, however, she could fully control her financial resources as her husband’s apathy and irresponsible behaviour made her the de facto head of the household. The profiles of outliers show that the most significant factors which enabled respondents to exercise full control over their loans were: middle-age, not residing with in-laws, the physical or effective absence of the husband, and the banding together of group members to resist familial opposition to group membership.

Given the small subset of employed respondents within the overall dataset, I was unable to derive trends of control over income by duration of programme participation and caste. However, lessons from outliers—respondents with exceptional degrees of control over their income—indicate that the factors identified above in cases of exceptional control over loans were significant pre-conditions for respondents to exercise full control over their income as well. An additional factor, marriage during early adolescence, that is, 10-14 years, seemed to constrain the agency of women, who were otherwise seemingly well-positioned due to supportive husbands and absent in-laws to exercise at least partial control over their income.
Does the duration of programme participation have an impact on the attitudes of participants towards gender-based social issues, such as dowry, education, and land ownership for women?

There was a slight decrease in the proportion of non-progressive respondents with an increase in the duration of programme participation from less than 3 years to above 7 years. An accompanying, but more significant, increase in the proportion of moderately-progressive respondents over the same duration of programme participation suggests that gender-progressive thinking was positively impacted by longer durations of programme participation. However, a slight decrease in the proportion of most-progressive respondents across the studied duration of programme participation suggests that longer periods of time spent in the programme are likely to have a moderately positive impact on the thinking of women participants regarding gender-based social issues, but even substantially long periods of time in the programme are unlikely to instil participants with rebellious attitudes towards established gender norms. Furthermore, this finding suggests that factors other than length of time in the programme might be at play in impacting gender-progressive thinking.

An examination of gender-progressive thinking by caste shows that the highest proportion of most-progressive, as well as the lowest proportions of non-progressive respondents were found in the SC category. On the other hand, more than half of the OBC and upper-caste respondents were non-progressive. These findings are unsurprising as upper-caste and, to a lesser extent, OBC women have to pay a higher cost, in terms of loss of social status, compared to SC women if they disregard established gender norms and adopt gender-progressive thinking. Moreover, SC women are more likely to adopt progressive thinking as it allows them to question not only the patriarchal structures which are responsible for their oppression as women, but also caste-based hierarchical structures which are responsible for their oppression as members of historically and socially disadvantaged groups.
A study of the profiles of outliers within each caste shows that the factors which influence women’s control over their loans and income, namely advanced years, supportive or absent husband, and not living with in-laws, do not seem to be important indicators of the degree of gender-progressive thinking. Instead, two factors—long durations of programme participation and employment with the federation—had a positive impact on gender-progressive thinking. The following excerpts from interviews with 2 federation employees illustrate the ways in which self-help groups have helped to change the thinking of members regarding gender-based issues:

It has changed a lot. Nowadays, women are very sensible, if you ask them they’ll tell you that daughters are great. Earlier, there was a lot of discrimination, but not so much now. Self-help groups have helped women to change their thinking. Earlier, when they hadn’t joined self-help groups, women would stay within their household, but now they come to the group meetings where they meet other women and discuss all sorts of things. We talk about all these issues during group meetings. And when people from the office visit, like you are visiting, we get to think and talk more about these social issues. These things have changed our thinking.

We were talking about dowry-related issues at the federation meeting last month. One of the women, she is from my caste, recounted an interesting incident. This woman’s daughter has a job with the police, they were looking for a suitable match for her and happened to find a boy who also has a police job, but the boy’s family asked for dowry worth Rs. 5 lakh. Before the parents could say anything, the girl told the boy’s parents that if they want Rs. 5 lakh, they can go and auction their son in the market, she told them she did not want to get married to their son (laughs). The woman (girl’s mother) was quite happy with the way her daughter responded to the demand for dowry. Earlier, village people did not send their girls to school, girls did not get any chances to step out of their households, so they grew up to be very timid, they were always scared and afraid to talk back, but we were all so happy to hear the story of this brave girl who declared that she would not marry into a family that asks for dowry. We always have discussions on such issues at the federation meetings, we meet once a month, we have a lot of discussions on issues related to dowry, caste-based discrimination, and education of the girl child. And a lot of women are working on these issues in their villages. There’s a lot of change.

120 Interview code: 150924_003
121 Interview code: 150929_005
What role do personal relationships and caste-based hierarchies play in the formation and functioning of self-help groups?

In both Singwara and Aari, personal relationships and caste-based hierarchies were of singular importance in the formation and functioning of self-help groups. Indeed, respondents displayed a clear preference to use the principle of self-selection to form groups with members of their extended families, such as the mother, sisters, sisters-in-law, aunts, and cousins of husbands. There were 3 overlapping reasons for the desire to form groups with family members: a) family loyalty, b) a general mistrust of strangers, and c) restrictions on the mobility of women.

The first of these, family loyalty, was the most important reason for respondents to form groups with family members. In the absence, or a lack, of steady incomes, unemployment insurance, reliable sources of low-interest credit, and publicly funded health care and education, the survival of impoverished households is contingent on the support of the extended family. The second reason, a general mistrust of strangers, stems from the character of rural Indian communities, which are bound together by strong relationships based on religion, caste, and kinship. It also stems from a lack of education, which inhibits the capacity of group members to understand financial transactions, rendering them resistant to forming groups with strangers. The third reason, restrictions on the mobility of women, which were especially severe for upper-caste women and young women belonging to all castes, contributed significantly to the preference for within-family groups. Since households belonging to the same family are typically located close together in most of rural India, physical proximity to the households of group members allows women to fulfil the obligations of group membership, such as attending weekly meetings at a member’s home, without significantly challenging the norms of restricted mobility for women.

The preference for within-family groups inevitably leads to the formation of single-caste groups since families are made up of members belonging to the same caste. Indeed, caste-based
norms allow only intra-caste marriages to preserve the ‘sanctity’ of caste hierarchy. Moreover, when women are unable to form groups with family members, they look for other women who live close to their homes, usually within their *mohalla*: a cluster of households belonging to the same caste. Therefore, the pronounced desire to form groups with family members, as well as a preference for residential proximity to fellow group members, inevitably led to the proliferation of single-caste groups.

In addition to being the incidental common denominator in the preference to form groups with family members or women who lived close by, caste was also a direct concern in group formation. The economic and social homogeneity in single-caste groups is desirable for women at all levels of the caste hierarchy since low-caste women are likely to be unwilling to form groups with upper-caste women for fear of being at the receiving end of discriminatory behaviour, while upper-caste women are likely to avoid the membership of mixed-caste groups for fear of deterioration in social status through contact with low-caste group members. Even when mixed-caste groups are formed, it is more likely for group members to belong to castes which are close in terms of hierarchical levels. Indeed, a close examination of mixed-caste groups adds more complexity to the issue of caste in group formation by revealing significant differences in social status even between castes which fall in the same official category, that is, SC, ST, OBC, or general. Furthermore, it was more difficult for general category or upper-caste women to join self-help groups, governed as they are by stringent norms of interaction and mobility. Upper-caste women in Singwara had not joined self-help groups, but in Aari, upper-caste women were members of single-caste, as well as mixed-caste, groups. The group membership of upper-caste women in Aari seems to be a consequence of 15 years of Pradan’s work, which has been additionally bolstered by the state government’s rural livelihood
programme in the last few years\textsuperscript{122}. Moreover, the upper-caste self-help group members in Aari were inspired by the exceptional success of \textit{Lakshmi}—an upper-caste, high-ranking federation employee, who credits the self-help group movement for helping her to escape poverty\textsuperscript{123}.

\textbf{7.2 Singwara and Aari: A comparison}

A comparison of the two study villages shows that the self-help group bank linkage programme can be strengthened by self-help group promoting institutions, such as NGOs. There were some significant differences between the self-help groups in Singwara, where groups were managed by the federation, and Aari, where groups were managed by the federation with help from Pradan. As discussed above, a major difference between the two villages was the group membership of upper-caste women. The upper-caste women of Singwara had not joined self-help groups, whereas the upper-caste women of Aari had not only formed self-help groups with women belonging to their own caste, but also with women from lower castes. By forming groups with low-caste women, the upper-caste group members of Aari were not only breaking caste-based taboos of interaction, but also helping to increase the mobility of upper-caste women in the village.

Furthermore, while none of the Singwara respondents sold milk, 27\% of the Aari respondents earned an independent income by selling milk. This difference between the two villages is due to a small dairy in Aari, which was established under the World Bank-funded District Poverty Initiatives Programme (DPIP). Although this programme was implemented in Dausa district as well, there were no dairies or milk-sellers in Singwara. The study did not capture the reason for the absence of dairies in Singwara. It is likely, however, that Pradan’s

\textsuperscript{122} Pradan is an established rural development NGO.  
\textsuperscript{123} For details of Lakshmi’s story, see chapter 5
work led to the success of the dairy in Aari. Indeed, respondents in Aari reported that many groups included in, or formed under, DPIP broke apart once the programme was discontinued. These groups were later re-formed and nurtured by Pradan. This finding highlights the fragility of self-help groups. It also shows that a well-equipped NGO, such as Pradan, is critical for the success of the self-help group movement. By itself, a self-help group federation, composed as it is of women from self-help groups, often lacks the human resources required to support and guide self-help groups, particularly during challenging circumstances.

Marking another difference between the study villages, one of the Singwara respondents reported that her husband took loans from her self-help group, used the loan money as he saw fit, and made repayments to the group in her stead. Moreover, the respondent’s husband only allowed her to attend group meetings occasionally. The only case in this research where a self-help group allowed a member’s husband to directly participate in the group’s activities, it indicates that the self-help groups in this area were not being adequately monitored by the federation. The reason for this group’s anomalous functioning is not evident from the data, but it is likely that the federation’s resources were insufficient to ensure the proper functioning of self-help groups under its purview.

While there were some differences in the composition and functioning of self-help groups between Singwara and Aari, respondents in both locations showed similarity in terms of: a) use of loans, b) control over loans, c) falling into household crises, and d) averting or enduring household crises. More specifically, first-order consumption was the most commonly cited use of loan money by respondents in both Singwara and Aari. Moreover, the most significant factors which determined the capacity of respondents in both locations to exercise full control over their loans were: a) the support or absence of husbands, and b) the absence of in-laws. Respondent
households in both villages fell into crises, primarily, due to medical expenses. However, an insignificant proportion of respondents used group loans for averting or enduring crises, choosing instead to borrow money from village moneylenders, relatives, and neighbours. These findings indicate that self-help group members from impoverished households, which lie within a common cultural region, are likely to exhibit similar behaviour when borrowing from their groups, using their loan money, exercising control over loans, and dealing with crises.

7.3 Learnings from deviant sample

In addition to the primary sample of 42 self-help group members, I interviewed 4 women, who were either excluded from the self-help group programme or who participated in failed groups. Their experiences gave shape to some key learnings regarding caste-based issues in group formation and functioning. Consider, for example, that a Yogi respondent from the Singwara sample felt compelled to exit her group, composed mainly of Bhairava women, due to disagreements with her group members regarding meetings and repayments\(^\text{124}\). She felt that she had been treated unfairly by the rest of the group, and that she might have been treated better if she belonged to the dominant caste of her group. Caste-based issues were also at the core of the exclusion of the 2 women who formed the deviant sample of Aari. One of these, a Mehtar woman, was unable to join a mixed-caste group as she belonged to an untouchable caste; therefore, women from other castes did not want to have any association with her. The other respondent belonged to a failed, single-caste self-help group composed of Thakur women. This group broke apart as the upper-caste Thakur women wished to preserve their reputations by remaining within their homes. These findings indicate that women belonging to castes which fall

\(^{124}\) Yogi - OBC, Bhairava - SC
at the extreme ends of the caste hierarchy are likely to face exclusion from the programme: women of the lowest castes are likely to face structural exclusion due to untouchability, while upper-caste women are likely to practice self-exclusion to retain their social status.

7.4 Policy recommendations

Enabling self-help group members to use their loans for productive purposes by stabilising household income, developing targeted insurance products, and skill-development training

This study shows that first-order consumption, in the form of household expenses, was the most common use of loan money for most respondents, which means that impoverished households are unable to meet these expenses with the income of household members. Indeed, respondents complained about the sporadic availability of work, as well as irregular payments for completed work. Under the National Rural Employment Guarantee Act, a rural household is entitled to 100 days of wage employment within a financial year. However, rampant corruption in public works, combined with information poverty among the rural poor, leads to a further reduction in the already insufficient amount of work guaranteed by the state to rural households. Therefore, state interventions to increase the availability of wage employment, and to reduce information poverty among the rural poor by educating them about government programmes and policies, will help to stabilise the incomes of rural households. This study has shown that a self-help group member belonging to a household with a stable source of income is more likely to use her loans for productive purposes.

Furthermore, the bank linkage feature of the self-help group programme can be used to develop targeted unemployment insurance products for group members who do not have stable employment. Weather-based crop insurance products can also be developed to safeguard against crop failures, which occur due to unexpected or extreme weather phenomena. Indeed, several
respondents lamented that their kharif, or monsoon, crops had failed due to a failure of the monsoon rains, which led to significantly higher household spending on first-order consumption needs, such as food grains and vegetables. Unemployment and crop insurance products, delivered through the self-help group bank linkage programme, can reduce household spending on first-order consumption needs, and allow group members to use their loans for production.

In addition to stable household incomes and insurance products, self-help group members can be encouraged to use their loans for productive purposes through skill-development training programmes. Training programmes can be more effective if they are tailored to the needs of the group. For example, skill development programmes for a group of upper-caste women, with restricted mobility, should be focused on home-based enterprises. However, developing market linkages is a crucial prerequisite to production. In the following interview excerpt, Sanjay Sharma, the Pradan team leader in Dholpur, discusses the importance of market linkages:

Women have said that they want to work. But we should do it the opposite way. If the market is assured, then more women can take it up. If the market is not assured, you can’t do anything. The civil societies which are working on livelihoods, their biggest problem is that they work on production side, they don’t know the marketing side. I also don’t know, I don’t have this expertise—I have very limited information. But if we don’t work on marketing, things will not work out. It’s so easy to say papad wala SHG or mombatti wala SHG\(^\text{125}\). Hundreds and thousands of people have been doing it. What is it that you are bringing on the table? People say you can make pickle. A government person said that we should get the women to make pickle. Already so many people are making pickle, but they can’t sell it. Will he help us to sell it? . . . . One thing is there aren’t any industries here with which people can be directly attached. That connection is missing. If that existed, women would get orders and they would be able to work. But we don’t have that. Skill can be developed, of course, if we train 10 women, at least 2 women will pick it up.

\(^{125}\text{Papad: poppadum; Mombatti: candle}\)
Reducing the likelihood of households to experience crises by improving public health care and reducing wedding expenses

Furthermore, the pathway of graduation from subsistence to productive use of loans was disrupted by household crises, as well as second-order consumption, in the form of medical and wedding expenses. Most respondent households fell into crises as they incurred substantial costs of availing private health care due to a lack of public health care, as well as mistrust of such facilities. Therefore, a focus on improving the quality and outreach of public health care, as well as restoring the faith of the rural poor in government medical facilities, will reduce the likelihood of households falling into crises. As well, these measures will decrease the use of self-help group loans for second-order consumption. Measures to improve the outreach of public health care can include: a) supplying safe drinking water to rural households, b) organising medical camps or mobile health vans for villages in remote areas, c) organising regular visits by frontline health workers, who can provide information about reproductive and child health, nutrition, sanitation, immunisation, and the availability of health care in surrounding areas, and d) addressing shortages of staff and supplies in public health care facilities.

The second cause of household crises, wedding expenses, can be addressed by advocating little or no spending on weddings through large-scale awareness programmes in villages. Such awareness programmes can be organised by the employees or NGO collaborators of Rajasthan government’s rural development department in the form of door-to-door counselling, discussions in mohallas or bastis by village-level governance units, known as panchayats, and street plays by local theatre groups. Furthermore, the state government can provide funds to district-level administration units in rural areas to organise mass weddings. At the same time, however, it is worthwhile to recall that the success of microcredit programmes in rural areas of the developing world depends on high levels of social capital, which is created and maintained through social
events, such as weddings. Therefore, a reduction in wedding expenses should not be
accompanied by a loss in social capital creation and maintenance. To this end, government rural
development departments and NGOs can encourage low-expenditure weddings by: a) enforcing
anti-dowry legislation, and b) minimising the cost of food for the wedding party by organising a
community kitchen in the mohalla or basti. Indeed, the creation and maintenance of social
capital can be enhanced through social awareness programmes, street plays, and community
kitchens. At the same time, a substantial reduction in wedding expenses will decrease the
likelihood of households to experience crises, and arrest the use of group loans for second-order
consumption. Ultimately, the reduction in crises and second-order consumption needs will
increase the capacity of self-help group members to use their loans for productive purposes.

**Enabling self-help group members to exercise control over their financial resources**

Another significant finding of this study is that the control exercised by group members
over their loans and income increases when women do not reside with in-laws, and have
husbands who are either supportive of their group membership or absent. The targeted
availability of low-cost housing for young couples from impoverished rural households can
enable women to live independently of in-laws. Such housing can be made available through
state subsidies, formal sector loans at low rates of interest, and bank-linked microcredit.
Moreover, it is important for self-help group promoting institutions, such as NGOs and state
government departments, to work closely with the husbands of group members to enlist their
support. Interviews with unsupportive husbands of several self-help group members revealed that
they were susceptible to rumour mongers, who indulged in the character assassination of their
wives. As such, village-level awareness programmes about the advantages of self-help group
membership, felicitation events for successful groups or individual members, and street plays
which target gossip mongers can help to win the support of husbands, and thereby increase the
capacity of women to exercise higher degrees of control over their financial resources.

**Challenging caste-based ideas of interaction to encourage women at extreme ends of the caste
hierarchy to join self-help groups**

The results of this study show that it was difficult for upper-caste, and low-caste women
at the very bottom of the caste hierarchy, to join self-help groups. To make it easier for women at
the extreme ends of the caste hierarchy to join self-help groups, as well as to increase the
interaction between low-caste and upper-caste women, the ideas of maintaining ‘purity’ through
caste-based segregation must be challenged. These ideas, however, are deeply entrenched
through centuries of practice. As such, they can only be changed by constantly chipping away at
them from the top and the bottom. Challenges to caste-based segregation from the top can take
the form of state-led awareness programmes, while challenges from the bottom can include: a)
advocacy of self-help groups by experienced, upper-caste group members, b) advocacy of
mixed-caste groups of upper-caste and low-caste women through success stories at the time of
group formation by federation or NGO workers, and c) discussions based on problems arising
from caste-based hierarchies, as well as constitutional and legal viewpoints on caste, during
meetings of self-help groups, village organisations, and federations.

**7.5 Research contribution**

This research contributes to the debates on microcredit by showing that microcredit—in
the near absence of wage employment and public health care—cannot be perceived as a poverty
reduction device. Indeed, the respondents in this research, even those with more than 7 years of
programme participation, primarily used self-help group loans to meet first-order consumption
needs. This finding indicates that respondent households remained impoverished in spite of
considerable lengths of time spent in the programme. Providing more evidence against the perception of microcredit as a poverty reduction tool, respondents regarded their self-help groups as mere additions to the repository of informal credit sources, such as moneylenders, relatives, and neighbours. Moreover, owing to the inadequacy of self-help group loans in terms of size and timely availability, respondents could not rely on microcredit to avert or endure household crises, such as medical and wedding-related expenses.

However, one of the most significant contributions of this research is to question the application of the binary yardstick of consumption and production loans to assess the use of microcredit loans by impoverished households in rural areas of the developing world. More specifically, loans used to buy food grains, milk, and vegetables in order to meet the nutritional requirements of household members cannot be regarded as consumption loans. In fact, such loans are investments in building the earning capacity of the household, and thus increasing its resilience towards crises. Similarly, loans used to meet the medical expenses of sick wage earners or women who engage in unpaid labour within the household should be regarded as tools to stabilise the household income. Even wedding expenses cannot be regarded as consumption loans since the social sanctions for deviating from norms are significant in this social environment. Therefore, adherence to social norms is necessary in this society where people often need to borrow heavily from relatives and neighbours in the near absence of formal credit.

In sum, when measured against this nuanced view of the usefulness of loans, as opposed to the binary of consumption and production, the self-help group programme emerges as an important contributor to the well-being of impoverished households.

Furthermore, this research provides some evidence in favour of microcredit evaluation studies, which found that women are unable to exercise significant degrees of control over their
loans, becoming mere conduits for gaining access to credit (Ackerly, 1995; Garikipati, 2012; Goetz and Sen Gupta, 1996). This was especially true for young women with less than 3 years of programme participation. Thereafter, there was an overall decrease in the proportion of respondents who had no control over their loans, as well as a corresponding increase in the proportion of respondents who exercised partial control over their loans, with increasing lengths of time spent in the programme. These two findings can be attributed to an increase in the mobility of programme participants, which was brought about by weekly group meetings, and frequent visits to the federations, NGOs, and banks. Moreover, programme participants interacted regularly not only with group members, but also NGO or federation workers regarding successful self-help groups, individual stories of success, the use of loans for the welfare of their households, and social issues. The increase in mobility and awareness of programme participants notwithstanding, the capacity of women to exercise full control over their loans did not increase with increasing durations of programme participation.

The empowerment of women, along with poverty reduction, is a major goal of microcredit programmes. To assess the impact of programme participation on the degree of empowerment of respondents in this research, I developed an index of gender-progressive thinking. The index was based on the answers of respondents to questions regarding dowry, land ownership for women, and the education of women. Echoing the findings regarding control over loan use, this index showed that the proportion of non-progressive thinking decreased, and the proportion of respondents with moderately-progressive thinking increased, with increasing lengths of time spent in the programme. However, the proportion of respondents with most-progressive thinking did not increase with increasing durations of programme participation. These findings, in concurrence with the findings regarding control over loan use, indicate that
participation in the self-help group programme can improve the status of women to a certain degree. However, the desired degree of empowerment, as indicated by full control over loans and most-progressive thinking, cannot be achieved through microcredit in isolation of education, wage employment, and social awareness programmes.

7.6 Directions of future research

This study has illustrated the significance of understanding caste-based dynamics in group formation and functioning. However, more research is needed to fully understand the nuanced ways in which caste influences the lives of women in rural India. Indeed, detailed examinations of the impact of caste on place of residence within the village, degree of mobility, employment opportunities, and first-order and second-order consumption needs will be useful to frame caste-sensitive changes to the self-help group bank linkage programme. Furthermore, while I found some evidence of self-help groups falling apart due to caste-based issues, more exhaustive research is needed to examine caste, as well as other causes of failure of self-help groups.

This study has shown that older self-help group members exercised high degrees of control over their loans, but more research is needed to examine their capacity to use loans for productive purposes. More specifically, it is important to determine whether there is a trade-off between full control over loans and productive use of loans in the case of older group members, especially given the lack of public health care. Furthermore, this study’s results show that a young woman’s agency is severely constrained by the presence of her mother-in-law, which indicates that it will be useful to examine the functioning of self-help groups whose members include young women along with their mothers-in-law. Also, this study suggests that marriage during early adolescence, 10-14 years of age, constrains the agency of self-help group members.
However, more research is needed to understand the ways in which early marriage impacts the capacity of women to exercise their agency. In all, more culturally-embedded and regionally-diverse research is needed at the intersection of caste and age to derive trends of programme impact in different regions of the developing world.

Furthermore, the findings of this research show a slight decrease in the proportion of most-progressive respondents across the studied duration of programme participation, which suggests that factors other than length of time in the programme were at play. This finding needs to be examined further to understand the other factors responsible for gender-progressive thinking among self-help group members. Further research is also needed to understand the roles played by government departments, NGOs, and self-help group federations in the formation and functioning of self-help groups. The interviews conducted with key informants in this study suggest some differences of opinion between these 3 self-help group promoting institutions. Therefore, a large-scale study consisting of interviews with key personnel at different levels of hierarchy within these institutions is warranted to identify any differences in their approaches, and to facilitate greater collaboration among them.
References


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Appendix A: Interview schedule for women

An examination of the impact of microcredit programs at the intersections of gender and caste in North India

This interview schedule was prepared to conduct a semi-structured interview to examine the impact of microfinance programmes on the status of women participants, particularly socially marginalized women, within the household and in the labour market in Rajasthan, India. The questions listed here are meant to guide the interview. However, the interviewer can also ask questions to clarify the respondent’s answers or to supplement the information provided by the respondent. With the interviewee’s permission, the interview will be audio recorded. It is anticipated that the duration of the interview will be 1.5 hours.
I. Demographic Information

1a) When were you born _____________

1b) What is your marital status: (i) Single (ii) Married (iii) Divorced (iv) Widowed

2a) Which religion do you belong to: (i) Hinduism (ii) Sikhism (iii) Jainism (iv) Christianity
   (v) Islam (vi) Other ______________

2b) Which caste do you belong to: ______________________

3. What is the highest level of education you have: (i) None (ii) Primary (iii) Secondary (iv) Other _________________

II. Household members, household income, and household expenses

4. Household Members

<table>
<thead>
<tr>
<th>Member #</th>
<th>Relationship¹</th>
<th>Gender</th>
<th>Age</th>
<th>In school? (children)</th>
<th>Status (adults)²</th>
<th>Movement (adults)³</th>
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¹Key: 1=spouse 2=child 3=mother/father in-law 4=other in-laws 5=other
²Key: 1=cultivator 2=agricultural labourer 3=household industry 4=unemployed 5=other
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5. Sources and Amount of Monthly Income
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<th>HH member #</th>
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Total monthly income =

6. Regular Household Expenses

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<tr>
<th>No.</th>
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Total monthly expenses =

III. Local antecedents of poverty

7a) Do you consider your household to be poor?  Y  N
7b) Why or why not?
8a) When was the last time you faced a crisis? What was it?
8b) Why did this happen?
8c) What were your coping strategies?
9a) Is your household facing a crisis now?  Y  N
9b) Why or why not?

IV. Impact of microcredit on earning capacity and asset ownership

10) How long have you been a participant of this programme?
11) Can you describe the loan contract?
12) How many loans have you received through this programme?
13) What is the size of these loans?
14a) Are you able to make the weekly repayments?  Y   N
14b) Why or why not?
15) How have these loans been used?
16a) Do you have an independent income?   Y   N
16b) Can you spend it without your husband’s permission?  Y   N
16c) Do you have independent savings?  Y   N
17a) Do you own land or other assets?  Y   N
17b) If yes, how did you acquire these assets?

V. Influence of informal lending on household consumption and production
18a) Do you borrow from local moneylenders?  Y   N
18b) If yes, how do you use these loans?
18c) In particular, do you use them to make repayments for the loan acquired through the programme?  Y   N
18d) If yes, can you give me details or examples?

VI. Household decision making and control over loan money
19a) What is your husband’s attitude towards your participation in the programme?
19b) Does he help you to meet the obligations of the programme?  Y   N
19c) Why or why not?
20a) Can you give me a description of your domestic responsibilities?
20b) Do you and your husband divide household chores?  Y  N
20c) If yes, can you please give me a breakdown?
21a) What kind of decisions are you responsible for within the household?
21b) What kind of decisions does your husband make?
22a) Do you use birth control?  Y   N
22b) Does your husband use birth control?  Y   N
VII. Impact on household conflicts and spousal violence
23) What are the issues that lead to arguments/conflict between you and your husband?
24) When you and your husband argue, how bad does the argument get?
25) Does physical abuse occur? Y  N

VIII. Borrower group Dynamics
26) Can you tell me how your group was formed (prompt for caste composition)?
27) What is the total number of members in your group?
28a) How many group members did you know before joining the group?
28b) How many would you consider to be your friends?
28c) What kind of relationships do you have with other group members?

29a) Do you make repayments for other group members? Y  N
29b) If yes, can you narrate some instances?
30a) Do other members make repayments on your behalf? Y  N
30b) If yes, can you narrate some instances?
31a) Are you happy in your group? Y  N
31b) Would you rejoin this group in the future? Y  N

IX. Impact of caste-based hierarchies
32) Can you talk about caste-based dynamics within the group?
33a) Are you more likely to trust members of your caste? Y  N
33b) Why or why not?
34) What kinds of relationships do you have with members who belong to other castes?
35) What are your views on caste-based hierarchies?

X. Social attitudes, mobility, and empowerment
36) What are your views on dowry?
37) What do you think about female infanticide?
38) Do you think women should own land?
39) What are your views on the education of women?
40a) Did you vote in the last election? Y  N
40b) If yes, how did you decide who to vote for?
41) Do you visit banks, markets, health centres or places outside the village on your own? Y  N
Appendix B: Interview schedule for excluded women or failed groups

An examination of the impact of microcredit programs at the intersections of gender and caste in North India

This interview schedule was prepared to conduct a semi-structured interview to examine the impact of microfinance programmes on the status of women participants, particularly socially marginalized women, within the household and in the labour market in Rajasthan, India. The questions listed here are meant to guide the interview. However, the interviewer can also ask questions to clarify the respondent’s answers or to supplement the information provided by the respondent. With the interviewee’s permission, the interview will be audio recorded. It is anticipated that the duration of the interview will be 1.5 hours.
II. Demographic Information

1a) When were you born ____________

1b) What is your marital status: (i) Single (ii) Married (iii) Divorced (iv) Widowed

2a) Which religion do you belong to: (i) Hinduism (ii) Sikhism (iii) Jainism (iv) Christianity
   (v) Islam (vi) Other ________________

2b) Which caste do you belong to: ________________

3. What is the highest level of education you have: (i) None (ii) Primary (iii) Secondary (iv)
   Other ________________

II. Household members, household income, and household expenses

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Total monthly expenses =

III. Local antecedents of poverty

7a) Do you consider your household to be poor?  Y  N
7b) Why or why not?
8a) When was the last time you faced a crisis? What was it?
8b) Why did this happen?
8c) What were your coping strategies?
9a) Is your household facing a crisis now?  Y  N
9b) Why or why not?

IV. Income and asset ownership

10a) Do you have an independent income?  Y  N
10b) Can you spend it without your husband’s permission?  Y  N
11a) Do you have independent savings? Y  N
11b) Do you own land or other assets? Y  N
12) If yes, how did you acquire these assets?

V. Influence of informal lending on household consumption and production
13a) Do you borrow from local moneylenders? Y  N
13b) If yes, how do you use these loans?

VI. Household decision making
14a) Can you give me a description of your domestic responsibilities?
14b) Do you and your husband divide household chores? Y  N
14c) If yes, can you please give me a breakdown?
15a) What kind of decisions are you responsible for within the household?
15b) What kind of decisions does your husband make?
16a) Do you use birth control? Y  N
16b) Does your husband use birth control? Y  N

VII. Household conflicts and spousal violence
17) What are the issues that lead to arguments/conflict between you and your husband?
18) When you and your husband argue, how bad does the argument get?
19) Does physical abuse occur? Y  N

20) Which of these 2 applies to you:
   a) Exclusion from programme □ (Go to VIII)
   b) Member of a failed borrower group □ (Go to IX)

VIII. Exclusion from programme
21) Why do you think you were not allowed to participate in the programme (prompt for caste composition)?
22) What reasons were you given for your exclusion?
23) If invited to participate, how would you have, or would, use the loan money?
24) What is your husband’s attitude towards your exclusion?

IX. Failure of borrower group
25) Can you tell me how your group was formed (prompt for caste composition)?
26) What was the total number of members in your group?
27a) How many group members did you know before joining the group?
27b) How many did you consider to be your friends?
27c) What kind of relationships did you have with other group members?
28a) Did you make repayments for other group members? Y    N
28b) If yes, can you narrate some instances?
29a) Did other members make repayments on your behalf? Y    N
29b) If yes, can you narrate some instances?
30) In your opinion, what are the reasons for the failure of the group?

X. Social attitudes, mobility, and empowerment
31) Can you talk about caste-based dynamics within the community?
32) What are your views on dowry?
33) What do you think about female infanticide?
34) Do you think women should own land?
35) What are your views on the education of women?
36a) Did you vote in the last election? Y    N
36b) If yes, how did you decide who to vote for?
37) Do you visit banks, markets, health centres or places outside the village on your own? Y    N
Appendix C: Interview schedule for men

An examination of the impact of microcredit programs at the intersections of gender and caste in North India

This interview schedule was prepared to conduct a semi-structured interview to examine the impact of microfinance programmes on the status of women participants, particularly socially marginalized women, within the household and in the labour market in Rajasthan, India. The questions listed here are meant to guide the interview. However, the interviewer can also ask questions to clarify the respondent’s answers or to supplement information provided by the respondent. With the interviewee’s permission, the interview will be audio recorded. It is anticipated that the duration of the interview will be 45 minutes.
I. Local antecedents of poverty
1a) Do you consider your household to be poor? Y  N
1b) Why or why not?
2a) When was the last time you faced a crisis? What was it?
2b) Why did this happen?
2c) What were your coping strategies?
3a) Is your household facing a crisis now? Y  N
3b) Why or why not?

II. Influence of informal lending on household consumption and production
4a) Do you borrow from local moneylenders? Y  N
4b) If yes, how do you use these loans?
4c) Can you give me details or examples?

III. Household decision making and control over loan money
5a) What is your attitude towards your wife’s participation in the programme?
5b) Do you help your wife to meet the obligations of the programme? Y  N
5c) Why or why not?
6a) Can you give me a description of your domestic responsibilities?
6b) Do you and your wife divide household chores? Y  N
6c) If yes, can you give me a breakdown?
7a) What kind of decisions are you responsible for within the household?
7b) What kind of decisions does your wife make?
8a) Do you use birth control? Y  N
8b) Does your wife use birth control? Y  N

IV. Impact of microcredit on household conflicts and spousal violence
9) What are the issues that lead to arguments/conflict between you and your wife?
10) When you and your wife argue, how bad does the argument get?

11) Does physical abuse occur?  Y       N

V. Social attitudes, mobility, and empowerment

12) What are your views on dowry?

13) What do you think about female infanticide?

14) Do you think women should own land?

15) Did your wife vote in the last election?  Y       N

16) If yes, how did she decide who to vote for?

17) What are your views on the education of women?
Appendix D: Interview schedule for key informants

An examination of the impact of microcredit programs at the intersections of gender and caste in North India

This schedule was prepared to conduct key informant interviews in order to establish a broad understanding of the microfinance sector in Rajasthan, India. The questions listed here are meant to guide the interview. However, the interviewer can also ask questions to clarify respondents’ answers or to supplement the information provided by respondents. With the permission of the interviewee, the discussion will be audio recorded. It is anticipated that the duration of the discussion will be 45 minutes.
Organization: _____________ Location:_____________ Role______________

Participant#_______

1. What is your role in this organization?
2. How long have you been in this role?
3. How long have you been with this organization?
4. What can you tell me about microfinance programmes in Rajasthan?
5. Can you talk about the recruitment and training of loan collection officers and field workers?
6. To what degree have the objectives of poverty reduction and women’s empowerment been achieved?
7. What are the major challenges facing the microfinance sector in Rajasthan?
8. What kind of support—in terms of policy and/or resources—does the sector receive from the government?
Appendix E: Consent form for gaining access to participant information

An Examination of the Impact of Microcredit Programmes at the Intersections of Gender and Caste in North India

CONSENT FORM FOR THIRD PARTY RECRUITMENT

STUDY TEAM
The principal investigator for this study is Dr. Miriam Grant, Community Culture and Global Studies, UBC-Okanagan. Contact information: (+1) 250-807-8773 (office) and miriam.grant@ubc.ca (e-mail).

The co-investigator for this study is Sumeet Sekhon, PhD Candidate in Community Culture and Global Studies, UBC-Okanagan. Contact information: sumeet.sekhon@alumni.ubc.ca (email). This research project is being undertaken for Ms. Sekhon’s PhD, and will form a part of the PhD thesis, which is a public document.

INVITATION AND STUDY PURPOSE
The researchers want to invite members of microcredit borrower groups to take part in this study. The researchers would like to learn more about the experience of members participating in microcredit programmes. This study will help the researchers to understand the impact of microfinance programmes on the status of women participants in Rajasthan.

STUDY PROCEDURES
The researchers would like to access your organisation’s records in order to select research participants. However, your organisation will need to obtain verbal permission from members of borrower groups before their information can be shared with the researchers. Once your organisation conveys the willingness of group members to share their information, the researchers will create a digital record of the consenting members. The researchers will need access to the following pieces of information:

1. Participation in a mixed-caste microcredit borrower group
2. Duration of participation
3. Age and marital status
4. Caste membership
5. Record of performance in the labour market
6. Status within the household

**STUDY RESULTS**
The main study findings will be published in the form of a PhD dissertation, and in academic journals. It will also be added to cIRcle—the University of British Columbia's digital repository for research. Materials in cIRcle are openly accessible to anyone on the web. Preliminary findings will be presented at academic conferences, and/or workshops/classes/seminars for educational purposes.

**POTENTIAL RISKS OF THE STUDY**
We do not think there is anything in this study that could harm you or be bad for you.

**POTENTIAL BENEFITS OF THE STUDY**
Your participation will contribute to a better understanding of the impact of microfinance programmes on the status of women in Rajasthan.

**CONFIDENTIALITY**
All the information collected from your organisation’s records will be protected. The identity of participants will remain confidential. Data will only be presented in an aggregate form in publications. Only the researchers (Dr. Miriam Grant and Ms. Sumeet Sekhon) will have access to the original data, including the audio recordings and transcripts. All devices and electronic data files used to store data will be encrypted and password-protected. Please note that it is the University of British Columbia’s policy to keep data for a minimum of five years after publication. All hard copies of data files and consent forms will be stored in Ms. Sumeet Sekhon’s office (ART 352, 1147 Research Road, University of British Columbia - Okanagan, Kelowna, B.C. V1V 1V7, Canada) until the completion of her PhD programme. For the next 5 years, the data will be stored in Dr. Miriam Grant’s office (EME2121, 1137 Alumni Avenue, University of British Columbia - Okanagan, Kelowna, B.C. V1V 1V7, Canada).

**CONTACT FOR INFORMATION ABOUT THE STUDY**
If you have any questions or concerns about this study, please contact the UBC researchers listed at the top of the first page of this form. If you have any concerns or complaints about your rights as a research participant and/or your experiences while
participating in this study, you can also contact the Research Participant Complaint Line in the UBC Office of Research Services at 1-877-822-8598 or the UBC Okanagan Research Services Office at 250-807-8832. It is also possible to contact the Research Participant Complaint Line by email (RSIL@ors.ubc.ca).

PARTICIPANT CONSENT
Your organisation’s participation in this study is voluntary. Do you have any questions for me before you make the decision regarding your organisation’s participation in this study?

If you wish to participate, please confirm that your organisation will obtain permission from members in advance of giving the researchers access to their records.

____________________________________________________________________
Name of director/manager                   Organisation                                      Date
Appendix F: Verbal consent script for interviews with women

An Examination of the Impact of Microcredit Programmes at the Intersections of Gender and Caste in North India

VERBAL CONSENT SCRIPT FOR INTERVIEWS WITH WOMEN

STUDY TEAM
The principal investigator for this study is Dr. Miriam Grant, Community Culture and Global Studies, UBC-Okanagan. Contact information: (+1) 250-807-8773 (office) and miriam.grant@ubc.ca (e-mail).

The co-investigator for this study is Sumeet Sekhon, PhD Candidate in Community Culture and Global Studies, UBC-Okanagan. Contact information: sumeet.sekhon@alumni.ubc.ca (email). This research project is being undertaken for Ms. Sekhon’s PhD, and will form a part of the PhD thesis, which is a public document.

INVITATION AND STUDY PURPOSE
You are invited to take part in this study. The researchers would like to learn more about your experience of participating in microcredit programmes. This study will help the researchers to understand the impact of microfinance programmes on the status of women participants in Rajasthan.

STUDY PROCEDURES
The interview will take approximately 1.5 hours. The interview will be audio-recorded and the recorded content will only be used for analysis purposes. Identifying information, such as names, will not be collected. However, please note that you can participate in this study even if you do not want the interview to be recorded.

The researchers would also like to interview your husband within the next few days. However, if you are not comfortable with your husband’s participation, the researchers will not approach him.
STUDY RESULTS
The main study findings will be published in the form of a PhD dissertation, and in academic journals. It will also be added to cIRcle—the University of British Columbia’s digital repository for research. Materials in cIRcle are openly accessible to anyone on the web. Preliminary findings will be presented at academic conferences, and/or workshops/classes/seminars for educational purposes.

POTENTIAL RISKS OF THE STUDY
We do not think there is anything in this study that could harm you or be bad for you. Some of the questions we ask may seem sensitive or personal. Please let us know if you have any concerns, and we will provide you with a list of local resources to help you to deal with any difficult situations within the household. You do not have to answer any question if you do not want to. However, rest assured that your identity will be protected throughout the research.

POTENTIAL BENEFITS OF THE STUDY
Your participation will contribute to a better understanding of the impact of microfinance programmes on the status of women in Rajasthan.

CONFIDENTIALITY
All participants' identity will be protected. All recordings will be assigned a code and the identity of participants will remain confidential. Data will only be presented in an aggregate form in publications. Only the researchers (Dr. Miriam Grant and Ms. Sumeet Sekhon) will have access to the original data, including the audio recordings and transcripts. All devices and electronic data files used to store data will be encrypted and password-protected. Please note that it is the University of British Columbia’s policy to keep data for a minimum of five years after publication. All hard copies of data files and consent forms will be stored in Ms. Sumeet Sekhon’s office (ART 352, 1147 Research Road, University of British Columbia - Okanagan, Kelowna, B.C. V1V 1V7, Canada) until the completion of her PhD programme. For the next 5 years, the data will be stored in Dr. Miriam Grant’s office (EME2121, 1137 Alumni Avenue, University of British Columbia - Okanagan, Kelowna, B.C. V1V 1V7, Canada).

PAYMENT
Your participation in the study is completely voluntary. You will not receive any monetary compensation from this study. However, you will be offered food grains as
compensation for the time you dedicate to this research. The monetary value of this gift will be 50 Indian Rupees.

CONTACT FOR INFORMATION ABOUT THE STUDY
If you have any questions or concerns about this study, please contact the UBC researchers listed at the top of the first page of this form. If you have any concerns or complaints about your rights as a research participant and/or your experiences while participating in this study, you can also contact the Research Participant Complaint Line in the UBC Office of Research Services at 1-877-822-8598 or the UBC Okanagan Research Services Office at 250-807-8832. It is also possible to contact the Research Participant Complaint Line by email (RSIL@ors.ubc.ca).

PARTICIPANT CONSENT

Your participation in the study is voluntary. You may discontinue your participation at any time during the interview. If you discontinue, all your data will be destroyed immediately. The researchers will not keep any softcopy or hardcopy of the interview. Do you have any questions for me before you make the decision regarding your participation in this study?

If you wish to participate, please indicate your consent verbally.

_____________________________________________________
Name of participant Date

Please also indicate if you consent to the audio recording of this interview.

_____________________________________________________
Name of participant Date
Appendix G: Verbal consent script for interviews with men

An Examination of the Impact of Microcredit Programmes at the Intersections of Gender and Caste in North India

VERBAL CONSENT SCRIPT FOR INTERVIEWS WITH MEN

STUDY TEAM
The principal investigator for this study is Dr. Miriam Grant, Community Culture and Global Studies, UBC-Okanagan. Contact information: (+1) 250-807-8773 (office) and miriam.grant@ubc.ca (e-mail).

The co-investigator for this study is Sumeet Sekhon, PhD Candidate in Community Culture and Global Studies, UBC-Okanagan. Contact information: sumeet.sekhon@alumni.ubc.ca (email). This research project is being undertaken for Ms. Sekhon’s PhD, and will form a part of the PhD thesis, which is a public document.

INVITATION AND STUDY PURPOSE
As the husbands of previously interviewed women, you are invited to take part in this study. The researchers would like to understand your perspective on the participation of women in microcredit programmes. This study will help the researchers to understand the impact of microfinance programmes on the status of women participants in Rajasthan.

STUDY PROCEDURES
The interview will take approximately 45 minutes. The interview will be audio-recorded and the recorded content will only be used for analysis purposes. Identifying information, such as names, will not be collected. However, please note that you can participate in this study even if you do not want the interview to be recorded.

STUDY RESULTS
The main study findings will be published in the form of a PhD dissertation, and in academic journals. It will also be added to cIRcle—the University of British Columbia's digital repository for research. Materials in cIRcle are openly accessible
to anyone on the web. Preliminary findings will be presented at academic conferences, and/or workshops/classes/seminars for educational purposes.

**POTENTIAL RISKS OF THE STUDY**
We do not think there is anything in this study that could harm you or be bad for you. Some of the questions we ask may seem sensitive or personal. You do not have to answer any question if you do not want to. However, rest assured that your identity will be protected throughout the research.

**POTENTIAL BENEFITS OF THE STUDY**
Your participation will contribute to a better understanding of the impact of microfinance programmes on the status of women in Rajasthan.

**CONFIDENTIALITY**
All participants’ identity will be protected. All recordings will be assigned a code and the identity of participants will remain confidential. Data will only be presented in an aggregate form in publications. Only the researchers (Dr. Miriam Grant and Ms. Sumeet Sekhon) will have access to the original data, including the audio recordings and transcripts. All devices and electronic data files used to store data will be encrypted and password-protected. Please note that it is the University of British Columbia’s policy to keep data for a minimum of five years after publication. All hard copies of data files and consent forms will be stored in Ms. Sumeet Sekhon’s office (ART 352, 1147 Research Road, University of British Columbia - Okanagan, Kelowna, B.C. V1V 1V7, Canada) until the completion of her PhD programme. For the next 5 years, the data will be stored in Dr. Miriam Grant’s office (EME2121, 1137 Alumni Avenue, University of British Columbia - Okanagan, Kelowna, B.C. V1V 1V7, Canada).

**PAYMENT**
Your participation in the study is completely voluntary. You will not receive any monetary compensation from this study. However, you will be offered food grains as compensation for the time you dedicate to this research. The monetary value of this gift will be 50 Indian Rupees.

**CONTACT FOR INFORMATION ABOUT THE STUDY**
If you have any questions or concerns about this study, please contact the UBC researchers listed at the top of the first page of this form. If you have any concerns or complaints about your rights as a research participant and/or your experiences while participating in this study, you can also contact the Research Participant Complaint Line in the UBC Office of Research Services at 1-877-822-8598 or the UBC
Okanagan Research Services Office at 250-807-8832. It is also possible to contact the Research Participant Complaint Line by email (RSIL@ors.ubc.ca).

**PARTICIPANT CONSENT**

Your participation in the study is voluntary. You may discontinue your participation at any time during the interview. If you discontinue, all your data will be destroyed immediately. The researchers will not keep any softcopy or hardcopy of the interview. Do you have any questions for me before you make the decision regarding your participation in this study?

If you wish to participate, please indicate your consent verbally.

________________________________________
Name of participant  Date

Please also indicate if you consent to the audio recording of this interview.

________________________________________
Name of participant  Date
Appendix H: Consent form for interviews with key informants

An Examination of the Impact of Microcredit Programmes at the Intersections of Gender and Caste in North India

CONSENT FORM FOR INTERVIEWS WITH KEY INFORMANTS

STUDY TEAM
Principal Investigator: Dr. Miriam Grant, Community Culture and Global Studies, UBC-Okanagan. Contact information: (+1) 250-807-8773 (office) and miriam.grant@ubc.ca (e-mail).

Co-Investigator: Sumeet Sekhon, PhD Candidate in Community Culture and Global Studies, UBC-Okanagan. Contact information: sumeet.sekhon@alumni.ubc.ca (email). This research project is being undertaken for the co-investigator’s PhD, and will form a part of the PhD thesis (public document).

INVITATION AND STUDY PURPOSE
You are invited to take part in this study because of your expertise as a practitioner/policy maker in the microfinance sector. The researchers would like to understand your opinion on the degree of success—in terms of poverty reduction and improvement in the status of women—of microfinance programmes in Rajasthan. This study will help the researchers to understand the impact of microfinance programmes on the status of women participants within the household and in the labour market.

STUDY PROCEDURES
▪ The interview will take approximately 45 minutes.
▪ The interview will be audio-recorded and the recorded content will only be used for analysis purposes. Identifying information, such as names, will not be collected.
▪ However, please note that you can participate in this study even if you do not want the interview to be recorded.

STUDY RESULTS
The main study findings will be published in the form of a PhD dissertation, and in academic journals. It will also be added to cIRcle—the University of British
Columbia's digital repository for research. Materials in cIRcle are openly accessible to anyone on the web. Preliminary findings will be presented at academic conferences, and/or workshops/classes/seminars for educational purposes.

**POTENTIAL RISKS OF THE STUDY**
There are no anticipated risks associated with your participation in this study. Your identity will be protected throughout the research.

**POTENTIAL BENEFITS OF THE STUDY**
Your participation will contribute to a better understanding of the impact of microfinance programmes on the status of women in Rajasthan.

**CONFIDENTIALITY**
All participants' identity will be protected. All recordings will be assigned a code and the identity of participants will remain confidential. Data will only be presented in an aggregate form in publications. Only the researchers (Dr. Miriam Grant and Ms. Sumeet Sekhon) will have access to the original data, including the audio recordings and transcripts. All devices and electronic data files used to store data will be encrypted and password-protected. Please note that it is the University of British Columbia’s policy to keep data for a minimum of five years after publication. All hard copies of data files and consent forms will be stored in Ms. Sumeet Sekhon’s office (ART 352, 1147 Research Road, University of British Columbia - Okanagan, Kelowna, B.C. V1V 1V7, Canada) until the completion of her PhD programme. For the next 5 years, the data will be stored in Dr. Miriam Grant’s office (EME2121, 1137 Alumni Avenue, University of British Columbia - Okanagan, Kelowna, B.C. V1V 1V7, Canada).

**PAYMENT**
Your participation in the study is completely voluntary. You will not receive any compensation from this study.

**CONTACT FOR INFORMATION ABOUT THE STUDY**
If you have any questions or concerns about this study, please contact the UBC researchers listed at the top of the first page of this form. If you have any concerns or complaints about your rights as a research participant and/or your experiences while participating in this study, you can also contact the Research Participant Complaint Line in the UBC Office of Research Services at 1-877-822-8598 or the UBC
Okanagan Research Services Office at 250-807-8832. It is also possible to contact the Research Participant Complaint Line by email (RSIL@ors.ubc.ca).

PARTICIPANT CONSENT AND SIGNATURE PAGE

Your participation in the study is voluntary. You may discontinue your participation at any time during the interview. If you discontinue, all your data will be destroyed immediately. The researchers will not keep any softcopy or hardcopy of the interview. Do you have any questions for me before you make the decision regarding your participation in this study?

Your signature below indicates that you have received a copy of this consent form, and that you consent to participate in this study.

________________________________________________________________________
Participant Signature             Date

________________________________________________________________________
Printed name of the participant signing above

Your signature below indicates that you consent to the audio recording of this interview.

________________________________________________________________________
Participant Signature             Date

________________________________________________________________________
Printed name of the participant signing above
Appendix I: List of local resources for women participants

An Examination of the Impact of Microcredit Programmes at the Intersections of Gender and Caste in North India

LOCAL RESOURCES FOR WOMEN PARTICIPANTS

<table>
<thead>
<tr>
<th>Resource</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rajasthan State Women’s Commission helpline</td>
<td>0141-2744596</td>
</tr>
<tr>
<td>for women in distress</td>
<td></td>
</tr>
<tr>
<td>Jagori counselling and support services for</td>
<td>+91 11 2669 2700</td>
</tr>
<tr>
<td>women</td>
<td>+91 8800 9966 40</td>
</tr>
<tr>
<td></td>
<td>B-114, Shivalik Malviya Nagar</td>
</tr>
<tr>
<td></td>
<td>New Delhi 110 017, India</td>
</tr>
<tr>
<td></td>
<td>Phone: +91 11 2669 1219, +91 11 2669 1220</td>
</tr>
<tr>
<td></td>
<td>Fax: +91 11 2669 1221</td>
</tr>
<tr>
<td></td>
<td>Email: <a href="mailto:jagori@jagori.org">jagori@jagori.org</a></td>
</tr>
<tr>
<td>Rajasthan State Commission for Women</td>
<td>Lal Kothi, Tonk Road, Jaipur</td>
</tr>
<tr>
<td></td>
<td>Tel: 0141-2779001-4</td>
</tr>
<tr>
<td></td>
<td>Fax: 0141-2779002</td>
</tr>
<tr>
<td></td>
<td>E-mail: <a href="mailto:raj.rajyamahilaaayog@gmail.com">raj.rajyamahilaaayog@gmail.com</a></td>
</tr>
<tr>
<td>Social Development Society, Katikan Mohalla,</td>
<td>Mr. Prem Chand</td>
</tr>
<tr>
<td>Near Mahesh Printers, Ward No. 18, Dausa</td>
<td>9828093825, 01427223700</td>
</tr>
<tr>
<td>Tulsi Shiksha Samiti, Ashok Vihar Colony, Near</td>
<td>Mr. Sanjeev Chouhan</td>
</tr>
<tr>
<td>Gurudwara, Dholpur</td>
<td>9461072118, 6460924328</td>
</tr>
<tr>
<td></td>
<td>Ms. Jai Shri</td>
</tr>
<tr>
<td></td>
<td>9214682253</td>
</tr>
<tr>
<td></td>
<td>Ms. Rekha Sharma</td>
</tr>
<tr>
<td></td>
<td>9785129561</td>
</tr>
<tr>
<td>Women Police Station, Dhavaiji Ki Haveli,</td>
<td>Dr. Renuka Pamecha</td>
</tr>
<tr>
<td>Badi Chopar, Jaipur</td>
<td>9314503785</td>
</tr>
<tr>
<td>Organization</td>
<td>Contact Information</td>
</tr>
<tr>
<td>--------------------------------------------------------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>Mahila Punrwas Samuh Samiti, Jaipur, S-5, Bajaj Nagar, Jaipur</td>
<td>Ms. Pushpa Saini 7568579857</td>
</tr>
<tr>
<td></td>
<td>Ms. Shiva Khan 9269133620</td>
</tr>
<tr>
<td>Women Police Station, Gandhinagar, Jaipur</td>
<td>Ms. Neelam Jain 9929161765</td>
</tr>
<tr>
<td></td>
<td>Ms. Hemlata Sharma 9660052798</td>
</tr>
<tr>
<td>Shilpayan Prashikshan Sansthan, 4/5, SFS, Agarwal Farm, Mansarover</td>
<td>Ms. Ruchi Sharma 9414075964</td>
</tr>
<tr>
<td></td>
<td>Ms. Neeta Jain 9414323119</td>
</tr>
<tr>
<td></td>
<td>Ms. Rekhan Sharma 9782734732</td>
</tr>
<tr>
<td>Rajasthan University Mahila Sangthan, Janta Colony, Jaipur</td>
<td>0141-2601261</td>
</tr>
<tr>
<td></td>
<td>0141-2609737</td>
</tr>
<tr>
<td></td>
<td>Helpline: 0141-2707205</td>
</tr>
<tr>
<td>Rajasthan Pragtisil Mahila Federation, Smark Bhawan, Jaipur</td>
<td>Ms. Nisha Siddhu 9414443607</td>
</tr>
<tr>
<td></td>
<td>Ms. Jyoti Singh 9460761275</td>
</tr>
<tr>
<td></td>
<td>Ms. Jalpa Sharma 9928389952</td>
</tr>
</tbody>
</table>