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INCOME GENERATION

Many of our well-wishers often ask us just how much our eight years' work has improved the financial condition of those for and among whom we run our programmes. And often it is only politeness that keeps them from expressing disappointment when we answer, and this without an apologetic lowering of eyelids, "Not much." A community's standard of life is not to be judged only by the amount of money it makes. There are other indices of human development. As a country's real strength lies in its happy and healthy citizenry, and not in the number of nuclear devices it can target on its neighbour, so does the true measure of its development lie not in its GDP, but in things like the rate of infant mortality, of school enrolment, of adult literacy, or average life expectancy, etc. Since Swanirvar's charter enjoins us to work for integrated development, we have always placed more emphasis on these than on provision of credit.

There was another reason for our decision. We did not have enough money. The small savings schemes that we ran in our villages had reached their optimum and the loans that we could and did give from their funds were for small sums and could not make any real change in a family's fortunes. These had served the limited purpose of helping a family tide over an emergency shortage of funds or a short term capital crunch. In 1993 we received some money from a German school teachers' association for the empowerment of women and that has been well utilized but its quantum was too little to make any real impact.

Things changed this year. The National Lotteries Charity Board in Britain agreed to give us, through Friends of Swanirvar in that country, a substantial sum of money over five years to be used, among other things, to set up a revolving fund for lending to women entrepreneurs. The first instalment was received in August 1997. We then decided to restrict the scope of our existing savings schemes. Loans in our books will remain until they are repaid but no new loans will be offered from these savings. People will continue to have their accounts, deposit and withdraw money but that will be all. We shall encourage the savings habit, provide a secure place to keep the money safe from prying husbands and mothers-in-law (a majority of our account holders have always been women), and allow account holders access to their own money whenever the need arises, but no loans. Those seeking credit will have to come another way.

Five women, preferably close neighbours of the same age and with similar financial situations, form a group. They meet between three and five times a week, among themselves and with our workers, to learn what is expected of them. To develop the savings habit they contribute a

sum fixed by themselves to a group fund every week. One of them becomes the group leader. These regular meetings bring them closer to our organization and a bond is established among the members.

Once we are convinced they have understood the modality and morality of the scheme - the time this takes will vary from group to group, depending on the growth of awareness among the members, this in turn often depending on the level of literacy - one member of the group becomes entitled to a loan for some productive work: Repayment begins from the next week, and the whole amount may be repaid after the 12th week, but certainly by the 52nd. Other members of the group become eligible for a loan within this time, but not all members want one. The meetings continue as regularly as before but less frequently; now the women, some of whom may have learnt to read and write by this time, talk about nutrition gardens, adult literacy, herbal medicine, the status of women and domestic violence, hygiene etc. Between 2 and 4 groups together make a centre.

At the end of the year the number of centres stood at 17 and that of groups at 48. Things have not been easy. Many of the poorest women spend the whole day working in the field or in brick kilns during the season, and the evening doing housework. Their lack of formal education is also a demotivating factor as far as attending group meetings is concerned. Many husbands do not favour their wives participating in these programmes; they would rather we dealt with them. And there are always neighbours, with or without an axe to grind, who will keep telling the women what a trap is being laid for them. Swanirvar has been credited with plotting many a sin, from petty larceny to selling these women abroad. The groups have flourished.

The following table gives a summary of our progress.

Name of village	No. of groups	No. of loanees	Total amount lent (Rs)	Total amount repaid (Rs)	No. of full repayments
Andharmanik	5	25	62,500.00	14,450.00	-
Fatullyapur	17	85	2,18,000.00	93,826	20
Kolsur	16	94	2,12,700.00	91,896.00	27
Bajitpur	10	62	1,49,250.00	79,145.00	17
Total	48	266	6,42,450.00	2,79,317.00	64

The loans have been taken for purposes as varied as animal husbandry, trade in agricultural produce, tailoring, weaving, pisciculture, making fishing nets, incense sticks, buying and running non-motorised transport vehicles, setting up groceries or other shops, working with cane, mat, etc.

We confess readily that though the loans are in the name of a woman, the work is not always done by her, or her alone. We had to be flexible about this, as entrepreneurship skills among women are not yet so well developed in our area. But even if the man uses the loan, himself or jointly with the woman, the fact that it is only the woman who can claim the loan, and this not just as matter of form but only after attending and participating in group meetings regularly for sometime and also the fact that the onus for repayment is on her, give her a status and prestige in the household that is also empowerment of no mean sort. Of course it would be better to have only women spending the loan with profit, and this may be achieved soon enough. We notice that in meetings of both the groups and the centres, the women now talk about more entrepreneurial options; possible sources of information and assistance, and they also seek details of government training schemes. At the same time there are regular demands that Swanirvar provide training on various aspects of self-employment so that they can do without male help.

We are quite thrilled with how the programme has progressed in its first eight months. At many homes we visit, the smiles that greet us now are ones of achievement, partnership, and busyness, not just of polite despair. A sense of purpose has entered where despondency ruled. All this is good, but we have no illusion that this is good enough or that this is all there is to it. We have lent without collateral and yet the rate of recovery has been excellent. But a microcredit arrangement like that can never hope to create any permanent asset. When the national economy is sluggish, or worse as now, under the present system even remote villages will provide limited opportunities to run groceries or to sell mats. The credit will help the beneficiary, as one set of entrepreneurs replaces another, but will not benefit the economy in any significant way, for there will be no real increase in GDR. In Bangladesh microcredit societies have provided small loans to no fewer than 6 million people, almost all of them poor villagers and over 90% of whom are women, and there has been very little default in repayment so the money must have been properly used (though there are allegations that some beneficiaries become money lenders, and not entrepreneurs), yet Bangladesh remains a very poor nation. So we keep our fingers crossed about the long-term impact of this programme on the community's wider economics, but there can be no reservations about its other, social benefits. Illiterate chattels rising up to challenge men as entrepreneurs and beating them on their unfriendly turf, is what development is all about. And for those who look for other benefits, such female empowerment is bound to reduce fertility. This will not make the GDP growth chart race upwards, but will certainly contribute to the per capita income. And to the health of other indices of human development.

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Apart from individual loans, we gave Rs 35000 to a group of men at Chandalati to lease a few ponds and grow fish there. The final results will not be known until 12 months are over, but they seemed to be doing well.

We shall conclude this section with two case studies. Giribala Parui had been a widow for some years with a son and a daughter, and with uncertain calls for work on other people's land as her only source of some income. The daughter "could contribute nothing and was a mouth to feed" so Giribala married her off, Her son is mentally handicapped. So Giribala is still the sole breadwinner in her family. She joined a group, was entitled to a loan and took Rs 2500 on 27.9.97 to trade in vegetables. She returned the money in regular instalments and at the end of the year was only one instalment away from total freedom from debt. She said her savings would give her enough capital to carry on for sometime.

Jharna Parui had a husband, Dulal, and three children. Both worked as day labourers and life was indeed a daily drudgery because there was nothing to make them look forward to the morrow. She joined a group and took a loan of Rs 1500 from us on 19.6.97 to lease a small pond and to grow fish. Dulal showed symptoms of insanity which kept growing; water full of pesticide from a nearby vegetable plot entered her pond and all the fish died. Jhama did not lose her head; she went back to working on others' fields, used the rest of her loan judiciously, took her husband for treatment and once the loan is repaid-she has not defaulted on a single instalment-would apply for a fresh loan. She says it was cooperation of the other members of her group and the feelings of solidarity that kept her sane and strong.