Chapter 5
The idea that an assured supply of credit to poor women provides them with empowering alternatives has of late metamorphosed into the dominant paradigm of empowerment. This is not totally unfounded, for the success of credit-oriented strategies and the appeal they have for poor women has been truly enormous. The compelling necessity of credit to realize life choices of diverse nature can hardly be overemphasized. This is the more so when the people under consideration are poor women, who experience enervating constraints in achieving their life choices primarily due to lack of money. Irregular incomes, dearth in the quantity and quality of assets, lack of adequate savings, absence of appreciable measure of money flow, and low credit worthiness are patent features of poor households and the women in them. These elements combine effectively to deny poor households the ability to imagine and realize alternatives that would enable them to escape from the clutches of poverty and powerlessness. If these are the general characteristics of poor households, the women within them face further constraints. The gender patterning of labour means that poor women earn much less than their male kin, despite expending a comparable amount of time and energy. Further, the gender division of household work ensures that women have specific responsibilities like food-making, childcare, household maintenance, the realization of which requires regular and reasonable supply of money. This conjunction of gender disparities in wage labour and the gender responsibilities within households, accentuate the necessity of money for poor women rendering credit supply as an effective means to enable them to realize their interests.

Consequently, there is a general understanding on the 'indubitable potential' credit supply has to provide empowering alternatives of varied composition and strategic importance to poor women. The efficacy of credit as a strategy to augment the options "exit" from conditions of powerlessness like poverty, patriarchy, social norms, etc. derives from the types of alternatives made possible and the value attached to them by poor women. Given the stifling nature of poverty, for women experiencing its debilitating effects, both the mutually reinforcing facets of "exit", namely, the ability to imagine alternatives, and the capacity to achieve them, are equally important. Lacking in money and valued achievements, the poor tend to limit their range of imaginations and eschew from any activity that involves higher
proportion of risk. This inability and fear to imagine alternatives only results in the further reinforcement of the condition of poverty.

To a considerable extent this condition of poverty derives from the structural context, from the manner in which wealth, positions, power, and other resources are differently distributed and several instruments are put in place to sustain and perpetuate these differences. The limitedness of the access to resources they have and its constraining effects on their imaginations render the efforts of the poor to overcome the incapacitating situations they inhabit largely ineffective and ephemeral. Other than these material limitations and their derivatives, there are several social norms that complement the disempowering effects of the uneven distribution of resources. This has evoked policy responses from the state in the form of specific target-oriented measures to alleviate poverty and to reform those social aspects that contribute to the sustenance of poverty. Hence, we find along with poverty-oriented programmes, there are other legal instruments addressing inequalities engendered by caste and gender alike, positive discrimination through reservation of quotas in education, employment and representative institutions for lower castes and women, property rights for women, etc. 1 Despite the existence of such enabling macro-policies, the effective conversion of policy expectations into valued outcomes has been essentially conditioned and mediated by the micro-reality – the everyday “lived reality” of the people, with an assortment of norms, biases, prejudices and predispositions. Consequently, one finds a depressingly large gap between policy intentions and actual achievements. Though well-intentioned and reflective of its commitment to its citizens, these state initiatives also suffer from the limitations intrinsic to most macro efforts – the emphasis on ‘technical’ standardized solutions to human problems of a diverse nature.

This means that the state has had to continuously innovate, not only to reorient its policy measures to overcome the limitations exposed in the phase of implementation, but also to reaffirm the faith of its citizens in its commitment to them. The state response has essentially been at two levels: policy and institutional. At the policy level, several policies have been revamped and new policies have in

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1 Women have been given quotas in the educational institutions, especially those of technical and higher education, and recruitments made by the state. With respect to the representative institutions, except for the panchayats, the issue is still under contention and opposition by political parties has stalled the initiative repeatedly. In the state of Tamil Nadu, where the study was conducted, there is a law granting property rights for women married after 1989.
many instances come to replace the ones that did not meet the expectations. Many operational adjustments have also been made to give the existing policies more edge. Hence, we find new policies like SGSY and Sarva Siksha Abhiyan. At the institutional level, the tendency has been towards delegation and decentralization of many executive powers. A separate tier of administration has been established at the panchayat level through the 73rd and 74th amendments to the constitution. These measures, notwithstanding, the role of the state in the development of its citizens has been subject to much criticism.

In tune with the prevalent tendencies of liberalization and a minimal state, the Indian state has also begun to actively engage organizations outside its administrative hierarchy. The NGOs, as an institutional form structurally independent of the state and at the same time sharing the latter's commitment towards the cause of marginalized people, including poor women, have become the 'natural' partners of the state in the field of social development. NGOs have been in operation in the field of social development for long, and have been appreciated for their institutional flexibility and related aspects like development innovations, ability to operate in isolated areas, responsiveness, and to work along with the people to seek solutions to their problems. Despite these qualities attributed to them, the manner in which NGOs seek to expand their operations setting up parallel development hierarchies, their evident inclination to standardise their operations, and more importantly, the emphasis that credit as a strategy has received in NGO efforts, have given rise to debates on the role of NGOs and in certain instances doubts about their comparative advantage over the state.

The convergence of NGO strategies for social development on credit-based approaches is a marked feature of these sets of institutions. Some of them have entered the field of social development with the chief aim of making credit available to poor women at cheaper rates; here, the micro-finance orientation remains conspicuous as the empowerment strategy. There are other instances where NGOs working in other aspects of development have absorbed the current enthusiasm for credit-based approaches. There are other NGOs, which consider credit as an integral component of any development effort and consequently adopt credit-based strategies as supplementary to their other initiatives. Despite these variations, credit-based strategies have gained considerable privilege, seemingly due to their ability to

2 The Sarva Shiksha Abhiyan is a national mission to provide eight years of quality education to all children in the age group of 6-14 years.
address the fundamental issue of poverty – lack of money and ensuing limitedness of alternatives and opportunities.

This chapter investigates the empowering potential credit has for poor women. Several influential agents are involved in deciding the efficacy credit has for the empowerment of poor women. We have already stated the involvement of NGOs in this respect, as the primary agents operating in the field and committed to empowerment. The state and its financial institutions like banks provide the macro environment, a critical encouragement for improving the quantity and quality of credit offered to the poor. There are donors and international agencies, who offer funds to enrich the range of credit products offered by the NGOs, and more significantly for greater exchange of ideas and innovations, and development of good practices through international platforms like the Micro-Credit Summits. Despite this critical engagement of several agents, poor women, as the ultimate users of credit and converters of credit into empowering alternatives, gain added criticality for their role in establishing any fit between credit and empowerment. Therefore, we contend that despite the range of loan products made possible by the NGOs, it is the poor women who give meaning to these by not only availing them, but also by utilizing them for varied purposes. How do poor women perceive the access to credit through their groups? What are the changes they seek to realize through credit? What changes have been achieved? Why have only certain changes been possible? What are the limitations of exclusively credit-based strategies? These are important questions with respect to understanding the empowering potential of credit for poor women and need to be addressed squarely. The basic intent, in this chapter, is to understand the process of empowerment as it unfolds with the NGOs enabling the poor women through supply of credit to overcome their powerlessness and disempowerment.

Our understanding of the empowerment of poor women and the importance of credit supply for this, unfolds in the following sections. The first three sections deal with the issue of interests articulated by women, how these are conditioned by the gender division of household work and the manner in which women value their achievements. Each of these sections focuses on specific issues, namely, food, housing, and education, and the relation valued achievements in these three articulated interests have for women's empowerment. The fourth section explores the importance of credit supply to women for the household economy and the manner in which credit access in perceived and put to use. It also describes the
confidence access to credit has given to the poor households and the specific aspects in which this confidence gets expressed. The fifth section deals with the issue of credit supply and the creation of productive assets, and the sixth section explores the significance of credit for the realization of strategic alternatives by poor women. Finally, the findings that emerge are summarized and their importance for an understanding of the empowerment process is presented.

Regular supply of credit to poor women for the fulfilment of their needs forms the predominant approach of at least two of the NGOs (NGO II and NGO III) we studied. As such the importance of credit for women who have for long suffered from a lack of regular access to it, cannot be underestimated. To varying degrees, these NGOs encourage women to graduate from using this credit for exclusively consumption purposes, to putting them to more productive ends. Credit, naturally, can be valued variously and put to different uses. In the context of women, this can either be used to meet the consumption needs of the household or for productive purposes, and similarly it can be oriented towards their practical or strategic interests. In other words, credit can have a positive or negative relationship with the existing gender asymmetries, and in the latter form prove to be potentially transformatory. Given this fungible character of credit use, the manner in which women loanees themselves perceive and value this access to credit assumes greater significance. What does increased access to credit mean to women? How do they relate credit and the change it brings in their lives? In attempting to answer these vital queries, we concentrate on the perceptions and views of women – the types of change they value and the rationale behind it? Unravelling this is cardinal to understanding the terms in which women as creative agents employ their greater access to credit in their interaction with disempowering conditions.

From the testimonies of the women we interviewed, it emerges that the physical environment, social norms and values that inform the ‘lived reality’ of these women condition their perceptions on credit and its use. In this connection, two contextual factors can be identified to be of vital importance – the values attached to the gender division of household work, and the “joint” well-being of the household as a cooperative unit.
5.1 Women, Credit for Food, and Empowerment

The practical interests of women, that essentially derive from the gender division of household work, influence the value women attach to increased access to credit. This does not in any manner relegate the significant contribution most of these women make to the household economy by earning or contributing to crucial additional income as wage earners, or their participation in the household owned economic activity. On the contrary, what we are referring to is the additional household work performed by women mostly before and after their daily income-earning economic activity, their perceptions of these activities and the values they attach to them. This unpaid and expenditure-saving work, often undervalued when evaluated in purely monetary terms, involves activities like maintenance of the precincts of the household, fetching water and firewood, cooking and feeding the household members. Women expend a lot of energy and time in the performance of these tasks. More significantly, they are seen as specifically responsible for the effective fulfilment of these tasks, whether they perform them on their own or with occasional help from their children and other members of the household.

5.1.1 Gender and Food-making Function

Women have the onerous task of feeding the household. Though at the outset this might seem to be a statement of the obvious, our interviews with women show that the state of affairs is more complex than it appears to be. It is essential to restate that we are here talking about poor women. A pattern that repeatedly emerged in our interviews is the lack of any productive livelihood assets in these households that accentuates the importance of the wages earned from agricultural labour as their main source of income.\(^3\) The seasonal nature of this work created additional problems, as these households lost their only source of income. It was in such situations that the function of women as food-preparers is put to severe test. Herein, it is essential to point out the two related aspects that are involved in food scarcity. At one level, these women as individuals are denied their basic need to feed themselves properly to lead a healthy and active life, and at another level they bear the responsibility to feed the entire household. In our interviews we found that women attach a great deal of importance to and value the latter aspect, which also

\(^3\) Though many of these households possessed some amount of dry land, the productivity of this asset measured in terms of the crop cultivated and the income generated consequently is largely negligible. Most of the respondents reported that their dry lands were lying barren without any proper irrigation facility.
includes the welfare of their children. The dependent nature of the children and the relative confinement of women to the precincts of their household, in comparison with their menfolk, imply that they experience the effects of food scarcity more intensely, conditioned by their gender roles of cooking and caring for the children in particular and the household in general.

There is also a strong relationship between women performing these gender differentiated functions and their personal well-being. Women also perform the important function of food distribution among their household members. In situations of food scarcity this in essence means that the woman prioritizes the well-being of other members of her household above her own, thereby experiencing a virtually forced self-denial of basic needs; 'forced' because the decision she takes is fundamentally conditioned by the lack of sufficient food, and 'self-denial' as she is in charge of food distribution and prioritizes her needs as the least important in relation to other household members.

5.1.2 Women, Social Norms and Food-making

The fact that women in general attach importance to this food-preparing function cannot be perceived merely as the negative positioning of women in gender relations. On the contrary, the “jointness” of the household necessarily implies that women perceive themselves to be 'in charge' of their households and view the preparation of food and the feeding of the household as a very important responsibility. The importance that women attached to this function of cooking came out very explicitly in their participation in the group meetings. A large number of women expressed their inability to stay till late in the evenings in such meetings, despite the fact that these were group meetings that were held in their own locality, and gave their responsibilities at home as the reason. It is obvious that what they were referring to was their food-making function. In this context observation of R-4, a member who is described in the testimonies of other women as "literate and more aware than them", and who was importantly given the responsibility of checking the accounts at the end of each meeting, is illustrative. At a particular group meeting, which was attended by the cluster associate and consequently took a longer time than the usual, R-4 had to visit her house a couple of times during the course of the meeting. Upon questioning, she said that she had to go because she has to cook as it was getting late. In this context she remarked,

How can I allow my husband to cook? Others will laugh at me and pass comments on our household. It is not that my husband should not cook.
When I am there why should he do it? It is alright if I am not there or ill and my husband helps me. But, it is a shame for me if I allow him to cook when I am healthy and around. It is the duty of women to cook food. Men have other important responsibilities. Only if each of us fulfil our responsibilities there won't be any problem and we can live well. (R-4)

It would be pertinent to point out that R-4’s behaviour if not her opinion is also influenced by the fact that she has three sons aged eleven and below, and hence she feels compelled to perform the cooking function. Other women, who have adolescent girls at home, differed from R-4 in this aspect, since their absence is ‘compensated’ by their daughters and in other instances like R-1 it is the girls or daughters-in-law who do the cooking at home. Despite delegating the actual execution of the task to others like daughters and daughters-in-law, these women felt the imperative to oversee that this basic need is fulfilled effectively without any problem. Hence, though R-1 says that it is her elder daughter who does the cooking, she bears the overall responsibility to feed the household, more so since she is a widow heading the household.

This responsibility certainly is not peculiar to widow-headed households, and is also evident in other women like R-29 and R-38, in whose house other females performed the food-making function. There were also rare instances where women referred to the cooperation they received from their husbands in this regard, as in the case of R-46: “If both of us go for full day work, then he helps me with the household work. If I go for day long work and he comes back early he does the cooking”. Again, by pointing out to their husbands’ cooperation these women allude to the "jointness" of the household. They also refer to this in terms of their men assisting them in a work that is essentially their preserve.

In essence, women perceive the primary responsibility to prepare food and feed the household as theirs despite the function being delegated to others either permanently or on a temporary basis. Social norms and socialization play a significant role in the emergence of such gender-differentiated notions of household work. Consequently, cooking and feeding the household are considered as essentially female tasks in the corporate conceptions of the household that women we interviewed have. This emphasis on the voluntariness of food preparation should not discount other factors like the possibly violent behaviour of men, discord with the husbands, and demands from children, in the event of lack of food, that condition women to perform this task.
5.1.3 Women, Poverty and Empowering Interests

In situations of scarcity, women experienced severe restrictions on the performance of this function. Women in poor households are denied the basic choice to feed themselves and their household properly. In this regard they differ significantly from women in relatively well-off households, who do not experience food scarcity and its debilitating effects. Certainly, women in households with a ready supply of income and food materials do not have any constraints on their choice in food preparation and distribution, in terms of meeting the basic requirements of the household. There is a forceful argument that those functions pre-assigned to women in terms of the gender division of household work, result in them making typical decisions that do not have any transformatory significance on their lives, and hence cannot be viewed as empowering by themselves. Therefore, the choices women make in purchasing food and other household articles, and the decisions they take regarding their children's health are seen as typical and insignificant in the hierarchy of household decision-making in relation to other decisions like education and the marriage of children, and those related to household economic activities.⁴

As a matter of fact, in the hierarchy of household decision-making, choices regarding the procurement, processing and distribution of food can be regarded to be of relatively less importance in comparison with other strategic choices. This lesser importance of decisions related to basic needs stems from the taken for granted nature of the fulfilment of these basic needs for the survival of the household and the non-contentious nature of decisions regarding them. Hence, what to buy and what to cook for food are considered as decisions that are typically assigned to women and not of significance for their empowerment. This understanding of the relation between basic needs and empowerment vis-à-vis gender relations is largely true in all situations – both among the poor women and those who are not so poor. Another aspect to be noted is the limited range of possibilities available in rural areas, especially in poor households with respect to cooking as a choice, since the variety of food cooked is significantly less in comparison to other households that are well-off and located in the urban areas. Such a variation is conditioned by factors like availability of resources and time, the latter mainly due to the pre-occupation of women in rural areas with various forms and levels of economic activity. This lessens the range of choice and renders any

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decision or action associated with cooking in such contexts inconsequential for the process of empowerment.

I don’t take any important decisions by myself. The only decision I take on my own without waiting for anyone, or seeking others opinion is cooking food. But, this does not matter, because in the villages we do not cook many varieties and there is nothing much to decide about. (R-18)

Nonetheless, situations of scarcity impose certain crucial qualifications. While in general, women are ‘allowed’ choices regarding food purchase and preparation, poverty effectively denies poor women the ‘unchallenged’ exercise of these choices in terms of gender, and do not render them as insignificant for their empowerment as is in general perceived. Our fieldwork shows that situations of scarcity necessitate taking a more complex view of these choices, oriented towards the realization of basic needs, and not to relegate the importance of these choices for the empowerment of poor women.

The availability or non-availability of regular income and food materials condition the exercise of their gender-determined functions by women. In conditions where women have the capacity to make choices regarding food procurement, preparation and distribution, such choices – as pre-assigned to them in gender relations – need not be empowering. On the contrary, when in situations of poverty women lack the capacity to make these choices, any increase in their capacity to do so is certainly empowering. Increased access to credit, for instance, has the ability to increase the choice-making capacity of poor women. Women repeatedly referred to this aspect of change in their lives in interviews.

5.1.4 Conditions of Poverty, Credit Supply and Food

The importance individual women attached to the increased availability of food due to group loans differed from group to group, and also within a single group, conditioned by many factors including their possession of productive assets, the proportion and regularity of household income, availability of work, etc. At least women in one group, namely GRO III, prioritized the availability of food as one of the most important benefits they derived from their participation in group activities. Among other factors, this can be attributed mainly to the general lack of work and income for these women, lack of productive assets, failure of monsoons, lack of proper irrigation facilities in this dry region, and social restrictions.

R-4 offers a general account of the situation when she says that previously they were finding it difficult even to eat properly because of an irregular income and
the problem was compounded by the drought situation the village experienced which deepened their vulnerability. Lack of rain and any other means of irrigation meant that they were not able to cultivate in their lands and finding work for wages was also extremely difficult as others too experienced the same problem and could not cultivate their lands. Her account shows the reluctance these poor women had in venturing out of their locale in search of work and taking up other work they are not traditionally used to, which is primarily due to the social norms restricting mobility and informing the occupational pattern.

This meant that we had no work in the village and had to go out looking for work. We were hesitant to go outside our village looking for work in the neighbouring towns and taking up other manual jobs there which we were not used to. Now this situation has changed, because we venture out and take up work in other places and moreover have our sangam from where we can readily take loan for all our essential needs. Now the confidence is there that we will surely get money from the sangam and this has lessened the anxiety we used to have about feeding the household. (R-4)

R-4 mentions relief from food insecurity as the most significant benefit the household has experienced after joining the group. In fact, some of the initial loans that R-4 took from her group were for this purpose. She says that now she is confident that even if the household does not have income for some time she can manage with the help of her group.

Though many women exude such optimism, in general, we can distinguish between a number of different categories of women based on the way they related to the realization of food security vis-à-vis their groups and the loans they received from these. First, there are women who were comfortably positioned even before they joined the group and they do not associate their active membership and loan taking with food security. In this category are women whose households had a steady supply of money or food provisions. The reasons for this stability are many and varied: regular and reasonably paid employment of the husband; regular income through wage labour; income earned through activities like agriculture (own/sharecrop), thatch-making, etc.; and possession of assets like cattle, goats, sheep that can gave a regular income through produce or selling. For such women who had a semblance of food security even before they joined their groups, increased access to credit through groups does not have any direct effect on their food-making function. At best some of these women referred to the flexibility that group credit has given them, as they are now no longer totally dependent on their assured source of income, mostly their husband’s. Here, two points emerge: women
are not totally dependent on men for food provisions, and the household as a whole, need not rely on a single or limited source of income. Women in this category perceive group credit as an alternative or addition to the already existing source(s) of income. Most importantly, differentiating them from other categories, these women can fulfil their food-making functions even without group credit, and also do so with relative comfort.

The second category consists of those women who initially experienced different degrees of impoverishment and made good use of the credit provision of their group. Nearly all these women report some amount of food security now, or at least an improvement over the day-to-day anxiety and starvation. Here we come across two sub-categories of women. There are those who have used the credit to tide over their difficult situation, but have not increased their productive assets or have failed to sustain their possession of productive assets like agricultural land, milch cow, goats and sheep for varied reasons.

There are others who have managed to acquire and effectively put to use productive assets, and thereby overcome the situation of scarcity. R-7’s account shows the change a group loan can usher in by increasing access to productive assets, and in this case more specifically to the resource base of their subsistence. She points to the lack of cultivable land as the major hurdle in her household achieving food security. With the help of a loan from her group R-7 retrieved the wetland of twenty cents, which the household had mortgaged to repay outside loan. She says that the retrieval of this land has proved to be very beneficial for the household,

We were able to harvest six sacks of paddy this season. This will take care of most of our food requirements for this year. Instead of purchasing the household’s entire requirement of rice from outside, now we will have to purchase only a small quantity from outside. I am happy that at last we have some food stock at home and need not worry about the food for the next day. (R-7)

I should say that our position has improved a bit from before because of the loans we get for food and other purposes. Now my children go to work and are earning whatever wages they can and the situation in the household has eased a bit. But, this change is only over the past couple of years. Previously, we all had to suffer a lot. I have five children and all of them were too young then to go for work. My husband and myself were the only earning members in our household and we did only agricultural labour. The land we own does not have regular access to water and is Maanavaari (rain-fed). We were able to eat only because of our wage labour. Every year there are four or five months when there is no work and then we had no income. It was difficult to eat in those months, as it was not possible to save money for these months. Two of us had to work to feed seven of us and with our wages we can only
manage to eat everyday and cannot save. The situation became very tough when both of us fell sick and the doctor asked us not to do heavy work. Tell me, is it possible to do agricultural work in the shade? It is always hard work and we both had recurring health problems. For a couple of years the situation was really tough. We managed it by taking loans from the sangam for the purpose of food. Both of us went for only light agricultural work and that too occasionally and for the rest we had to rely on the sangam loan. Now things are better, since I have got a loan from the sangam and purchased goats that I look after, and my husband has two oxen, which he uses to plough others land and earn money. We also have a cow and calf now, bought from another sangam loan. So both of us do not go for difficult agricultural work. Since, our children are also working now we are able to save some money. We take loan from the sangam and buy the required food materials and with the wages repay the loan and also save money in the sangam. Now we are able to eat properly and also go to the hospital if our health problems recur. (R-9)

Though both these groups of women are in a relatively comfortable position now due to an increase in wage income, the first section is still largely dependent on their wage income for survival, the only redeeming factor in most of these households being the increased number of wage earners, with the children of these women now going for a variety of work.

To the third category belong those women who are still heavily dependent on the group loans for their food security. Most of these households comprise of either aged couples unable to actively undertake wage labour, or those characterized by a lesser amount of income with less active wage labour and more dependents. R-13 exemplifies the woes of aged couples and their problems, especially their anxieties about food security. She is an agricultural labourer like her husband. Their only grown up daughter had died sometime back. This fifty-year-old woman and her husband are illiterates. Both of them cannot perform the harder tasks in agriculture, because of their advanced age, and she mostly does sowing, weeding and harvesting while her husband does the ploughing with the pair of cow they own. Other than this and their house, they possess an acre of dry land and cultivate another wetland of forty cents, which is purambokku (Tam. Common lands) in the tank adjoining the village. In the dry land they never cultivated any crop until a common well was dug under the sarvodhaya (lit. the good of all) project undertaken in the village as part of the Boodhan (Land donation) Movement few years back. Now they cultivate crops like cotton and gingelly in this land, while in the wetland they are able to grow paddy, which provides them food for few months. Their work as agricultural labourers is seasonal. During the lean months, when they do not get any work and when the food stock is over, the couple had to rely on loans from moneylenders to buy food and keep themselves alive. The couple had taken loans from moneylenders
several times to purchase food grains. After she became a member of her group, it has come to the aid of R-13 whenever she faced such difficult situations. She has regularly availed food loans from her group to solve the problem of scarcity. This has given the couple a semblance of food security. The year before last when there was scarce rainfall, they could not cultivate the land and were unable to find work because of the general drought situation. With no food cultivated in their land and no work that would give them some income to purchase food grains, the couple were nearly starving. They managed this tight situation mostly by getting a loan from the group for buying food grains. Despite possessing some productive assets, R-13 is experiencing food scarcity and she recounts the reasons,

We have some land, but what can we do if it does not rain? Only if there is rain we can cultivate and eat, otherwise we are compelled to go for work to other’s fields even at this old age. Since, both of us are old we cannot do all agricultural work. Moreover, we also do not get work in other people’s land when there is no rain, and we experience difficulties. The year before last we were in real dire straits, since there was no rain and we had to depend on loans from the sangam to buy rice. Previously, I never used to stay in this village properly because of this scarcity and go off to my parental village. Now despite the drought we are able to manage the situation since with loan from the sangam we have food stock. (R-13)

R-12's experience shows the problems faced by a young couple despite repeated efforts to attain food security. The household owns about one acre of dry land, which R-12 says has remained forever barren. In the thirty cents of wet purambhokku land they cultivate, they grow paddy. Despite being small, the household was finding it difficult to feed itself. Both of them were agricultural labourers and the seasonality of agricultural work meant they lost wages for few months together. Being dependent on their wages for their survival, the couple found it impossible to save for difficult times and had to take outside loans. R-12 says getting a loan from moneylenders was also extremely difficult and “we had to beg for money”. She describes the precarious state of existence that maintained the poverty situation: “when there was scant rain we could not cultivate our land nor go to others’ land to earn wages because of the drought situation and lack of proper irrigation facilities. We were forced to take loans to feed ourselves”. They did make attempts to escape from poverty by getting a cow on loan from the local milk society and even managed to repay the loan amount partially by selling the milk back to the society. But one of them had to stay back at home to take care of the cow and this resulted in the loss of their daily wages, which was sustaining them. The couple found the drop in wage income difficult to compensate. They did not have enough
surplus food that could take care of their survival needs till they could repay the cow loan and start earning a profit. Moreover, they had to buy fodder for the cow and did not have enough money to buy it. Finally, they had to sell the cow. According to R-12, this situation has changed with the formation of the group.

We can take money for anything from the sangam. We can educate our children, can repay the loan we have taken from others, can perform auspicious things in our home and after repaying take more loan for our purposes. All this is possible only after we started the sangam. Before that the situation was very difficult, especially for us (women). All of us were in more or less the same situation. We never knew at what time the husband would bring rice after work. There was no specific time as to when we would cook and eat. All depended on when our men returned home with some rice; and only then we can cook and eat. Even our children had to wait till then. Now, we ask for loan in the sangam for food purposes and they readily give. Somehow we are able to eat properly now...

Though in my case we were only two of us, myself and my husband, even then the situation was very difficult. We did not have cultivable land and so neither did we have income nor were we able to cultivate food for ourselves. Now there is no problem for food. We take loan from the sangam and buy rice for Rs.200/- or 300/- and keep it. So there is no problem of waiting like before when we have to purchase rice daily after work to cook for the day. Now we are more assured about our daily food. (R-12)

If this is the experience of women in general, in the final category, there are widows who offer us a different perspective from their lives. These women suffer from multiple disadvantages as heads of their households, and mostly with young children to take care of. They do not have the economic support of their husbands, who till their death were the chief breadwinners of the household. Given the lack of any productive assets, and the problem of day-to-day existence on the wages they earn, these households face severe crisis and women are in the unenviable position of rebuilding the household. Some of them are fortunate to have the help of their parents or brothers in this effort, but not all of them and not on all occasions. Naturally, those widows who happened to be household heads offered a slightly different perspective on the change they experienced and their priorities and responsibilities that are not limited to feeding the household, but instead extend to all aspects of its existence.

After my husband died I found it very difficult to feed and clothe my children. We also had a problem with the house in which we were residing. We had built this house with a partial loan from my sangam when my husband was alive. Due to lack of money we had left the brick walls un-plastered and it needed urgent plastering. To save the house, I approached my sangam and as they all knew my situation they helped by giving me a loan. With the help of that money I have got the walls plastered, and now need not worry about it for long. With the balance amount of the loan I even managed to get the electrical wiring for the house done. But till now I have not been able to get
the electricity connection, as I have not been able to pay the required
deposit for that. At least now we have a safe place to stay. Now we are
slightly relieved, as my eldest son has found a job at a carpenter’s workshop
in the next village. With regular income for my son and occasional loan from
the sangam now I am able to feed the children without much difficulty. (R-1)

The loans from her group have certainly enhanced R-1’s capacity to make choices
regarding the basic survival needs of her household. The increased access to credit
available to women has to be seen in view of the alternatives they had before and
the range of alternatives that credit access has brought to them now.

5.1.5 Women, Access to Credit and Empowering Alternatives
Women as members of poor households, experience the multiple effects of food
scarcity. Other than their personal deprivation, which do not seem to be of much
concern to them, they have to tackle their hungry children who naturally approach
them, as they are the traditional caretakers and the children are socialized to
approach their mothers for food. Lack of food to feed their children can have a
negative emotional effect on these women. They also have to face the anger and at
times violent behaviour of their husbands. Borrowing food provisions from their
neighbours and relatives can also affect their self-respect. Probably it is because of
these negative effects that these women opt for agricultural labour, despite the
hardships it entails and since it is the only work they are used to.

Even though some of these women were not used to doing heavy agricultural
labour before their marriage, they are compelled by circumstances to take up farm
work. This is also necessitated by the fact that it is the only option available to them
in the absence of any other productive asset through which they can “manage” their
household and face the increasing monetization of rural life.

Except for fuel wood and water we have to purchase everything from outside
and need money for that. We have to buy rice, vegetables, etc. Even though
we cultivate paddy we can afford to keep only some of it for our immediate
needs, and have to sell the rest to meet other household expenses. After few
months, when our stock gets over, we have to purchase rice from shops. (R-9)

Form the testimonies of the women we are able to discern a variety of reasons that
prompted them to go for work. Many of the women replied that it was the only work
they knew and they started doing it after their marriage. But, there were others who
made the explicit connection their wage work and the basic needs of their
household. Though in most circumstances going for work is not a matter of choice
and figures as a compelling necessity for the survival of the household, a reading of
the motivations to do so points to the direct relation women make between their
wage income and the well-being of the household. At least some of the testimonies of the women we interviewed unambiguously point to this. Here we come across a variety of reasons: survival imperative; difficult financial situation; mounting expenses; welfare of children; the need to complement the husband’s income motivated by his physical limitations or by corporate notions of household management; and independent albeit supplementary household income again based on corporate notions.

When I got married I was only twelve years old and my husband did not insist on me going for agricultural labour. After the birth of children I decided and went for work on my own. In fact, my husband asked me not to go for work. But, the household situation was very difficult as the expenses were mounting and he was the only earner in the household. He was not able to provide the essential provisions, and asked to eat whatever was there. How can we remain like that with children? So I went to work. (R-3)

My husband is sick and cannot do heavy work, and goes for agricultural work only occasionally when he is alright. If I also do not go to work then how can we eat and manage the household. (R-4)

I decided on my own to go for work after the marriage, because for the sake of survival both have to work. How can women be idle at home? Only through women progress can happen and only she can manage the household. (R-19)

I decided to go for agricultural work. We have children and there is nothing wrong in going for work. We can have our own income and buy things for ourselves. How can we rely on our husband for everything? We cannot keep pestering them with our needs and for money in these difficult times. (R-18)

For the last two or three years, I am going for thatch-making. My husband does not want me to work. I listened to him and was at home for sometime. But, now I go for work because it will help us to lead a decent life, and would help the children in the future. Moreover, it is boring to remain at home throughout the day. I learnt to make thatches by seeing others at work. Before that I was looking after the two goats my mother-in-law had bought with a loan from the sangam. We had to sell the goats for medical expenses, because my husband met with an accident and broke his bones. (R-71)

In sum, motivated by the idea of the “jointness” of the household, these women feel the necessity to go for work and earn wages through which they can at least “manage” their household tasks without much difficulty and not rely solely on their husband’s income. In all the groups, the wages women earn are primarily spent on the basic needs of the household, essentially food provisions. Women perceive this as a method through which they can fulfil their gender-assigned role of food-makers in the household and simultaneously prevent any difficulty and conflict that would result in the household due to lack of food.

By providing small loans for food, and prioritizing this need over others, the group credit certainly expands the alternatives available to women. Now, as some
women observed, they can stop going to work if their health does not permit it and need not look for loans from moneylenders to meet difficult situations. For those like R-9, whose physical health virtually eliminates even the commonly available option of wage labour, or those like R-8 and R-13 whose old age prevents them from indulging in heavy agricultural work, supply of credit to satisfy their food requirements is significantly empowering – expanding their range of choices and reducing their dependence on others.

After the *sangam* came here the position is slightly better. Since, both my husband and myself are old we are not able to work properly. We get very little income. When there was need for money, previously I had to go and beg others and they used to refuse because we are just two of us, old and without much income. They had doubts whether we would be able to repay them. I used to hesitate a lot before asking anyone for money, but when there is no other option you are forced to ask. Now, things are different; I go to the *sangam* and take money when there is a need. There is no hesitation and shyness in doing so. Even when we do not have money for food provisions, we do not quietly starve like before. They give me money in the *sangam* whenever I tell them that I need some money to buy rice. (R-13)

Previously there were problems for food. Even though we worked hard, our wages were quite less. We were in a situation, where we used to get our daily wages and spend the entire amount on food. We could never feel confident that there is enough stock of rice at home that we could cook for the day after returning from work. We were just working and eating. That too two of us worked to feed six. I used to be very worried how I was going to feed the children in the night. The situation was really difficult. Even now I feel scared when I think of those days. Now our confidence has increased a lot. We can take loans from the *sangam* and even purchase two sacks of rice at one go, and also buy other household articles. Now we even get things from shops on credit and pay them later. Previously this option never existed. Shopkeepers used to hesitate, thinking how we would be able to repay them and with what, since we did not possess any assets. But, now these same people think that we would take loans from the *sangam* and repay them. Previously we used to give them millets, we got as wages for all our pending loans, and after few weeks bought millets from the same shop for our food. It was a loss to us, but we did not have any alternative since the situation was really bad then. (R-35)

Initially it was difficult, but now I am confident to take decisions about purchasing (food provisions). Previously no one gave me money. I had to expect my husband for money if I wanted to buy, since I did not have that amount of money with me because of financial scarcity. Now I don't wait for him and take decisions without asking him, as I can take loan from the *sangam* and purchase anything. (R-18)

Credit for food certainly reduces the dependence of women on men for providing the food materials, and offers them an alternative other than their labour through which they can procure food. Given the fact that most of the women in our study list food purchase as an area where they make their own decisions, supply of credit to realize this in situations of scarcity certainly offers these women useful
alternatives. Some of these households also witness conditions that foreclose most of their income earning opportunities, due to a variety of reasons. It would not be far fetched to suggest that in circumstances such as these women might possibly experience greater contributory significance and influence in their household.

Dependence on loans from moneylenders, at least for the purposes of food purchase, is reduced by the availability of an alternative source of credit for these women.

We have all been suffering from poverty for long. Whenever there is drought our situation becomes very bad. Getting work becomes impossible during these times. How can we eat if we do not get any work? We all have children to take care of. In such situations we have no other option but to look for some loan from outside, so that we can at least buy some food provisions. But these loans have always had higher interest rates and there is also no guarantee that we will get it. Compared to such difficulties that we have all been facing for many years, the establishment of the sangam has proved to be beneficial to us. I should say that we are relatively in a better position because of the sangam, because we can get loan from it for lesser rate of interest. (R-10)

This statement of R-10 was borne out in our field research, as many if not all the women interviewed, reported that they availed small loans from their groups more frequently, and significantly, they do not wait to get the consent of their husbands to get these loans. This is in stark contrast to the large loans that are in nearly all instances, as described in detail below, availed of with the concurrence of their husbands. This trend, when seen in conjunction with the expressed opinion of many women that they cannot “trouble” their husbands in “difficult times” or “always pester him for money”, points to the complex understandings these women harbour of intra-household relations. While they do not want to be dependent on their husbands for everything and seek ‘non-dependence’ at least with regard to taking care of the purchase of basic food provisions, this ‘non-dependence’ itself needs to be understood in relation to their overall perception of ‘interdependent’ relations in the household informed by corporate and cooperative notions of household. Another related issue that had similar implications for women is the availability of easy access to regular and assured sources of water.

5.1.6 Women, Improved Access to Water and Empowerment

Another important responsibility of women assigned to them on the basis of the gender division of household work is fetching water to meet the essential needs of the household, mostly for the purposes of cooking and drinking, and in some cases, especially when there are small children in the house, also for bathing. This task is
made more demanding when households maintain their cattle near the household. Women in these instances also have to cater to the needs of the cattle. Despite the varying requirements for water in these households, what remains common is that it is the women who spend time and energy in collecting water. This obviously depended on the distance of the water point from their household, be it a well, hand-pump, or a tap. In the performance of this task we again come across delegation of work pre-assigned to them by women, mostly to their daughters. The very nature of the task of water collection, which has to be done in public glare, means that women were even more cautious in letting their menfolk perform this work. This cautiousness is essentially motivated by the fear of what others might say, in the eventuality of the male members of the household fetching water.

Given the gender-specific character of water collection, women felt a great necessity for easily and regularly accessible sources of water. It also needs to be reiterated that most women perform this task after the completion of their daily wage labour, thereby adding to the everyday demands on their physical health. Women also felt constraints in their mobility because of lack of assured supply of water.

We have severe water problem. You can see for yourself, we have to walk so far to get water. My mother-in-law cannot go so far and she cannot carry the pot full of water. So wherever I go I have to return to fetch water. (R-18)

Most women value the relatively easy access to water they have now, due to the efforts of the NGOs. Women offered many accounts as to the difficulty they faced before and how the installation of a hand-pump has enabled them to save time and energy. Accounts of women belonging to GRO V are significant in this respect. Most of these dalit women pointed to their dependence on high castes to fetch water, as they were not allowed to enter into direct contact with the water sources. Even though a hand pump was installed in the village, it was located in the street populated by high castes and women reported that they had to hear derogatory comments when they went through the high caste populated streets to fetch water. Women said that since they had no other source of water they had to endure such insults. The installation of a hand-pump by their NGO, the first initiative with respect to the group even predating the savings programme, altered the situation drastically. These dalit women now stopped their everyday encounter with the high castes that was necessitated by the lack of alternative source of water previously. Moreover, the NGO trained some of these women in the repair and maintenance of the hand pump,
increasing their sense of ownership and non-dependence on others. An identical account comes from another dalit woman who belongs to GRO I. "They also brought us drinking water by installing a hand-pump near our houses. Otherwise we had to go to the well and the water in it was not clean" (R-57). The major difference being that women in the latter group were experiencing difficulties with the common well they had, since the water was contaminated and the high castes did not allow them access to other sources of water in the village. Regular and assured supply of water thus lessened the physical strain on women and ensured their 'non-dependence' on high castes, thereby providing them alternatives in accordance with their interests.

5.2 Women, Credit for Housing and Empowerment

Another major concern of the women respondents in the study is housing. They regularly avail loans to build or repair their existing houses. Though these loans are taken after consultation with their husbands and the express consent of the latter, most women say that it was their suggestion. Women express the importance of proper housing facility in varied terms like the work burden in maintaining a thatched house, safety of their children, and status and respect.

5.2.1 Housing and Gender-specific Constraints

Day-to-day maintenance of the household and its precincts is one of the important gender-specific tasks carried out by women. There seems to be a more or less clear gender differentiation in the household maintenance function. While the day-to-day maintenance is left to women, long time tasks of repairing like re-thatching, replacing wooden supports, etc are significantly assigned to men, making women dependent on them for any improvement of the housing conditions. Moreover, in most instances, men own the house and the homestead land. This establishes a stronger relation between the property and them, making women dependent on them for any repair or alteration in the structure. This in no way diminishes the work done by women towards the maintenance and preservation of the house and its precincts.

The performance of this function is not only motivated by characteristics specific to individual women like cleanliness, sense of responsibility, etc., but is also strongly influenced by social norms, and cultural and religious values. Whatever the source, the fact remains that women expend significant amounts of time and energy on tasks associated with this. Though the entire household suffers from the prevalent housing conditions, women who perceive and perform the household
maintenance task as theirs experience the difficulties differently and more severely than others. It is in this context that increased access to credit offers more choice for these women, not only saving the time they spend on its maintenance, but also reduce the seasonal difficulties most of them face.

The present house R-58 lives in was built with the financial support of the NGO her group is part of. While the NGO took care of the financial component, the villagers contributed their labour towards this enterprise. R-58 says that she would always be "grateful" to the NGO for building the house, which she says remained a great cause of her worries. This sense of gratitude she expresses has to be seen in connection with the difficulties she had experienced in the previous thatched house, and the welcome relief she now has.

Those days we had only a small thatched house to live in. I experienced great difficulties in that house. When I had just given birth to my third child, there was heavy rain. All of us had to remain in that small area and moreover the house was leaking. With barely a month-old baby to take care of, things were very difficult. I used to put gunny bags on the ground repeatedly, so that it will absorb water and the floor doesn't get spoiled. Soon they will get soaked and I have to dry them and again place them on the ground. I had to struggle like this for a week and I thought that my child would get affected because of the dampness inside. By god's grace I was able to save her. I still fear those days when I think of it. (R-58)

While R-58's account of the difficulties she experienced as a young mother may not be generalizable to all women, her woes of negotiating a leaking house certainly are. Construction of a tiled or in rare cases moulded house in place of a thatched one is significant for women as it has a direct influence on the work burden they experience during the rainy season. Thus, women relate to the problem of proper housing mainly from the point of view of the gender differentiation of household maintenance work, and the safety of their houses. Some of the women have specific plans as to what their immediate requirements regarding housing are and have proposals to avail loans from their groups for this purpose, or at least hope that the NGO which helped them construct the house will do something about it, as is the case with R-57:

Before we joined the sangam we were living in a thatched house and there was lot of problem during the rainy season. We used to earn only for our food and were not able to repair the house. When they (NGO staff) said that they would rebuild our houses, we were all happy. All of us worked together and constructed all these houses. Now we don't have much problem, only that the house is getting old and the wood supports need to be replaced. (R-57)

There are also other important concerns for these women that necessitate a proper living space. Associated with the food-making function that women value is
the existence of a 'proper' kitchen to enable them to fulfil that task. Though a kitchen here refers more often to an extension of the house, with a small asbestos/tiled roof or even a thatched enclosure, women see this structure as important. The existence of a protected kitchen enables them to perform their work in a hassle-free manner and to make choices about the timing of cooking in the rainy and windy seasons. For instance, R-22 lives in a relatively better house compared to most of the other women we interviewed. But she expressed the difficulties of cooking in an open place, and the troubles she face during the rainy seasons when she has to repeatedly shift the stove inside and outside the house during the course of cooking a meal. Despite being a housewife, a rare sample in our study, and always being at home, she says that if it rains during the late evening it becomes difficult to cook. So she has planned to apply for house repair to build the kitchen properly, which is now open and without any protection. She has told her husband this and he has given his consent.

Most of the women in our study did not have the luxury of remaining at home, and cooked their food early in the morning before they left for work or in the late evening. For these women cooking in the open is an ordeal, and stretches their day of hard labour, mostly in agricultural fields till the night. Significantly, the structure and maintenance of the kitchen remains a female concern as cooking is associated with them, and women welcome any increase in the options available to them in this regard and negotiate with their husbands for a better provision. Increased access to credit offers them a greater chance to realize this need for a better living space. Many women articulated their valued achievement in unambiguous terms. For instance, R-70 says, "My father-in-law had more land, despite that he could not build a pucca (well-made) house. But, now through the sangam we have built a house". This achievement needs to be viewed from the perspective of increase in respect and status that a proper accommodation engenders. This feeling emerges in the statement of R-40.

How can we continue to live in thatched house? The house keeps leaking whenever it rains. I have to do a lot of work when it rains to save the floor from getting spoiled and to protect our things. We have children. Is it good if we continue to live like this? We also have a girl, who has attained age. We will have to get her married soon. Who will come to our house if we live in such a state? I kept telling him and when they told us that there is a possibility to get panchayat house, I persuaded him to apply. He was hesitant saying where from we will get the money? Finally he accepted and applied and we got the house. We had to spend a lot for the construction. We bought seven bags of cement, eight thousand bricks and gave Rs.600/- for iron. In total we spent nearly Rs.15000/-. We pawned my jewels to the
(cooperative) society for this and he got loans from outside and some money from our relatives. Last year, we extended this house and built a kitchen. It was difficult to cook in the open in the rainy season, and I can’t cook inside the house also. He never bothered about it. Only women worry about all this. I told him and got a loan from the sangam and he got the work done. (R-40)

5.2.2 Women, Housing and Social Norms

Proper housing is seldom an issue limited to physical or material concerns, and there are important reasons of social significance attached to it. This is evident in the above account of R-40, where she expresses a concern for proper housing that goes beyond the difficulty of domestic chores, and points to the social status that a decent accommodation brings to a household. This concern for status and respect associated with housing is seen more with those women like R-40 who have daughters to be married.

There is also a discernible pattern among those women who have daughters who have attained puberty that they need to have a proper house. R-3 has taken a loan for the repair of her house and says that the house needs repair, as her children were “becoming bigger and will suffer if they do not have proper accommodation”. Here her reference is to her two daughters. Her intention is to give them some privacy and also have a decent accommodation, as it would affect their marriage prospects. R-17 wants to retrieve the house they have mortgaged because of financial difficulties. She says whenever it is possible for her to get a large loan from her sangam she wants to first retrieve the house. The motivation for her is the fact that her daughter recently “attained age” and she does not want to remain in the small house they are presently residing in. Her reasoning is that only if they start thinking about retrieving their house from now on, they would be able to do so in a couple of years’ time.

5.2.3 Women, Credit and Expansion of Choices

A similar concern for privacy of young women seems to direct the enthusiasm of some of the women we came across in our lateral study of the GROs promoted by NGO III, for the construction of toilets. This NGO has an integrated sanitation scheme, as one of its major programmes and campaigned vigorously for the spread of good sanitary practices, construction of toilets through loans being part of it. In the groups we visited, women with adolescent daughters or young daughters-in-law showed particular interest in the scheme. Interestingly, here the preference for a toilet is more due to the privacy it offers as a closed enclosure to these women rather than for particularly sanitary reasons. Women who lived near main roads or in
thickly populated villages felt a greater need for this structure. Notions of female sexuality and modesty impose gender-specific constraints on women, and in this context, the construction of a toilet is perceived by women as a means of expanding their choices or overcoming the constraints imposed by open defecation.

5.2.4 Women, Credit for Housing and "Voice"

Another significant trend noted in the fieldwork is the registration of the homestead lands in the name of the women members. Whenever the NGOs offer a loan for the construction of a new house, they emphasize that the homestead land should be registered in the name of the women member for the household to qualify for the loan. This trend was more visible in the operations of NGOs II and III that have very active housing programmes. For instance, in GRO V, the NGO they were affiliated with (NGO III) gave loans for sixteen houses and in all the cases the patta (Tam. Land ownership document) of the homestead land was registered in the names of women belonging to those households. This shifting of ownership to women is of considerable consequence for their empowerment, despite the fact that the men who relinquish this property in favour of their wives seem to attach less significance to this change due to the cooperative nature of the household.

Ownership of the homestead land, which is the living space of the household, offers these women increasing “voice” in the marriage in the form of greater bargaining power. This ownership also increases woman’s “voice” in the event of the death of her husband and her living with her sons. It would be extremely difficult for the son(s) of such women to disown or desert them. Moreover, it also means that the daughter(s) of these women would also experience an increase in their “voice” because of their rightful share in their mother’s property. R-83, a woman experiencing a conflictive relationship with her husband gives a vivid account of the manner in which women perceived ownership of house as giving them “exit” options and “voice”.

We have our own house now. I built it three years back through the panchayat. The house is in my name. If I had got it registered in my husband’s name, my sons will lay claim on it. Moreover, I have a lot of brothers-in-law, who might also create problem later. To avoid all these problems I decided to have it registered in my name. I thought that it would be of use to my daughter later, because then my daughter was not married, and I was unable to get her married since I did not have enough money. So I thought if the house was in my name, I could even sell it at a later date to get my daughter married, if there was a need for money. (R-83)
Though in situations of cooperation within households and where the corporate notions were in operation this ownership was more or less rendered 'inconsequential', as women never sought to emphasize or realize the effects of such ownership, in conditions of conflict and desertion, the ownership definitely placed women in a position of strength. The important point here is that women gain an increase in their "voice" primarily due to their membership in the group and the access to credit this allows.

The importance of a regular flow of credit to realize basic needs can hardly be overemphasized. But the issue of significance here is the manner in which credit relates to the empowerment of poor women - whether in terms of their practical or strategic interests. Our findings show that women value the increased supply of credit as an effective means to overcome their impoverished state of existence and in the fulfilment of their practical interests. This is neither to deny or diminish the transformatory potential of the strategic interests nor to argue for a negative relation between the increased access to credit and the realization of their strategic interests. On the contrary, what emerges from the testimonies of the women is the importance they attach to the realization of their practical interests and the opportunity an increased access to credit offers them to do so.

Though lack of food or proper housing are not exclusively women's issues, and the entire household suffers from these, women experience them differently and in a more intensive manner. It is because of this intensity, which derives from the extant social norms and the perceptions of women themselves, that women attach greater value to the fulfilment of these practical interests. Access to credit certainly expands the range of choices available to women belonging to poor households. Realization of the practical interests cannot be viewed solely in material terms, but the effect they have on the physical and emotional aspects of poor women also need to be accounted for. Our description on the issue of water supply has shown that realization of practical interests can also have significant social implications and the 'non-dependence' that alternative water supply ensures is certainly of high strategic import. Women also view these practical interests in relation to the welfare of their children and elements of social status and acceptability. To the extent that these practical interests reaffirm their status within the gender hierarchy, fulfilment of them cannot be considered to be empowering. Nonetheless, given the fact that women value the social norms and the effective fulfilment of their gender-specific
roles, the choices that increased access to credit offers them are certainly empowering.

5.3 Credit, Education and Transformation: Empowering Alternatives

Education is generally perceived as a means of empowerment that opens up new opportunities and contributes to an increase in awareness, in addition to the material benefits that it brings along. Poor households find it difficult to meet the educational expenses of their children. A survey of the loan details showed that women had availed several loans, mostly small in proportion, to meet the educational needs of the household. Investment in the education of children, especially girl children, can certainly have a transformatory and longstanding impact on individuals and in all probability the household as a whole. Despite the welcome effect education can have, the households we studied had remarkably low rates of school attendance by children. In their interviews, women assigned several reasons for their children not attending schools and for dropping out of schools, which are presented in figure 5.1.

5.3.1 Poor Households, Financial Constraints and Education

A compelling reality of the impoverished state of most of these households – financial difficulty figures as the single most important factor affecting the educational levels of the children of poor households. Most of these households could not afford the variety of expenses involved in educating their children, this despite the existence of several state sponsored incentives, chief among which is the reasonably widespread Midday Meal Scheme. Even within this category of school non-attendance attributed to financial difficulties there are considerable variations. Two substantial points emerge: first, a significantly large 30% of these children never went to school (see figure 5.2). Naturally, since most of the households do not have regular source of income and are largely dependent on seasonal agricultural labour for their livelihood, they are forced to allot their meagre income to other purposes, which range from a very basic survival need like food to other socially determined priorities like seimurai (Tam. A form of obligatory gift).
Figure 5.1 Reasons affecting school attendance of respondents' children (in %)

- Failed in examinations: 3%
- Refused to go due to failure: 13%
- Refused to go: 15%
- Stopped by parents: 5%
- Babysitting: 11%
- Lack of awareness: 2%
- Financial difficulty: 51%

Figure 5.2 Financial difficulty affecting school attendance at various educational levels (in %)

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<th>Primary</th>
<th>Secondary</th>
<th>Higher Sec.</th>
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<td>30</td>
<td>18</td>
<td>43</td>
<td>9</td>
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Educational Levels

Figure 5.3 School attendance of boys and girls affected by lack of finance (in %)

<table>
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<th>No. of Children (%)</th>
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<th>Primary</th>
<th>Secondary</th>
<th>Higher Sec.</th>
<th>Total</th>
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Educational Levels

- Girls
- Boys
Early marriage of women, who in most instances beget a large number of children in a short span of time, also has a contributory effect towards this trend. Such households find it difficult to send all their children to school and, more often than not, do not educate their elder children. Moreover, in such situations the older children are also successively assigned the task of baby-sitting their younger siblings, thereby allowing their mother to go to work as wage labour and earn the much-needed income for their survival. For instance, R-5 has five daughters and she stopped the first three from attending school to baby-sit their younger sisters; and R-11 stopped her eldest son from school to baby-sit his younger brothers.

Secondly, a large number of children (43%) discontinued their schooling after their secondary education for financial reasons. Incidentally, testimonies of women reveal that they found it difficult to cope with the situation when their wards graduated to higher classes of schooling, which in many cases meant travelling to the nearby village or town and consequently increased expenses the household could not afford. In other instances, the household found it difficult to educate all the children in the school-going age, and this forced many students to stop with secondary education. Some of the women specifically pointed to the regular expenses incurred in the process of educating their children like travel, cycle maintenance, and eatables. Financial difficulty also operates in the form of lack of uniform or textbooks that act as strong demotivators to these children. In this regard, we can differentiate between two types of households: ones primarily dependent on wage income, and which as a result find it difficult to meet the increasing educational expenses; and those households which enjoy relative financial stability, with regular employment. In their testimonies, even women belonging to the latter section expressed the occasional difficulties they face in educating their children. They mostly referred to the bulk expenditure they have to make at the beginning of every year. Their tenuous financial position often means that they have to mostly take loans from moneylenders or if possible borrow from acquaintances to meet this annual demand. Naturally, all households were not able to tide over such circumstances and as a result stopped their children from going to school or contributed to the children themselves choosing not to go to school. Here we offer the accounts of two women which reveal the fragility of their financial position and the conjunction of other factors like ill health and failure in examinations by their wards impose substantial costs on these households. As evident in these accounts
the current improved economic position or timely loans they got from their groups helped these two women to tide over difficult situations in educating their children.

Both my children are going to the local school. Now itself I am finding it difficult to educate them. My daughter failed one year and refused to go to the school. I encouraged her a lot and sent her to the school. I will see how difficult it is and then decide about them going to school. As of now I am thinking of at least educating them till the tenth standard. I am thinking of educating both of them if they study properly. I am even thinking of joining my son in a hostel if I have enough money. (R-80)

I got two loans of Rs.2000/- each. Since both of us (herself and husband) were ill during that time, we used the first loan for our son’s education. When we got the second loan, we thought of adding some money to it and purchasing a homestead land. But, our son failed in the tenth standard. So we joined him in a computer class. He again failed, and we had to put him in a tutorial, and only after that he passed the examination. (R-82)

In figure 5.1, three categories, namely, ‘refused to go’, ‘refused to go due to failure’, and ‘failed in examinations’, closely resemble each other. Nevertheless, we feel the need to differentiate among them, as the motivations for the dropout in each of these categories are distinct, and critical for an understanding of the diverse influences on the higher rates of dropouts in poor households. By, ‘refused to go’, we imply the refusal of children to attend school, primarily due to a sense of dislike they develop towards school-going. Two variations in this respect are those children who never went to school and were not pressurized by their parents to do so, and a second group of children who developed a dislike in the course of schooling and refused to go despite their parents’ encouragement. Interestingly, some of the children who belong to the latter category prefer to take up some work rather than go to school.

I fell sick and I could not look after the goats, so my son stopped going to school and took care of the goats during that time. After that he did not go to school on his own. (R-57)

In the category ‘refused to go due to failure’ we come across many children who dropped out primarily due to reasons of shame and disinterest associated with failure in examinations and most of the parents did not compel them to continue their education.

The final category ‘failed in examinations’ contains those instances where the motivation lies mainly with the parents, dictated by the cost of educating their children in the same class for another year. There are also situations, which emerged in the course of the study, when parents stop their children from going to school and put them in charge of their cattle or take them along for wage labour. This category also contains those instances where parents stopped daughters from attending
school, since it was felt the “education she received is enough”. The important role social norms play in this regard needs to be emphasized. R-45’s household stopped her daughter’s education in the tenth standard since they thought “why educate a girl who is going to got to another house. So we stopped her, but she wanted to go”. Norms against educating girl children conditioned by the socially ‘acceptable’ age within which they have to be married off, seems to combine with the poverty these households experience to limit the educational levels of their children. Take for instance R-50’s motivation to stop her daughter from going to school:

We stopped our daughter after tenth standard. We could not educate both son and daughter at the same time. We have to marry off the girl, but our son will at least go for job. (R-50)

Despite this, lack of finance figures as the common negative factor even in other categories; for it is the lack of money that forces parents to make their children baby-sit so that they can go for wage labour, and also dampens their enthusiasm to encourage their children to go to school when the latter refuse to do so. In essence, financial constraints seem to largely determine the educational pattern among poor households.

5.3.2 Financial Constraints, Education and Gender Differentials
Lack of finance as a constraint in the education of children of these poor households also has a significant gender dimension. As seen in figure 5.3, girl children have been severely affected by this factor in comparison with their brothers. There is an all-round effect of this factor at all the various levels of education, except at the primary level of schooling. The total proportion of school non-attendance rate for girl children is also at a high rate of 64% in comparison in with that of the boys (36%). Also important here is the gender difference at the entry level of schooling; with a large proportion of girls (69%) never going to school. This fact also emerges in figure 5.4, which presents the non-attendance rates at various educational levels according to gender primarily due to financial reasons. Two points to be noted in this representation are the relatively high rate of girl children who never attended school, and the very high proportion of dropouts irrespective of gender, at the secondary level of schooling.
Figure 5.4 Educational levels of boys and girls affected by financial difficulties (in %)

![Bar chart showing educational levels of boys and girls affected by financial difficulties](image)

- Girls: Illiterate 32, Primary 14, Secondary 11, Higher Sec. 6
- Boys: Illiterate 43, Primary 4, Secondary 25, Higher Sec. 25

Legend:
- Illiterate
- Primary
- Secondary
- Higher Sec.

Figure 5.5 Gender proportions of school attendance at various educational levels (in %)

![Bar chart showing gender proportions of school attendance at various educational levels](image)

- Illiterate: Girls 74, Boys 26, Total 50
- Primary: Girls 69, Boys 31, Total 45
- Secondary: Girls 45, Boys 55, Total 57
- Higher Sec.: Girls 57, Boys 43, Total 43
- Diploma: Girls 100, Boys 0, Total 100

Legend:
- Girls
- Boys

Figure 5.6 Relationship between the educational status of respondents and school attendance of their children aged 6-18 (gender-wise) (in %)

![Bar chart showing relationship between educational status of respondents and school attendance of children](image)

- Illiterate: Girls 72, Boys 83, Total 67
- Primary: Girls 83, Boys 78, Total 83
- Secondary: Girls 100, Boys 91, Total 91
- Higher Sec.: Girls 75, Boys 60, Total 67

Legend:
- Girls
- Boys
- Total
The debilitating effect that lack of finance has, particularly on girl children, is also borne out when one compares the total percentage of girl non-attendance essentially due to financial reasons (64%) in figure 5.3 with that of the mean non-attendance rate for girl children attributed to all the reasons (56%) in figure 5.5.

Given the acute financial difficulties experienced by poor households resulting in a high rate of school non-attendance, what does increased access to credit mean? There are definite pointers towards a positive correlation between the credit access of the women and the educational status of their children. This is not to ignore the fact that children from some of these households, mostly those with access to regular jobs and incomes, were attending schools even before the women from these households gained access to group credit. As is evident from figure 5.6, the educational status of the respondents does not seem to have a straightforward impact on their children's enrolment in schools. The only redeeming fact that emerges from this representation is the progressive increase in the proportion of girl children enrolled in schools in comparison with those who are not, when the educational status of their mother is higher. In contrast to the feeble relationship respondents educational status has with that of their children's, as evident in figure 5.7, their husbands' educational status has a better correlation. But even here there is not straight fit between the educational status of father and children and there are other important factors that influence the school attendance of children, and we found financial position of the household to be a vital determinant. Moreover, those men who had relatively higher educational qualifications were also employed in regular jobs (most of them worked as assistants in government offices) and were in a better financial position to educate their children.

5.3.3 Women’s Access to Credit, Children’s Education and Gender Differentials

In contrast to this ambiguous relationship between the educational status of women loanees and the enrolment of their children, there is clear evidence as to the positive impact that access to credit, and in some cases the resultant increase in the productive assets of these women, have on their children's education. The definite impact of credit on the educational levels of the children of these women is evident when two factors are considered: first, the gross enrolment rates of children aged 6-18; and second, the educational status of these children according to their birth-order.
The gross enrolment rates for the children of the women loanees aged between 6-18 is measured as boys and girls of that age group within a household currently attending school as a percentage of boys and girls aged 6-18 present in that household (see figure 5.8). As evident from the figure, nearly one-fourth of the children aged between 6-18 are not going to school and proportion of girl children not attending school is marginally higher when compared with that of boys. But, when one investigates the gender difference within the school-goers and non school-goers in the same age group (6-18) there is a distinct gender disparity biased against the girl children (see figure 5.9). Significantly, there is a lower percentage of school-goers and higher number of non school-goers among girls.

It is in this context that the birth-order factor in educational differentials has to be seen. The birth-order effect on education is calculated by taking into account all those households, which have children in the age group of 6-18, and by investigating the educational status of other children with respect to the educational status of the last children in the above age group. The influx of credit to these women has meant that all their last children in the birth-order and between age group 6-18 are literates (see figure 5.10). This is in stark contrast to other children in these households when their ascending order is taken into account. There is a steady increase in the proportion of illiterate children as one moves up in the birth-order. Also significant from the standpoint of school non-attendance is the higher proportion of secondary school-going children in these households. In this connection, an important insight that emerges from this survey is the higher proportion of school-goers even among the older children of these households (see figures 5.11 & 5.12).

If there is a general increase in the educational levels of children belonging to these households, the scenario is perceptibly more encouraging from the broader perspective of the empowerment of women, as there are specific pointers towards an increased attention to education of girl children. Clearly, the most significant insight is that all the last-born girl children in the age group of 6-18 in these households are school-goers (see figure 5.13).
Figure 5.7 Relationship between the educational status of father and children aged 6-18 (in %)

![Bar chart showing the relationship between the educational status of father and children aged 6-18 (in %).]

Figure 5.8 “Gross enrolment rates” for children aged 6-18 (gender-wise) (in %)

![Bar chart showing the gross enrolment rates for children aged 6-18 (gender-wise).]

Figure 5.9 “Gross enrolment rates” of girls and boys aged 6-18 (in %)

![Bar chart showing the gross enrolment rates of girls and boys aged 6-18.]

Figure 5.10 Educational levels of children aged 6-18 according to their birth-order (in %)

Figure 5.11 Children at school and work in the last-child educated households all aged 6-18 (in %)

Figure 5.12 Education among all children in the last-child (6-18) educated households (in %)
Figure 5.13 Educational patterns for girls and boys in the last-child (6-18) educated households (in %)

![Educational patterns chart]

Figure 5.14 Children at school and work in last-child educated households (all aged 6-18) (in %)

![Children at school and work chart]

Figure 5.15 Children at school and work among last-born in last-child educated households (all aged 6-18) (in %)

![Children at school and work among last-born chart]
More significantly, last-born girls between ages 6-18 enjoy a relative higher proportion of school attendance in comparison with last-born boys. It is also seen that the gender differentials for students is weighed in favour of girl children when the last-born child in considered, while it is marginally tilted towards boys when all the children of the ages 6-18 are taken into account (see figures 5.14 & 5.15).

These two significant trends in educational pattern of the poor households, namely, higher gross enrolment rates of children in general and more specially that of girl children, denote the effect increased access to credit for women can have on children's education. This increase in school-going of all children, and girl children in particular, can go a long way in empowering these households. Furthermore, the decrease in the gender gap in educational levels, towards which the trends we have identified above point, can have a transformatory effect on women and society in general. From the perspective of the women loanees this also signifies a definite expansion of alternatives, as they are able to cope with the financial difficulties that have for long inhibited their ability to educate their children. This aspect emerges clearly in the testimonies of women we interviewed. Significant in these accounts are the types of problems identified by women in educating their children, and the manner in which credit supply, and the productive assets created through this, has enabled them to make more valuable choices of transformatory significance.

At a broader level, the problems identified by these women point to their financial difficulty. R-3's son stopped attending school because of the difficult situation in the household. Her husband does not give her any money. He only buys rice sometimes. She says that he used to buy uniforms for the children, as her income was enough only for food purchase. The elder son stopped going to school because of the lack of uniform. But now both her daughters are going to school.

R-1 is a forty-five year old widow who was a second wife and has five children. She is working as an aaya in the primary school in her village. The other breadwinner of the household is the eldest of her two sons, who is dumb and is employed at a carpenter's workshop in the nearby village. Both of them are illiterates. The other two eldest girls were withheld from school during their primary education to baby-sit their younger brothers and sisters. Her second son aged ten left school after the death of his father and was employed in a petty shop at Madurai where he was ill treated and had to leave the job and is now "without any work". Only the youngest daughter is going to school. In a similar manner, R-23 is also educating her last three children, though she never sent the first two to school.
R-9 is thirty-five years old. She and her husband cannot do heavy work due to health problems and hence confine themselves to taking care of their livestock. She has five children and except for her last (third) daughter who is studying in the sixth standard, all the other children, though they are young and of school-going age, are doing wage labour. She did not send the first two daughters to school because of the financial difficulties of the household, and they had to look after their baby brothers. Both the boys went to school, but they were stopped after their seventh and fifth standards respectively due to financial difficulties and the failing health of herself and her husband. The eldest daughter goes for agricultural work, while the second daughter is now (three months ago) employed in a spinning mill at Coimbatore. They arranged for this through a relative of theirs who is a partner in the recruitment agency that recruits workers for the mills. She has to work there for three years and they will get Rs.30000/- as the consolidated wages for these three years of work. The eldest son was working as a labourer in the granite works and in a fire accident got his legs burnt. They received some compensation and had to spend a lot on medicines for his recovery. Now he along with the younger son of R-9 goes for roadwork to Madurai. Financial difficulty tops the list of reasons to which these women attributed the current educational status of their children.

The availability of assured credit has certainly made education more affordable to these households. R-7 reflects the opinion of most women when she says that the group has come to her as a big relief and she has benefited from it in several ways. With four children she was finding it difficult even to feed them properly and educating them has been an even bigger challenge. She says that other than the annual fees and the expenses incurred on the purchase of uniforms and books, there are also daily expenses incurred when the children go to school. With the meagre income the couple was getting, it was difficult to educate all the four children. Her group came to her help in this situation and gave her loans whenever she was in need.

The *sangam* is beneficial, as we are able to pay the school fees for my children without any difficulty. Every year, when the school starts there will be lot of difficulty in paying the fees for our children. It is not only fees we have to buy lot of things every year like books, stationery, and sometimes uniforms. (R-22)

It was very difficult to buy books for children. I asked for the money in the *sangam* because I did not have any other source. The only other means was to take loan from outside. So the *sangam* loan was very useful. I took Rs.500/- and bought books for both children. (R-53)
The account given by R-25 is a telling example of the significance credit has for children's education. Being a young widow she found it difficult to educate both her children and stopped the boy after his eighth standard and put him in a spinning mill as labourer. In the last year or so R-25 has availed a cow loan from her group and bought a milch cow. After few months with the profit from the first cow and some more loan from her group she bought another cow. Consequently, her financial position has improved with regular income from the sale of milk. Now she wants to stop her son from the mill after the present contract gets over in a year and educate him. She says that previously the situation was so difficult that she had to send her son to the mill despite him being very young. Now with the improvement in financial position she wants to educate him. She also has definite plans for her daughter. She says,

With great difficulty I have managed to educate my children. Now there is less difficulty, because only my daughter is going to school and my son is working. I also have regular income from the cows. I will marry off my children by getting loan from the *sangam*. I am also thinking of educating my girl till 12th standard and after that to send her for computer education through the *sangam*. After that I will ask the NGO staff to employ her as a cluster associate or accountant. (R-25)

If this is an encouraging trend for the future prospects of female education and consequent empowerment of women, there are women whose financial position is far from secure. These women find it difficult to educate their children and articulated the importance credit supply has for education of children belonging to poor households.

We should educate them at least till the tenth standard. It is difficult to educate them beyond that because of our financial difficulty. (R-28)

Yes, we are thinking of educating our girl. But, the financial situation is difficult, so we might not be able to educate her. (R-40)

Their tenuous financial position has a certain bearing on the educational level their children can aspire to reach. A more concerted effort to offer a wider range of loan products that would address these concerns is a necessity to consolidate this positive trend in the field of education.

The availability of credit seems to have given these women an opportunity to educate their girl children, whose education has traditionally been regarded as a waste as they are to be married off into another household. Most of the women gave positive accounts and varying rationales for the need to educate their daughters. The reasons ranged from avoidance of hard work that these women were doing, to attain “all good things in life”, notions of prestige, awareness, not being dependent on
men, equality with men, and to avoid ill-treatment at their hands. Though this awareness among women cannot be solely attributed to NGO work, increased availability of credit does definitely offer these women an opportunity to realize their intention to educate their girl children. It was a common stance of these women that “because of the sangam it is a bit easy to educate the children now”. The manner in which women perceived the importance of education for their daughters and for girl children in general is dealt with in detail in Chapter Seven. For now suffice it to mention that positive attitudinal change and improved access to credit have transforming effects for girl children, and empowerment of women in the foreseeable future.

5.4 Credit to Women and Expansion of Household Economic Alternatives

An important aspect of various micro-finance programmes is the economic alternatives they seek to provide women loanees, thereby increasing their bargaining power both within and outside their households. Increased inflow of credit can be of varying significance and contain diverse meanings for women depending on how they relate to it in the context of their existing arena of economic and social relations. The issue here is, how women perceive their existing conditions, whether in positive or negative terms, and the value they attach to their access to credit per se. In their statements women reveal the complex understandings they harbour and the diverse manner in which they interact with other agents, essentially conditioned by their perception of the context. Some of the distinct possibilities produced by the increased access to credit women now have through their groups are to: repay the pending outside loans, reduce the dependence on moneylenders, increase their solvency, reduce difficulties in getting kaimathu and loans, make efficient/full use of their productive assets, and acquire new productive assets.

5.4.1 Increased Solvency, Self-esteem and Financial Transactions

Most of these women recollect their dependence and the manner in which they were treated when they approached moneylenders for finance to meet their various needs. Testimonies of women show the sense of dislike they have for dependence on moneylenders. These women cherish their improved economic position and the effect it has on their financial solvency, and also the respect they get from the moneylenders as a consequence. Though this aspect does not relate to women
exclusively, nonetheless the significance women attach to this has to be appreciated in the context of the corporate notions of household that predominate rural India. Since women as members of these households experience all the effects of poverty including lack of money, it is only natural that they should feel strongly about the abject financial position of the household and issues related to it like dependence on moneylenders. This collective suffering experienced by the household as a unit, because of poverty, result in women attaching greater significance to specific aspects of the household financial transactions like repayment of the outside loan taken from moneylenders. Nevertheless, our fieldwork evidences that the importance attached by women to diverse aspects of household financial transactions varied considerably fundamentally conditioned by the financial and social base of the household, where for instance, some of them sought to do away their dependence on moneylenders, others used their improved financial status to gain more leverage with the moneylenders.

The import of these statements needs to be understood in the context of the informal credit system and the manner in which it operates. But for rare exceptions, the poor in general lack any regular access to formal credit systems like banks. This is primarily due to the meagre income they get and its utilization for their consumption needs. Left with no savings, the poor hardly feel the necessity for access to banks for purposes of saving. Even while they do not have money to save, the poor do have diverse needs and the increasing monetization of rural life only makes it imperative that they have a continuous credit flow to cater to these. Nonetheless, issues of solvency and collateral, definitely rule out banks as an alternative for the credit requirements of the poor. Despite the existence of rural banks, the needs of the poor, mostly oriented to consumption purposes, are not the priority area of these banks.

5.4.2 Informal Credit Sources

With the formal credit system heavily weighed against them, the poor find informal credit sources like moneylenders the only alternative available. This lack of alternatives for the poor is thoroughly exploited by the moneylenders in their favour by fixing exorbitant interest rates, either with or without collaterals. The fieldwork revealed various forms and modes of informal credit operations involving poor households in the rural areas. This ranged from borrowing money from friends, relatives and other acquaintances for no interest and which had to be returned at a
mutually accepted period of time, commonly referred to as *kaimathu*, to those forms like pawning and mortgaging (*adagu* or *adamaanam*) that involved collaterals like jewels, utensils, land (inclusive of homestead) and other possessions, which resulted in diverse loan amounts and interest rates depending upon the value of the pawn or mortgage. Between these distinct forms are others like *thavanai* (loan based on instalment) and *kandhu-vatti*, which normally did not require collaterals and had exorbitant interest rates ranging upwards of 10 paise (for every rupee, *per mensem*). There were also rare instances of taking loans from finance corporations (mostly unregistered NBFCs (Non Banking Finance Corporation), and not so rare instances of taking loans (with or without interest) from *pannayakarar* (*Tam.* Landlord). The latter is important in the rural context, since in many instances the loan amount is tied up with the agricultural labour of the poor.

Seven years back we purchased 4 ½ cents of homestead land adjacent to the village for Rs.15000/-. We do not have that amount of money with us always. That is a huge sum for poor like us. But, it is important to have our own house nowadays. Only then others will respect us. So we were keen on buying that land. We collected the money by taking a loan from a *pannayakarar* for Rs.5/- interest and for the remaining amount pawned their jewels in the bank. (R-46)

For our emergencies we borrow from the *pannayakarar* and repay the money by working in their fields... We have always borrowed from them, before we joined the *sangam* and even now. (R-57)

I borrow money from the *pannayakarar* whenever I need money urgently for *nallathu-kettathu*. They give me money because they have trust in me. I go to work in their fields and adjust the money or else I go to work outside and repay. (R-48)

There are also occasions when the poor take loans from other sources like local grocery shops (*maligaikadai*) either in the form of cash or as provisions. This is significant for the poor as it helps them to tide over situations when they do not have ready money to buy food provisions. Despite its diverse forms and modes of operation, the informal credit system in most instances is not only exploitative, but also involves issues of self-esteem for the poor. Women reveal at least two distinct contexts in which the latter issues arise: when they approach the moneylenders for finance and when the loaned money or interest is collected from them by the moneylenders.

There is also a gender dimension involved here that derives from the manner in which certain forms of informal credit system operate. In such operations credit is delivered and collected at the doorstep, and does not depend on the property rights but mostly on the daily wages/income of the recipient of credit. This is in contrast to
the formal credit system where property ownership is an important criterion for access to credit and is thus weighed heavily against women. Though women have relatively better access to forms of itinerant and informal credit operations, they also bear the severe consequences of non-repayment, since they are relatively confined to the precincts of the household and hence in most situations are left to tackle the moneylenders and bear the insults.

5.4.3 Poor Households and Informal Credit Systems
Testimonies of women reveal how they were dependent on the moneylenders even to meet their basic survival needs like food and medicine. A fact that repeatedly emerges is the frequent rejection and disappointment these households had to face when they approached moneylenders for credit. This is contrary to the general idea that the poor have unqualified access to informal credit systems. It also reinforces the importance of property that can function as a collateral for accessing credit. The statement of R-8 vividly describes the situation and the manner in which poor women relate themselves to it:

If we take loans from outside we do not get the required money. If we ask for Rs.1000/- we are given only Rs.900/-, but they make us to give a promissory note for Rs.2000/-. If we fail to pay the interest, then they use the promissory note and demand Rs.2000/- from us. They do not trust us, as we do not have much property that they can take from us. In the group it is not like this. We get the money we ask for if it is available. (R-8)

Previously we had to be dependent on thavanaikarar for loans to meet our requirements. We had to wait for days to get the loan from them, as we did not possess many assets for them to have confidence on us. The interest rate too was very high at 10 paise and sometimes even 25 paise. Whatever the interest we had to take the money. The situation in our group is different. Here we can go and ask with confidence for money. If there is enough money and depending on the requirements, we can take how much ever money is available then. (R-1)

Statements such as these reveal the disadvantageous position of poor households in the informal credit system. Though this system does not ‘exclude’ the poor households from its purview by the nature of its operations, as is the case with the formal sources of credit like banks, it nevertheless places undue demands on the poor and is thoroughly exploitative. This also helps us to appreciate the importance poor women such as R-9 attach to the improved access to credit at a relatively reasonable cost and through their groups.

We do not take loan from outsiders anymore. For all our emergencies we have the group to rely upon. Why should we take loan from outside when we can get the same money in the group for lesser interest? If we take loan from outside they will come and ask to repay the money at any time. How
can we repay them immediately within a short time? We are poor and do not have that much money to save. But with the group things are different, and we have to repay only in instalments. (R-9)

Many of these women commented on the unsure nature of the informal credit system. The queer fact here is that these households approached moneylenders for credit only when they had pressing needs that had to be met immediately and when they did not have any other alternative to bank upon. Despite this urgency, credit was always delivered to them after much haggling and delay. Such delaying tactics were primarily employed by the moneylenders to make the poor desperate so that they would agree to a higher interest rate. The ‘negotiation’ that takes place for credit between the poor and the moneylender, always has greater costs for the former since they lose crucial time and end up paying a higher rate of interest, and also result in credit being delivered to the poor according to the terms and conditions set by moneylenders. Given the precarious existence of poor households, the ‘negotiation’ for credit and ensuing delay had considerable negative implications for them. It is evident from the testimonies that these households had to frequently face the situation, when they were made to wait to address their emergencies.

We were treated like ‘slaves’ when we went to the moneylenders and they usually took a long time to give the loan. There was always doubt whether we will get the loan and since we were in a desperate situation we had to accept all their conditions and tolerate their behaviour. Many a time they have refused loan to us after long procrastination. (R-4)

5.4.4 Repayment of Loans Taken from Moneylenders and Crisis Management

A large number of women referred to the repayment of the outside loan they had taken from moneylenders as one of the significant impact of the micro-finance programme made possible by the formation of savings and credit groups. R-14 refers to the repayment of the outside loan her household had incurred to get the Thalaiyaari job for her husband. They had taken a loan of Rs.30000/- at an interest rate of 10 paise. She says that now with due assistance from her group through a series of loans her household has managed to repay the outside loan to a large extent.

Three points to be noted in general with regard to repayment of outside loans here are: first, the dislike many of these women have for the dependence on moneylenders, primarily due to the manner in which they and their household members were treated. Here the effect of the corporate notions of household is very important. These households, irrespective of the gender of the member who
approached the moneylender, were either denied credit on some occasions or were not treated properly by the moneylenders (see table 5.1).

Table 5.1 The possibilities of availing outside loan before joining the GRO (in %)

<table>
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<th>Yes</th>
<th>No</th>
<th>Could Not Get</th>
<th>Total</th>
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<td>I</td>
<td>75.00</td>
<td>8.33</td>
<td>16.67</td>
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</tr>
<tr>
<td>II</td>
<td>60.00</td>
<td>13.33</td>
<td>26.67</td>
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<tr>
<td>III</td>
<td>100.00</td>
<td>0.00</td>
<td>0.00</td>
<td>100.00</td>
</tr>
<tr>
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<td>0.00</td>
<td>0.00</td>
<td>100.00</td>
</tr>
<tr>
<td>V</td>
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<td>0.00</td>
<td>64.29</td>
<td>100.00</td>
</tr>
<tr>
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<td>0.00</td>
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</tr>
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<td>3.61</td>
<td>18.07</td>
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It emerges from the testimonies of the women we interviewed that all members of a household felt the effects of rejection and ill-treatment, since most women did not take credit directly from the moneylenders, this work allotted to the menfolk in most instances primarily due to its ‘external’ nature. Second, the ambiguous outcomes of the increased access to credit women have with regard to their dealings with the moneylenders. Though, some women clearly pointed to their efforts to escape from their dependence on moneylenders, for many it was more a matter of their increased capacity to take loan from moneylenders and repay them properly (see tables 5.2 & 5.3). Another issue is the ability women acquire to stave off crisis in their households due to the result of non-repayment of the loans they had taken from the moneylenders. For instance, when R-1's husband died he left her a considerable amount of outside loan. The moneylender demanded that she return his money immediately and started troubling her a lot fearing he might lose his money. She escaped from this difficult situation taking a loan from the group and repaying the moneylender. R-17 has availed loans from the sangam to retrieve jewels when auction notice was issued on them and any further delay would have resulted in them losing their property.
Some of the women referred to the ability their group gave them to tackle crisis in their household, either due to loss of individuals or property. Women found loans from their groups particularly helpful in the management of crisis due to human loss, resulting from illness of household members or even their death. In many instances loans helped them to acquire new productive assets that would be more appropriate to the changed circumstances. All the widows in our study gave a positive account of the financial support their group gave them. There are also instances where group loans assisted households in overcoming difficult situation, especially when the chief male breadwinner falls ill. For instance, R-15 took loans from her group to meet the food expenses of the household on a regular basis in the initial years of her membership, as both she and her husband were ill. She also took loan from group for the medical treatment of both. The children were young and the responsibility to feed the lot fell on her. She availed loans from group to solve the crisis on her own accord.

5.4.5 Women’s Access to Credit and Household Financial Solvency

An issue of considerable significance from the point of view of expanding alternatives available to the poor households is their increased solvency. These households have
now gained improved access to even the traditional sources of credit that previously treated them with caution since they lacked any property that could be held as collateral and seized in case of default in payment. There are also many statements from women as to the better treatment they are receiving at the hands of the moneylenders. This change according to them is essentially due to their increased solvency, since now they have saved money in their group, and even if they cannot repay the loan they take from moneylenders with their wages, they can do so using their group savings or a loan.

There are also accounts from the women as to the increased ability they have now acquired to take kaimathu (see table 5.4) The import of this can be appreciated only if one understands the value borrowing money has for the poor households. Characterized by the seasonality and irregularity of their income, since they are reliant on seasonal agricultural wages, the poor have to manage their households for at least four or five months in a year with careful and deft financial handling. This is if they have been fortunate enough to save some money for the difficult times. But, on many occasions, the poor find themselves in a tight situation, as their meagre income and the large size of the household makes it difficult for them to save any money for the future.

<table>
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<th>Yes At Present</th>
<th>No Before</th>
<th>No At Present</th>
<th>Not Necessary Before</th>
<th>Not Necessary At Present</th>
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<td>0.00</td>
</tr>
<tr>
<td>III</td>
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<td>100.00</td>
<td>62.50</td>
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</tr>
<tr>
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<td>16.87</td>
<td>6.67</td>
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</tr>
</tbody>
</table>

On such situations they rely primarily on borrowed money from various sources, depending upon their social network, to meet their various needs. Our fieldwork revealed the landlord and grocery shop, other than their neighbours and relatives, as important sources of such borrowing for the poor. Credit without interest that these sources provided not only helped the poor households to satisfy their needs, ranging from the purchase of food provisions and medicines to other socially arbitrated expenses like moi or see, but also had no demands on the future income of these people, which a loan from moneylender would have imposed in the form of interest. The very fact that the poor mostly have no savings heightens the
importance of *kaimathu* for the satisfaction of their emergency needs. It is also pertinent to point out here that many of the poor women we interviewed did not conceive their ability to get *kaimathu* in exclusively material terms. On the contrary, for them this also meant the amount of trust people had in them, and raised questions about respect (*mariyadhal*) and status (*madhippu*). Some of them narrated their experiences in this respect both before and after the formation of the group:

Previously at the *maligaikadal* they refused to give me *kaimathu* when I went and asked for it. They thought that I did not have any money and there was no possibility for money rotation with me, whereby I can return the *kaimathu*. Now the situation is different. I go and ask for *kaimathu* saying that I will return the money with group loan, and they too readily give me money. (R-9)

When I asked for *kaimathu* from our relatives and the villagers before joining the *sangam* they never helped us. Now that I am a member of the *sangam* and have some savings and access to loans, the same people respect me and give me *kaimathu* whenever there is some urgent need for money, as they know that I will repay them even by taking a loan from the *sangam*... Before, the shopkeepers at neighbouring village refused to give us rice on credit when we did not have any money in our hands. We had no assets and there was no money rotation with us, as our wages were less than sufficient to fulfil our basic needs. The shopkeepers considered us to be financially unreliable. Now the situation has changed after we started savings and giving loans through the *sangam*. They are ready to give us any amount of rice on credit and ask us to pay later getting money from the *sangam*. The *sangam* has brought us some respect from the shopkeepers. (R-1)

Before we started this group it was difficult to get *kaimathu* from others for any emergency. Even those whom I knew well in the neighbouring villages and the shop owners hesitated a lot to give me money, as there was no asset with me and I was solely dependent on my vegetable business. So I had to take loans from the *thavanaikarar* for 10 paisa interest. Somehow I managed to get the money but it was always difficult and for interest, not as *kaimathu*. Now that our *sangam* is well established and other people know about this, things have changed a little for us. I am able to get *kaimathu* easily from others. Even villagers and relatives who were hesitating before are ready to give money. Nothing else has changed with us. Neither has our income increased nor do we own anything new that has led to this change. It is the belief that I will repay others even by taking money from the *sangam*. People think that now it is safe to give me money. (R-10)

When I had the *sadangu* for my daughter, I took *kaimathu* from people in the village. Before the *sangam* they were afraid to give me money as *kaimathu*, but now it has changed and I can get even Rs.500/- to 1000/- as *kaimathu* at one go. (R-25)

Another notable aspect of *kaimathu* is the gender dimension involved. This derives from the very nature of *kaimathu* as a monetary transaction, where on most occasions, especially in the context of poor households, the amount involved is small. The importance of *kaimathu* should be seen in the context of other forms of informal credit, and the relatively more inaccessible formal credit systems. Firstly, the more
fluid and trust based nature of *kaimathu*, renders the solvency of the recipient an imperative. Furthermore, secondly, this also involves small amounts of money transacted within the village or among acquaintances and relatives. Many of the women who do not have access to other forms of credit rely on *kaimathu* to generate money for their immediate needs. Poor women, we interviewed, are mostly wage earners who also engage in purchases like food provisions and clothes from peddlers visiting their village and other petty traders in the nearby towns. Given this financial transaction, women’s ability to get *kaimathu* from others is significant for them, as it enables them to overcome the lack of money temporarily by borrowing from others, and in other instances not to be entirely dependent on her husband while making these purchases. It is in this context that women’s comments on their increased ability to get *kaimathu* needs to be appreciated, for it instils in others trust on the repaying capacity of women, certainly a critical component in this entirely trust-based personalized form of credit transaction. Naturally, women value *kaimathu*, since it essentially offers them immediate credit for their emergency needs, without any demands for collateral or other costs like interest, and offers them a greater leverage in the ‘forced’ money rotation.

5.4.6 Poor Households and ‘Forced’ Money Rotation

A distinct insight that emerges from our fieldwork is the significant amount of money rotation that poor households indulge in. This is primarily necessitated by their tenuous financial position, as they need money on a regular basis to meet their various needs. The situation is also characterized by the lack of adequate savings to rely upon during difficult times or productive assets that can provide them with a regular income. The lack of productive assets needs to be stressed for the conditioning influence it has on money rotation, forcing the poor to resort to continuous rotation of money and their other assets, thereby making money rotation a conspicuous characteristic of poor households. Possibilities of income generated from their productive assets would certainly offer the poor households a more broader and safer financial base to rely upon, but in the event of the lack of any such possibility, the poor are forced to resort to other means and sources through which they can meet their financial requirements. Lack of money and the immediacy of their needs result in poor households resorting to probably the only alternatives available to generate money – taking loan from moneylenders, or, to sell/mortgage some possession for money. Hence, we come across some sort of a ‘forced’ money rotation.
rotation, where the poor depend on continuous selling/mortgaging of their immovable properties and other possessions, and external sources of credit to meet most of their financial needs.

With very little or nothing as their savings, the poor households depend on the rotation of money among themselves and with other accessible sources as their main strategy to overcome tight situations. Testimonies of women also revealed some of the methods they adopted among themselves to improve their financial position. This aspect comes out very clearly in the description of the moi system by some women, as to how it gave them an opportunity to meet the large expenses incurred during household functions and also acquire some savings. This system has a broad base as it involves relatives and also neighbours in some cases, and is definitely not restricted to the village. Normally, each of them gives the other some amount as moi and gets it back along with a proportionate amount when they have a function in their house in five or six years’ time, or else they organize a food party for the purpose of collecting moi. As R-46 described it: "When we have any function in our house then we will get back our moi, otherwise we organize a food party and collect moi"). She affirmed that moi is the only means for poor women like her to save, and that otherwise they will be spending all their money. This is evidenced in the case of R-44 when she collected moi and put it to specific use:

We organize a food party and collect moi every five years. If I had given Rs.50/- as moi, after five years we organized a food party and those whom I invite gives me Rs.100/-, of which Rs.50/- is the money I had given them as moi when they organized such a party and the other Rs.50/- is their moi. With this money we do all the major expenses. I received Rs.10000/- as moi. I have deposited Rs.4000/- in bank, lent Rs.3000/- to others in the village and with another Rs.3000/- did the electrical wiring of the house.\(^5\) (R-44)

We also come across instances when the poor households in a village get together to help each other in times, when they have large amount of expenses. Here, unlike the system of moi, the intention is limited to meeting the emergency needs of the households. In GRO V, women recounted how they along with members of another group (both formed a single group until the NGO divided them into two since it was difficult to manage) had a credit arrangement that pre-existed and metamorphosed into a sangam, in which all the participant households saved 25 paise each every month, and used this money to get needed things like bananas, and coconuts when

\(^5\) There are very few instances of these women using the banking facilities before their group came into existence. Most of these women come from two groups, namely, GROs V and VI.
there was a function in any of their households. In addition each of them also contributed one padi (Tam. A measure used for grains) of rice and Rs.5/- to purchase some utensil and gift it to that household to meet the expenses of the function.

Other than these arrangements of mutual assistance, women also talked of how they utilized the various external sources of credit available to them (see figure 5.16). The necessity to meet their various financial needs that arise at regular intervals, and at times unexpectedly, means that the poor households use several sources of credit. This emerges distinctly in many cases like that of R-45.

We had taken a loan from the pannayakaran. We repaid the loan along with interest, which came to Rs.6000/-, by selling our buffalo for Rs.10000/-. With the remaining amount we bought another buffalo. We pawned some jewels in the bank for Rs.2000/- to buy 2 ½ cents of land to keep our cattle. We retrieved this and again pawned more jewels in the bank for Rs.3000/- after I had joined the sangam when we were short of money to buy a buffalo. (R-45)

As evident in the above statement is the frequent pawning of their possessions including jewels and utensils by these households (see figure 5.17). Pawning has a special relevance for women, since pawned articles like jewels and utensils are usually the only possessions women have. Moreover, these possessions are in most cases received by women as seer or seimurai from their parents and they have emotional attachment to them other than the use value possessions like utensils have for women. Loss of these due to default in the payment of the exorbitant interest charged cannot be limited to the material aspect alone, as there are elements of respect, prestige, and self-esteem involved in the loss of these.

R-10 had pawned some utensils to meet the expenses when there was a problem in her elder daughter’s marriage and she had to go to the police station. She says that there were lot of expenses and she had no other means available except to pawn the household utensils. These utensils were pawned for an interest rate of 10 paise and she could not retrieve them. She has also pawned jewels after joining her group. Two years back she had taken a loan of Rs.7000/- from her group, ostensibly for medical purposes, and bought some jewels for her younger daughter’s sadangu and her grandchildren’s mottai (Tam. Tonsuring of head) of & kaadhukuththu (Tam. Ear-boring ceremony). After the functions she pawned the

6 Traditionally the maternal uncle gives jewels and money as gift during this function when his niece or nephew is tonsured for the first time along with ear-boring. In the case of R-10 since she does not have any son of her own, she fulfilled the obligation, as is the custom.
jewels with the same jewellery shop in Madurai from where she had bought these. Till now she has not been able to retrieve these.

Figure 5.16 Sources of outside loans availed by poor households before joining GRO (in %)

Figure 5.17 Pawning of possessions by respondents before joining GRO and at present (in %)

Lack of productive assets or the low returns they get from those that they possess, means that poor households have very few choices available to them. The experience of R-7 vividly illustrates this aspect. Her household recently took a loan of Rs.10000/- from a moneylender at the neighbouring village. This was taken to repay another loan they had taken a few years earlier to meet the difficult situation in the household. There was a drought in that year and they could neither cultivate their own land nor get work anywhere else. During that time a person came from Madurai gave a loan of Rs.5000/- at an interest rate of 10 paise. They failed to pay the interest properly as the situation continued to be bad in the following years.
Subsequently, the interest rate was reduced to 5 paise, but even then they could not pay it properly. Since the moneylender kept asking them repeatedly to repay the loan, they finally decided to take a loan from some other source and repay the pending loan. For this purpose, they took a loan of Rs.10000/- . With this loan they repaid the initial loan that had accumulated to Rs.7000/- because of unpaid interest, and spent the remaining amount to meet other household expenses and *seimurai*.

There are several instances when poor households had to resort to distress sale of their property like land, cattle, and jewels, to meet their urgent financial needs in the absence of any other source. On other occasions they had to sell some of their produce, mostly food grains that would have otherwise taken care of their food requirements. Women recounted many such instances of helplessness, when they could not protect their land and other possessions. R-4 and her husband are agricultural labourers. Though the household owns one acre of wetland and one and a half acres of dry land, they find it difficult to practice agriculture. They are able to cultivate only the wetland for one crop in a year if there is adequate supply of water from the neighbouring village tank. The household had mortgaged the wetland and was not in a position to produce food for its consumption. Other than the loans she took from her group to repay the outside loans and to take care of the medical expenses, R-4 has also utilized the financial resources provided by group to retrieve this piece of land that they had mortgaged. As a result the household is now able to cultivate paddy, which to some extent satisfies the food requirements of the household and sells nearly half of the produce to take care of other expenses. R-4 says that though they grow paddy with the intention of retaining the produce for food they are forced to sell some of the produce after the harvest, as they need money to repay their debts and take care of other household expenses. They find it difficult to make the choice to stock the paddy which will take care of their food requirements till the next crop and instead are rather forced to part with some their produce, only to purchase rice from the market or fair price shop for consumption. The point to be noted here is that though the household wants to retain the produce they are unable to do so because of the lack of alternative sources of finance that would help them to meet new and emerging needs. R-4 further states that she is contemplating mortgaging this land again because of the increasing outside loan. This would result in the household losing even its existing source of food production. For women, who have a special (gender-specific) concern for the food security of the household and who participate actively in agricultural activities, such a depletion of
food grains result in anxieties about the well-being of the household. Nonetheless, as can be gleaned from their testimonies they are compelled to make such compromises because of the limited range of choices available for them. Consequently, more often than not, food security is compromised to cater to the other pressing needs of the household, which in many cases include fulfilling their *seimurai* commitments, as failure in this regard means loss of respect and a threat to social relationships.

R-38 offers a different account of the operation of the 'forced' money rotation. Here, the issue is much more complex and reflects the pattern which characterize the agricultural system, at least with respect to majority of small farmers. R-38 says that they (her household) take loans from the merchant-moneylender to meet various agricultural expenses like fertilizers, pesticides, and wage labour, incurred in cultivating the 2½ acres of well-irrigated land they possess. According to her, the merchant-moneylender visits them and delivers the loans whenever they ask for them. In return they give a commitment to sell their produce to him. As a result they are forced to sell their produce to the merchant-moneylender at prices fixed by the latter. Here again, the issue is a lack of sufficient alternatives that would offer poor households enough leverage in their financial dealings.

For women like R-38, who expend a lot of their time and energy in household agriculture doing the various gender-specific agricultural tasks – for a crop like groundnut that her household cultivates this includes sowing, weeding, and plucking – selling their produce at a lesser price is disheartening. The point to be noted here is that what such women and their households lack is not information about the market prices for such produce, certainly a very important aspect that determines the profit they can get, but it is rather one of lack of choices. Such women and their households, despite knowing that they are being offered a lower price for their produce, repeatedly approach and avail conditional loans from merchant-moneylenders, since they do not have the required money themselves, and other formal sources of credit like rural banks and cooperative societies have rules and conditions that inhibit poor households from making effective use of these.

Another incident, which took place in the course of the fieldwork, is a telling example of a different dimension of the 'forced' money rotation. R-2, as has been mentioned before, is working as an *aaya* in the local *balwadi* (Nutrition programme for child development). As a result of her job constraints she rarely goes out of the village, and even if she has to go to the neighbouring village, goes there only in the
evening after her work is over. Significantly differing from this, R-2 showed great sense of urgency to go out on a day, much before her everyday duty of serving food to the local children, and wanted to reach the neighbouring village so that she can catch a bus. When questioned, she mentioned that a close relative of hers had expired and she had to reach the place before the ceremonies began. Interestingly, she was carrying a basket in her hand, unusual for a person going to condole a death. When asked why she was carrying the basket, R-2 replied that she was taking some rice from home so that she could sell it at the grocery shop in the neighbouring village, as she urgently needed money for the ceremonies and since she was a close relative of the deceased she had to fulfil her responsibilities in this regard. R-2’s behaviour was stunning, in relation to the situation in her household. With a meagre income the couple, according to R-2, “find it difficult to meet any extra expenditure with their income and merely manage the situation with the bare essentials necessary for survival”. Added to this is the important fact that the couple purchase rice for their food from shops, other than the occasional use they make of their PDS (public Distribution System) quota of rice. R-2 in this instance was going to sell the rice to the same shop from where she had bought it. The reason, quite explicitly, is that she needs money urgently. Nonetheless, she was asked why she was selling rice she had bought for food, and why she was not taking kaimathu or loan from someone. She offered the following rationale:

I need money urgently. I do not have the time to go around asking for kaimathu from someone. No one will give me a loan immediately and they will ask me to come tomorrow or even later than that. How can I wait till then? It is important that I reach there on time and do the required ceremonies. I know the shopkeeper, if I give him rice he will give me the money immediately. I had some rice at home, so I thought that I would sell it now and buy later. This is better than going and asking for money from someone. (R-2)

Now, according to her, R-2 is in a position where she “has to do” the ceremonial responsibilities that are expected of her and so is even ready to take the risk of selling the rice she had at home for this purpose. Three significant insights that

7 The village had no bus facility. The only bus facility it had to the neighbouring village that was well connected to surrounding towns and cities was a mini-bus, which had seized operation for reasons the villagers did not know. At least during the course of the fieldwork, a period of about one month, there was no bus facility.

8 To recapitulate what we have mentioned in the earlier chapter, she is earning a salary of Rs.500/- every month and her husband has no regular work and does “tit-bits of public work”. The couple, advanced in age, are living separately, though four of their sons are living in the same village independently. Neither do the couple possess any productive asset apart from a barren dry land of one acre.
emerge from this incident are: first, the importance attached to fulfilling the responsibilities fixed by social norms, and the important part that social norms play to reinforce ‘forced’ money rotation. Secondly, the permeation of ‘forced’ money rotation in the lives of poor, necessitated by their fragile financial position and the lack of other alternatives. Finally, effective non-availability of forms of informal credit due to compulsions of time. The latter point reiterates the necessity for the availability of a sound fall back financial option for poor households, which diminishes the imperative to rely on others for financial emergencies.

Conditioned by the limited set of choices that are allowed by the meagre resources they have in command, poor households experience severe constraints in making decisions that are of strategic import for their well-being, for instance, possession of land, and the education and marriage of their children. In the testimonies of women, there are frequent references to the compromises these households are forced to make in this connection. Like many other women, R-15 pawned jewels to buy food during the drought and has not been able to retrieve them. Her household also sold utensils and the two oxen they had, to get their house which was twelve years old and damaged, tiled. Hence, to fulfil a choice of having a safe house, the household had to sell some of its possessions. This problem became more serious when the family decided to educate their son and get their daughter married. They possessed a plot of wetland, 40 cents in area, which they were forced to sell in parts for their son’s education and daughter’s marriage. Even though the family had made a strategic choice to educate and marry their children and was able to do so with the access they had to resources (land), this has in turn denied them of future access to this resource and deprived them of any future claim on it. On the other hand, this resource may possibly transform itself partially into another resource – son’s increased income, enabling them to exercise more life choices in the future. In the case of R-15, this has not happened, as her son has not got a job even two years after the completion of his diploma. More importantly, in her testimony R-15 expressed grave concern at the situation the household is now faced with; when they approached some companies for apprenticeship, they were asked to pay a hefty deposit, and left with no possession the household can dispose off to cross this ‘last’ hurdle, they are without alternatives now. After joining the group too, she had

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9 R-15 said that after this experience her son has reconciled to the fact that they cannot get a job without the money, and since they do not have the means to generate the amount, has taken up quarry work. Experiences such as this can certainly prove to be a
pawned her jewels and utensils, this time to do *seimurai* to her daughter, for her delivery and to pay the group. It is significant that the household has lost access to its income-generating resources every now and then, either temporarily through mortgaging, or on a permanent basis due to distress sale. This has severely limited the ability of the household to escape the trap of poverty and has rather reinforced it.

When choices are made, more often than not, they are based on a careful calculation of the risks and opportunity costs involved, and are also characteristically hesitant. R-45 provides us with a clear instance of such risk calculation.

We have taken Rs.5000/- from the *pannayakarar* as *kaimathu* for our son's education. We have five sovereigns of gold and Rs.20000/- for our daughter's marriage in the bank, but we cannot repay the *kaimathu* with that money because if our daughter's marriage gets settled suddenly we won't have money for that. (R-45)

This context of 'forced' money rotation, and the limited range of choices available to them, conditions the perceptions and actions of poor women and their households. The availability of credit through their groups vis-à-vis financial transactions is essentially construed by poor women in two ways: as an additional source of finance that caters to their needs, and one that enables them to participate more confidently in the existing 'forced' money rotation. Concrete examples that substantiate these trends are many and widespread, some of which are presented below.

Many women valued the credit provision by their group as an additional source that can effectively supplement their regular income, thereby enabling them to cater to the various financial requirements of the household more effectively. Such supplementary usage can be both for more basic survival needs like food, housing, clothes, and medicine; or else they can be oriented towards non-basic or secondary needs like *seimurai*. This differentiation needs to be qualified in order to avoid two possibly misleading assumptions. First, the importance of socially determined financial expenditures like *seimurai/seer*(Tam. A form of obligatory gift)/moi cannot be underemphasized despite them not being survival imperatives. Second, most of the households availed and used loans for both purposes and there was an indecipherable fungibility of loan usage.

dampener for the entire village, especially the school-going children, given the fact that R-15's son is among the couple of youths in the village who are educated and qualified to take up a job.
R-53 had taken Rs.1000/- as kaimathu from the group for her husband's medical expenses and returned the money soon. R-54's son got married recently and she was given Rs.2000/- as kaimathu from the group, which she repaid with the moi she received during the marriage. While in the above instances the group came to their aid and even lent them without any interest as kaimathu, there are occasions when the group rejects the request for loan made by members. In the eventuality of the latter happening, members react differently, a distinct response being, to get the loan from some other source and later repay that with the group loan. Here too the purposes may vary considerably as do the needs of the poor households. R-24 asked for money from her group to buy a milch cow, and was refused a loan as she had availed another loan recently. So she took a loan from outside and bought the cow, and later repaid the outside loan by getting a loan from her group. R-56 wanted to give kidaiseer (Tam. Gift of he-goat) to her daughter, which she thought would cost her Rs.10000/-. Hence, she asked for Rs.1000/- from her group since she did not have the money and the financial situation at home was difficult. She was told in the group that they did not have that amount of money. As a result she arranged for money from outside. After that, the group collected the amount and was ready to give her the loan, but by then she had already taken loan from outside, and so she did not take the loan from the group.

Other then the reasons mentioned above there are more generic ones that derive from the very nature of the functioning of groups. In this regard, at least two distinct elements can be identified. First, the timing of the meetings and the issuance of loans; and second, the amount of loan available or possible for the group to give the members, either by itself or by secondary or tertiary lending. For instance, R-11 says that she takes loans from moneylenders to do seimurai, which comes suddenly when the group meeting is not due. "We can always repay the outside loan by taking a group loan, so I take loans from moneylenders to meet the seimurai expenditure".

The 'forced' nature of money rotation and the place of group credit in it are illustrated unambiguously in the following comments. Notable here are the variety of purposes and the diverse sources from where credit is availed:

We regularly pawn jewels whenever we don't have money and there are household expenses like seimurai, medicine, and food. Usually we pawned fewer amounts of jewels for small amounts and after I joined the sangam we retrieved these jewels. In times of emergency when we did not get work, we also sold some of our sheep to purchase rice.... Recently we pawned five sovereigns of jewels for household expenses. There were a lot of medical expenses for my husband, children and myself. Every month we spend about Rs.200/- to 300/- on hospital and medicine. In the last one-year from aavani
(Tam. Month) to aavani we have spent nearly Rs.12000/- for my husband and myself on medicine alone. We pawned one sovereign to pay our dues to the sangam last September for Rs.700/-. Again we pawned three sovereigns for Rs.5000/- and sold 1½ acres, which my mother-in-law had got as seer from her parents, to get my sister-in-law married. We have not been able to retrieve these five sovereigns so far as there have been repeated expenses. With the loan from sangam we have managed to pay the interest for this. In few months, if I get a sufficiently big loan from the sangam, I intend to retrieve these jewels. (R-18)

The sangam has been beneficial to all of us. We have been getting loans for our children’s marriage, to repay our pending outside loans, it has also reduced our dependence on loans from outside that we took more or less on a regular basis to purchase food provisions. Before the sangam there were days when we went without food. There is not much problem these days. Now, even if we do not have work for few days it does not affect us as much as it used to before, because we are able to at least eat properly by taking loans from our sangam. We even take kaimathu when we urgently need money and then repay with loan from sangam. Take my case, I have taken loans from the sangam for the purpose of educating my daughter and today she is working as a nurse at Madurai. If I had relied on the wages both (self and husband) of us get this would not have been possible. That too I earn very less, it is mostly my husband’s wages that we are dependent on. I took loans from thavanaikarar in the neighbouring village and my sangam to meet her educational expenses. It would have been very difficult for me to educate my daughter without the loans that I was able to take from the sangam from time to time, as there was no guarantee of getting outside loan always. Recently, the sangam came to my help when I needed money urgently to get my elder daughter operated. I have saved her with this timely help. (R-10)

When the financial situation at home is tight and for emergencies, we get money from others as kaimathu and later repay them with loan from the sangam. Previously we used to think a lot about borrowing from others as we have to repay them in the said time, and if we fail to do so it would be improper and bring us disrepute. Now meeting these demands are bit easier and we also have confidence that we can borrow money from others and repay them later. (R-22)

Two insights emerge from an analysis of the operation of ‘forced’ money rotation and the manner in which increased credit to women enables poor households to negotiate with it.

First, the financial position of the household considerably determines its ability to escape from the negative circle of ‘forced’ money rotation. Those households, which have a relatively broader monetary base with members who are employed regularly or with productive assets that are productive in real terms (unlike barren dry lands, with few trees or one annual crop) make better use of the credit supply from groups. For these households, which are not dependent on group credit to make crucial decisions, this credit is more in the nature of a supplement and has greater possibilities of enabling them to emerge out of ‘forced’ money rotation sometimes. On the other hand, there are households that have a feeble financial
base. For these, credit supplied by the groups is not wholly supplementary; it is equally deployed in their active participation in 'forced' money rotation. More notable is the trend to take loans from moneylenders, mortgage property (see table 5.5), or borrow to repay the group loan, and on some occasions even to pay the savings amount (see figures 18 &19). There are possibilities of certain sources of credit within the circle of 'forced' money rotation, for instance, moneylenders, being avoided. But a total relief from the damaging money rotation is hardly within the grasp of many poor households.

Table 5.5 Mortgaging by respondents' households (in%)

<table>
<thead>
<tr>
<th>GRO</th>
<th>Before Joining GRO</th>
<th>At Present</th>
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<tbody>
<tr>
<td>I</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>II</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>III</td>
<td>43.75</td>
<td>18.75</td>
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<tr>
<td>IV</td>
<td>54.55</td>
<td>27.27</td>
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<tr>
<td>V</td>
<td>0.00</td>
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<tr>
<td>VI</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td>15.66</td>
<td>7.23</td>
</tr>
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</table>

For instance, consider the financial transactions of R-12's household that has a fragile financial base. She says that previously they used to take loan for *nel vatti* (A form of money-lending). "If we take Rs.1000/- as loan, we will have to return the loan amount with three sacks of paddy as interest during harvest". The household had borrowed Rs. 2000/- like this and repaid the loan with assistance from the group. She also repaid Rs.3000/-, which had been taken to fulfil the *seimurai* obligations of the household. They have also not taken any loans from moneylenders after joining the group. She says that even while she was sick they did not take loan from outside because,

They will come and ask us to repay regularly and scold us if we do not. They will not understand the situation that we are not able to repay because we cannot go to work and earn due to illness. They will even scold us for remaining sick for a long time without repaying. In the group, members will understand and will be considerate. So there is no problem in taking loan from group. (R-12)

Despite this, R-12 has pawned her jewels in a bank to repay the group loan because she was sick and her husband could not find any work locally and also could not go out to work, as he had to take care of the goats she now possesses as a result of another loan from her group. She says, " How long can we postpone the repayment? So we pawned the jewels and repaid the group thinking that later we can avail a group loan and my husband will also get some work and income with which the
jewels could be retrieved". Certainly, there is a change in the financial confidence of R-12, because even though R-12 pawned her jewels and household utensils before joining the group she could not retrieve them “there was no work and no money rotation. If I get some work he will not and if he gets I will not. So the situation was difficult and I lost hope of retrieving them”. Despite this increase in confidence, the feeble financial base of the household means that they are unable to withstand a small setback in their economic activity and are immediately compelled to resort to forms characteristic of ‘forced’ money rotation.

Second, the ability of a household to escape the debilitating effects of the ‘forced’ money rotation is also conditioned by its array of needs. In our field study we found many of the households that had a dependable financial base were nonetheless compelled to indulge in ‘forced’ money rotation, essentially because of their large range of needs. These needs need not be of a permanent nature, and could even be a follow through of a particular event, like a marriage, as in the case of some women including R-5 and R-15. As of the time when she was interviewed, R-15’s household had a pending loan amount of about Rs.20000/- taken from moneylenders to be repaid. Though she was given Rs.10000/- by her group for her daughter’s marriage, the household also had to take loans from moneylenders for the marriage and after that. She says there was continuous expenditure after her daughter’s marriage and had to take loan from moneylenders for seimurai and childbirth. On the contrary, we also come across households that for differing reasons have limited needs and as a result reduce their participation in the ‘forced’ money rotation. A case in point is R-13’s household. The old couple have relatively fewer financial commitments and as a consequence they have reduced their dependence on pawning.

Previously whenever there was a tight situation we used to pawn our possessions like jewels and utensils. When my husband fell sick for a long period of time and I could not go for work we experienced great difficulties. Who is there to look after us? We are just two of us and there are no children. There were lot of expenses on medicine. We pawned my jewels and some utensils for this purpose and were not able to retrieve them, as we never had that much savings in hand. Now I do not have any jewels and neither do we pawn any utensils. We are only two of us, so I think why to unnecessarily pawn even those utensils that I have now. So we eat whatever is available. (R-13)

Though, R-13 has managed to repay most of her outside debts with assistance from her group, she continues to take loans from moneylenders to fulfil her seimurai demands and other emergencies like medical expenses.
Figure 5.18 Respondents who pawned possessions to repay the GRO (in %)

Figure 5.19 Respondents who borrowed to repay the GRO (in %)

Figure 5.20 Loan utilization to start a new economic activity (in %)
Most of these households are still lacking a stable financial base, and consequently, poor women value their increase in solvency that enables them to gain easy access to other traditional sources of informal credit like kaimathu; the respect it engenders from moneylenders; and the relatively hassle-free financial atmosphere it produces. Though they might desire a relief from their dependence on moneylenders, the lack of productive assets – which alone has the potential to offer them an alternative and stable income in the absence of other valued modern means like education – necessitates the continued dependence of the poor on moneylenders and the resort to ‘forced’ money rotation. Many of these households have made definite efforts to overcome this situation by putting their existing productive assets to greater use and acquiring new assets through loans from their groups.

5.4.7 Savings, Credit, and Expressions of Confidence

A largely common feature in the testimonies of women is the expression of financial confidence. Here we can make a thin distinction between two groups of women: those whose confidence has increased due to the acquisition of some productive assets, and another set of women who feel confident merely because of the savings they have in their groups and the loans they get from it to meet their various needs.

In their interviews, most women made a comparison between their past financial status and the present level of comfort ushered in by their participation in group credit activities. Women related to this state of comfort differently, and for diverse reasons, depending upon their household needs and financial position. For instance, the access to financial resources through the group has enabled R-4 to make decisions that she was not earlier able to. She favourably compares her present position – where she has retrieved the mortgaged land of the household and has also bought some land – with the situation before she joined the group, when she was not able to retrieve the mortgaged land, and her jewels and utensils despite notices issued by banks and pawn brokers. She says “we knew that the bank and pawnbrokers will seize our jewels and utensils, if we do not respond to the notices issued. Nevertheless, we did not respond to these notices because we did not have any money”. When R-4 says that they have bought some agricultural land for their sons, it also shows that she has acquired the ability to imagine and give effect to these imaginings about the future of the household. This compares favourably with the past when she “was not even sure of the next day’s food”.

385
For R-22, whose husband is a government transport employee, the mainstay of household management has been her husband's salary. She says that they have always found the salary far little and difficult to make up for the deficit. According to her, though there is "no change in this situation, but now we are confident in taking even outside loans for any emergency and later repaying it with a loan from the sangam".

Some of the women made an explicit connection between their ability to "eat properly" and their confidence. For them, credit still has a strong effect on their ability to feed their household regularly. For yet others, credit supply enabled them to meet other important needs like the education of their children, and to keep their respect and status among their relatives and neighbours intact by effectively fulfilling their seimurai and seer demands. Another set of women expressed great faith in the future possibility of them being able to overcome any emergency through the financial assistance of the group. Interestingly, some of the women belonging to this stream have already received significant aid from their group, essentially for critical choices they value like house construction, acquiring productive assets, and marriage. For instance R-5, who has five daughters, and was helped by her group in her second daughter's marriage, says that her group has given her the confidence to take up any activity that involves money and that it will come to her aid in case of any emergency.

Today we are all eating food properly, and when we go for functions take money for seimurai. This is possible mainly due to the group. We do not have any difficulties because of it; instead we have only benefits. We pay the savings amount and loan with our earnings and with the rest buy clothes and other things. (R-9)

Previously the situation was very difficult. Now we are able to repay the outside loans we had taken for our food and other needs with loan from sangam. Instead of taking loans from outside to buy rice, now we take money from sangam. (R-11)

I did not know when they came and told about the sangam in our village. A relative (male) came and told me that it would be beneficial if all of us join together as a sangam. He told me to give it a try. Now I realize that it is very useful. Through this we have been able to address some of our basic problems. Previously it was difficult to send children to school, because we were finding it difficult to even feed them properly. If there is any emergency then we take money from the sangam. We are more confident than before about us getting money for the basic requirements, otherwise we had to beg for money outside... Now I am confident that the sangam will give a loan whenever I ask for it. I take a loan from the sangam and fulfil all the seimurai obligations confidently, because previously we had to take loans from outside for this purpose and there the interest was high and they would suddenly come and ask us to return the money. In the sangam, we not only
get money when needed, but we also get it for lesser rate of interest and can repay the amount slowly. (R-12)

The confidence women gained through their savings and credit activities also enabled them to develop definite ideas as to how they can improve their life through their group. For these women, their group is a 'gateway' for the wider world. Such women attached much importance to the various ideas that were put forward by the NGO staff. With such women, the group was not merely a financial entity, but an arena where various ideas are articulated, and alternative imaginings about their progress are made possible.

We can improve the sangam by repaying all our dues properly. This will enable us to repay the bank and get further loans for different purposes. We all have many daughters. We certainly need money to marry them. If we have money in the sangam we need not go and beg others for money. Like our home we can approach the bank through sangam and get loans comfortably. (R-13)

Now we have our savings in the sangam. Previously our future was doubtful and there was no definite idea with us about what we should do. After we joined the sangam we have been told about many things, including ideas about how we can develop. It is not that we did not know any of these ideas before, but we only had ideas. There were no means to realize them. With the meagre amount of wages that we get what can we do? It was enough only to feed ourselves and take care of other essential expenses. Even this was at times difficult and we had to look for more money from other places. It was not possible for us to take outside loan and do something, since the interest was very high and we would not be able to repay that properly and they will start troubling us. Now with the sangam, we have got the confidence to think about several ideas and implement them. We need not be afraid like before. We can get money for marriage, for emergency, buy property, build house, buy cow, and etc... We are poor women and we have come together and started saving, and are getting loan depending on our savings. If we save more we will get more loan. We need not expect help from anyone else. In fact we are thinking to stop taking loan from outside totally... Because of sangam there has been a good change. Ten years before I never thought this would be possible. Now I have some money in the sangam. I also have two cows and therefore capital worth Rs.15000/- . (R-25)

Another notable aspect of the financial confidence engendered by groups is the confidence gained by widows, who happen to be the heads of their households, and in addition experience the disadvantages of "not having a man in the house". Before joining the group when R-1's household was in need of money they used to approach the moneylender, as they had no other option. As her household possessed no property other than a thatched house, which could be held as a guarantee, the moneylenders hesitated to lend them. They often had to wait for a long duration before the moneylender could be persuaded to lend them money even though it was at an exorbitant interest rate. This position has altered due to the group, which
provides her loan when in need, and so implies an enhancement in her access to resources. R-1 feels that now her household has acquired some semblance of financial stability with regular access to monetary resources through the group. She says, "In the group I ask for a loan with the confidence that I will surely get the money, whereas earlier we had to go and beg the moneylenders". This increased access to resources and her savings in the group has enhanced her financial solvency with the moneylenders who are now ready to lend her relatively large amounts of loan. R-8 is a widow living with her daughter and son-in-law. With a loan from her group she repaid the loan she had taken from the moneylender and also managed to retrieve the land she had mortgaged during difficult times. She also bought some jewels for her daughter. R-25 is another glaring example of the change such women experience:

After my husband died, with very young children I found it difficult even to feed them, since I could not go to work leaving them alone. I did not have any productive assets or jewels. For nearly twenty years I lived like this. I used to go for agricultural work and with the wages (Rs.20/-) all three of us ate, and I used to go to the cinema frequently and somehow spent all the money; other than that I was able to educate my children, and after few years I stopped my son due to financial difficulties. But, after I started saving in the sangam things have changed. With the loan from the sangam I have bought some jewels after so many years. Previously I had only brass earring, but now I have got gold earrings. I have also bought a cow through another loan. Unlike before, now I can get money from outside if there is any emergency. They give me money because of sangam, thinking that I can repay them with the loan, and I also repay them without difficulty. (R-25)

Lastly, there is another section of women who do not exude the same confidence that characterizes the attitudes we have just noted. This should not be construed as their negative perception of the group and their participation in it. Rather, this relative diminution of confidence stems from their assessment of their actual financial position. Mostly this revolves around the lack of any productive assets. As a case in point, R-17 says that there are several needs to be fulfilled, but since there are also problems she has not availed any large loans so far, because she has doubts whether she would be able to repay the loan properly. Her husband does not have any work and income, and if she takes any loan it will lead to problems. Nonetheless, she says that she wants to retrieve the house they live in from the mortgage sometime later.

It is beneficial to be part of the sangam, we are able to save some money on a regular basis and also get loan for our various needs. Initially it (life) was very difficult, but now after we all came together as sangam the situation has improved. We cannot get loans from outside, but now we are confident that we can get a loan from the sangam. Even if we don't get money this time (in
a particular meeting) we will be given priority in the next meeting and if we are still in need of money we can surely get it. Now for emergency we can get a loan without difficulty. They will give us a loan if we ask, but we don't have the means to repay large loans, so we don't avail many loans. (R-19)

Different women with differing household responsibilities and financial status, thus, offer diverse interpretations of the meaning of credit accessed from and through their group. This difference in enthusiasm is also due to the individual characteristics – desire, ambition, psychological strength, bias, and values, of the women members of these GROs.

5.5 Women, Credit and Productive Assets

Productive assets\textsuperscript{10} occupy an important place in the efforts of poor households to overcome situations of scarcity. Though many of them possess some form of productive asset, the 'productivity' of the asset differs markedly. In most instances, where the household has a plot of dry land, it remains more or less barren, without any water facility. Again the ability of the poor to make efficient use of this asset depends on their financial position, since they have to meet a variety of expenditures involved in the process of making the land cultivable. As seen in the fieldwork, most households lack this means, and therefore, their land is lying barren with no cultivation. In those cases where the land is not totally barren, it is nonetheless only partially utilized with one crop every year or with cultivation in a small area of the land.

Many women described the lack of productive assets as their basic problem, which limits all their efforts to overcome poverty. Since a majority of them are agricultural labourers, their meagre and seasonal income hardly allows them any financial stability.

We don't have any productive assets. We are dependent on our labour and the wages we get out of it. If we fall sick and can't go for work then we don't get any income. We are forced to get loans from outside in such situations. When we recover, we again start working and repay the loan and with difficulty manage to eat properly. When my son fell sick, we spent lot of money by taking loan. (R-54)

R-9 identifies lack of finance as the major reason for her poverty. According to her, if the household has sufficient finance then it can acquire some income generating productive assets, otherwise the normal situation is that they work everyday, get wages and with these buy food and eat for survival. There would be no savings that

\textsuperscript{10} For the purposes of this study “productive assets” are considered as those that have the potential to generate income, for example, land (wet and dry), livestock, etc.
could come in case of an emergency. Whenever there is an urgent need, like hospital expenses, they face problems and have to look for a loan somewhere.

Nonetheless, this necessity for productive assets cannot be attributed to all women. There are some of them who have no inclination to acquire new productive assets, either because their wage labour does not permit them enough free time to take care of their own productive assets, or there are physical constraints like old age. For instance, R-13 says that the reason why she joined the group was to save money as and when she gets it and ensure that she and her husband do not starve later when old age renders any physical work impossible. She does not have any intention of experimenting with new productive assets at her old age. Similarly, R-2 also wants to keep saving money in her group till she can. She does not want to take large loans, which she would find difficult to repay without her husband's support.

Despite this, most households perceived the importance of productive assets and made earnest efforts to acquire new assets, or to make a fuller utilization of their existing assets. Seventy-five percent of the women interviewed said that they had started some form of economic activity with the loans they received from the group (see figure 5.20 above). Activity-wise most of them utilized the loans to purchase livestock. The group has come to R-4's aid in her efforts to relieve her household from poverty. The household had to take loans from moneylenders to keep themselves alive and even mortgaged some of its lands for this purpose. Adding to the woes of the household is the fact that her husband, though young, has health problems and cannot do heavy agricultural labour continuously for few days together. This means that she is the only regular working member in a household of five members, which includes her three school-going sons. Taking into account the fact that she earns Rs.30/- for a day's labour and more importantly, her work being seasonal in nature, R-4 says that there was no escape route for the household, unless it created productive assets, which would take care of the basic needs of the household and ensure some sense of security. It is in this context that her group has enabled her to make some livelihood choices, which have the potential to help her escape poverty. With a loan from the group, she retrieved the land the household had mortgaged and cultivated paddy in it. R-4 also took assistance from the group to pay for agricultural inputs. She availed the cattle loan given by the group and bought a milch cow. Though the cow gave a good quantity of milk, R-4 was unable to sell the milk and found it difficult to maintain the cow, as she was not getting enough profit over and above the expenses incurred to purchase fodder. So she sold the cow
and with the money has bought a piece of wetland, 22 cents in extent, in which the household is cultivating paddy. But, nevertheless, two issues need to be reiterated here. First, the household has been compelled to sell a large part of its produce to meet their other expenses. Second, the precarious financial position of the household means that they are contemplating re-mortgaging the land they retrieved through the group loan.

While R-4’s ability to make full use of their productive assets and the produce they got from it is constrained by their tenuous financial position, there are also other examples that show how access to credit has made it possible for the poor to acquire assets and make full use of them. The interesting fact here is that in both the cases – R-4 (mentioned above) and R-25 (mentioned below) – the women concerned availed loans from their respective groups to buy milch cows, but totally contrary outcomes ensued.

Six months ago I bought a cow with a loan of Rs.10000/- from the sangam. It has been very beneficial. Now I don’t go for agricultural work anymore. I need not work standing in the sun. I remain at home and take the cow after sending my daughter to school for grazing and after couple of hours I return home and the only work is to fetch water for the cow and feed it with fodder at regular intervals. The milk vendor comes and milks the cow, and pays me regularly. Twice every month I go and purchase fodder from the neighbouring village. I am still repaying the loan and there is no problem, as I am getting regular income by selling the cow’s milk. Since I found it to be beneficial, I took a loan from outside and bought another cow. I have repaid that loan with the income from the cow I bought with sangam loan. If I repay the sangam loan also then the cows will be my capital. There are also calves with these cows and if I manage to look after them well for another one or two years, I can make some money by selling them. (R-25)

Other than the benefits that accrued to R-25 from rearing milch a cow, another significant insight that emerges from her comments is the value some women attach to avoiding heavy agricultural labour in the sun. Instead, they prefer to work in the shade and this gives them respect and status as they are able to manage their households without resorting to agricultural labour – working in other’s field for wages.

### 5.5.1 Productive Assets: Issues and Problems

There are also reasons other than financial position (though there is still a distant influence), which condition the ability of the poor households to make use of their productive assets. Most of these households take a heavy risk in investing in agriculture, as there are other factors like the availability of canal water and rain that decisively influence the outcomes of their efforts. Given the limited capacity these
households have to withstand any loss, there is no automatic fit between the availability and utilization of productive assets and their improved financial status.

In order to gain food security for the household, R-14 leased 50 cents of wetland in her name, with a loan from her group last year. She managed to get a good crop last year. This year she feels she will have problems as there is less rain and the land being dependent on canal irrigation might not get enough water. This means the crop will be affected and her investment in leasing the land will go waste this year. Despite leasing the wetland to attain food security, R-14 has limited choice in the process of cultivating the land. She is finding it difficult to achieve the desired outcome because of constraints imposed on her by lack of access to other sources of irrigation and control over the pattern of water release in the canal. Her capacity to alleviate the poverty of her household, though enhanced by increased access to resources (land), continues to be constrained by other factors. She has the following to say about the difficulties she faced.

With a loan from the sangam we took fifty cents of wetland on lease in my name two years back. Last year we got a good crop. The land is dependent on the canal water and since there was timely release of water last year it was very helpful. If there is not enough water in the tank, as it is this year, then we suffer a loss. We cannot cultivate the entire field. We have to limit the area of cropping according to the availability of water. If we estimate rightly about the availability of water beforehand then there is not much problem; otherwise our investment goes waste. Nowadays we have to hire everything to cultivate land. We have to hire tractor to plough the land, labour for sowing and harvest (except for weeding) and if the yield is poor then we incur loss. (R-14)

The experience of R-16 offers another instance of problems that are associated with the temporary possession of land through leasing. For R-16, who joined her group four months after it came into existence, the institution has proved to be very beneficial according to her. She is pleased that the household has overcome difficult times when it was tough even to feed themselves. The very first loans that she took were to meet food expenses. Even though the household has about 1½ acres of dry land, they did not have food security. The lack of capital that they needed to initially invest in their land and the prevalent drought-like situation, which made it difficult to get agricultural work resulting in the loss of wages, forced the household to take loans from outside for their survival. With the help of a group loan R-16 has sought to overcome this precarious state of existence. She has taken a loan of Rs. 7000/- and leased a farm, a wetland of 40 cents. The household cultivated paddy in this leased land last year and was able to produce enough for their food requirements. This venture proved to be profitable in her opinion, because
the household employed outside labour only for sowing, and the other works were
carried out with their own labour. She also managed to get some financial assistance
from the group to procure the necessary agricultural inputs. Despite scarcity of water
to irrigate the land, they had managed to produce enough. R-16 has even managed
to get her house wired for electric supply by selling some of the extra produce, and
with some further financial help from her group. She is happy that the household has
repaid all the outstanding loans that they had taken from local moneylenders.
Nevertheless, the food security that R-16 managed to achieve by leasing the wetland
has come under strain. The owner has already retrieved the land, and R-16 says that
the household cannot lease another piece of land because the season for leasing
lands is over.

There are also several examples of the loss of productive assets by poor
households and the ensuing problems that have a severe effect on them, mostly
resulting in heavy debts. Some of these women were resigned to their ‘fate,’ fearing
that they would not be able to do anything now that they had lost all their
investment. There were others who were trying to grapple with the loss and
somehow find a way out of the conundrum. The loss of productive assets that result
in such responses can be due to various reasons – the personal and household
situation, and external factors of varying types.

Among the personal and household reasons is the tight financial situation of
the household, either due to lack of income or resulting from unexpected expenses.
In either case, with very less or no resource to fall back upon, poor households are
compelled to sell off their productive assets, despite these being the only property
they possess on many occasions, and more importantly a profitable one.

I also bought a goat with the money they gave. It was very beneficial. I used
to sell the young ones whenever there was need for money and nearly got
Rs.6000/- from it. But I had to sell the goat because I fell sick and there
were lot of expenses. (R-57)

Space and time appear as two important considerations that determine the
decisions and practices adopted by poor households vis-à-vis productive assets or
activities. Most of the respondents are dalit households that live in small
accommodations and do not have adequate space either near their house, nor own
lands, where they can keep cattle. Many of the women who had some dry land too
expressed apprehensions about keeping their cattle in these distant lands both for
the practical purpose that they cannot take care of them and for reasons of safety.
The space problem was acute at least among the households belonging to two
groups, namely GROs I and VI. In the first group, members found it difficult to maintain goats or cattle as their houses were closely arranged without any space in between and the entire housing area was surrounded by agricultural fields belonging to high caste people. So they feared that if their cattle strayed into the standing crops it would result in problems between communities. In GRO VI there is an interesting practice. Nearly all the households rear buffalos, but they sell off these buffalos when they conceive and do not retain them for milking. The chief reason to which this is attributed is time constraints. So all the households resort to selling their buffalos periodically.

We had a buffalo, but sold it four months back after it conceived. Now we have to buy a new one. We had bought this buffalo for Rs.5000/- and sold it for Rs.10300/- after maintaining it for less then a year. When we bought it was milking once in a day. All of us buy and sell buffalos like this. We sell them in our place itself and do not take it to sandhai (Tam. Periodical market), because the sandhai is far off and those who want to purchase come here and buy. So there is no necessity for us to go there. (R-46)

We sold two buffalos recently... We keep changing the buffalos. We buy barren ones and after they conceive we sell them, because our work will increase if we retain and milk them. In that case we have to take extra care of these buffalos that milk and since we all go for agricultural work daily, it is very difficult to devote required time to buffalos. If we don't take good care of them, then it is not only a loss for us; the buffalo will also get wasted. (R-47)

Another insight that emerges from the field is the 'necessary' link between the acquisition and utilization of productive assets and the belief system of the individuals concerned. Some of the women we interviewed gave accounts of their strong belief in ideas like "good time and bad time" (Nallaneram-Kettaneram) to undertake productive ventures. On many occasions, acquisition, utilization, and disposal of productive assets are postponed, and in other instances they are permanently avoided. There are also accounts of this factor influencing the timing and type of productive assets acquired by a household. There are instances when household decisions were conditioned by the astrologically "suitable colour" or time. The experience of R-56 captures this aspect very clearly.

We had two buffaloes and four goats. But, we had to sell them all. My last son had to leave his job as driver at Tiruppur. When we went to an astrologer, he told us that my son was going through a very bad time according to his horoscope and that we will incur loss for few years. So we thought why to have cattle, something might happen to them and we might end up with loss. We sold them and repaid the kaimathu that we had taken and bought some jewels. (R-56)

The problems associated with loss of productive assets by poor women can also be exogenous in nature. In these cases the control these women can possibly
exercise on these factors to negate or negotiate their impact is crucial for the outcome, but as evident from the fieldwork, none of these women had such a capacity. R-17 availed a loan from her group and established a petty shop in her village. She says the shop was functioning well, since there was no other such shop in the village and the household had a regular income. But, after about six months, all the goods in the shop were stolen and despite the household approaching the village council for a remedy, they got none. In accordance with the village norms, they cannot approach the police. Moreover, R-17 and her husband are also apprehensive of going to the police, as it would result in more expenses for which they do not have any resources. R-17 affirms that it is people from her own village who have done this out of jealousy. She further states that though they know who has done this, they are helpless, the reason being the caste factor. For, though the household belongs to a backward caste, like most other households in the village, they are a minority and the village council does not want to take action against persons belonging to their own caste.\textsuperscript{11} R-17 says that they had procured lot of goods for the shop on credit from the merchant in the town, and after the loss they were forced to repay the merchant taking loans from moneylenders.

After joining the group R-5 took a goat loan of Rs.7000/- and bought a couple of goats for Rs.1500/-. She was able to sell some of the offspring of these goats from time to time for about Rs.5000/- and meet the household expenses. When some of these goats died, she sold the rest retaining only two small ones and repaid with part of this money the loan that she had taken from the moneylender. R-1 took a decision to start some income-generating activity as two of her daughters had no regular work and purchased ten goats with a large loan from her group. She reared them for about a year until they all died of disease before she could realize any profit from this activity. The goats that R-15 bought with the group loan also died \textit{en masse} due to disease. This has been a huge loss for her and she is finding it difficult to repay the group loan regularly. Now she has lost the capital and is repaying the loan through income from other sources, viz., wages earned by her husband and son. R-15 says that the household is still in the same position even after availing huge loans from the group because most of it was used for

\textsuperscript{11} The household belonged to the caste of Thuluva Vellala, a backward caste, and was the only household belonging to that caste in the entire village, which otherwise consisted of a small section of dalits belonging to the Chakkilyar (A schedule caste, traditionally village cobblers) caste, and the majority group of Konars, another backward caste.
consumption purposes like the daughter’s marriage and the son’s education and the only income-generating effort to breed goats failed.

R-6 had availed the goat loan provided by the group and bought ten goats. She had also insured the herd under the insurance scheme promoted by the NGO. Despite this, when the herd suffered from disease, R-6 says that no doctor came and checked the herd. This resulted in the death of some of the goats and she took a decision to sell off the remaining goats, as they were also diseased. She says that she was able to sell them at only half the usual price, as they were diseased. This resulted in a huge loss for R-6, as she was not able to get any profit from this economic venture and instead she suffered loss and had to repay the loan amount to group. In fact, she has not repaid the loan amount and the interest to her group for some time now, and the debt burden is on the increase. In this instance, though the group had enabled R-6 to make the livelihood choice of rearing goats to overcome her poverty by providing her increased access to financial resources at a relatively reasonable interest, R-6 has not been able to achieve the desired well-being outcomes due to the lack of access to proper medical attention and information regarding formalities to be adopted in case of affliction by disease.¹² Contrarily, the loss she suffered has reinforced her vulnerability severely, constraining her ability to make choices. R-6 says that all the benefits she attained as a member of the group have been negated by this loss and that she has lost confidence in the group.

R-8 took a loan from her group and bought a cow, as she was old and it was difficult to do agricultural work standing in the sun. It was also difficult to get light agricultural work on a regular basis and most of the time she was left with no work. She thought that maintaining a cow would be much easier and also beneficial. She took Rs.10000/- from the group and gave it to her brother who bought a cow for her. Though she was able to take good care of the cow and get a good amount of milk, there were serious problems in selling the milk. First, she had made an arrangement with the local milk vendor, but he was not paying properly. The payment always used to be delayed by one or two months. When she asked for money, he would even scold her asking what the urgency was. This meant that she was not able to repay the group in time. So she tried out the other alternative of getting immediate money from the milk. She started selling the milk in her village

¹² The members of the GRO expressed ignorance of any insurance rules regarding claims on livestock. Neither did they know what they should do if there was any loss of livestock, whom they should contact and how much claim was admissible.
itself. Here too she was not able to get money properly as people were delaying the payment. Finally she had problems in feeding the cow. There was not enough return to buy fodder for the cow and the animal grew very lean. After struggling with the cow for one year, she mentioned the problem to her brother. He bought the cow from her for Rs.5000/- and later sold it to somebody else. Now R-8 is repaying the loan with the money she got after selling the cow.

Other than these problems, there are also those that are essentially determined by natural conditions. Of fundamental importance here is the availability of water. Many women who actively practised agriculture, pointed to the adverse effect scarcity of water had on their livelihood. The problem is accentuated further by absence of any effective alternative means of water supply for irrigation.

We also don’t have any irrigation facilities and find it very difficult to cultivate our lands. Since there is very less farming in the surrounding area, we don’t get agricultural work also. If the situation continues like this, how can we survive with our children? Lack of water has been the reason for all our difficulties. We take loans for food because there is no rain, no cultivation, and we don’t have any work. That is why we also pawn our jewels occasionally, whenever we have less income and the situation gets tough. (R-18)

We do not get any rain and this means that we have to suffer from drought. We cannot cultivate anything, as we do not have any irrigation system that can provide us with a regular supply of water. We rely solely on rain and if it is drought for one year then we have to get loans from outside for food. (R-12)

This year I took a loan from the sangam and used it for buying fertilizers and pesticide for our paddy crop. But, since there was no rain it was difficult to bring up the crop and the yield failed. (R-20)

These are some of the problems inhibiting the possible transformation of access to and possession of productive assets by women and their households to well-being outcomes. The above examples emphasize the caution that needs to be exercised in assuming an automatic fit between the productive assets and well-being outcomes. Many women recognize productive assets as an important means of their progress, nevertheless the outcomes derived from these assets are not always positive, and differ considerably across women. We have also identified several crucial factors that play a decisive role in deciding the possible outcome. Most women do not have access to various institutions and control over factors like timing of land lease, agricultural marketing, local irrigation systems, and milk cooperatives.

Increased access to credit definitely does enable women to make purposive decisions so as to overcome their poverty through acquisition of productive assets. But, the realization of well-being outcomes through these assets do not exclusively rest on
5.6 Credit, Women and Strategic Alternatives

The impact of credit supply from their groups to women cannot be limited to financial aspects alone. As women explicitly pointed out in their accounts, their increased access to credit is of multiple significance. It not only enables them to make decisions of an exclusively financial nature, but also empowers them to expand their "exit" alternatives in other important aspects. Women belonging to poor households, severely constrained by poverty, normally possess a limited set of alternatives. Though most of these alternatives have a financial 'base', they are by nature wide-ranging and have considerable strategic import. In the fieldwork, we were able to notice several such strategic alternatives that are available to women now; some of them distinctly economic in nature, while others were essentially socio-cultural in orientation.

In GRO VI most of the women members got together to lease land and cultivate paddy in it. Some of these women expressed the significance of this enterprise not merely in terms of food security and the financial benefits that accrued to them and others who participated in it, but rather in relation to the 'freedom' they have now acquired to make a decision on where to work and what to work on, that is, the place where they can work and the type of work they will undertake. R-44 narrates the various alternatives that are available to women of her village in general, and those that are rendered possible due to the combined efforts of women through their group.

Usually in the months of margazhi and thai (months in Tamil calendar) we (women) get no work. This year because of this we went to Palipalayam for paddy transplantation. A goundachi (woman of gounder caste) came and called us. I stopped after ten days since my daughter was unwell. But, other people continued to go for one month. Other than the Rs.20/- for tea and bus expenses daily, we also got wages of about Rs.50/- to 60/- a day depending on the amount of work we were able to do. We had fixed the transplantation contract at Rs.1100/- for one acre. Previously I used to go for paddy harvest in the local area along with my husband. This year instead of going for this I went for transplantation to Palipalayam. The wages I got from this took care of our everyday household expenditure. Because of this my husband also did not go for harvesting. Going for harvesting work is not profitable for us. If I had gone for harvesting I only get paddy as wages that is why I went for transplantation. They also give lesser wages (when the paddy is converted into money) for harvesting compared to transplantation. This year I got eight sacks of paddy as my share from the land ten of us from the group cultivated, and need not bother about food for this year.
Otherwise I would have been compelled to go for harvesting for the purpose of earning paddy, instead of the profitable transplantation work. (R-44)

This time after we cultivated paddy we have got the required rice for our food requirements. Previously we had to go for harvesting in other’s field to get rice for our food. This year we did not go for harvesting. Previously if we did not go for some reason then we had to buy rice from shops. This year we need not buy since we have our own rice. (R-46)

What these women are referring to is their traditional work as agricultural labourers, where they are dependent on their labour during the harvest season to provide them with food grains for the entire year. Despite their assessment of harvest work as unprofitable for them, the necessity to earn food grains and lack of any other alternative that would have provided them the much-needed food grains, these women were forced to work in the harvest fields. But, now with their food requirements taken care of by their agricultural enterprise, they are free to negotiate for better work and wages. Credit provision through the group and the joint economic activity they undertook as a result, have given these women definite strategic alternatives – to choose where they will work and what type of work they will do.

There are also pointers towards women being capable of making strategic choices that would have a telling effect on the closed and dependent agricultural system. For generations agricultural labourers have led a dependent life. This issues from the lack of productive assets. But, with the increased access to credit and “ideas for progress”, these women now articulate the possibility of breaking their dependent status by undertaking economic activities on their own. While there is some ambiguity regarding the nature of economic activity they should opt for and about continuing with the traditional agriculture, there are no such doubts in respect of doing away with their dependence on the landlords.

We are planning to start a turkey farm or to manufacture saambar powder and work in the shade instead of toiling in the sun in agricultural work. If we are successful in this enterprise we will slowly leave the agricultural land that we are cultivating now. If not we will do both. At least we can stop going to work at pannayakarar’s field. (R-46)

After we started the sangam we have saved some money and if we keep saving like this then it would be very beneficial to us and we can get loans for our progress... We have also started to cultivate land on our own. Why should we go and work in pannayakarar’s field everyday? If we have land on our own we can work for ourselves and get profit also. (R-44)

The access to credit and ensuing new economic ventures infused confidence in women and in their households. The increased range of choices available to different
women depending on their household economic base and activity is explicit in the account of R-48:

Usually we keep paddy we get from the kuthagai land we cultivate for our food. This time since we got paddy from group cultivation, we sold the paddy from the kuthagai land and paid the kandhayam (Tam. A form of mortgage fee). So now we need not bother about the kandhayam payment and we can keep the next produce from the land for ourselves. (R-48)

Another strategic decision made possible because of the group and its credit provisions concerns marriage. Many of the poor households are constrained by their abject financial position to make a clear choice regarding the marriage of their children. Postponement of marriages often leads to emotional and psychological unrest within the household. The financial commitments that marriage entails are considerable and include marriage expenses, buying jewels and clothes, dowry, etc. Left with no savings, poor households are compelled to take loans from moneylenders for the purposes of marriage, resulting in a huge external debt. It is in this context that the availability of group credit for marriage assumes significance.

R-5 has five daughters and gets a salary of Rs.400/- per month, just enough to feed the household. Her husband was also not paying enough attention to household affairs. In this situation she was worried about getting her daughters married. Her group came to her aid and with a loan of Rs.10000/-, which she got from it. R-5 managed to buy some jewels for her daughter and meet the marriage expenses.

The lessening of the outside loan burden and the possibility of access to financial resources from her group has increased R-10’s confidence to make decisions. This is evident in the matter of her daughter’s marriage. R-10’s nephew proposed to marry her younger daughter suddenly, at a family gathering for a social occasion. Following this, and with her husband’s consent, R-10 got her daughter married though she did not have any money, with the hope of getting a loan from group and fulfilling the seimurai obligations at a later time. R-10 says that without the financial stability and the confidence to engage in financial transactions that her group has given her, she would have hesitated to get her daughter married, as it would have compelled her to take loans from moneylenders to meet the marriage expenses. The group has certainly enabled R-10 to make a strategic choice that she would have otherwise not made or would have made with great difficulty.

R-1 has also availed large loans for the purpose of marrying off her foster-son (her sister being the first wife of her husband) whose marriage had been delayed for
a long time for want of money. R-15 says that without timely help from group, she would have found it extremely difficult to fulfil the seimurai obligations and jewels to get her married. She says, "When we needed money for the marriage, my husband suggested that we go and ask the thavanaikars in the neighbouring village. I suggested that we could ask in the sangam, as previously people have taken loans for marriage. He said that they wouldn’t give so much money. I told him that I will try in the next meeting and if we do not get money then we can go and try outside". It is this confidence that they would get money for their needs from the group that has played an important role in women approaching their groups for assistance even while their household members, especially husbands, have expressed apprehensions in this regard. Moreover, such examples have an inspiring influence on other members who mentioned in their testimonies their plans to avail of a loan from the group during their children’s marriage. For poor households, whose financial status is by nature fragile, and where there is a considerable hesitancy in money matters, this ability to meet their strategic needs through group loans is vital and empowering.

Unlike the above alternatives that are critical for the lives of the individuals concerned, the testimonies of women also reveal that they value other alternatives more for reasons of prestige and status. Many decisions like purchasing jewels, celebrating a function, fulfilling demands of seimurai/seer are certainly not of an equivalent strategic importance as changing the economic dependence on landlords or the marriage of children. Nonetheless, women value these choices and the alternatives brought about by increased access to credit in respect to them. Here social norms and values, and issues of personal and household respect and status are intermeshed, so that women consider these choices as valuable.

There are several accounts of women being able to buy jewels for themselves through credit provided by their group, and in other instances retrieve their pawned jewels. Jewels have a strong socio-cultural relationship with women. Possession of jewels is valued highly and they add to the respect and status of women. In GRO V, all the members bought identical piece of jewellery by availing a loan from the bank. They attached considerable value to the fact that from those days when as dalits they were barred from wearing jewels and also had no means to do so, now they have bought jewels through their own efforts.

Many women also valued their ability to conduct festivals and household functions through the credit supply of the group.
Last year when the Maduraiveeran (a popular Hindu god in Tamil Nadu) festival came, I needed money. But there was no money with us. So I asked my husband whether I should take money from the sangam. He said alright. So I took money from the sangam and spent it. (R-49)

Closely related to this is the ability to fulfil their seimurai or seer obligations. Women attached value to this because failure to perform them has definite costs in the form of damage in the existing social relationships. On the other hand, successful completion of the same brought them respect and status among relatives and neighbours. The importance of these need to be understood in the context of the amount of loan households were taking from moneylenders for this purpose and similarly the amount availed from their groups for this purpose. Despite the difficulties she was facing, R-1 recently spent Rs.1600/- on seimurai. R-16 has also taken a loan from the group to fulfil her seimurai obligations. In fact, in one instance she has taken a loan for this purpose in the name of medical expenses. In any case she says the household would have done the seimurai even by taking a loan from moneylenders, but thanks to the loan from the group, they have managed to fulfil their obligations at a lesser rate of interest. R-17 has availed loans from the group to ear-boring ceremony of her children. The value attached by women to seimurai/seer emerges in the following comments:

How can we remain without doing seimurai? People will treat us with disrespect if we do so. When I conducted function for my daughter my brother did seimurai to her. Since he is my brother he has to do the seimurai for my daughter. When he has some function at his house then I will do seimurai as his sister. If I don't do it then my brother will think bad of me and there will be a strain in our relationship. When people come to a function they ask how much seimurai is being done. If we don't get anything then people will talk lowly of us. In the same way, if we go to a function and come back without doing any seimurai, people will laugh at us and talk lowly about us behind our back. We will lose our mariyadhai if we do that. That is why at least by borrowing or loaning money we have to do seimurai. (R-25)

Previously there was very less income and I found it difficult to get the required raw materials for basket making. There was a lot of difficulty for food and clothes. The meagre income of my husband and sons is not enough for all of us. My sons also don't give the entire amount to me; they eat outside and spend on many things. I found it difficult to do the seimurai at functions in relatives house. Somehow we have to do seimurai according to our mural (Tam. Lit. turn, here used in the sense of right); otherwise we have to lose respect among our relatives. But, now after I got loan from the sangam I have bought raw materials and am able to do business properly. There is enough money for paying savings at the sangam, food, clothing, seimurai, and other emergencies. Now there is more money rotation with me, since I get more income. (R-27)

The importance of social norms in conditioning the credit use by women is clear from the above perceptions. These are decisions that may not appear to be
transformatory to an outsider. Nonetheless, the women themselves value these decisions and alternatives that are now made possible by the increased and easier access to credit.

In this chapter, we have explored the importance of credit supply for women’s empowerment, and specifically the manner in which it offered them empowering alternatives that they were previously denied. Our examination of the testimonies of women shows that they have specific valued interests and perceive the credit supply from the standpoint of those interests. In this regard we found them prioritizing their practical interests like food-making, ensuring availability of water, and housing concerns. Guided by the notions of corporate and cooperative household, women value these functions assigned to them by the gender division of household work. Consequently, women value the credit supply they get from their groups, for its ability to fulfil the basic needs of the household and to enable them to perform their gender-specified functions within the household. To the extent that these functions are critical for, and are oriented towards, the well-being of the households, the loans have a wider impact as seen in the case of education of their children, especially their girl children. Testimonies of women point to the alternatives made possible by the credit supply even within the arena of practical interests. Our analysis shows that other than the value they attach to physical and emotional positives at the individual level that result from credit supply, women also cherish the strategic ‘non-dependence’ that is made possible by credit. At the physical level, women gain alternatives, which enables them to skip a day’s wage labour if ill. Emotional aspects centre on the respect that women get because of their increased access to credit both within the household and in the wider society, including the moneylenders who often ill-treated them previously. Also important is the satisfaction women derive from their able management of the household, and especially their children. The ‘non-dependence’ that women value relates to three levels – economic, social and household, and to be more specific from moneylenders, high castes and their husbands, respectively. While in the last instance the ‘non-dependence’ is conceived more in terms of ‘interdependence’ – greater cooperation and “equal” contribution to the household welfare with less dependence on their husbands, in the other two realms it is more in the nature of breaking their traditional dependence and yearning for a more ‘independent’ existence. Thus we found that the satisfaction of their practical interests can have considerable strategic importance as in the case of their ‘non-dependence’ on high castes and moneylenders.
The study also identified the transformatory role credit was performing in altering the educational profile of the poor households. More specifically we found that credit was enabling these households to educate their children on a more assured basis. The most interesting pointers that emerged from the analysis are two: first, the gender gap in education is narrowing with a higher proportion of girls enrolled in schools when compared with their brothers; second, nearly all the last-born children in the school-going age are attending schools. Here too the gender differentials are positively in favour of girls. Given the importance of education for empowerment, this is definitely a positive trend.

It emerges from our analysis of the significance of credit supply to women in relation to the household economy that women value credit for two distinct reasons. Firstly, to overcome their dependence on moneylenders, and to stabilize the financial transactions of their households. Secondly, to participate more actively in what we have termed as ‘forced’ money rotation. In relation to this, we have also pointed out the increased solvency of these households and the importance this has for women who rely more on their ability to borrow money locally to meet their urgent needs and at times to tide over difficult situations. The efforts of these poor households to create some productive assets that would assist them in overcoming ‘forced’ money rotation is also evident from the field study. Nevertheless, we have identified specific problems that stifle any such efforts. In this regard, our survey of the statements of women has thrown up specific factors like social norms, individual bias, beliefs and predilections, and the existing rural institutional mechanisms in which poor women do not have any “voice”. Despite these problems poor women have been able to make strategic life choices with respect to their livelihood, education and marriage of their children, and relative ‘non-dependence’ on traditional elites. In sum, credit does provide poor women and their households with specific empowering alternatives.