



MICRO-FINANCE IN RIGHTS-BASED INTEGRATED RURAL DEVELOPMENT: IRDSWI/WIDA in Orissa, India

Dr.Sasi Prabha
IRDWSI/WIDA

Paper presented to 'Sustainable Micro-Finance for Women's Empowerment' mutual learning workshop sponsored by Levi Strauss Foundation and organised by Centre for Micro-Finance Research in Chennai, India on 4th -8th September 2006.

Integrated Rural Development of Weaker Sections in India/WIDA is an NGO working with tribals and other vulnerable communities in Koraput and Malkangiri Districts of Orissa. Their aim is

"to accompany the poor on a long term basis to fulfill the programmes of capacity building, community organization, empowerment and sustainable development through a systematically designed process of human potential development, natural resource development and the development of people-made resources."



WIDA currently covers 250 villages with a package of Integrated Rural Development Programmes: education for development, health and nutrition, individual, community, leadership training, cadre building, skills and technology training, training on women rights and issues. Capacity-building for women's group savings and a revolving capital fund as components of micro-finance are part of this programme.

It has received funding from the State Government, Department of Science and Technology of Government of India, Lutheran World Federation, Geneva, EZE, Germany, Stromme Foundation, Norway, Somneed, Japan and UNDP.

Organising for women's rights

WIDA is not primarily a micro-finance organisation. It began in 1981 through organizing peoples' organizations. In 1985 it formed women's groups with 15 – 20 women in every village as part of the Integrated Rural Development for Weaker Sections in India (IRDWSI). These women were primarily

from the landless, marginal and small farmers and wives of bonded labourers belonging to Advisees and Dalits.

The entry point was a targeted Nutrition Programme and Programme for Participation, Decision making and Leadership. These women's groups came together to establish and strengthen their relationship to each other and share common experiences. The women discussed how to achieve more equitable power relations in their households and communities and how to improve the quality of life for themselves and their families. Regular meetings, trainings, exposures and interactions were organized to strengthen the capacities and leadership of the women. This process used various participatory methodologies including Participatory Rural Appraisal, Peoples Participatory Programme and Participatory Strategic Programme, Participatory Monitoring and Evaluation and currently Log Frame analysis. The women (and their husbands) soon came to realise women's role was not merely in the kitchen, but also far out in the fields, in the forests around the village, Panchayat Raj and networking. They began to successfully tackle many issues.



The first issue raised was equal wages in 1986. In Geruput village 22 women's group members demanded equal wages for road-building contracts. These women were paid less than men even though they worked equal hours. The women's group organized women labourers working under one contractor operating in 16 villages, held a strike for three months, and stopped the work. After three months struggle the women succeeded in receiving equal wages from the Contractor in all 16 villages. The issue was then later taken up in many other villages in the area.

The next issue was the liquor problem at Village Chikalmari. Here the women were harassed and beaten up by the landlords of Dudhari village who brew liquor. The women broke the liquor pots in the brewing place and collectively decided not to allow their husband back into the village if he consumed liquor. These steps succeeded in stopping the liquor brewing and selling in their village. Again the issue was subsequently taken up in many other villages.



The next bold step was taken when the women declared, "All women are Landless". This is not only true with Tribal and Dalit Women, but also with most other women of their communities as well. The government had never given land pattas (titles) for women.

The women applied to the District Collector for ownership of land demarcated for distribution by the government. After scrutinizing the government regulations the DC issued individual land title to 127 women from 16 villages. In another village called Banguruguda, 42.20 acres of barren Panchayat

land assigned to women was claimed by a local politician, saying the land was his because he had been cultivating it. The women promptly agreed to relinquish ownership and requested the government to assign them other piece of cultivable land in the vicinity. When the local Panchayat election came the local politician, who always won the election, lost his seat. The women had voted against him!

“ALL WOMEN ARE LANDLESS” thus became a powerful slogan and strong mobilising issue for the women, establishing the women’s groups as a powerful force in the area. Lobbying by landless women resulted in government allocation of over 4230 acres of land in 54 villages for collective plantation and cultivation.

The women then turned their attention to the Government of Orissa, and the 1992 amendment to provide 30% of the seats in local panchayats for women. This opened up great and exciting possibilities for women to participate and in some cases even lead the Panchayats, “A NEW ERA FOR WOMENS LEADERSHIP IN THE VILLAGE GOVERNING BODIES WAS LAUNCHED” The women’s group leaders contested and won - almost all the 30% of the seats were filled by women, nearly 56 seats. This is a considerable achievement in giving power not only to women, but to adivasi women in an area where traditionally power and decision-making was only in the hands on non-adviasi men. The women’s participation in these self-governing institutions is ultimate security for the women in particular and the village in general. Today we see the ultimate self-reliance of the villages in their control of local self –governing institutions which have funds and programmes to sustain the development programmes.

By 2006 a total of 203 groups had been formed with a membership of 3831 from 159 villages. The women’s group members are primarily from the landless, marginal and small farmers belonging to Adivasis and Dalits. Through discussions the women’s groups are able find their own alternatives to their problems. They participate in planning, decision-making, implementation and monitoring of all the activities, including development programmes. Women are approaching the government officials to demand fulfilment of basic needs like drinking water, schools, liquor and health. They are also raising issues of women’s rights: fair and equal wages, domestic violence, child labour, decision-making , political leadership, land and joint housing rights, property and forest issues both at micro and macro levels.

Livelihood Development

In addition to the rights-based activities the programme also includes capacity building for livelihood development. To enhance women’s economic capacity a forestry programme was initiated. Women were involved in the whole process from approaching the government for land, identification of land, selection of tree species, nursery raising, plantation and protection of forest. This initiative gave the women a steady income for the family and community and ensures a forest cover that was not there before.



Starting in 1992 IRDSWI has trained women in various technology-based activities to increase incomes from locally available raw materials from forest and agriculture: leaf products, sisal, brooms, honey, spices, mushroom cultivation, natural dyes, candles, Insense sticks, herbal products, natural dyes, lac toys, Vim, shampoo, phenol, surf and other detergents, worming compost, biofarm, nursery techniques. Technical skills training was followed by income generation and entrepreneurship training. Production units were also set up to upgrade traditional techniques to add value and initiate new productive technologies. By 2006 more than 1,200 women are processing ginger, turmeric, herbal hair oil, shampoo, natural dyes and sisal crafts and hill brooms, honey and tamarind through these units.



The women with their upgraded skills are able to confidently face the challenges in the local market. 250 women have participated in exhibitions organised by Government. A food security exercise has shown that incomes have increased annually as a result of these interventions. A more detailed impact assessment is planned.

The women are also trained profitable 'male' activities like carpentry and masonry skills, identifying them as skilled workers rather being just daily wage labourers. Initially there was opposition from the men folk, local

political leaders and lower level government officials because these were skills normally carried out and controlled by men. The women challenged the officials and their own men and proved that they are equally capable to men.



Today the women are involved in identifying areas of alternative development intervention in agriculture, irrigation systems, native medicines, technologies, disaster management (land, water and forest) and leadership of a peoples' empowerment process. They challenge large development projects such as dams for irrigation and power, mining and commercial plantation which have displaced millions of people and cause ecological degradation. These are replaced by pro-poor technology which the communities build, control, manage and own. For example women in Putsil Village were

involved in planning, implementing and monitoring a Mini Hydro Project. The community is able to generate 13 KWS of power sufficient enough to take care of their immediate power needs like lighting, community grinding mill, flourmill, oil expeller and paddy thrasher.

The role of Micro-finance

Although micro-finance is not the only focus of the program, it developed early on from the women's own needs. As the women became organised they started individual savings by reducing the unproductive expenses on liquor, ceremonies, marriages and festivals. Even though their individual savings were very small, they developed the habit of savings and were concerned about safety of their own savings. The savings led to development of the micro credit programme. The women felt the need for their own capital formation both at the individual level and group levels to help them get out of the cycle of debt caused by credit practices of the moneylenders. They wanted an organised way of controlling their own accumulation of financial resources. Savings and credit therefore became an important agenda for the empowerment and development of the communities.



Today the micro-finance programme is implemented in 156 groups from 135 villages. The objectives are to:

- ◆ help their families.
- ◆ develop unity among women

- ◆ upgrade women's skill in financial management
- ◆ develop a culture of revolving their savings among themselves
- ◆ help women financially at times of crisis and not to depend on moneylenders.
- ◆ equip women to manage their own earnings for themselves and es
- ◆ develop a capital fund
- ◆ ensure the credit worthiness of the women.

The management is simple:

- ◆ Each group selects a credit committee composed of a President, Vice President, Secretary, Treasurer and other members to manage the financial affairs.
- ◆ The group decides its own norms and conditions. Norms for repayment, interest rates, loan availability for poor families, prioritisation of the purpose of loans, family needs and economic position, credit worthiness and repaying capacity, maintenance of accounts and upkeep of records all differ from village to village. The rate of interest charged on the borrowing is fixed at 24 % per annum i.e. Rs. 2/- per month for Rs. 100/-.
- ◆ The credit committee then selects two women from among the members to open and operate an account jointly at the local Bank. These two women are responsible for all the matters related to the fund.
- ◆ Every month Rs. 5/- (Rupees Five) is collected from each member and the same is deposited in the bank. Some groups have now decided to collect Rs.10/- per month. Each group collects Rs 150/- to 250/- per month.
- ◆ The women's groups deposit the group savings fund in the Bank. A matching grant from the project side is given to these groups from funds given by LWF, EED and SMF.
- ◆ The credit committee meets every month to discuss the activities of the group and the members collectively take decisions to sanction a loan to its members. They also discuss collections, deposits, balances and new applications for credit if any. The group monitors the utilisation of the credit. Maintenance of accounts is carried out in an informal way by recording the essential things like monthly savings and disbursements, current money balances, nature of borrowing and repayment.
- ◆ The women's groups disburse the funds collected among themselves governed by the norms and conditions decided by them, and manage bank transactions of deposits and withdrawals. At least 4-5 members a month can receive a loan ranging from Rs.150 to Rs.250 for short term productive ventures like vegetable marketing, agriculture seeds, goatery, poultry, spice processing, broom binding, purchase of educational books for children and in some cases loans are given to release the mortgaged lands, health and house repair.
- ◆ In the case of inability to repay productive loans on schedule, if the loan taken is actually used for the purpose borrowed the group may consider extending the repayment period. Extension of the repayment period may also be considered in other cases if the borrower faces unavoidable problems. The borrower applies to the women's group for extension of the repayment period. But in no case is the loan either written off nor subsidised. If anybody fails to repay, the group takes action by fixing an additional amount along with the credit based on the economic status of the person borrowed. But repayment of the loans is generally prompt.
- ◆ If a member decides she does not want to continue as a member of the women's group or in the credit committee she is free to leave. If she has taken a loan she is given a stipulated time for

repayment. Her membership is then open for new persons to join and access the credit facility as decided by the group.

The project gives training on managing the Credit Committee and running the Women's Group. to group members and its office bearers. It organises quarterly meetings for the women's group members to co-ordinate and monitor operations of the fund and credit mechanisms, problems faced and solutions sought. These quarterly meetings also provide a networking space for the different credit committees.

Scaling Up the Women's groups: Deomali Mahila Sangh

In 1992, three women's groups were registered under the Societies Act. The women members organized several meetings to discuss issues and problems confronted by women at home and in the community like domestic violence, injustice and exploitation at the local and regional levels. In order to address these issues and take collective action, the groups decided to join together and select leaders from among the women's groups to coordinate the group activities. In 1996 these registered societies became members of District Supply and Marketing Society (DSMS) for marketing some of their goods - processed natural dye materials, lacquer, brooms and sisal fibre table mats - from the Federation Sales Counter.

In 1998, the members of the three registered societies decided to bring together the various women's groups incorporating all the Blocks from undivided Koraput District to form one Society called "Deomali Mahila Sangh". With a membership of 1200 women from 80 groups this developed a number of common objectives and norms for the groups who were already members as well as those wishing to join.



The Deomali Mahila Federation also pooled an amount of Rupees 100,000 as corpus. In 1999, this corpus enabled them to apply for a lease to the Forest Department for collection of Hill Brooms from the Koraput Reserve Forest Range. The application was endorsed at the district level and it was forwarded to the State for approval licence. The Deomali Mahila Sangh then organised agents for collection of hill brooms in the Koraput Forest Range. Today Deomali is supplying 6 truck loads of Hill brooms every year to other states with profits divided between the Federation and the groups.



In 2006 the Federation now brings together 203 women's groups and around 3831 members from 159 villages. A 12 member executive body was formed and unanimously nominated by the general body based on their capability and efficiency. The Federation organizes various income-generation training programmes with women's groups: Non-Timber Forest Produce collection and processing, broom collection and processing, tamarind processing, leaf plate training, jute bag training, screen printing. During house construction women also work as masons and carpenters and have been trained in house wiring in our Mini Hydro power

projects.

The federation has Trade Mark registered under Small Scale Industries (SSI) by District Industries Centre, Koraput at Jeypore with the right to manufacture and process hill brooms, tamarind processing, leaf plate production and sisal fibre table mats.

DEOMALI MAHILA SANGH: SCALING UP THE GROUPS

OBJECTIVES

- ◆ To develop the capacity of women in terms of socio, economic and cultural sectors.
- ◆ To involve women in decision making bodies and develop leadership
- ◆ To address the issues of women at village, panchayat and regional level.
- ◆ To create awareness among women on literacy and health.
- ◆ To make the women economically independent through imparting various skills and income generation activities.
- ◆ To generate consciousness on women's rights.

NORMS

- ◆ Member should be from only the Adivasi or Dalit Community
- ◆ She should be a member of a village women's group.
- ◆ She should be part of women's group fund in the village.
- ◆ She should contribute regularly the savings amount for the village group fund
- ◆ If she fulfils these conditions she will be eligible to become a member of Deomali by paying Rs12/- per Annum
- ◆ If she is regularly paying the funds she is liable to receive any credit through community and repay with interest through installment depending upon the decision made by the Deomali
- ◆ The decision of releasing the amount will be strictly limited to Deomali Executive Committee
- ◆ If any member needs loan they should put up an application, address to Deomali
- ◆ Deomali accepts for marketing any regular member who are producing any article/products
- ◆ Members are eligible for productive loans
- ◆ One cannot be a member of two women's groups
- ◆ Executive members should meet once in three months to discuss and finalize the loan application and pay transaction, if any emergency, the Executive will be called at any time without prior information.
- ◆ Deomali has the right to release Credit amount from Rs.10,000/- to Rs.50,000/- to the women's group

The federation is also fighting on social issues in the area: child labour and enrollment of dropout children, women and mining, land and forest rights and release of mortgage land, equal wages, health and violence against women. The Federation members attended various training and meetings at regional, state and national level to share experiences and challenges. They attended a marketing meeting at Vizag and Hyderabad organized by OXFAM INDIA, Para legal training, Asian social forum and World Social Forum. The federation is not limited to only one place or area but will be open to all the Adivasi and Dalit women to address the issues of Justice and equality.

The impact of micro-finance

The micro-finance component has had a range of positive impacts on women's lives:

- ◆ Savings and financial management have become part of their life and dependence on the local moneylenders is considerably reduced.
- ◆ Women are able to plan their livelihoods and distinguish between unproductive and productive expenses.
- ◆ Economic conditions are improving for women and their families, including the very poor: women are able to effectively use credit for income generation through vegetable vending, fair-price shop, sheep and goatery, get employment as masons and they have employment in the production units.
- ◆ Women's status has been transformed from dependent consumer to a proud producer able to invest in the agricultural operations and save and able to access credit
- ◆ The women's group members are able to manage their funds and become leaders giving them a growing self Confidence, courage to face problems and challenge the exploitative structures is growing



Key Challenges

Today the Federation members are aware of their rights, fearless, organised and experienced in negotiating the changes they want. Micro-finance has provided one of the spaces for women to come together regularly and organise. But there is still a long way to go to change entrenched attitudes and inequalities which prevent women from fulfilling their aspirations.

Importantly credit has been only one of the inputs in the process of empowerment and change. Micro-finance has little impact unless it is accompanied by proper and effective capacity building activities in the areas of leadership, values collective sharing and participation, communitarian and just values, democratization of groups, education, health, communication skills, entrepreneur and marketing towards sustainable development.

Credit can only be effective when it is understood as one aspect of an integrated set of support services to strengthen poor women's ability to participate equally in the economy. Credit to poor women has to be seen as a process of enabling them to stabilise their livelihood system in a process of sustainable development, rather than the prime concern being only repayment.