

Rural Indian Women Form Groups to Take Control of Their Finances

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Twelve women wearing multi-colored, intricately-patterned saris met at Daxaben Patel's home in June 2005 in Binvada, a rural village in Gujarat, a northwestern state in India bordered by Pakistan to the north and the Arabian Sea to the west.

The women ranged in age from their early thirties to mid-fifties and sat cross-legged on the floor of Patel's sparsely-decorated, two-room home of cement walls and floors. Windows with no glass or screens allowed a breeze to come through the room, providing moments of respite from the hundred-degree-plus weather outside. The women passed around a plate of sliced mango sprinkled with cumin seeds as they discussed finances, UNICEF trainings and hygiene and sanitation. Patel, 32, chaired the meeting and carefully recorded the proceedings in a large notebook.

These women, many of whom have little more than a primary school education, are leaders of "self-help groups" (SHGs) established in their villages by one of Gujarat's largest dairy cooperative unions. In India, SHGs are mostly village-based groups of ten to twenty, who collectively save and lend money back to individuals in the group or use it as a group for a community project. The members, more than 90% of whom are women, agree on an initial deposit, a low interest rate and duration of the loan, usually one year.

SHGs were spurred largely by a program launched in 1992 by the National Bank for Agriculture and Rural Development (NABARD), and more than 2,500 NGOs and organizations have assisted rural women and men in forming SHGs by providing start-up funds or training them in record-keeping and accounting.

More than 700,000 SHGs exist in India today. In a country where the average yearly income is around \$500, these groups allow people with little ability to save a chance to invest in property, education or business for their families and communities and manage the money themselves.

In Gujarat, where a well-established network of dairy cooperative societies (DCS) has existed since the 1940s when villagers united to sell and market their own milk products, dairy coops have been responsible for initiating many of the SHGs in the state in the last fifteen years. More than 40% of the state's population belongs to dairy coops, which exist in over 90% of the state's districts.

Although dairy cooperatives are largely male-run, women make up 18% of India's milk societies' membership. Over the past two decades, coops have started to support and train more women in forming and running their own DCSs and SHGs, recognizing the role of women and children as the main caretakers of cattle on farms. Patel is one of these women.

In 1999, she visited the dairy coop in Valsad, the closest city to Binvada, with fourteen other women to find out how to start an SHG. The dairy lent cows to twelve of the fifteen women and in March 2000, their SHG was registered with the coop.

Each member deposited 500 rupees (\$11 US) into the opening account. Five years later, the group has pooled up to fifty times that amount with some members borrowing up to 20,000 rupees (\$438 US) at one time. Women have borrowed money to help fund their children's education, build houses, invest in mango farms and buy more cows.

In addition to the obvious financial benefits comes a sense of independence and confidence that Patel attributes to participation in the SHG. In a society where men traditionally decide how money is spent, Patel says, "I save my own money and decide how to spend it. I don't have to rely on my husband or mother-in-law for support."

Patel, who stopped attending school in the ninth grade to work on her family's farm, is the leader of her SHG and secretary of the group of leaders from nearby villages, trained in basic accounting by the Dairy. At times, Patel thinks about how different her life is from her mother's.

"My mother's whole life was spent farming, selling produce and caring for her children and the home...she would never have been able to leave the village and participate in UNICEF or Dairy trainings like I do," she said.

UNICEF is one organization among many that has utilized the DCS' network of mobilized women working at the grassroots level in rural communities.

According to the 2003 UNDP Human Development Report, UN agencies like UNICEF aim to "[place] women at the heart of [a development] intervention....by targeting the primary care givers of the home [and]...also supporting the empowerment of women through finance and skill development and trainings."

UNICEF India sees women like those in Binvada—members of dairy coops and SHGs—as essential to the organizations' movement to improve women's and children's economic and social situation in India.

Counting on women like Patel to bring its messages back to their groups and communities, UNICEF has trained women SHG leaders in Gujarat on hygiene and sanitation, anemia control, and village planning. Not only are these women improving their economic situations, they are empowering themselves and providing opportunities for their children.

As male-dominated as rural Indian society is, where women are married as young as fourteen or chaperoned whenever they leave the house, in villages where SHGs exist, women have proven themselves capable of managing household finances and teaching their children about lessons learned in trainings like those UNICEF conducts.

As Dr. Yogendra Mathur, director of UNICEF's Gujarat office, put it, "In India, unless you target the mothers, you can't change anyone."

