

Community Networking and Solidarity

A case study of Bodhigram- Disha Kendra Microfinance Programme

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I.1 Background

Bodhigram India is a social change organization that works towards equitable social change and distributive justice by helping communities to empower themselves. It works at grass roots level with children (*Bal-Bodh*), women (*Stree-Bodh*) and youth (*Yuv-Bodh*).

Bodhigram India, a centre for alternate education and social justice, has its beginning in an informal students group called Bodhi, during the late eighty's at the University of Pune. From this informal group emerged a voluntary group of young researchers, lawyers and professionals who came together in 1996 to set up Bodhigram, an autonomous voluntary organization. Bodhigram's work is done through the volunteers. Bodhigram does not have regular institutional or foreign funding. Individual donors support its work and the money earned through consultancy services provided by its founder members.

In its effort to bring about change in the living conditions of women from economically and socially deprived sections of society Bodhigram has been conducting community education and development programmes, particularly in the urban slums of Pune, India. For a more effective outreach, since 1998 Bodhigram has also initiated community solidarity network in collaboration with smaller Community Based Organization (CBOs). Bodhigram provides capacity building, networking inputs and a monthly honorarium for full-time community organizers. Disha Kendra is one of such grassroots community initiative promoted by the women form the marginalised communities. Disha Kendra is purely a voluntary effort and runs on voluntary contribution, as it does not have any institutionalized funding or institutional infrastructure.

The Bodhigram – Disha Kendra Programme (BDKP) helps to empower women both economically and socially by reaching out to them through its community based Self-help Groups and Saving Units or *Bachat Ghats* (BGs). The microfinance programme initiated is rather modest in its out reach and the quantum of business. However, it is also an excellent example for a grassroots initiative, without any outside financial support, making use of community networking and solidarity as means to socially and economically mobilize the women from the marginalised urban areas. As many of the women are from the Dalit (Dalit means- broken people- a socio-political term used to describe the erstwhile untouchable caste) communities, the community mobilization helps them to realize their own potential to negotiate power relations with in the family, communities and society. Micro-finance initiative is considered as a value addition to the ongoing process of socio political mobilization. It is rather a means to enable poor women to meet vulnerable financial conditions without becoming the

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victims of local moneylenders. Such a process also helps women to increase their confidence within the family and the community.

I.2 The current situation`Bachat Ghat' Programme

There are 8 Saving Units or *Bachat Ghats* (BG) functioning in 4 slums (*basti's*). Each of these bastis has 250 – 350 households. There is an ongoing process of education and mobilization of poor women in these areas. In all the slums, the idea of saving units (BGs) was emerged through discussion within the women's group and each of the BG has its full autonomy and operational norms. The volunteers of Bodhigram- Disha Kendra help to facilitate the process and provide practical tips and get involved whenever there is any potential conflicts. Each of the BG has evolved as a cohesive autonomous unit with active networking with other BGs in other slums.

I.3 Socio-cultural and economic context

It is important to note here that urban slums in Pune are of two categories; one where the predominant population is that of rag pickers, beggars, and the like who are way below the poverty line, with no individual access to basic needs like water supply or electricity. The *basti's* on the other hand consists of residents who have some source of regular income anywhere between US\$ 25 to 60 a month. A large number of them are victims of displacement due to small and big dams, droughts, earthquakes etc or landless farmers and laborers from the nearby villages.

They are a mixed group of castes and religions. Most of the poor in the slums belong to the dalit or tribal communities or from the lower cast. A large number of the male population don't possess regular jobs. And those who do earn the meager amount mentioned above, which is not enough to run a family of minimum 5 – 8 people. In most of the household, this income does not even reach the family, with many of the men spending it on alcohol and gambling.

Given such conditions a large number of the married women, between the age group of 22 – 50 (sometimes even more) have no choice but to work and earn some steady source of income, so as to keep the household going. A large number of them work as domestic help in middle class and upper middle class homes in the nearby apartments and bungalows. These poor women earn at an average of US \$ 10 to 12 a month. Most of them are domestic helps, working at an average of three to four hours a day. Some of the women are self-employed, who run small vegetable stalls, sell bangles, tailor clothes etc. while a very few hold jobs as cleaners, helpers, maids, etc. in government or privately run hospitals and schools.

It is the women who have primary responsibility for the food security of the family and the entire amount they earn is spent for food. So whenever, there is an emergency need like illness, accident, marriage, death etc, they get pushed into the hands of the ruthless moneylenders (who take a monthly interest of a minimum of 12% to 20%). Most of the poor who get into such vicious circle of debt and poverty become more marginalised and socio – economically vulnerable. Sometimes, assets like gold and house are mortgaged and never retrieved.

Knowledge of the banking system is very poor. Their poor literacy status instills a fear towards banking establishments and the people therein

II The groups place in the institution

II.1 Pre-existing social ties

Though the people in the slums often come from different castes, regions and often various religions, their similar socio-economic status, commonly shared social and development problems and the sheer proximity in a congested area gives them a sense of community. As most of them share a constant sense of vulnerability, a sense of reciprocal social ties emerges in these communities. Personal family feuds and neighborhood enmities are common. But barriers of religion and caste rarely crop up. The social ties are stronger among women as they often help each other at the time of family emergencies and at the time of emotional need. They also share a sense of gender deprivation and this shared emotional sense and informal socio-cultural networking in the neighborhood helps to build a sense of solidarity among themselves. The fact that the women in each *basti*, know each other personally is what brings them together to start a BG. The social networking and a sense of trust are a factor that plays a very important role in bringing these women together. What they lack is often the basic information, the know-how and the initial reluctance to get into institutional process. The volunteers and community organizers consistently work to enhance their social capabilities and confidence and initial support in setting up the process and operational norms.

Besides, Bodhigram India has been conducting Legal Awareness Workshops and Counseling Sessions for the women in the above mentioned 4 *basti*'s since the past 5 years. Differences and doubts regarding caste and religion which can give rise to major divides in such *basti*'s all over India have been effectively sorted out in group meetings and counseling sessions. When the Bodhigram - Disha Kendra Programme was initiated there was already a personal bonding between the members of the organization and the women. It was this mutual trust which enabled the formation of the BGs.

II.2 The Bachat Ghat (BG) Support Programme

When a group of women from a *basti* express their interest to start a BG members from Bodhigram and Disha Kendra help in providing the knowledge base required starting a BG. This is definitely preceded by long hours of explaining and enlightening the women about the importance of having a secure saving, the loan facility, the minimal repayment rates etc. But once the BG is formed and becomes operational, it is managed completely by the members.

BGs are locality based and the members of a BG have to be from the same Basti. A BG requires a minimum of 11 members and should not exceed a maximum of 20 members. Once such a group of 11-20 members is formed it is given a name – any name acceptable to all. Certain key matters as to the running of the BG is decided upon;

a. Term for the BG

A BG is formed for a minimum of 3 years and a maximum of 7 years. Under no circumstances can a BG be dissolved prior to 3 years.

b. Amount for monthly saving

This can be any amount, starting from RS. 10. In all the 8 BGs, there has been no saving which has exceeded RS 50 per month. This saving amount remains constant for the entire term of the BG.

c. Rate of interest for the loans taken

The minimum interest rate is 1% and the maximum is 3% per month. The interest rate is also decided by the local unit based on intensive group discussions and consensus. This is also strictly adheres to and no change in the interest rate is made during the term of the BG.

d. Choosing of leaders

Three leaders are elected from within the group.

- i. Adhyaksh or coordinator: She looks into the smooth functioning of the BG as a whole. The members can approach her and clarify any doubts that they may have regarding the BG or any personal problem related to loans or repayments etc. before discussing with the rest of the group.
- ii. Secretary: She organizes the monthly meetings and takes down minutes. She also updates the members regarding the progress of the BG
- iii. Sangatika or assistant: takes up the responsibility of depositing the money in the bank and provides assistance to all bank related work to the members.

Once these details are settled on, each member is given a passbook wherein entries are made every month with the signature of the secretary. For the initial 3 months the amount collected is kept within the group, with the Adhyaksh. Then a bank account is opened at the closest Nationalised Bank in the name that the members have selected for the group. The 3 elected members are the signatories to the account. On the 15th of every month the Sangatika deposits the collected money in the account.

II.3 Financial products and services offered by the BGs

Credit in the time of crises is the main service offered by the BGs. After 6 months of starting a group, members can avail of loans. A loan application form is filled up which is sanctioned only on need-based priority. The priority areas are illness, education and income generation in that order. The person in need for credit approaches two other members to be her guarantor. It is on the basis of these two persons and the applicants' signature that a loan is sanctioned.

The amount of the loan is the sum total of the savings of the concerned three members. The interest rate is as per what was decided at the formation of the BG. This interest amount is collected by the coordinator of the BG and deposited with the bank. This adds to the capital. At the end of the BG's term the total amount collected is divided equally within the members.

III Impact on social capital and social ties

III.1 Social cohesion within the groups

Due to the relative homogeneity of the backgrounds of the families in a *basti* there is a strong community feeling. The women particularly have strong social bonding. The formation of the BGs has helped not only to enhance this social bonding but also to empower each individual member.

BGs have become a relatively more cohesive team of confident women, who know that there is a group (of women) they can turn to in times of emotional or financial need. In the process some have successfully broken the barriers of extreme poverty and social restriction, and are making a difference not just to their life but to the life of other similar women in other *bastis* (where BDKP is yet to start). With belief in their entrepreneur skills 3 of the members were encouraged to start small businesses.

Frictions caused due to non-repayment of loans are rare. A sense of collective responsibility and the peer group pressure ensures regular repayment. If there is any real problem for paying back the weekly installments, then the issue is commonly discussed and then a decision is taken with regard to schedule of repayment. This is mainly because the purpose for which the loan was availed for was indeed urgent and serious. Members understand the situation and generally give more time for repayment. In the past 4 years there has not been a case of non-repayment. This is primarily because of the fact that initiative is rather small and also because of the strong social ties and an organic relationship between the women and the organization. As women know that it is their money and as there is no support from outside, they are more responsible about the repayment. As the BDKP does not have any institutional support or full-time paid staff, the women respect the integrity and intentions of the community organizers and take their suggestions seriously.

III.2 Process of transformation at the individual and family level.

There is a steady positive change happening both within individual women and also with regard to their position within the household. In spite of most of them being working Women who provides for the entire family, they rarely have any space in a patriarchal and often oppressive domestic settings. The social ties among the women and the process of mobilization helped to increase the confidence of women. The regular group discussion on vital issues regarding the rights women and children also helped to give them a perspective beyond the fatalistic(“ *this is our fate- what to do? Men are like that what to do?*) outlook usually shared by the poor women. The BGs have provided women with more economic leverage and negotiating space within the family.

Women have become more vocal in expressing their opinion both within and outside their household. Increasing number of women wish to be part of meetings with Bank Mangers or other bank employees. There is greater level of individual participation in public meetings with corporators, civic authorities etc. Right from learning to sign their own name to discussing the possibility of starting a small business, the women are encouraged to speak out in open discussions and debates.

III.3 Collective Bargaining Capacity

Within the *basti* BG members have been able to influence local decision making to a certain extent. Particularly, in maintaining the cleanliness of their respective *bastis*, which were otherwise stinking with filth from choked drainage pipes and improper sanitation facilities. Yong men and women of the Basti were urged to join hands in this effort. The BG members have also helped rejuvenate the defunct corporation run *Balwadies* or Kindergartens within each *basti*. With the support of Bodhigram the BG members organize discussions and workshops for the local people on Women's issues, Health and AIDS, Child vaccination etc.

Outside their local *basti* the members have been most successful in spreading the message of BGs at other similar *bastis*. This is done with the help of street plays and songs. BDKP coordinators have already begun working within these *bastis*.

IV Conclusion

- A shared sense of socio-economic and gender vulnerability, sheer proximity of the habitat and a sense of converging interests and common problems provide an enabling conditions to mobilize women.
- The primary responsibility of the facilitator is to synergies the existing social ties through evolving a community based vision, a commonly shared perspective, and enhancing the capacity of the women through transferring knowledge and skills. When the process and money are completely owned by the women, there is greater collective responsibility.
- Validation of local knowledge and a sense of local autonomy help to increase the confidence as well as collective responsibility of women. Community ownership is fundamental for long term sustainability and regular repayment.
- Non-funded initiative can also sustain with consistent community based networking and process of capacity building.
- Without an ongoing process of community education, through discussion and knowledge dissemination process, economic initiative do not necessarily help to empower the women or poor.
- While social networking and sense of trust is important, without optimal institutionalization and commonly agreed upon operational principles, there can be a danger of undermining even the pre-existing social ties.
- The key to the process of empowerment is local leadership and continuous process of capacity building through discussions, knowledge dissemination and political participation.
- The integrity and voluntarism among the organizers, CBOs and NGOs help to build up more trustworthy and fruitful relationships.

- The aim of the programme is not just to facilitate loans, but to improve their level of confidence, provide a meeting ground where they have access to information and awareness and in the process develop their interpersonal skills, especially the ability to express themselves (i.e.) individual and social empowerment.
- Economic initiatives in themselves do not enhance the process of empowerment or poverty eradication. When economic initiatives (such savings and credit unit, income generation activities) are a part of a long-term process of social, economic and political empowerment, they provide crucial opportunities for poverty eradication and empowerment of women. In other words, microfinance and micro economic initiatives become really meaningful when they are part of the community and social vision for empowerment and poverty eradication.