

**WHY
DO
SELF
HELP
GROUPS
SOMETIMES
FAIL?**

The Myrada Experience

**A Short Study Of
Non - Functioning Self Help Groups
In Three Myrada Project Areas**

Based on the Field Work Report of

Matthew Luke Osborne

With an independent Case Study by

Marianne Lüders

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Editor's Note

Matthew Luke Osborne came to Myrada as a student-volunteer in March 2001, referred to us by Professor Fremerey of the University of Kassel in Germany, who, in turn, knew of us through his association with one of our most valued development partners, **Deutsche Welthungerhilfe**. This internship coincided with the time when Myrada – credited with having pioneered the self help group approach that is now nationally accepted as one of the major means through which marginalized people can be reached and empowered – was thinking of exploring the issue of why some self help groups 'fail'. Needless to say, the provocation for undertaking such an exploration came from the fact that we did know of groups that had 'failed', very often in the same project locations where hundreds of other groups continued to function successfully. (By 'failure' we clearly mean groups that have completely ceased to function from the point of view of members regarding themselves as a group, working together on agenda that appeal to each one of them as members, and showing some of the other basic characteristics mainly related to self-managed savings and credit operations.) The questions that came to Myrada were :

- Was there a pattern that determined which groups would succeed and which would fail?
- Were there certain actions of Myrada itself that triggered a process towards failure?
- Could the failure of self help groups be anticipated and prevented?

The report that follows does not have all the answers. In fact, it raises more questions in the minds of readers. However, to the best of our (limited?) knowledge, it represents one of the first efforts to explore this theme and in doing so, to publicly acknowledge that not all self help groups succeed. We publish this study as a precursor to other more enlightening initiatives by people more competent to undertake sociological research on this theme.

We thank Matthew Luke Osborne for permitting us to edit and publish this material under the 'Myrada Experience' Series.

Marianne Lüders approached Myrada with a request to 'teach' her PRA. In return, she offered to share with our project team what she knew of Neuro Linguistic Programming. It was an exchange that worked well. During this period, she also spent some time with a self help group that had given up meeting and that we were trying to revive. Her academic interest in this group yielded concrete results for Myrada. We share her insights with you because they are sure to be of interest to persons engaged with self help groups.

Deutsche Welthungerhilfe's support to Myrada Germalam Project has enabled us to bring out this document in print, for which we are very grateful.

March 2003

Vidya Ramachandran



Note : Self help groups are now quite well known in development circles. However, at Myrada, we have started to refer to them as **self help affinity groups**, or, SAGs. Affinity is clearly distinguishable from homogeneity. Homogeneity is generally associated with 'physical' characteristics such as age, sex, occupation, economic status, caste, common place of origin or residence, and so on. Affinity is based on more intangible characteristics such as being able to trust one another, sharing common values, being able to enjoy the company of one another, and being able to work with one another. If these factors are taken into account, a cobbler, a carpenter, and a tailor may share a closer relationship than what may exist within their exclusive occupational groups. Affinity factors are an important element in the bonding of self help group members. These factors already exist in the environment; they have to be recognised and built on. Unfortunately, the patience that this process requires is not always available in development work. In this publication, however, the groups continue to be referred to as self help groups (and not self help affinity groups), since the affinity factors in these groups are more or less absent.

Note : Self help groups are only one of several kinds of membership institutions that Myrada facilitates to organise and strengthen. Institutions have to be structurally appropriate to the functions that they are expected to perform. Self help groups cannot perform the same functions as watershed associations; watershed associations are structurally different from milk cooperatives; and milk cooperatives are not structurally geared to operate as school betterment committees. At the end of this publication is an appendix contributed by Myrada that lists the various types of institutions that have so far been promoted through its efforts.

Note : The words 'resident', 'Secretary', and 'Office bearers' occur now and again in the cases recorded in this Study. These positions were in use earlier but because of the accompanying 'cultural baggage' of these terms, they were given up in favour of the word 'representatives'. For a more detailed understanding of the reasoning, please see Myrada's RMS Paper 15. (It can be downloaded free of cost from Myrada's website at www.myrada.org)

Vidya Ramachandran

Introduction : Establishing the Signposts

When we consider the reasons for dysfunction of self help groups (SHGs) we would do well to remember the eminent anthropologist Malinowski who said, "While it may seem easy to replace a custom here or transform a technical device there, such a change of detail very often upsets an institution without reforming it, because...beliefs, ideas, and practices are welded into bigger systems" (1961). The first question from almost everyone interested in this investigation has been, "What has been the main reason for dysfunction?" There is, however, no single issue driving all dysfunction. The aim of this investigation has never been to uncover evidence to support or refute a hypothesis concerning this. It has, instead, been a process of unfolding and laying out of the issues involved in a systematic way, allowing the problems to speak for themselves rather than setting up questions to confirm an answer. This, it is hoped, can give the best picture of what dysfunction is and how it is caused. There has been a learning process of how to interact with groups as well as the staff who are engaged in promoting them, regarding such a sensitive issue. Everyone has, of course, only told more or less what was considered worth being heard, giving the "main reason for dysfunction". On the one hand, each SHG has its own agenda and social setting; on the other hand, staff have different levels of understanding and experience of what is being investigated. The learning of how to ask the right questions for the process of uncovering the whole complex of dysfunction has come only through trial and error.

As a student at the University of Kassel in Germany, I approached Myrada in mid-2000 to permit me to do a field placement on one of their rural projects. I had a background in social anthropology and was studying environmental agriculture and international rural development. I was open to doing any project that would give me some relevant field experience while at the same time being of some use to the organisation that was willing to accept me as an intern. I did not know very much about self help affinity groups.

The idea of exploring into why some SHGs 'fail' was suggested to me by Myrada. It was an issue they wanted to understand in the context of their own experience. I arrived at their Office in March 2001 and stayed on their projects until September 2001. All my field work and reporting was accomplished within this time. A framework for the Study was worked out as follows :

- It was agreed that field work would be carried out on three Myrada Projects – Germalam in Tamilnadu, Kamasamudram in Karnataka, and Kadiri in Andhra Pradesh.
- It was agreed that 10 'no-longer-functioning' groups would be studied in each location, taking the total number of SHGs studied to 30.
- The projects would make available lists of groups that they had formed but that had ceased to function. From these lists, groups to be studied would be selected through stratified random sampling (to get a mix of women's and men's groups, tribal and non-tribal groups, etc.). It was agreed that the selected groups would be from among those that had functioned for at least 2 years before being called dysfunctional.
- Each group would be contacted separately, and the project staff would assist in requesting at least 5 members from the dysfunctional group to be interviewed.
- The views of the project staff and of another functioning group or even other villagers from the same village would also be obtained with regard to the reasons for dysfunction.
- The various viewpoints would then be reconciled (in consultation with all contributing parties) to arrive at a reasonable and objective explanation for the dysfunction.
- The combined outputs would be the basis to see if there were any patterns that emerged with regard to dysfunction of SHGs. Sub-patterns of dysfunction between men's groups as different from women's groups, between tribal groups as different from non-tribal groups, etc. would also be looked at.

In the actual process of field work, some adjustments had to be made. A random selection of groups was made in place of stratified random sampling. It was not possible to get 5 persons to talk to in every dysfunctional group. Similarly, it was not possible to get the views of others from the community in all cases (due to timing, translation difficulties, unwillingness of people to comment on the affairs of others, and other such reasons).

The Study Framework

This Study is presented in two sections; the first section is intended to provide a theoretical understanding of how dysfunction unfolds to allow the analysis of recurring triggers, themes or patterns. The second, the project summaries, presents the examples from which a sequence of analyses is developed in the conclusions.

Oakerston (1986) designed a model to look at the issue of common property problems. This model has been briefly described below because of the similarities between the central issues of the SHG common fund and other common pool resources that are defined most simply as "a natural or man-made facility that produces a flow or use-units per unit of time". Many have argued that this framework provides a common theme throughout issues of collective choice in general. It is hoped that this will provide a framework for a systematic understanding of an SHG and its functions and thereby, its dysfunction. In SHGs, the model is essentially divided into 4 parts, each of which describes an aspect of the whole system.

The first and arguably the most critical element is the Operating System, or services provided by the group which are sub-divided into three elements (a) Compatibility of needs (b) Membership, and (c) Divisibility. The second aspect is the Governing Structures, the rules and regulations that enable the SHGs to provide the desired services. The third aspect represents the interactions between the first and the second parts by the individual members, to be understood in terms of costs and benefits. Fourth, there is an outcome which, if the SHG is functioning efficiently, should feed back within a self-affirming cycle so that it can progress through the stages to an 'A' grade group. The model would be simple enough if it ended here; however, the model is not only dynamic but has been developed and adjusted over time. These changes have had consequences for the function and thereby dysfunction of emerging and future SHGs. This process of balancing parts 1 and 2 to produce the most equitable and efficient results in parts 3 and 4 respectively has been the work of Myrada staff as a gradual and integrated process which is described under sub-heading 5 below.

1. The Operating System

The operating system is created out of the necessity within rural communities for

In the context of this Study, a self-help group is a small group of (less than 20) people who reside in the same neighbourhood, have prior knowledge of one another, share a similar socio-economic background, and voluntarily come together into a formal (though not legally distinct) working arrangement of regularly saving money, using this pool of savings to advance loans to members for purposes of their choice, and working on other issues of importance to members and their communities.

resources, and is represented by the formation of a collective fund along with a group to control it. It constitutes the services the group provides for the SHG members as individuals and to the community as a whole. It is divided into three main parts that are as outlined below:

Joint-collective action: This refers to the compatibility of needs, and is the similarity in the requirements within rural communities for a financial buffer to hedge against the uncertainty inherent in their livelihood practices, which gives the necessary motivation for the formation of joint economic action that the SHG model provides. The model is a welcome alternative to moneylenders and is a source of positive development for the community.

Membership: The individuals who make savings into a common fund may take loans from it; they also have exclusive control over who has access and who does not to loans and to other services that the fund may provide.

Divisibility: All savings, although held in common, remain the private property of the individual members.

2. Governance Structure

Within this aspect there are three main features: (a) The operational rules (b) The rules of collective choice, and (c) External arrangements.

Operational rules: The rules that relate to the operating system have to achieve a balance between effective patterns of behaviour and the basic operational principles.

- **Partitioning rules:** The first set of rules is based on the economic foundations of joint collective action by creating limits on behaviour so that individual members may not subtract from the ability of others to derive benefits. These partitioning rules limit the use of the common fund and are related to how the common fund is shared, i.e. who gets loans, how big can they be, what they may be used for, etc.
- **Membership:** enables collective accumulation and regulates who has access to the fund. The exclusiveness of the SHG relates first, to who may become a member of the group, then, to how much is saved, how often the group meets, etc.

- **Divisibility:** These rules are concerned with how the fund is divided and may be considered in terms of private holdings. The individual savings of each member is recorded in savings books and each loan taken by the members is recorded in their own loans books.

Rules of collective choice: These rules govern the management of the common fund and the group's ability to act collectively through setting conditions for the choices individuals may make. When self interested action causes costs or opposition from other members as in, for example, non-attendance of meetings or non-repayment of loans, sanctions which have been decided upon by consensus will be enforced.

External arrangements: In the context of this Study, external arrangements are related foremost to Myrada, in the formation of the group as well as the training given and follow up support provided. They also include linkages achieved through the facilitation of Myrada with banks, other NGOs, other resource institutions, and other institutions operating in the same village like the Government, other types of groups, etc.

3. Patterns of interaction

How individual members of a group choose to behave towards one another helps us to develop a critical understanding of why some SHGs become defunct after functioning for some time. One useful method for doing this is to regard behaviour as a set of transactions based upon costs and benefits. Costs may be seen to be any "perceived" obstacle to choice over an alternative; benefits may be understood to be any "perceived" inducement to choose one alternative over another. The environment, including social and cultural conditions may, however, determine how these obstacles and inducements are understood. In an earlier paragraph it was argued that a latent need exists, particularly in the villages targeted by Myrada, for joint collective action. Myrada has also noted that "relationships within groups are not only motivated by material gain" but also that a "complex of sideways linkages or relationships among the members bound them together as well as supported the roles and functions which they adopted" (Fernandez, 2001). This kind of mutually supportive interaction has been identified as affinity by Myrada.

Collective behaviour is built up over time on what members expect from each other and is dependent on the extent to which members are confident of predictable responses from others. This structure of mutual expectation requires a critical mass of cooperating individuals within a group to allow collective choices to be worthwhile. Particularly relevant to this Study, however, are the obstacles, or what happens

when reciprocity is abandoned in favour of purely self-interested behaviour or free-riding, whereby an individual fails to contribute whilst expecting the rest of the group to continue contributions.

4. Outcomes

In the introduction, the belief that there is a single problem at the root of dysfunction was contested. Instead, a dynamic model was developed to help illustrate the function and consequently, dysfunction of an SHG. In functioning SHGs, the positive patterns of interaction feed back into the operating system. The membership, individual savings, and joint collective action are strengthened, producing self-affirming interdependent cycles. In contrast, defunct groups reveal obstacles and diversions to the preferred patterns of interaction.

Adjustments to the governance structure of SHGs are possible, that anticipate obstacles and strive to minimise their occurrence, as detailed in the next paragraph on 'Balance'.

5. The Balance

With the accumulated experience of facilitating the formation and development of SHGs, Myrada has developed, over the years, a comprehensive set of guidelines for good governance in SHGs, in response to problems that have repeatedly occurred. They have thereby also sought to improve the successful functioning of emerging groups. Although this summary is not exhaustive, we can illustrate some of the more important adjustments that have already been made and demonstrate some of the many ways in which Myrada has been involved in the evolution of the SHG model. For example, adjustments to increase efficiency of performance in SHGs would include emphasising the need for regular (weekly or, at most, fortnightly) meetings, and setting limits to the size of the groups to improve communication and participation, and thereby, interdependence. Training programmes have been developed to underline the regulations as well as build up a unity and vision in the group, again strengthening the structures of mutual expectation. (Also see Box on Gender.) There are programmes to improve literacy and develop community volunteers to overcome organisational issues arising from illiteracy.

Box 1 - Gender

One of the most fundamental changes was the decision to focus (almost) exclusively on women's groups. The objective of this investigation was to assess a diverse range of defunct groups that included some male-only groups. The main reasons given for the focus on women are to encourage their equity and empowerment. Nevertheless, what are the differences between men's groups and women's groups that make focusing on women-only groups worthwhile? Using the SHG model as our guide we can see the following: Firstly the needs of women are more attuned, and in more ways than merely the need for credit and finance. "Spots that traditionally provided women with a level of security and privacy have become scarce, like water points some distance from the village; the privacy and security of an SHG meeting is a godsend" (Fernandez, 2001). Secondly, women's groups - because they have traditionally faced more exclusion from the cash economy - have greater need of a common fund. Thirdly, women's traditional roles have been geared more towards interdependence, which the SHG needs in order to function. Furthermore, the near vacuum of female village institutions not only highlights the need for one but also suggests the comparative ease of its establishment. In contrast, men have clearly defined traditional roles in public relations and village politics. These relationships cannot simply be excluded by the formation of an equity-orientated SHG as they will continue to play a role bringing either conflicts or allegiances into the group. Furthermore, men have traditionally controlled all economic issues like trade, property and money. The SHG disrupts known cash flows and can often be regarded as a drain on existing inadequate funds rather than as a method of accumulation and emancipation from moneylenders. Men are also in a better position than women to exploit the SHG common fund in purely self interested behaviour, by being freer to decide to migrate after taking a loan, for example. Both these problems can have destructive effects in the running of any men's group. The adjustment to focus exclusively on women has, in turn, had consequences. In some cases, despite the education and training given to the women within the SHG, their husband's misunderstandings over the concept have distorted and damaged groups. This will be discussed more in the case studies.

Project Area Descriptions

This part of the investigation provides a short outline of each of the project areas that have been visited, to illustrate the environment in which individual dysfunction of the studied groups has occurred. Although each instance of dysfunction was the result of a complex of different issues, themes or patterns to dysfunction have been seen to occur. These themes are discussed in greater detail in the concluding part of this Study.

Germalam Project

This area was the first to be visited and was where the interview questions and techniques that were used in the other two areas were developed. The area is a mountainous dry deciduous reserve forest area and was formerly part of the Myrada Talavadi project. It is located in Erode District of Tamilnadu State. It was here (Talavadi) that the earliest efforts were made to promote group-based savings and credit activities that later developed into the SHG model. Consequently, it was also on this project that the first initiatives were taken to develop a formal process of capacity building for self help groups, with the development of training designs on various topics. Thus, the 'balancing role' of Myrada grew more evident. The project covers some remote and difficult-to-get-to villages, many of which have no proper access roads, making journeys to the villages of almost an hour by two-wheeler commonplace. Some of the villages were so inaccessible that they were apparently initially missed by Myrada when they first came to the area. The project area is divided into three geographic clusters of villages for logistical (administrative) reasons. Germalam (from which the project takes its name) and Arepalayam are in and among the mountains and valleys; Kadambur is separated by a mountain ridge on a high plateau.

Out of the ten groups interviewed, three were all women and the other seven were all men. The three women's groups were located within the first two clusters. All three had experienced difficulties of attendance at meetings during the seasons when they migrated for labour, either harvesting minor forest products like Nelli (gooseberry) or for wage labour on tea and coffee plantations. This problem could probably have been tackled by reorganising meetings after factoring in their migration schedules, as done by other groups with migrating members in the same area, but this was apparently not done. The other major source of dysfunction was a laxity in

implementing the regulations in attendance and poor organisation of collective choice, the "I-will-pay-when-you-pay" circular mentality. In one case this was further complicated because the son of a member who had been keeping the books for the group had left the village for a secretarial job in the city. All the women in this case were illiterate and the remoteness of the area made finding an alternative bookkeeper more difficult.

The seven remaining groups were all male. A general background theme was that they had been formed when the SHG model was still evolving, in several of them the membership was more than 30 at the time of formation, and they had received far less intensive training than is given today. Three of the groups cited book-keeping problems as reasons for dysfunction, mostly involving some financial mismanagement. Around five of the groups had experienced socio-political problems of some kind. These issues were not always raised directly, but were implied in the answers; usually more experienced staff could obtain more specific details.

Brief details of the interaction and outcomes with all ten SHGs are given in the next section.

Kamasamudram Project

The Kamasamudram project area is situated in the southeast corner of Karnataka State. The languages spoken here are not only from Karnataka but also from the States of Tamil Nadu in the south and Andhra Pradesh in the east. The diversity of languages spoken has added to the residents' relative geographical isolation from the administrative centre. Myrada started working in the area at a time when the collapse of the mining industry of the Kolar Gold Fields was imminent, with the threat of high unemployment in the area. There was a tentative plan to rehabilitate mining families on agricultural activities. When this did not work out for technical and bureaucratic reasons, an agriculture development programme was taken up in some of the backward villages, along with a community health programme. Since then, the focus gradually evolved to the formation of community based institutions like SHGs, and the implementation of watershed and biomass promotion programmes. The area is relatively flat and the road network is well established and, on the whole, well maintained, making the access to even the remotest villages fairly easy on a two-wheeler.

Out of the ten dysfunctional SHGs visited in the project area, none was male only; three had a combined membership of men and women and the remaining seven were women only. The reason for this may well be that the Kamasamudram area adopted the SHG model later than other areas that were studied, with only a few mixed

groups remaining from earlier phases before the focus shifted (almost) entirely on to women's groups. The female bias in the studied sample in this area, however, provides the analysis with a useful counterbalance to the male bias of the sample in the Germalam area investigation. When looking at the analysis from the interviews conducted, some interesting patterns begin to emerge forming three basic groupings and one sub group. Out of the three mixed-sex SHGs, two had clearly suffered the same problem; the members felt they had less time to give the SHG as this was now taken up increasingly by their income generating programmes. These programmes, although raising the standard of living for many of the members, also had the effect of undermining the basic need for the SHG concept. This had a more profound effect on the mixed-sex groups as they tended to be dominated by men who found it easier to return to traditional financial methods. It is probable that this return was also part of the equation of dysfunction in the remaining mixed-sex SHG, although here it seemed more because of drying up of support or aid programmes than a direct rise in the standard of living.

The remaining seven women's groups became defunct because of two main reasons. The first involves just two groups, one of which had become defunct despite efforts by Myrada because of a conflict between two households in the village that entered into the SHG. The other dysfunction occurred when the introduction of several new members destabilised a well functioning group. The five remaining SHGs all share the common theme that their dysfunction could be traced back to a phase when the loans within the group became larger than what (as it later turned out) members could manage. This seems to be a stage when the SHG is particularly vulnerable to dysfunction. The possible reasons for this will be discussed with reference to 'free-riding behaviour' in the conclusion. In three of the cases, a catalyst could be directly identified, and of these, two were understood to be because of a negative influence from the husbands of group members. The case of Suryakala SHG in Boodikote sector is particularly interesting and is detailed in the case studies that follow in the next section.

Kadiri Project

The Kadiri project area is located in Anantapur district in the southwest of Andhra Pradesh State. The area appears in Government statistics as having many problems; as a result, many Government programmes and NGOs including Myrada have chosen to locate here. In the case of Myrada, the choice to work in this area was influenced at least in part by the Government's offer of an opportunity to rehabilitate released bonded labourers on reclaimed wastelands. This area is characterised by highly degraded 'red' soils and is regarded as an agro-climatically deprived region. The average annual

rainfall is around 520 mm., compounded by few rainy days and an uneven distribution of rainfall across the agricultural season. As a result, the region has been reeling in drought conditions year after year. This was a theme running throughout the ten interviews conducted here, which almost every group cited as a factor in their dysfunction. The truth of this reason is doubtful, however, in the light of hundreds of successful groups in the area, functioning under similar conditions of drought. However, the poor socio-economic conditions have forced many in the population to migrate to distant places in search of livelihoods. Those that stay often resort to the wholesale exploitation of natural resources such as trees, which has had other effects like increased soil erosion.

Simultaneous to the development in the Talavadi-Germalam area, the Myrada Kadiri project area was also the home of the SHG concept built upon affinity-based relationships, born out of the need for a more acceptable alternative to cooperatives. The sample of SHGs in this project area, unlike the previous two, provided an almost equal gender distribution with four male and six female groups.

The ten interviewed groups could be placed into three broad categories of dysfunction. Five of the groups interviewed had become defunct because of some form of external mismanagement. This could be seen in uncoordinated financial linkages between supporting institutions, sometimes overburdening financially vulnerable members or resulting in competition between self-help groups within a village. The next common factor was the issue of migration. In most cases, this was caused by drought. Whole families chose to migrate to a variety of places leaving groups with outstanding loans to pay. The droughts had also aggravated seasonal migration patterns - with individuals spending longer periods away from their villages - that had a disruptive effect on the cohesion of the groups. The issue of migration is endemic to the region and occurred to some extent in each of the dysfunctional SHGs including two of those from the first category although, from the interviews, it seemed to be of less significance. Finally, there were three groups whose dysfunction was a little more difficult to classify, yet the symptoms were apparently similar. First of all, two of these groups were male, and the third one was directly disrupted by the defunct men's group in the village, so we may assume some of the pressures discussed in the gender box contributed to their dysfunction. Moreover, in the two male groups it was felt that the dysfunction occurred because unity in the group was abandoned in order to preserve unity within the village.

Brief details of all the interviewed SHGs are given in the section that follows.

Individual SHG Interview Summaries

Case 1

The meeting began with 5 members and increased to around 9, declining to 4 towards the end. There are 3 more SHGs in the same village. One has been functioning for 12 years and carries out a successful mat weaving enterprise, another for 5 years and the third for 1½ years.

A note must also be made here that members of the 12-year old SHG were present throughout a large part of this meeting since they were also waiting to use the meeting hall. During some informal discussions after the meeting with the staff working with the SHG it emerged that one member had played a destructive role causing several members to leave. With this in mind some events of the interview become clearer.

Project: Germalam
Village: Hongalvadi
Group type: Men's self help group
Size: 12 (of which one died)
Formed in: 1994
Accepted as defunct since: 2000

Interview summary

- Members attributed the pressures of agricultural operations to the start of their irregularity in attending SHG meetings.
- Irregular attendance led to irregular loan repayments that in turn led to more irregular attendance, thus creating a cycle of breaks in group discipline. As can be seen from several of the other interviews as well, this is a fairly common early symptom that all is not right in the group.
- The imposition of harsh penalties on rule-breaking members gave rise to the members seeking the support of moneylenders whom they should have united against.
- One member with a previous history of bad loan repayment was denied a loan, as a result of which he developed a resentment for the group and also influenced some others.
- There was poor rotation of leadership roles and responsibilities.
- A former secretary of the group was suspected of mishandling the common fund as well as of manipulating the group for his own benefit.
- The secretary who took over was also not trusted by the group, as shown in the other members' denial of his request to keep the SHG books.
- At the time of this interview at least 4 members were still reported to have

outstanding loans, with the former secretary himself having moved away with an unpaid debt of over Rs.5,000/-.

- During this interview, the members' lack of mutual respect and understanding was demonstrated in their loud circular arguments and gesticulations.

Analysis

The problems of irregular attendance, irregular loan repayments, and imposition of harsh penalties (all of which – in greater or lesser measure – were also characteristic of several other dysfunctional groups) were apparently compounded by the fact that this group had two secretaries (in succession) and both did little to promote the group's performance. One left the village for a city job with a loan of Rs.5,000/- unpaid; the other was also distrusted and believed to have influenced several members to leave the group.

Case 2

I was accompanied by 3 staff members from Myrada. This village is what is known as a 'forest settlement' – tribal families allowed to live in the forest. The village is exclusively made up of Soligas, a scheduled tribe. We were greeted by members of another functioning women's SHG from the village. No one from the defunct SHG

Project: Germalam
Village: Mel Mavallam
Group type: Women's self help group
Size: 18 to 20 (fluctuating)
Formed in: 1989
Accepted as defunct since: 1998

was present, and we were informed that they were all in the forest gathering Nelli and grass for broom making, a major source of seasonal income. Some of the women from the functioning SHG agreed to answer some questions on the other group, informally, under the eaves of one of the houses. During our introductions, an elderly member of the defunct SHG joined us and a while later another elderly former member also joined in.

Interview summary

- Because of migration to tea and coffee plantations and to the forests for gathering of minor forest produces, attendance at meetings was irregular (even though they had fixed only one meeting per month).
- Irregular attendance led to irregular loan repayments that in turn led to more irregular attendance, thus breaking down group discipline. The mentality regarding loans also turned to, "I will repay when you repay".
- Despite some training programmes given by Myrada, there was not enough communication and understanding within the group. The group was actually

seen as a hindrance (making restrictions, placing responsibilities).

Analysis

The village is fairly isolated, but it receives adequate support from staff. The main problem seemed to be in the group's inability to conduct meetings, reducing reciprocity. This was predominantly because the major source of income for the women involved migratory labour. The simple, rather isolated, and by and large unfettered lifestyles of these people may have found it difficult to cope with the demands of SHG functioning, besides coming at a time when Myrada was itself still learning about SHGs and not yet fully aware of the balancing roles it was necessary to play.

Case 3

The meeting hall was prepared and SHG members as well as influential members from the village began to gather, including a women's federation leader, the president of the local watershed development committee as well as a few village elders. The Myrada staff present addressed these individuals, asking them to assist with the study. The village is one of the more remote in this area and has no proper access road.

Project: Germalam
Village: Hosatty
Group type: Women's self help group
Size: 22
Formed in: Unclear
Accepted as defunct since: 1999

Interview summary

- None of the members could read and write. The son of one of the members used to assist in writing the accounts but he left to seek employment outside the area. With his departure, accounts could no longer be maintained and misunderstandings began to occur. Both attendance and loan repayments became irregular, until they stopped altogether.
- In the case of some members, attendance was also irregular because they migrated for 4 months in the year as agricultural labourers. Their motivation for joining and for taking SHG loans was to migrate further and for longer periods. Consequently, their attendance further reduced and their loan repayments became more erratic.

Analysis

This group functioned well in the past, for as long as it had a reliable book-keeper. However, he was not from the SHG and when he left, the group was unable to cope

with the accounting, and members were no longer comfortable in placing funds with it. The priority given to migration also contributed to a breakdown of some basic norms of SHG functioning (related to conduct of meetings, attendance at meetings, rotation of responsibilities, etc.).

Case 4

This village is located high on a mountain plateau, several kilometres from the nearest proper road. The village is made up of people of a scheduled tribe, who settled and have been living in this area for more than 4 generations. The individual houses of the village are scattered rather than built close to one another. Many of the young men spend a good part of their time in the forests, as semi-pastoralists and also engaged in the harvesting of minor forest products, though they may sell the latter only to agents/agencies who are appointed by the Government to buy from them. The villagers have also been encouraged to take up cultivation by being given land ownership.

Project: Germalam
Village: Ittarai
Group type: Men's self help group
Size: 15
Formed in: 1994
Accepted as defunct since: 2001

The interview concerning the present study was with 4 prominent members of the (ex)SHG.

Interview summary

- Many of the members were single men who were not particularly committed to the responsibility of managing an SHG. They wandered away into the forests and were irregular in attending meetings.
- There was a general disregard of rules and regulations. With regard to loans, there was a casual "you pay, then I will pay" attitude.
- 3 young men were given loans sourced from Myrada to attend vocational training courses. They later said they were not interested to seek work in the valleys and hence, did not repay their loans.
- This being a homogeneous tribal community, there was an overall disinclination to enforce sanctions against errant members for fear of unsettling the unity.
- Though not the prime contributory factor, the scattered nature of the settlement also made communication difficult (including the walk involved in attending meetings).

Analysis

Although education levels were relatively higher among these villagers and SHG members when compared to other villages, there was a high disregard for rules and regulations. Unity within the village was seen as paramount; therefore, there was an unwillingness to enforce sanctions for fear of unsettling the existing harmony. Many of the young men were also not very interested to keep the group going, nor in improving their skills and seeking work opportunities outside.

Note: At the close of this interview a group of sedentary villagers with dependant families expressed an interest in forming a new SHG in the village without the less committed single and predominantly forest going men.

Case 5

On arrival in Taludi there was only one member there to speak to us. Towards the end of our discussions, however, one more member also decided to join us. The reason given for the absence of most of the members was the Shivarathri festival. The interview was informal, held over a cup of tea under the eaves of a house on the main street.

Project: Germalam
Village: Taludi
Group type: Men's self help group
Size: 30 (later declined by half)
Formed in: 1993
Accepted as defunct since: 2000

Interview summary

- This was one of the first SHGs promoted by Myrada in this cluster. The concept was not yet clearly understood by the people nor even by all the field staff at the village level. Hence, this SHG also had a poor understanding of the concept.
- Membership was quite large, making transactions unwieldy for beginners.
- Initial enthusiasm resulted in making plans that were somewhat grand but also somewhat unrealistic. Hence, motivation levels dropped when it was realised what efforts had to go into translating plans into action.
- Loans were taken and then absenteeism started at meetings, accompanied by irregularity in making repayments.
- One member took a loan for investing in business but spent all the money on the treatment of his wife who had a bone disease. This invited sanctions. To try to enforce the sanction resulted in such bad feelings that the member almost decided to commit suicide.

Analysis

This SHG was one of the first in the area and according to the members present there was a general lack of understanding of what purpose it would serve to make a group. This was compounded by the large size of the group, another characteristic of many of the early SHGs, hindering effective communication, the development of trust, and the development of interdependence. However, it was the diversion of loan from the stated purpose (investment in income generation) to another purpose (the treatment of a sick spouse) that led to the eventual dysfunction of the group; the sanctions imposed could have had dire consequences if enforced.

Case 6

This particular interview was conducted under slightly different circumstances - members of the defunct group had been invited to attend a meeting of a functioning group in the hope that it would inspire them to revive and reactivate their own group. However, only three members of the defunct group could come; the others were reportedly otherwise engaged. Besides them, there were 10 members and a non-member book-keeper from the functioning group. (The book-keeper is a local farmer and keeps books for 5 other groups as well.) Between them all and the Myrada staff, they attempted to reconstruct the problems of the defunct group.

Project: Germalam
Village: Germalam
Group type: Women's self help group
Size: 20 (with fluctuations)
Formed in: 1999
Accepted as defunct since: 2001

Interview summary

- Right from the beginning, there were problems with attendance, savings, and consequently, loan repayments.
- One of the members had on her own taken on the role of attendance keeper, to the disapproval of some of the other members.
- Some sensitive discussions regarding loan arrangements had been discussed by some members with others outside the group. This became a serious issue of breach of privacy.

Analysis

This may have been a 'force-formed' group; it showed signs of stress right from the beginning. In this situation, it was irritating to be monitored by one of the members who had not even been asked by the group to do this job. It would not take much to break such a group, and the fact that something regarded as private was apparently

discussed in public by some members acted as the precipitating factor for the group to cease functioning.

Case 7

Kadatty is located in an isolated mountain valley that is a 40 minute, 12 km. motorcycle ride away from the main Myrada Project Office. The meeting was held outside a house in the centre of the village, with around 15 members who stayed for much of the time. Later that evening, the staff person from Myrada pointed out that a key individual did not attend the discussions. He was the son of the village headman. The village already had some factions, and this man's appointment as the President of the SHG had served to inflame passions. Even during this meeting, emotions were evident.

Project: Germalam
Village: Kadatty
Group type: Men's self help group
Size: 20 (later reduced)
Formed in: 1994
Accepted as defunct since: 1999

Interview summary

- The village was politically divided. The appointment of a prominent person (son of the village head) as SHG President contributed to polarising factions even within the group.
- Fairly large amounts were sanctioned as loans. Some members found they could not manage to pay back such large amounts; others simply refused to repay.
- Rules were not respected and, therefore, not kept. Each time a rule was broken, more harsh penalties were introduced that became even more difficult to enforce.
- Some members refused to participate in community action programmes, even those being implemented with financial assistance from Myrada. The reasons were never discussed and reconciled; they were simply seen as one more instance of disregard for the group.
- Overall, there was a lack of shared values and unity within the group. Harmony between members was poor, and the skills to reconcile differences were absent.

Analysis

This group's dysfunction demonstrates the complexities of discovering what occurred and why. The member of staff facilitating the interview had been working in the area for many years and was well known and respected by the villagers. As a result, numerous reasons for dysfunction were exposed, including many that pointed to but

never directly revealed the underlying political divisions in the village. This group displayed the classic conflict of interests that preoccupies many (mostly male) SHGs, which involves the dynamics of the village intruding into the functioning of the SHG.

Case 8

The village is situated on a mountain plateau in the Kadambur area, only a 1 km. easy motorcycle ride away from Myrada's sector office and lodgings. The staff gathered 10 of the SHG members together. In a preliminary conversation, Myrada's Sector Officer said that in his opinion, the main reason for the group's collapse was that four land owning members had become sufficiently wealthy and had given up associating with the group.

Project: Germalam
Village: Kal Kadambur
Group type: Men's self help group
Size: 17 (later reduced to 15)
Formed in: 1992
Accepted as defunct since: 2001

Interview summary

- This group had ceased to function once, was revived through the efforts of Myrada, and had then ceased to function again.
- The first time the group stopped functioning was when its book-keeper went away to live in another town. Later, after the group revived, a new book-keeper was chosen but he lived a little away and would not come if there was any inconvenience (e.g. when it rained). Since there were not enough literate people, the dependence on these book-keepers was high.
- 4 land-owning members became sufficiently well-off and moved out of the group.
- Rules and regulations were ignored to accommodate the difficulties of members.

Analysis

It was not clear why the group had stopped. During the meeting, the members expressed that their problems were not so grave and that the prospect of relying on moneylenders was worse. A few minor problems had to be resolved. Some conflict resolution methods were discussed and a meeting date to revive the SHG was decided on by consensus. I had the opportunity to meet up with the group again at their first 'renewal' meeting where 3 prospective new members were present as well as all the 15 previous members. The meeting started with a prayer and without much ado, the formalities were sped through and savings money was collected, counted and handed over to a responsible individual to deposit. The Myrada Sector Officer decided to wait and watch the group's behaviour and performance for 6 months before raising

outstanding issues from the past (i.e. settlement of loans, etc.).

Case 9

The village is around a 20-minute motorcycle ride across the mountain plateau of the Kadambur sector. On arrival, the Myrada Extension Officer was already present and looking through the accounts of the women's group in the village. There is no meeting hall in the village and so the gathering was under the verandah of a house-cum-petty shop set back from the main street by a small walled courtyard. Around 5 former members were present along with other interested spectators and some potential members.

Project: Germalam
Village: P.U. Palayam
Group type: Men's self help group
Size: 15 (later reduced to 13)
Formed in: (Not clearly recorded)
Accepted as defunct since: 2000

Interview summary

- This group got a bank loan under the SHG-bank direct linkage programme, indicating that it had not always been regarded as a poorly functioning group. However, over time, the cycle of poor repayment leading to irregular attendance leading back to poor repayment started. The repayment from SHG to bank also started to record delays, especially because one needy member who had been advanced Rs.5,000/- could not (or did not) make repayments. The bank chose to deal with this problem by appropriating savings from the SHG's bank account against loan instalment payments. This led to quarrels on issues of trust.
- Loans that had been advanced for the construction of toilets were found to be diverted into other purposes (extensions to houses).
- The signature of the SHG's book-keeper was forged on at least one occasion.

Analysis

Tensions were evident, so it is likely that not all the reasons for dysfunction were uncovered. The recurring theme in this interview seemed to be the extension of a loan to a member for reasons of poverty who was unable to pay back. The group had guaranteed the loan from the bank and had suffered losses to their communal savings when repayments were not forthcoming, since the bank adjusted the instalment amounts from their savings. This resulted in resentment towards the group and an unwillingness to cooperate. Accompanied by other instances of irregularity such as forging the book-keeper's signature, diverting loan use from the recorded purpose to other purposes, and so on, there seemed to have been a breakdown of trust leading to the group's dysfunction. The Myrada Sector Officer used the occasion of this interview to try and persuade the group to revive, but it remains to be

seen if this will happen.

Case 10

A visit to the village was made to inform the SHG members of the intended interview 2 days previously. On the day of the interview the meeting hall was prepared and we waited for the SHG members to arrive. 5 former members as well as 1 prospective member were present to begin with, rising to 7 by the end. This group had apparently been a model for the other later SHGs in the area. It had also been financially supported by Myrada to take up a number of programmes in sericulture, agriculture, watershed development, etc. Yet it had become dysfunctional. However, on the positive side, the members had themselves decided to reorganise and revive the group. They had already taken a few steps in this direction including choosing a new name for themselves, opening a new bank account, and starting to function from January 2001. Thus, it turned out that this was not exactly a 'failed' group.

Project: Germalam
Village: Ganapathipalayam
Group type: Men's self help group
Size: 17
Formed in: 1992
Accepted as defunct since: 2000

Interview summary

- This group was perceived to be doing well until one situation of conflict arose that gave rise to misgivings and bad feelings. A Government housing programme was promised to 13 members, requiring a deposit of Rs.300/- from each member. However, the programme never fully materialised, leaving many poorer members with half-constructed houses. Myrada provided large loans to them to complete the constructions. The money was taken but many of the borrowers felt that the amount was unmanageable from the point of repayment. Hence, they started to avoid meetings. This had the effect of also destabilising the group's ability to collect savings, due to members' concerns about recoveries and the safety of their savings. The group was essentially homogenous, but this issue started to divide not just the group but the village itself.

Note : As a consequence of dysfunction of this men's group, their wives who had formed a group of their own also stopped functioning from loyalty to their husbands!

Analysis

This was also one of the early groups organised by Myrada in the area, and perhaps they had been supported with too many programmes even before they were very clear of their own roles and responsibilities. Whatever may have been the reasons of dysfunction (as already outlined above) the un-provoked formation of a new SHG served to underline that members were prepared to put the past behind them and start afresh. Thus, the discussions dwelt less on the past and more on the future. They now seemed to understand the SHG concept much better, as well as what it meant to be a member of such a group. However, they felt they needed the presence of Myrada not only because they saw it as a source of funds (from past experience of support received) but also because they felt that as a provider of funds Myrada was in a better position to influence members to work together as well as to manage and defuse conflict situations.

Case 11

Before the actual interview some background information was collected over cups of milk and the feeding of silkworms, from the former president of the SHG. The shed for silkworm rearing, the president said, had been constructed with an SHG loan. From him we learnt that the SHG originally had members from both this village and the next; however, because of attendance difficulties, the four from the next village had to leave the group. Later, another member joined the discussions but the rest did not come; the reason given was that they were engaged in feeding their silkworms. The next day, another interview was conducted. It was attended by some of the women members of the SHG.

Project: Kamasamudram
Village: Doddamarihalli
Group type: Mixed sex self help group
Size: 12 (later reduced)
Formed in: 1989
Accepted as defunct since: 2000

Interview summary

- This SHG was earlier considered as good and supported with several programmes. The members also felt that the facility of being able to take loans from their own fund was handy since they earlier used to borrow from friends and neighbours, which was no longer so easy to do. All members took small loans and made repayments. With the support of Myrada they were also able to improve their houses, take up some new income generating programmes, improve their agricultural activities, purchase livestock, and so on. However, once these outside grants and programmes dried up, so did the members' interest in keeping the group going.

- By this time, most of the members had also taken fairly large loans from their fund which was built up not only through their own savings but also through Myrada's financial assistance to the group for various programmes. The interest to repay loans dropped, accompanied by drop in attendance at meetings, until they stopped meeting altogether.

Note : Others (outside the group) reported that efforts had been made to gather the members together once again but only a few would attend at a time. Others would say they would join in a few moments and then not show up at all. This went on for 3 to 4 months, after which these efforts were given up. Now it seemed that they had gone back to their old ways of borrowing from one another or of going to pawnbrokers and moneylenders for larger loans.

Analysis

The interview indicated that earlier there was interest in the SHG and programmes had been successful. After some time it appeared that a decision had been made to default on loan repayments. It is unclear whether this was a consensus or the choice of a few individuals. They felt they had reached a sufficient level of well being and in view of the fact there were no more programmes or grants to be gained by continuing the group, they chose to return to their old ways of functioning.

Case 12

4 members showed up for this interview. It was seen from their books that while 6 members had officially withdrawn from the group, the last few meetings before the group was finally given up as defunct had been attended by no more than 4 to 7 members out of the total of 24. It was also noted that although the group was keeping its books and documents, they were quite scrappily maintained; the Minutes were not recorded except when Myrada staff were present at meetings.

Project: Kamasamudram
Village: Kammanahally
Group type: Women's self help group
Size: 24
Formed in: 1994
Accepted as defunct since: 2001

Interview summary

- The group was considered to have functioned very well for the first 3 to 4 years. Only smaller loans were given, to begin with. Then, Myrada supported the group financially, and larger loans started to be taken out. When repayments fell due and members were reminded, the problems began, with arguments

like, "You did not give me the loan, Myrada did!" Around 5 members took loans of larger than Rs.5,000/- and started to show a disinclination to repay. When some of them did not repay, all others also stopped paying back. At the time of stopping to meet completely, all members had unpaid loans.

- There was apparently no strong leader in the group. Some members did try to go to the houses of those who would not repay and ask them to settle, but it did not work.
- One member's husband openly expressed that the SHG was a waste of time and money. He forbade his wife from attending. The other husbands too, seemed to have taken advantage of the SHG's loan facilities (through their wives), and then did not support or encourage them to repay.

Note: Some villagers (men) expressed that the loans had been invested in agricultural improvements but when crops were not so good, then how could they repay?

Analysis

In this group, the dysfunction seems to have occurred when there was a shift in the size of the loans. From the discussions, it seemed likely that smaller loans were regulated more or less by the women themselves. However, once this sum increased to more significant amounts, the husbands began to influence the transactions from outside. These men, not being bound by the group's norms of reciprocity, found it easier to encourage default on SHG loans.

Case 13

An attempt to interview the members 2 days previously was unsuccessful since most were away, working. Another day and time was fixed. The meeting was held outside a member's house. 4 members came to it. Another neighbour (non-member) looked in and asked if she could also join, since she was interested in joining an SHG. The SHG books were brought, and it could be seen that the meetings in the last few months before the group stopped functioning had been attended by not more than 7 members.

Project: Kamasamudram
Village: Boodikote
Group type: Women's self help group
Size: 17 (later reduced by half)
Formed in: 1994
Accepted as defunct since: 2000

Interview summary

- This group was earlier seen to be functioning well but towards the end, there was an insistence that a Myrada staff should be present at meetings, which the staff could

not understand at first, since the group did appear to have the capacity to function independently. Later, it was learnt that in one of the last meetings before the group stopped functioning, the husband of one member interrupted the proceedings and beat the woman with a stick in front of all the others because there was an insistence on her to repay the loan she had taken. This was not only humiliating to her but was also seen as an act of trespass into the group, which the other members had been unable to control. Hence, the request for Myrada's presence.

- The group's book-keeper moved out of the area and there was no one to write the books.
- The meetings used to be conducted in the house of a member who went through two long bouts of illness during which meetings were disrupted. This was also the time when the book-keeper left. This disrupted the flow of loan repayments, followed by greater and greater disinclination to resume repayment, and less and less coming in as repayments. It was also mentioned that the problems with repayments started to manifest more obviously when the loan sizes grew larger than in the past.

Analysis

This case provides us with a particularly interesting type of dysfunction. The group functioned very well and from this meeting it appeared that the bonds between the women seemed very strong. Myrada was puzzled why this group had placed a persistent emphasis on staff involvement in their meetings when it was clear they could function well on their own. Then it transpired that the issue seemed to be one of security as one of the members was beaten by her husband in front of the group for asking to continue her loan repayments. The members felt it was necessary for staff to be present not just for their safety but perhaps, also to give a sense of outside authority and legitimacy. The other factors such as loss of the book-keeper, increase in loan sizes accompanied by reluctance to repay, lack of a proper meeting place, and so on appeared to be of lesser importance. In fact, even if not all members would resume their membership, it appeared that several were willing to reassemble, continue with their repayments, and revive the group provided Myrada could help with facilitation and a book-keeper could be found.

Case 14

From the little bit of background discussions that were possible it appeared that this SHG had functioned well for several years. But later there had been some trouble in recovering loans. It was also mentioned that one member who married and moved from the village left her father to repay her loan, which he has not been doing properly. 4 members were present at this interview.

Project: Kamasamudram
Village: Nallagutlahalli
Group type: Women's self help group
Size: 20
Formed in: (Not clearly recorded)
Accepted as defunct since: 2000

Interview summary

- It appeared that the main problem in this group was to do with loan repayments. Though the group had started well and functioned well in the past, the later meetings had almost always been dominated by quarrels to do with loan repayments. Under the SHG-bank direct linkage programme, the group got a loan of Rs.15,000 which had been distributed among 4 of the members who had then become irregular in attending meetings. Besides this, a few other members also took larger loans that they were reluctant to repay. The attitude was one of, "If I have a loan, you also have a loan, so I will repay when you repay". One member took a loan to get married and then moved away after assigning the repayment responsibility to her father. He occasionally repaid a few rupees.
- Some members continued to be indebted to moneylenders for fairly large amounts. For example, one family had borrowed Rs.30,000 for an irrigation system and was only able to keep up with interest payments, besides which they still needed Rs.15,000 more to put in a motor and pump, only after which they would be actually able to begin irrigation. In comparison, the SHG loans became of lower priority.
- In the case of some members, the routine would go as follows: "I will repay double next month". "But you said the same thing last month". "I only have Rs.50 with me now to repay". "You have to repay Rs.100 as well as another Rs.100 from last week". "But I only have Rs.50!" The member would then be absent from meetings or not in the village on the SHG evening.

Analysis

The primary problem as ascertained from the group seemed to lie in the recovery of loans, although there may have been a root cause that was not understood or was

denied. There was just the hint that the lack of commitment to make repayments may have come from outside the group, and may well have acted as a catalyst for others to begin defaulting. The 'I-will-pay-when-you-pay' cycle is symptomatic of an erosion of reciprocal action and trust in fellow members. From the interview it could be hypothesised that the change in magnitude of loans also had a destabilising effect especially in a situation where members found it hard to repay as they and their husbands were still ensnared by moneylenders.

Note: Some members who were sorry that their group had failed were keen to join another group but felt unable to do so because they were ashamed or unable to explain why their own group had become defunct.

Case 15

Through most of the interview only 2 members were present; the rest were attending some festival celebrations. A third joined the interview towards the end. All the three who came were office bearers in the now defunct group. From records it was seen that the last few meetings before the group stopped functioning had been attended by no more than 7 members; often the attendance was as little as 3. Five members were reported to have officially withdrawn membership.

Project: Kamasamudram
Village: Hirekarapally
Group type: Women's self help group
Size: 14
Formed in: 1998
Accepted as defunct since: 2000

Interview summary

- Apparently there were internal problems right from the beginning. Meetings used to be held in the homes of some members. There was a conflict between 2 of the members' households and so they refused to attend meetings in each other's houses. Myrada staff intervened to suggest that the meetings be held in the school building half a kilometre away, which all rejected as too far away. One of them wanted to attend meetings but her husband forbade her from going.
- Members wanted to take large loans even before the group's common fund had enough money in it. They fought over the limited funds. One member took a loan of Rs.2,000 and then stopped coming to meetings. She asked to adjust her savings against the repayment to be made by her. This was Rs.1,500 which still left Rs.500 unpaid (besides the unpaid interest).
- Finally, some training events were planned as a means to solve conflicts and build the group. Members claimed to be unable to come even though the venue was the

nearby Myrada sector office. As a compromise they were asked to at least continue with their meetings but they also stopped attending those.

Analysis

Of the two main problems mentioned above, the more major seemed to be the conflict between two households. Myrada's efforts had failed to relocate the SHG's meeting place to 'neutral' ground in a nearby school. The members showed little desire to come together. Affinity was apparently not present to begin with, and neither could it be established later.

Case 16

3 members attended the meeting which was held in the evening in the porch of one of the members' houses under the low wattage glow of an electric lamp. It was recounted that of the 23 members, 14 had left the group officially.

Project: Kamasamudram
Village: Alambadi
Group type: Women's self help group
Size: 23
Formed in: 1994
Accepted as defunct since: 2000

Interview summary

- In the beginning the group was functioning well, savings were regular, loan sizes were small and repayments were more or less on time. There was a lot of enthusiasm about this group, including from Myrada and from the nearby bank branch, which sanctioned a loan of Rs. 15,000 to it under the SHG bank direct linkage programme. Then the members took larger loans and started to straggle on repayments. Almost every member borrowed between Rs. 2,000 and Rs. 5,000, including those who had saved only small amounts. In the beginning they started making repayments; later, all of them defaulted. "Now they are just sleeping in their houses and not making repayments!"
- There was also an impression – provoked by husbands – that other SHGs were receiving a number of benefits (bathrooms and toilets, community centres, etc.) so why was this group not getting them and what was the use of attending meetings.

Analysis

It appeared that the group functioned well during the initial period, with savings made, loans distributed, and repayments regular. Once loan sizes increased it seems that some members with low levels of own funds (savings) in the group disrupted the cycle of reciprocity and trust by taking larger loans and defaulting on loan repayments. 14 members left the group officially, possibly out of mistrust or in order to protect their savings. The rest just gradually stopped attending.

Note: At the interview it was apparent that there still was the desire and need for an SHG among some of the members. It was expressed that if all who had taken loans repaid them, then 10 or 12 of the original group could function again as an SHG.

Case 17

There are around 150 families in Muduguli, with a population over 1,000. There were two SHGs in the village; both now defunct. The village had been host for several years to a Myrada extension office; two years ago, this office was closed. Part of the building is now used by a milk co-operative and a primary school. The interviewed SHG was formed at a time when Myrada was still refining its concepts and working methodologies. It was one of the earliest symbols of a successful group, being the first SHG in India to have received a loan directly from a mainline bank without going through an intermediary (in what was later to become well known as the SHG-Bank Direct Credit Linkage Model of financing). 5 members were present at the interview.

Project: Kamasamudram
Village: Muduguli
Group type: Women's self help group
Size: 20
Formed in: 1993
Accepted as defunct since: 2000

Interview summary

- As in many of the other groups, the beginnings were good, with regular savings, sanction of small loans, and good repayment discipline. Because of this, it was recommended by Myrada to be considered for a bank loan (which it received, and became the first SHG in India to do so). This enabled a few members to get somewhat larger loans, and the cycle of poor repayments started. When pressed for repayments, one of the arguments was, "You did not sanction the loan, you are not Myrada staff; if they ask, then I will repay. You cannot force me". Attendance at meetings dropped. For a while and with great effort, Myrada staff managed to get a few to attend meetings and even fewer to make savings. Later, even this stopped.

Note: The others (men of the village) who were gathered around made comments like, "Don't tell lies. The books are there to speak of your performance; don't blame your poor performance on others. It is you who are not conducting meetings".

Analysis

The presence of Myrada in this village surely had an effect on the development of this SHG. Unfortunately, it is possible that this may have resulted in a lack of ownership or

commitment to its functioning on behalf of the members. There is also a possibility that members had passed a threshold in their ability or perception or willingness to continue the repayments once larger loans had been introduced.

Note: There was a small number (3 or 4 members) that wanted the group to continue. One of them said, "When the group does not work then I feel unwell and so does my family. If the group functions, then I am well and so is my family".

Case 18

Chinthanganalli is only 1 km. away from the Muduguli, where the extension office had been (see Case 17). There are 42 households in this village. Before the formal interview began, some key points relating to the group's dysfunction were discussed. Apparently, it was after Myrada closed its office in Muduguli that the SHG stopped its activities. All members were reported to have defaulted on repayments. The book-keeper borrowed Rs.1,000 that had also not been repaid, and he migrated. 5 members were present at this interview (a mix of both men and women).

Project: Kamasamudram
Village: Chinthaganahally
Group type: Mixed-sex self help group
Size: 30 (later reduced to 25)
Formed in: 1994
Accepted as defunct since: 2000

Interview summary

- For 4 to 5 years this SHG functioned well. In that time, there were several benefits flowing from Myrada. Gradually, as direct benefits from Myrada decreased, so also did attendance in the groups. The argument was, "Why should we carry on any more now that there are no further benefits to be had from Myrada".
- Simultaneously, due to non-repayment of loans, the common fund of the group also ran out, which could otherwise have been a perennial resource of support to members. Now the members saw that the SHG itself had no money left so there was even less of a motivation to keep it going.
- The last year before it stopped functioning altogether, meetings were held with great difficulty, attended by 10 or 15 members after knocking on their doors to persuade them to come. The members present said, "The SHG needs assistance from Myrada, then it might function. Otherwise, if we call them, no one will come".

Analysis

This SHG revealed several tensions and other reasons for its dysfunction. When it was first formed it was on the larger side (30 members), reducing the chances of good reciprocity from developing. The group also saw the loss of its book-keeper, along with the Rs.1,000

that he had borrowed before migrating. The most significant issue, however, may have been to do with the expectations of members; the SHG was more about getting benefits than self-help or affinity. As in the neighbouring village of Muduguli, it is possible that the close proximity of Myrada's extension office had developed a culture of dependence and expectation.

Case 19

This was the oldest group formed by Myrada to be included in these interviews. The meeting took place in a weaving shed in the village, and those present included the six women and two men who were weavers. On behalf of the SHG there were 5 members.

Project: Kamasamudram
Village: Doddakalavanchi
Group type: Women's self help group
Size: 18
Formed in: 1988
Accepted as defunct since: 1997

Interview summary

- The members complained that theirs had been a good group and would have continued to function but for Myrada. They had started with only 10 members and were doing fine. Then Myrada suggested to them to include 10 more people to bring the group size to 20. New members were added with some reluctance. Myrada also supported the group financially. According to the older members, these newcomers did not understand the SHG concept. They borrowed and did not repay. When asked, they would say, "You did not give me the loan, Myrada did. Why are you interfering?" Or else they would say, "Myrada gave me the loan because I was needy. When I have enough money I will repay". Even so, as long as Myrada was present, there was some level of control. But as part of their approach, Myrada staff reduced their visits to once a month, and then to once in three months, but when they withdrew completely, then the SHG found itself unable to enforce its decisions anymore.
- The members expressed that they had no inter-personal problems, only quarrels over repayments. However, they said that if they could go back to being the original 10, they could start to function again "from tomorrow itself".

Analysis

Those present at the interview seemed in no doubt as to the cause of the dysfunction. They also seemed quite disappointed at the turn of events, as the SHG had been functioning very well for some time. However, its original membership of 10 was considered too low, so new members were added. Unfortunately, this apparently had a destabilising effect on the group. The new members had not been involved in the build up of trust and reciprocity

that is crucial for the functioning of an SHG.

Case 20

The village has around 65 families. 5 members were present for the meeting, all of them somewhat elderly. From their records it was seen that in the last few months before the group closed down, meetings had been attended by not more than 3 to 4 members, which was as good as not being attended by anyone at all.

Project: Kamasamudram
Village: Moranahalli
Group type: Women's self help group
Size: 30
Formed in: 1993
Accepted as defunct since: 2000

Interview summary

- This group had also been supported financially by Myrada. However, it seemed that everyone wanted the benefits but few wanted the group itself. In the final 12 months or so, only 3 members attended meetings and they did so doggedly, but eventually it made no sense to continue, so even they gave up attending.
- All members apparently benefited quite significantly from loans but many of them did not repay. Attendance at meetings also dropped. Some claimed that they were busy with their work, including the income generating programmes taken up with Myrada's assistance, but apparently all showed a reluctance to attend meetings because of the issue of repayment. The three persevering members went "calling and calling but no one wanted to come".
- A (relatively minor) problem was traced to the book-keeper who apparently did not record transactions correctly.

Analysis

This group shows what can occur when some members reach a level of financial security such that they no longer depend on the continuation of the SHG and decide to take one last loan and leave. The drying up of financial assistance from Myrada may have served to hasten their departure. Only the elderly, those most dependent on the group not just for economic reasons but perhaps also for social reasons, continued to try to make the group function, in vain.

Case 21

7 members were present at the interview. This SHG used to meet twice a month. Looking at past meeting records, attendance had occasionally dropped to six but overall, at least 10 out of 14 members used to attend. It seemed that the problem was not one of conflicts but caused by external factors.

Project: Kadiri
Village: Kamathamapalli, Harijanwada
Group type: Men's self help group
Size: 14
Formed in: (Not clearly recorded)
Accepted as defunct since: 2000

Interview summary

- Being regarded as an SHG that was functioning well, this group had received loans thrice from the bank under the SHG Bank direct linkage programme. The first (Rs.8,000) and the second (Rs.12,000) had been paid back. The third loan (Rs.30,000) was also being paid back until drought made it difficult to find the money. In fact, there had been continuous drought over the past 5 years, resulting in no labour, no crops, and an erosion of savings. This made it even more difficult to cope with repayments on the third bank loan. Myrada intervened and succeeded in getting the bank to reduce the instalment amounts; still, the group could keep up only with interest payments, and that too, with difficulty. At some point, the group persuaded Myrada to lend them the amount (Rs.15,000) to repay the bank, thus shifting the debt to Myrada. This eased off the pressure on them. The group claimed that because of continuous droughts and an inability to repay loans, they had gradually ceased to keep their SHG going. At the time of this interview, with some difficulty Myrada had succeeded in recovering upto Rs.8,700 leaving a balance yet of Rs.6,300.
- The still-functioning women's SHG in the same village agreed that regular droughts were a major problem. However, in their opinion, this was not the reason why the men's group had stopped meeting. They said that the men lacked unity. They commented that despite the drought their own group had continued to find enough money to make repayments on time (they had also received bank loans).

Analysis

This group had been given a great deal of support by Myrada, recognising the difficulties faced by the farmers during droughts. Unfortunately, their efforts were unsuccessful to keep the group alive. Possibly the desire to regain personal control over their financial affairs in the face of difficult economic conditions may have resulted in the general lack of unity and reduced motivation for the group. It is likely that the women's SHG survived in the village though the men's did not because the need for a forum for women to manage their finances was greater.

Case 22

10 women were present at the interview but throughout the meeting there was a gathering of men standing and surrounding the small group of seated women, 'hijacking' and answering several of the questions. It turned out that there was also a dysfunctional men's group in the same

village, and that migration from many of the villages in search of work was a common phenomenon due to several continuous years of drought. In the group being interviewed there was no one who could read and write; the book-keeper had been a man whose assistance had been sourced from outside. The Minutes Book was reported to be lost.

Project: Kadiri
Village: Mushtipalli
Group type: Women's self help group
Size: 30 (later reduced to 22)
Formed in: 1999
Accepted as defunct since: 2000

Interview summary

- It seems that this women's group was doing alright on its own and attendance levels were good until it stopped functioning around two years ago. The reason was attributed to the men's group of the same village, where many of the members were the husbands of the women's group members. Both groups had received bank loans. The men's group claimed an inability to make regular repayments, so the women's group stepped in and assisted them. The men agreed that when the women's group repayments fell due, they would also similarly help them. However, they did not. This caused problems between husbands and wives and between one family and another. The consensus opinion was, "some men are not cooperating, and also there is no unity amongst ourselves or in the village."
- There was a feeling that with proper co-operation the SHG could begin to function again, but it seemed unlikely that the men would cooperate.

Analysis

From the interview, it did seem that the men's group had had a disruptive effect upon the running of the women's group, borne out by the fact that the women had paid the men's loans and the men had not paid the women's. The meaning of 'there is no unity amongst us or in the village' was less clear; it is possible that the women meant the lack of ability to preserve their unity and manage their group separately, without allowing their personal relationships with the men in the men's group to affect their relationships with other women in their own group.

Case 23

According to the staff, this group had functioned well for 6 years, at which time it was made over to another agency (under the UNDP Scheme) for further facilitation and support. The staff felt that not enough attention was given to the group, which is why it ceased to function. Records showed that until Myrada was engaged with it, attendance at meetings had been more or less total. Even though some members migrated at times, it was said that they still remitted their loan payments each month.

Project: Kadiri
Village: Gederla
Group type: Women's self help group
Size: 12
Formed in: 1993
Accepted as defunct since: 1999

Interview summary

- It was difficult to establish any cause at all for the failure of this group. The members mentioned that since adoption under the UNDP they had been supported to take up leafplate making and had also been given a loan under the DWCRA (Development of Women and Children in Rural Areas) programme. However, for some reason, both programmes did not succeed ("lack of interest", "lack of understanding", "because of poverty").
- The refrain seemed to be that there was no money and hence, no way to keep the SHG going. Because of drought there was no labour available and no money to be earned. Earlier, Myrada used to provide labour under various schemes (watershed, forestry, etc.) but now that they had left them, to get work had become more difficult. Therefore, they gave up on the SHG.
- When the men sitting nearby were questioned there was no reply at first; later they said "don't know", "no money", "no cooperation" and they all walked away.

Analysis

It seemed from observing the gathered members that this group had never been properly integrated; there had never been unity and a common understanding between members. Myrada staff felt this group became defunct through a lack of support by the agency taking over work in the area. This did not explain the underlying reason why the group failed; and the question remains how long should Myrada or any organization continue to facilitate a group in an area? The fact of several failed development projects in the village is probably indicative of some far reaching problems. The 'poverty', 'no common understanding' the 'general lack of interest' could possibly be part of a despondent mentality, to which development agencies may have added a culture of dependency or expectation.

Case 24

The village is only around 2 kms. from the Myrada project campus and is a colony of the larger Kaderi town. 5 women were present for the meeting. For as long as the group was reported to be functioning, the attendance records did not look bad though meetings became irregular until they fully stopped.

Project: Kaderi
Village: Balapagaripalli
Group type: Women's self help group
Size: 15
Formed in: 1992
Accepted as defunct since: 1999

Interview summary

- The group had been functioning well. It had borrowed Rs.30,000 from the bank under the SHG Bank direct linkage programme and had paid it back without any delay. However, it was mentioned that repayments from members to group of loans taken from the group's common fund became irregular. The members also accused the book-keeper of being irregular and of mishandling money.
- During the course of the interview it was discovered that many members had left this group only to become members of a DWCRA group promoted by the Government. It was seen that only 3 or 4 members expressed an interest in continuing with their SHG with the support of Myrada; the others had become more involved in the DWCRA programme.

Analysis

Despite the accusations of book-keeper mismanagement early in the interview, the real cause of the SHG's dysfunction seemed to lie elsewhere. The majority of SHG members had decided to quit the Myrada promoted group to join the DWCRA group in the village. The motivation behind this was not made explicit, although the giving of grants (loans-cum-subsidies) may well have played a role.

Case 25

4 members were present at this interview. As per records, their last meeting was in September 1999, and all members had attended. After that, there were no meeting records.

Project: Kaderi
Village: Kamatampalli
Group type: Men's self help group
Size: 14 (later reduced to 11)
Formed in: 1994
Accepted as defunct since: 1999

Interview summary

- Several members of this group were accustomed to migrating periodically. One had a trade (bangle selling) that kept him out of the village for several weeks at a time.

Thus, meetings were not always well attended.

- 2 members formally left the group after settling their dues. 4 more migrated permanently out of the area and settled around 100 kms. away, but without paying back their loans. Unsuccessful visits were made to collect the dues, eliciting the reply, "We have no money".
- 2 loans had been given to the group under the SHG-Bank direct linkage programme. The first - of Rs. 10,000/- - had been fully repaid on time. Of the second loan of Rs.20,000/-, there was an overdue balance of Rs.10,000/-.

Analysis

Temporary migrations of some members and permanent departure of 4 members without clearing their loan dues could be said to have affected the functioning of this group. Interestingly, however, there was also a women's group in the same village experiencing very similar problems but handling them very differently. In it, the women had taken charge of the house of one of their members who had migrated without clearing her dues. They were renting this house out and using the rent money to pay off the loan to the bank (taken under the SHG-Bank direct linkage programme). They had made efforts to contact members who had left and asked them to pay back at least some money each, but meanwhile, they had also decided that if they refused, then the women who were still left in the group would not take that as an excuse to abandon the group altogether but to somehow continue. Their meetings had currently stopped but they were soon planning to resume.

Case 26

This village is located very close to the project campus. The people belong to the Soliga tribe. In this village of 50 households, apart from this men's group that is now not active, there is another functioning women's group. 6 men from the now defunct group were present at these discussions.

Project: Kaderi
Village: Marwatanda
Group type: Men's self help group
Size: 16
Formed in: 1995
Accepted as defunct since: 1999

Interview summary

- The group had received quite a lot of support from Myrada to take up income generating programmes, besides getting Government support for 3 irrigation borewells that had enabled some members to take up vegetable farming. Some loans were partially repaid, more loans were taken while old loans were still not fully repaid.
- After securing benefits, meetings gradually became irregular and attendance dropped off. The familiar cycle of poor loan repayment leading to poor attendance leading to poor repayment could be seen in this group.

- With a comparatively lower level of education, books were not properly maintained. The last book-keeper left to take up a Government job and was not replaced.

Analysis

The main problem in this group seemed to be that once members received all the benefits they thought they could get from outside, they were not motivated enough to continue with the group. They postponed making repayments that gradually accumulated till they gave up thinking about it altogether, simultaneously ceasing to attend meetings regularly. In a way, the bookwriter's departure made it easier for them to close operations completely while feeling that the matter was not in their control anymore.

Case 27

10 members were present at the interview. It was a group of very poor women, only two of whom had received some basic education. The group was believed to have been functioning reasonably well at the time when it was included under ('handed over to') the UNDP Scheme.

Project: Kadiri
Village: Dasarivandlapalli
Group type: Women's self help group
Size: 22
Formed in: 1995
Accepted as defunct since: 2000

Interview summary

- Signs of dysfunction could be seen several years ago, when droughts became more severe, i.e. when there were several continuous seasons of drought. The group had received a loan under the DWCRS Scheme, which they had repaid. Then, once the drought cycle began, Myrada gave a Rs.50,000/- loan to the group that was, in turn, distributed among members. In addition, between Rs.3,000/- and Rs.5,000/- was taken by almost all members out of the UNDP Scheme funds. Besides that, 6 of the poorest families were also supported with funds under a child sponsorship programme. Thus, on average, each member had to repay between Rs.10,000/- and Rs.15,000/-, which became rather a heavy burden on them. This set off the trend to avoid meetings and postpone repayments.
- The members felt that it was their own fault for having taken so many loans simply because schemes were offered to them, without thinking of their ability to repay. The Community Co-ordinator had suggested that if they settled their dues, they could immediately be issued fresh loans for income generating activities. Thus, their group would not present a bad picture and they would also benefit through fresh loans. However, this could not be done. 8 families also migrated out of the area (to Bangalore), and the group was allowed to cease.

Analysis

No doubt the recurring years of drought accompanied by no crops, no work and no money seriously impacted on an otherwise committed group of women who did wish to repay their loans but were unable to. However, in this case the support agencies also seemed to have played a role in undermining the group, by encouraging them, rather than cautioning them, to take bigger and bigger loans. What they probably intended as measures of help to tide over difficult periods ended by causing the collapse of the group.

Case 28

The staff supporting the development of this group was of the opinion that the group had been functioning well in the beginning. The members had received significant programme support both under the UNDP Scheme and directly from Myrada. However, caste politics took over at some point.

Project: Kadiri
Village: Nalasaniwaripalli
Group type: Women's self help group
Size: 12
Formed in: 1995
Accepted as defunct since: 2000

Interview Summary

- In this group of 12 members, 8 belonged to one caste and the other 4 belonged to another. The smaller group was more powerful and started to dominate in all matters. The members took big loans out of the funds received from the support agencies. Though intended as revolving funds to benefit members through a continuous process of rotation, once the loans were given, the members refused to pay back. Their attitude was, "You can tell whoever you like; we will not repay". The book-keeper also belonged to this caste and seemed to side with them. When the matter was referred to the Federation, in the presence of representatives from other groups these members would say, "Yes we will pay back", but never actually did so.
- The group of 4 also involved their husbands in the matter. As a result, quarrels became harsher and there were also outbursts of violence more than once. During the visit of some persons from UNDP, the family members (i.e. husbands) held a demonstration outside and created disturbances.
- Some time during all these transactions, some (all?) of the defaulting families migrated out of the area. In any case, the situation did not look as if it could be resolved, and the group slowly ceased completely to function.

Note: There are two other groups in the same village that are continuing to function. Three members from one of these functioning groups were also attempted to be interviewed

about the non-functioning group. At first they refused to make any comment due to fear of repercussion. Later they said the group had some borrowers who refused to repay, saying, "Who are you to ask me?"

Analysis

It was of their own choice that the two castes had come together within the same group. The term 'groupism' may apply well in this case as later, a relatively smaller but united faction effectively dominated and exploited the whole group. The remaining members seemed to have tried various means to coerce the defaulters into making repayments but to no avail. However, what could not be clearly established was the role played by persons outside the group (i.e. the husbands or others) to influence the decision to default in the first place, and then to migrate with the loans still unpaid.

Case 29

6 members were present for the interview. It was mentioned that 17 out of the 20 members were literate, which presented quite a different picture from many of the other groups. The main source of income was through the practice of rainfed agriculture and rearing of milch animals.

Project: Kadi
Village: Middiwaripalli
Group type: Men's self help group
Size: 20
Formed in: (Not clearly recorded)
Accepted as defunct since: 2000

Interview summary

- Rs.80,000 had been advanced to this group for the purchase of groundnut crop inputs under a programme supported by a Bangalore-based NGO engaged in the promotion of sustainable agricultural technologies. This 'working capital support' was interpreted by members to be a grant, whereas the programme design intended that at least a part should be repaid in the form of groundnut. The members said they had no idea that any repayments had to be made; hence, they did not pay. Besides, they had also taken Rs.30,000 as a loan from the bank under the SHG-Bank direct linkage programme and said they had to repay that amount, failing which they would face a 'Bank Ban'. To top it, the crops failed. Myrada assisted in a major way to enable the group to repay the bank. Nevertheless, the members backtracked on their commitment to the agriculture programme.
- Around 4 members left the village for employment outside. They took their loans with them. Following this, the other members argued, "Why should only we repay when they have not?"
- The group was in a village from which Myrada has now withdrawn. Members expressed the opinion that with Myrada's continued support, they could even start

again and do well.

Analysis

Staff members rejected the claim that the group did not know the conditions attached to the agriculture programme; plenty of orientation and training had been given, they said. So this was just an excuse not to repay, and the fact that some members migrated out of the area with unpaid loans gave others the chance to say, "Why should I repay when they have not?" The fact that this group was in a village from which Myrada was withdrawing may also have influenced the group members to renege on their obligations and appropriate to themselves whatever money had been advanced, since they may have felt that there was nothing further to be gained by way of material benefits.

Case 30

Though taken as dysfunctional since some time in 2000, sporadic meetings were still taking place and savings and credit activities were still going on, though on a very small scale. According to some of the members interviewed, the group was actually "waiting to stop altogether" but was just waiting for some more repayments to be completed. In the meanwhile a few routine functions were being continued on a "Rs.100 to Rs.500 level". All members in this group belonged to the same caste.

Project: Kadi
Village: Malapalli
Group type: Women's self help group
Size: 26
Formed in: 1996
Accepted as defunct since: 2000

Interview summary

- This group was earlier regarded as a DWCRA group. Rs.15,000 had been mobilised by it under the DWCRA programme and the same had been fully paid back. Myrada had also earlier given it working capital of Rs.15,000 which had been fully repaid.
- Then, the group received Rs.80,000 as loan under the UNDP Scheme. This was intended for income generating programmes (which, as per the group's decision, translated as between Rs.3,000 and Rs.5,000 per individual borrower for investment in income generating programmes of their choice). At the same time, several members received money from the Government (Rs.14,000 each) under a housing scheme for the poor. Since the housing amount was too small to cover the full cost of construction, the UNDP loan amount for income generation was also diverted by these families into housing.
- UNDP did not demand repayments for 2 years and even then, they showed a leniency on account of the recurring drought conditions. Nevertheless, members who had become complacent about repayments awoke to the fact that they had loans to

- repay. They started making interest payments only; the principle remained unpaid. 5 members migrated, leaving both their savings and their unpaid loans behind. The members left in the village had to take the brunt of the pressure to repay. When the project staff approached them they said, "It is the UNDP that has given the money. We will repay them, not you". Or else, it would be the more familiar argument of, "When some have left without repaying, why should we repay?"
- The final word (at least of some) was, "We are waiting for some more (expected) repayments to come and then we will stop the group. What is the benefit? Every time anyone gives us money they want it back".

Analysis

This group presented another instance of several agencies advancing financial support to the same set of members, who took advantage of it and chose the development strategies they felt to be most appropriate, like diverting the use of funds to housing when the opportunity arose. What did not come out in the interview but was later mentioned by staff was that (i) the group had taken and advanced loans that were too big for some of the members to manage, and (ii) though all members belonged to the same caste, there was some amount of groupism between them that could be playing a disruptive role. These two points were made in addition to the factors already mentioned by the members.

Note : An important feature in this group was that in spite of all that they had said, the members left in the village were actually continuing with their meetings and the borrowing and repaying of small loans (Rs. 100 to Rs. 500) for consumption purposes. This fact was mentioned by members only as the interview concluded and we were leaving the group. Thus, it seemed to indicate that the group still existed; it was only 'technically' defunct in the eyes of outsiders.

Conclusion

To refer back to the model that was detailed in the first part of this dissertation, under 'Patterns of Interaction' it was shown that Myrada had recognised the affinity factor as being of key importance in the functioning of self-help groups. It must also be noted that this was not a factor that guided Myrada from the start; it was a realisation that occurred gradually, in the process of playing the balancing role described earlier. **Affinity can be described as reciprocity where collective behaviour is seen as interdependent and built up over time on what members expect from each other.** Particularly relevant to this study are the obstacles, or what happens when reciprocity is abandoned in favour of purely self-interested behaviour or free-riding, whereby an individual fails to contribute whilst expecting the rest of the group to continue contributions. This has proved to be the most fundamental cause underlining the various forms of dysfunction that have been investigated. In fact, it could be seen as the antithesis of affinity and so needs some further discussion.

The idea of the 'free-rider' has been central to inquiries into common resource management and to collective choice in general, gaining particular credibility in Thomas Hardin's famous article 'The Tragedy of the Commons' (1968). This concept has been used to explain issues such as overgrazing, deforestation and other abuses of natural resources. Applying this same line of argument to self help groups, all individuals should always 'rationally' choose to behave selfishly, (e.g., default on repayments of their loans) unless there is some guaranteed mechanism for enforcement of sanctions. This hypothesis is based on the premise that an individual's choices are dominated purely by self-interest behaviour; it regards exchange purely as an isolated transaction and assumes that there is no relevance to an interdependence in the decision making process. Collective behaviour that characterises affinity is built up over time on what members expect from each other, but it can only arise when there are assurances in the expectation of others' behaviour. This structure of mutual expectations has a direct influence on the patterns of choice that people make within the group. A critical mass of cooperating individuals is, however, required for collective choices to be worthwhile. Within dysfunctional groups this mutual expectation (of affinity-based reciprocity) becomes distorted, and a condition of free-riding or purely self-interested behaviour develops and comes to dominate.

Developing further on the basis of the model, the sequence below allows us to locate the problems that occur systematically within a specific area. Almost each one in

the following sequential analysis of dysfunctional themes can be reduced back to the basic principal of self-interested, 'free-riding' behaviour.

1. By looking into the compatibility of needs that can form the basis of joint collective action, we consider the basic formation and legitimacy of the group. In practical terms, this compatibility can change over time. This has been particularly clear in some male-only or male-dominated mixed groups, where the factors that bring a group together may not continue to hold the group together after a period. The factors influencing shifts in compatibility include, amongst other things, livelihood compulsions such as seasonal migration, droughts, changes in needs and expectations due to income generating programmes, etc.
2. The aspect of exclusion becomes more difficult when we consider who is not excluded, like family members who not only share in the benefits of loans and contribute to their repayment but who are also non-members. In theory, only members must be able to influence group processes; in practice, such immediately-connected non-members too wield an influence, whether on account of relationship, or caste/kinship, or by merely being in a position of power. Moreover, this can be extended to include expulsion; in some cases, any move to expel such influences may be seen to risk the homogeneity of the village itself. Under such circumstances, it is easier to 'sacrifice' the group than to endanger the complex web of social relationships that exists outside the group. To illustrate with an example from the interviews, it was seen that in many of the surveyed groups, vulnerability to dysfunction increased when loans sizes became substantially bigger, because this may have served to precipitate changes in exclusion, i.e. a woman may have used the SHG for personal savings and small loans, but once a larger loan was taken, it would probably bring her husband into the picture who would not be obliged to abide by SHG rules.
3. Divisibility refers to how the group's common fund is made up of private investments that every member has contributed to build. To this is added what the group has generated out of its own operations, over which too, every member has a right. The saving-borrowing-repaying cycle keeps this fund constantly replenished. The common fund may simply cease to exist if enough people withdraw from it. This can cause the closure of a group when members simply choose to withdraw their savings and leave the group. **However, in our sample, withdrawal of savings was never the reason for dysfunction.** On the other hand, dysfunction occurred when some members chose to borrow and then simply not repay (i.e. they either migrated taking the loans with them, or retorted that the loans came from the support agency and not from the group itself, or simply

did not bother to respond when asked to repay). Apart from being a breach of reciprocity, this would also put pressure on the common fund, weaken the members' inclination to save (since someone could walk off with it), increase their inclination to borrow ("If we cannot protect our savings directly, let us at least take it back in the form of a loan"), and eventually, trigger off the 'I-will-pay-when-you-pay' response.

4. The 'I-will-pay-when-you pay' mentality could also be on account of understanding or clarity (or the lack of it) between the SHG rules and SHG services. The necessity of solidarity or affinity to one another could be seen here as part of the process of understanding the rules in relation to the services that could be expected. In case of defaulting loan repayments, a group has to pull together in finding a resolution, otherwise, reciprocity and trust would unravel further, to irreparable levels.
5. The next part in the sequence of problems would relate to the ability of the SHG to organise and manage its own affairs. Re-occurring themes here would include effective book-keeping (considering the generally low literacy levels of members in rural areas), as well as ensuring attendance at meetings and other events. Book-keeping, in particular, requires a special mention because of its influence in ensuring transparency, retaining the continued trust of members, and securing credibility for the group in the eyes of others (persons as well as institutions). In theory, if the book-keeper is a member (s)he enjoys only as many rights and privileges as the other members. If the book-keeper is engaged from outside because there is no one in the group itself who can do the job, then (s)he has no participation rights at all, only a responsibility to write the books for which the group may pay him/her a fee. In practice, however, it is seen that the book-keeper can wrest control from members if they are not sufficiently careful or aware. This has the potential to take the group into a downward spiral.
6. Finally, we come to the issue of external arrangements. **Since, more often than not, SHGs are the result of promotional work done by external agencies, the processes followed by such agencies in organising, capacity building, and supporting the groups assume critical importance.** Whom to address, how to organise, what to communicate, how to communicate, when to support, how much to support, what forms of support to provide...all of these have to form part of an organised strategy of the promoting institution. Further, if two or more support agencies are working in the same area or interacting with the same group, it is necessary that they also interact with one another, in order that they synergise the process rather than undermine each other's efforts. Several of

the interviews illustrate what can happen in the absence of such co-ordination. Some of the interviews also point to what can happen if the external agency is seen merely as an aid-giver and the group itself is understood to be just an aid-receiving and programme-implementing medium rather than an institution that can support its members on a more permanent basis with or even without external assistance. The 'why-should-we-continue-when-you-no-longer-provide-us-benefits' mentality and the 'agencies-give-us-money-and-then-they-want-it-back-so-what-is-the-use-of-continuing' mentality can be traced back to such communication gaps. Thus, the balancing role of the external agency is crucial and has to be sensitively performed. (A further form of external arrangement applies more to male-only or male-dominated mixed groups and involves village level politics. This has been explored in the 'Gender' box.)

The above sequence does not imply that problems that threaten the functioning of self help groups will manifest themselves in similar ways in every group, or that these problems become immediately obvious to the exploring eye. The sequence is more in the nature of an attempt to systematically present the findings from the current exploration. In reality, problems may manifest themselves in many areas in different forms.

To go back to the position stated at the beginning, this analysis was not aimed at discovering the 'main cause of dysfunction' but simply to breakdown some of the major patterns of dysfunction that exist. This, it was hoped, would illustrate that the SHG model is part of a wider process that includes the evolution of Myrada (or any other promoting institution) and the SHG concept itself as part of the social environment in which it is situated.

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Case Notes of a Problem Solving Process : Vinayaka Sangha, J.R.S.Puram

Myrada Germalam Area Development Project

As experienced and recorded by:

Marianne Lüders

A student-intern from Denmark

7.00 am, one day in April 1998 : Mahadevan, the Training Officer of Myrada Germalam Project woke me up and said "Would you like to go with me today to JRS Puram? There are some problems with the SHG there. You have to be ready in 10 minutes". Of course, I wanted to go. And that was a start of an interesting process of interaction, which was also a very useful learning experience.

I gathered that this SHG – Vinayaka Sangha – was formed in 1992 with 15 members. In the beginning all was fine, but for the past 3 years there had been problems. Myrada had tried to intervene and help to solve them. Despite all efforts, several members had left the SHG and now there were only 9 members who were interested in continuing with it. 8 were men and 1, a woman. Some were illiterate, some literate, and two had even gone to college. The SHG had received the full training package from Myrada, and now it was actually the time for Myrada to withdraw. However, there were a few problems, and the present situation had to be assessed.

Only five members had turned up for the meeting. By the time we arrived, they had already listed out their problems and we asked them to prioritise those problems. The Myrada staff knew from earlier experience that two of the men had a tendency to look differently at the same thing. So though the members present were only five, they were still asked to divide into two groups - one with 2 and the other with 3 members. Each group got 10 cards in 5 different sizes, i.e. 2 big cards (1A & 1B), 2 slightly smaller (2A & 2b), 2 further smaller (3A & 3B), and so on. They were asked to prioritise the problems according to size: big problem – big card, smaller problem – smaller card).

The first group's presentation

Problem 1A : The biggest problem was stated as a low understanding of the SHG concept by some of the members, despite all the training. Then it turned out that

The second group's presentation

Since many of the problems were the same as the first group, and interconnected with one another, they have only been briefly listed as per the

this was not an issue of awareness but of attitude. It also became clear that only 2 members were considered as having this problem, both of whom were not present at this session. The people who were present all agreed that these two members were of 'poor character': they wanted to benefit but did not want to take any risks and responsibilities.	priorities given by this group: <u>Problem 1A:</u> Jealousy of some members at the progress made by other members.
<u>Problem 1B:</u> An equally big problem was that repayments were not regular. All were repaying, but not in time. E.g.: instead of Rs.100/- this month they would bring Rs.200/- next month.	<u>Problem 1 B:</u> 'Fox' mentality: saying one thing in one place and another thing in another place. Speaking well in the meetings and badly outside.
<u>Problem 2A:</u> A slightly smaller problem was that around half the members would not attend the SHG meeting if they did not have money to save or make loan repayments. This was a problem caused by fear.	<u>Problem 2A:</u> Loans were not being paid back in time.
<u>Problem 2B:</u> It used to be quite a problem that there was no fixed day for the SHG meeting. So it used to be often postponed. (However, one month back they made a decision to fix the day and time of meetings, and even if only 2 members turned up, they would still hold the meeting. Since then, 2 meetings have been held: the 1st was attended by 5 members and the 2nd by 7.)	<u>Problem 2B:</u> Lack of self-confidence in some members

<u>Problem 3A:</u> There was a problem with the purposes of loan giving. E.g. One member wanted a loan to build a house. The SHG did not agree, but suggested that they would record it as a loan to buy a cow but he could use it to build his house. There were other cases like this. Later on they realised that this was a wrong way to handle the situation. Members should get loans for purposes that they need it for, without having to make up false stories.	<u>Problem 3A:</u> Members do not attend meetings when they have no money to save or to make repayments.
<u>Problem 3B:</u> Jealousy was a problem with some members who did not like to see the progress of other members. The members present at this session concluded that although these jealous members were educated, they were not mature on the human level.	<u>Problem 3B:</u> Attitude problems. Some members wanted benefits but did not want to take risks or responsibilities.
<u>Problem 4A:</u> No unity. Some people in the SHG had the behaviour of a "fox": they would talk nicely in the group but talk bad outside. There was not much trust among members.	<u>Problem 4A:</u> Some members did not like attending meetings in certain other members houses. Since there was no community hall for this SHG, this added to the already existing problems.
<u>Problem 4B:</u> No self-confidence. This referred in particular to 2 members. <u>Problem 5A:</u> Misunderstandings among some members.	<u>Problem 4B:</u> Loans were not given for certain purposes, which made members come up with false reasons for borrowing
<u>Problem 5B:</u> Some members did not like to meet in some houses. Since the SHG	<u>Problem 5A:</u> Misunderstandings among some members

did not have a community hall, this became a problem	Problem 5B: No fixed day and time for meetings, as a result of which there were frequent postponements. (This problem had very recently been sorted out).
Observations: During the session it became clear that the same 2 to 3 members were involved in all of the above problems, i.e. those who had attitude problems were the same members who were also not repaying properly, not attending meetings regularly, etc. They were missing at this meeting also. The members who were present said that the only reason why they had not been asked to leave the SHG was because they had taken larger loans and the SHG had to somehow get this money back. They admitted that they had not exercised much care at the time of sanctioning the loans. Since then, they had tried many things to get back the money, including waiving interest for one year if they paid back the rest of the money, but nothing had worked. According to them, these members would actually like to leave the group but were not being allowed to leave until they repaid their loans.	Observations: Almost all the problems listed by this group tallied with what had been brought out by the other group. So there were no major issues to be reconciled between the two groups. The discussions between the two groups flowed naturally, and there seemed to be a common agreement that all these problems were somehow interconnected. So it was possible to go directly into the discussion of an action plan.

Proposed Action Plan:

- Strengthen the unity that exists between 7 of the 9 members who are not 'trouble makers'.
- Avoid selfishness and encourage mutual understanding.
- Build self-confidence.
- Take collective 'social' responsibility to improve loan recoveries.
- Get rid of fear in attending meetings if there is no money to save or make repayments: "If you don't have money, come anyway and tell the other members

what your problems are".

- Conduct proper and regular meetings.
- Improve the caring for the SHG and responsibility towards the SHG

When we asked how all these things could be achieved, they said it could be done through better rules and regulations. While this was not enough of an answer, we had to conclude for the day as we had already spent a lot of time in these discussions and everybody had to leave to get on with other things.

My conclusion from this meeting was that this could be an interesting SHG to go a little more in-depth with. It seemed to be facing a problem that could happen to any SHG: a few irresponsible members and the whole concept of SHG was fading away. It was not very encouraging for others to hear of loans not being repaid. Where did they go wrong? How could other SHGs avoid getting into similar problems?

For a start, I thought it would be interesting – and probably important – to contact members who were not attending and get their versions of the story.

Meetings with non-attending members:

A couple of weeks later I was able to meet the two members who were not attending meetings: Ms. Kamalamma and Mr. Kumar. Siddalingadevaru of Myrada and I went to talk to them in Kamalamma's house. In the paragraphs that follow, I have tried to simply present what Kamalamma and Kumar told me; I have not tried to judge whether they are speaking the truth or not.

Kamalamma: She is the only woman in the SHG. Though she cannot read or write, she was initially selected as the person responsible for handling cash, i.e. taking the savings money to the bank, making withdrawals, and so on. She told us that though she had been selected by the SHG to do this job, three members were giving her problems right from the beginning as they did not want her to be the cashier. Their arguments against her were that she could not keep the accounts properly, she was irregular in attending meetings and they often had to contact her in her house if they wanted her signature for any purpose. She believed that they were behaving with her like this only because she was a woman. Now she was upset and did not want to be a signatory to the bank account anymore.

She did not deny that she was absent from meetings but gave a number of reasons why she stayed away. She said that before she took a loan from the SHG she was

regular in attending all meetings and training programmes. Then one day she was asked by some of the other members to sign her name on a blank sheet of paper, which she refused to do unless something was written on it first and she knew what it was. She said she did not trust the others. It was after this incident that the other members started complaining about her to Myrada. She also mentioned that the educated members dominated all the meetings. They did not take any suggestions from those who were illiterate, which included her also. Her third reason was that she wanted a loan for house construction but the others suggested that she take a petty business loan of Rs.3,000 first; when her business started to do well, she could take a loan for house construction. However, she was adamant that she wanted a housing loan first, so ultimately she got it. (Siddalingadevaru, the Myrada staff, told me that she had actually wanted to build 2 houses – one for herself and one for her sister – which the other members disagreed with. The amount she wanted was Rs.8,500). Then, Kamamma said, her mother died and she had to spend around Rs.5,000/- on funeral expenses. So her situation was bad. Moreover, since house construction was not income generating, she was unable to pay back the money she had borrowed for it. Now she was trying to earn some money through business. These were her reasons for not attending SHG meetings.

The day we talked with her there was a training programme. She told the other members that she would not attend because she was not well. To us she said she was well but had to go and collect Rs. 500 that some man owed her. If she did not go now, she would have to wait another week to get the money. She said that she earlier never told lies to the SHG but now she had started doing so. However, during our conversation she somehow changed her mind and decided to attend the training. I asked her if she was interested in continuing as an SHG member. She said that she was, but on condition that the SHG gave her a loan of Rs.3,000 for business.

Then I asked her about the purpose of the SHG. She was very clear on the concept. She also said that the SHG training programmes were very useful. I said, "Then why are you making this condition that you must first get a business loan?" She said, "I am not making a condition, I am only making a request. But the other members are not willing to sanction this loan because I have not yet paid back my housing loan. If I get a business loan, I will pay both loans back simultaneously; otherwise, I cannot even pay my housing loan since my economic situation is bad. But the other members are not willing to understand this". I said, "Why should they believe you?", and she replied, "Everybody believes me including Myrada, the bank, and most of the SHG members. Only 2 or 3 members are against me".

As we finished this conversation Kamamma said she would once again start attending

the SHG meetings. She also said that she would be present at the training today. However, she did not come to the training after all. When we met her later, she said she had gone to collect her money (Rs.500 which was owed to her by some man) and also that she had not been feeling well. Now that she had collected the money, she would use some of it to go to hospital.

Kumar: Kumar is another non-attending member. We could not get to speak to him in the morning but got a chance later in the day. When I had earlier talked with the other SHG members, I had got the impression that these two members (Kamamma and Kumar) were staying away because they had not repaid their loans. Now Kumar explained that he had actually repaid his loans. His reason for staying away was because he could not get along with another member, Basavanna, who was also one of the SHG representatives. Basavanna had joined the group 3 years ago whereas Kumar had been a member since the beginning. There was tension between them right from the beginning, and many small things coming one after another contributed to increase this tension. This reached a climax in February this year, on account of the following incident:

Rajendra – another SHG member who has now left the group – had constructed a bathroom to his house for which he had already availed subsidy from the Government. Still, he also applied for support of Rs.250/- from the group. The SHG first did not know that he had received Government support. When they found out, the other members were very angry that he was trying to get extra money out of the group. They refused to give him the money. Rajendra got annoyed and refused to pay back an earlier loan (he had taken Rs.5,000/- to start a cloth shop. He had paid back Rs. 3,800/- but there was still a balance of Rs.1,200/-). Eventually, the SHG sought police help to recover the money. At that time, the police questioned all the other members on the details relating to the bathroom. When it was Kumar's turn to be questioned, he said he knew nothing about it. Basavanna, who was the SHG representative, was very upset. He claimed that Kumar knew all the details and that he should have been loyal to the SHG instead of feigning ignorance (probably not to antagonise Rajendra).

Though the SHG took the matter of Rajendra's non-repayment of loan to the Federation and he eventually agreed to pay back at the rate of Rs.200/- per month, Kumar and Basavanna's annoyance with each other did not subside. Now, as he talked to us, Kumar expressed his interest in once again attending the SHG meetings. He did attend the training scheduled on that day, and later he said he hoped that his problems would be resolved.

It was useful to talk to these "problematic" members as it gave more sides to the story. One thing I noticed was that though the other members had told me that Kamamma and Kumar were "lacking in self-confidence", this was not the impression I got while talking to them.

I cannot tell whether we got the real reasons for Kumar and Kamalamma's break with the SHG or not. I also do not want to 'take sides' based on my own impressions. But the many reasons given by Kamalamma still left me with the feeling that her root problem was not mentioned. Kumar's story was much more simple and focussed. After listening to him, I also wanted to talk to Rajendra, but the Myrada Staff said that ex-members of SHGs sometimes did not like talking to Myrada, so I did not insist. But I did think it was important to meet again with this group to find out how things were working out.

My Second Meeting With The Group

A few days later, I asked for another meeting with the group. This time, 7 members were present – including Kamalamma and Kumar. For Kamalamma, it was the first time in three months that she was attending a meeting. I told the SHG that I had come because I wanted to know how matters had developed. They said that there was progress, since both Kamalamma and Kumar were now present. This, they said, was mainly the result of our earlier conversations, though the other SHG members had also subsequently talked to them.

I returned to their Action Plan and asked how it was proceeding. They said they had made some new rules:

- The SHG would meet on the 11th and the 24th of every month (changed from dates formerly fixed)
- All members would have to be in time for the meetings.
- Minimum savings per meeting was now fixed at Rs.25/- (making it Rs.50/- per month)
- A fine of Rs.2/- per Rs.100/- would be collected from members who delayed in paying back their loan instalments.

When I heard that the amount to be saved had been increased I asked if all could save that much. It turned out that Kamalamma and Kumar had not been present at the meeting in which this decision had been taken. Kumar said he had no problem with it but Kamalamma said it was too much money and she would only be able to save Rs.25/- per month for the next 6 months. After that she would increase it to Rs.50/-. If she got extra money in the meantime, she would add it to her savings.

I told them that these rules were good but that I still did not understand how rules and regulations could solve all their problems. They said that rules would bring more discipline, and if conditions with regard to loans and repayments improved, this would make the members happy with the group, which would in turn lead to more unity. I was still not

satisfied, as it seemed that people were looking to treat the symptoms rather than the cause of their problems. I felt that everybody should get one more chance to express their feelings. So my objectives for the rest of the meeting were:

- To ask questions that could bring the unsaid to the surface.
- To ask these questions in such a way that they themselves could conclude that it was important for every member to feel welcome and happy at meetings.

Accordingly, I first asked them what they thought to be the base for a good meeting and how they would feel after a good meeting. This led to a discussion on group discipline and the means through which everybody could get a chance to talk and be heard, instead of speaking altogether and getting nowhere. For this they had to have a proper system of moderation, which would give everyone a chance to speak and also some time for them to think before speaking.

From earlier discussions I had got the impression that Basavanna – as the SHG representative – was regarded to be quite dominating. But when I carefully raised this issue, they said they had chosen him themselves. So then, without referring to Basavanna, I asked them about the qualities of a good leader, which resulted in many matters coming to the surface in a positive atmosphere. Basavanna himself said that he saw that his role as a leader was to be a good example to others and help them develop. If he himself made mistakes, others would also follow. Other members highlighted other qualities like : a leader must not dominate, a leader must listen well, a leader must not take sides, a leader must not talk too much or too little, a leader must encourage others, and so on.

After this, we went on to the good things about their SHG, and how it could get better. I asked every member to say something:

Kumar: The SHG had helped him with irrigation pipelines. He had also got emergency loans. He said he had benefited a lot from these loans. He had only stayed away because of personal problems with Basavanna. He felt welcomed when he attended the last meeting and training.

Jadeyappa: He got assistance for digging a well to irrigate his lands. Once he cleared this loan and also started to save regularly, he would feel good.

Nanjundaswamy: Earlier he had never saved any money but today he could tell people that he had some savings. He also got a housing loan from the group. To get such a loan from any other source would have been very complicated. He was happy about the trainings he had received, which had increased his awareness about government programmes as well as other matters.

Shiva Kumar: He had only joined the group one year ago and had not taken any loans yet, but he was happy with the trainings he had received. Moreover, he could get small emergency loans from the group, and later, he would also get larger loans for major purposes. He was satisfied.

B.Nagesha: He joined the group 5 years ago. At that time he was a student, and got a loan from the group to pay his college fees, which he has fully repaid. Later on, the Federation started an Agriculture Service Centre and now he is involved with it. Through this Centre his knowledge on agricultural practices has improved. Through SHG trainings his awareness of many other issues had also improved. He was keen that outsiders should also talk well of the group. Earlier, they had contributed to put a bore well in the village, which failed due to lack of water. On the positive side, the group had mobilised 30 smokeless ovens for the village.

B.Basavanna: Through SHG assistance he had extended irrigation to 5 acres of land. He had also constructed a biogas plant, which his family was happy about. Earlier, he hesitated to talk to officials, but now he felt he could interact confidently. As an SHG leader, he stressed the need for proper documentation and regular attendance at Federation meetings. He also felt that it was important for all to have a good impression of the SHG.

Kamalamma: She mentioned the (infamous!) housing loan she had got and was unable to repay. She had built (substantially renovated) 2 houses at the total cost of around Rs.14,000/-. She could sell one house for Rs.25,000/- if she wanted to, and rent the other. She had saved Rs.500/- in the group. She took time to explain why she had stayed away from the group all these months.

After this, all of them said that they had benefited a lot from these interactions. They also said that they had no reservations about Kumar's re-entry into the group. Regarding Kamalamma, they felt that the frank discussions had helped them to know her view point. She also said that she had felt "pain in her heart" which felt better after she had talked about it. Finally, they said that they were also happy that I had come all the way from Denmark to talk with them, and that I had spoken with both the active and the 'inactive' members. They also thanked Myrada.

My Concluding Observations

During this meeting I observed that Kumar did not stand out from the rest of the group but Kamalamma did. She had her back turned slightly towards the others, and looked down or away most of the time. However, she was listening keenly, and often jumped into the discussions. From observing her own and the others' body language, facial expressions and tones of voices I got the impression that there was still a good bit of tension between her and the others. This is natural, given all that has happened. On the other hand, her presence added life to the group, and she often made the others laugh. So I left with the

feeling that though they continued to be annoyed with her, they also somehow liked her and wanted her to continue as a member of the group.

To conclude, I felt this second meeting, which had been quite informal, had been well worth the effort. There was a feeling of optimism about the future. This was my own personal purpose and it had been achieved. It would have been good to find out what each member could do to further improve the performance of their SHG; some indications had come but all had not spoken. However, there was no time for this. I enjoyed the process of these interactions and I hope the group picks up and does well. I also hope that Myrada will follow up with the group and see that they build up their capacities so that they do not get side tracked again.

Germalam Project
April 1998

Marianne Lüders
Student-intern.

Note from Myrada: This is a good example of how problems can serve to enhance our own sensitivity to issues. Group dynamics and interpersonal relationships are among the most major factors that determine how an SHG develops and grows. Problems can often be the founts of knowledge and awareness. Why are some SHGs 'bad'? An analysis may show that this is only a matter of perspective. There is more than one angle to any situation. It is up to the SHG to resolve on the issue of 'right' and 'wrong', but as facilitators, we grow along with the SHG even if we simply help them look at issues from different perspectives, in a positive environment of understanding.

Epilogue, January 2003 : Myrada obtained an update on the functioning of the Vinayaka group. The report, translated from kannada, is reproduced below :

"Basavanna continued to provide leadership to the group, and activities continued without any problems upto December 1998. However, around this time, Basavanna got a sales job with Shakti Solar Company. He had to leave, and over the next few months, he required agents for the solar equipments and hired 7 young men as distributors. Of them, 4 were from a neighbouring village but 3 were from the Vinayaka group. So the already small membership dwindled further, and the group was headed towards closure again. Meetings and transactions slowed down.

"Through 1999, due to the monitoring interventions of the Germalam SHG Federation, this SHG continued to function even if at a slow pace. Then, a new member (Kanakaraju) joined the group. Of his own interest, he started to rejuvenate the group and also started attending the Germalam Federation meetings as an observer (learner). In time, he was able to motivate a few of his friends to join the group as well, and 4 of them joined. Since Kamamma was the only woman in the group, 2 more women were also persuaded to join. The group felt strengthened again and started engaging in individual and community development activities. This continued upto 2001 at which time one more new member was admitted into the group. Several of the new members were not from the main village but from 3 surrounding hamlets.

"Germalam is an area where villages are surrounded by forests and wild animals intrude into croplands and eat away the produce. In the agricultural season, the new members from the hamlets requested groups meetings to be held during the day since they had to guard their crops at night. However, the members from the main village who did not face this problem refused to change the meeting time. This became an issue affecting attendance at meetings.

"In the Panchayath elections of 2001-2002, DMK and ADMK were the two contending parties. Some of the group members supported one party and others, the other. The campaigning acrimony between the two started to be expressed quite strongly even in group meetings, thus affecting the proceedings and preventing constructive group activity.

"This SHG does not have a place of its own (community hall) to meet. Meetings were held in rotation in the homes of some members. When the discussions started becoming acrimonious and loud, other members of the household started objecting and even preventing the meetings from taking place.

"There were also instances where some members took loans and not only did they not pay back properly, they also motivated their friends in the group to take loans in their own names and pass on that money to them as well. When pressed for repayments, they would miss meetings.

"The Germalam Federation which reviews the activities of each SHG on a monthly basis (on the basis of records that they bring to the meetings, i.e. conduct of meetings, attendance at meetings, financial reports, etc.), started pointing out the problems in this group and asked them repeatedly to correct themselves. It was a member from this group (B. Nagesha) who was also the Secretary of the Federation. The other members questioned that when the Secretary's own SHG was functioning poorly, how could they talk about other groups? Following this, the Secretary attempted to falsify some of the attendance reports and financial reports and asked the members of his group to sign them. The members, particularly those coming from the hamlets, objected very strongly to this and stopped attending meetings.

"B. Nagesha also created another big problem in the area. The Federation had started an agricultural inputs store some years ago with the support of Myrada. They had held interviews for the post of the salesman and had given the job to Nagesha. He had applied in his independent capacity and - at that time - not only was he seen to be a dynamic person, there was also a sympathy factor in his favour since he was polio affected and handicapped in one leg. Nagesha managed the shop very well for some time, but later, since sometime in late 2001, they found that he had started embezzling large amounts of money and was also building up contacts with the suppliers and customers on an independent basis with a view to starting his own shop. In early 2002, this became a big issue and not only was he thrown out of his own SHG, the Federation also threatened to call the police in if he did not settle the accounts properly. Nagesha is paying in bits and pieces and keeps on asking for more time; the Federation does not want to jeopardise its chances of getting the money back and has not called in the police. Meanwhile, Nagesha has taken away the books of the Vinayaka SHG and is refusing to return them. The use of force to take back the books may give him the chance to pre-empt them in calling in the police, hence, they are hesitating.

"As of now, a few members of Vinayaka SHG are continuing to meet and conduct the routine affairs of the group, though not on a regular basis and not with much dynamism."

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Concept of APPROPRIATE INSTITUTIONS

Institutions have to be structurally appropriate to the functions they are expected to perform

Examples from Myrada :

● Self Help Affinity Groups	:	6,500
● Watershed Institutions	:	430
● Village Forest Committees	:	480
● SAG Federations	:	265
● Watershed Federations	:	3
● School Improvement Committees	:	380
● Children's Clubs	:	530
● Farmer's Clubs	:	5
● Registered Society (MASS)	:	1
● Private Limited Company (MEADOW)	:	1

Data as at December 2002

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