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**COMPARATIVE PRACTICES & PERSPECTIVES:  
GENDER, DEVELOPMENT AND EMPOWERMENT  
IN  
UTTARAKHAND, INDIA  
AND  
NORTHERN VIRGINIA**

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May 9, 2008

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## Abstract

### COMPARATIVE PRACTICES & PERSPECTIVES: GENDER, DEVELOPMENT AND EMPOWERMENT IN UTTARAKHAND, INDIA AND NORTHERN VIRGINIA

By Sara Duke

A thesis submitted in partial fulfillment of the requirements for the Master's of Urban and Regional Planning at Virginia Commonwealth University.

Virginia Commonwealth University, 2008.

Major Chair: Helen Ruth Aspaas, PhD, Associate Professor of Geography

The following thesis is a qualitative comparative case study which investigated the values, practices, perspectives, and strategies of Indian and American community organizers (practitioners and volunteers of non-profits and non-governmental organizations) who use microfinance, including savings schemes, as an instrument within the social intermediation process of developing disadvantaged women's capacities for self-sufficiency/empowerment. The focused inquiry was conducted through similarly structured in-depth interviews of directors, staff members and volunteers/community-based organizers of a women's business center in Northern Virginia, a large U.S. metropolitan area, and a women's federation in the rural Himalayas of Uttarakhand, India. Interview questions focused on savings, social intermediation, and financial sustainability/subsidization, which are three significant facets of microfinance. Katz's framework for constructing analytical topographies, contour lines, and countertopographies was used to structure of the various levels of analysis. Contour lines were drawn from the similarities between the two organizations. Differences were explained by situating each organization in Mayoux's theoretical paradigms of

“Women’s Empowerment through Microfinance.” Analyses concluded with the construction of countertopographies on practices and strategies aimed towards collectively empowering women in disparate places around the world.

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*'Women must not be regarded as mere recipients of public support. They are, first and foremost, economic agents'*  
World Bank (1992, 60)

## **Chapter I**

### **Introduction**

The first International Women's Conference which occurred in Mexico in 1975 placed particular emphasis and attention on the problem of women's access to credit and its importance for securing women's rights and supporting women's income-producing contributions to national economies. The Women's World Banking network grew out of this summit and subsequently women's organizations worldwide became engaged in credit and savings initiatives. The ensuing decades of the 1980s and 1990s saw large microfinance institutions and networks, such as the Grameen Bank, FINCA, and ACCION, develop and rapidly expand (Mayoux, 2005).

Since the mid-1980's, microfinance has been broadly promoted as a development strategy and tool to empower disadvantaged populations around the world and alleviate poverty. In its simplest form, Talen, Weiss, and Sarkar among others, argue microfinance is the act of providing small amounts of credit, particularly to impoverished people, who can through their own endeavors, pull themselves out of poverty and sustain prosperity for their families and communities (2002). These endeavors are particularly focused on the use of credit to generate income through microenterprise. Development experts contend the credit facilitates recipients to build businesses, strengthen skills, and generate assets. Advocates additionally assert microfinance benefits include the fostering of moral

support and trust amongst recipients, particularly women, which in turn results in their empowerment (Edgcomb and Barton, 1998). Microfinance is so highly regarded that it is seen as a “key strategy in meeting not only Millennium Goal 3 on gender equity, but also [Millennium Goals] on Poverty Reduction, Health, HIV/AIDS and others” (Mayoux, 3, 2005).

The overarching goal of microfinance around the world is to provide people with access to much-needed resources, whether human capital skills or financial capital, that will assist them in obtaining economic self-sufficiency/empowerment. Microfinance is also expected to contribute to essential social benefits, particularly to community building and empowerment, which are vital to people’s well-being (Servon, 2002; Smets & Bahre, 2004).

The construction of topographies and countertopographies offers the framework through which to explore and examine the implementation of microfinance in distinct places. As defined by Moore, topographic maps are “maps which depict the detail surface features of an area including its relief usually by means of contour lines” (1952). Thus a comparative study on the “areas” of utilizing microfinance for developing disadvantaged women’s capacities for empowerment/self-sufficiency can characterize contour lines along the shared values, practices, perspectives, and strategies of practitioners/community organizers in the US and India. Katz illustrates “topographies provide the ground – literally and figuratively – for developing a critique of the social relations sedimented into space and for scrutinizing the material social practices at all geographic scales”

(Katz, 1229, 2001b). In turn, through examination of disparate places, countertopographies are created which provide points of connection between the varied struggles of women around the world to counteract and offer alternatives to globalization. Hart describes globalization as the “term used to summarize the operations of advanced global capitalism and its concomitant processes of social and ecological exploitation and destruction, of growing disparities between the rich and the poor within one particular nation, or between entire regions or parts of the world” (para. 1).

The following qualitative comparative case study offers a focused inquiry on how microfinance is utilized in empowering women in the US and India. Specifically, what are the values, practices, perspectives, and strategies of Indian and American community organizers (practitioners and volunteers of non-profits and non-governmental organizations) who use microfinance, including savings schemes, as an instrument within the social intermediation process of developing disadvantaged women's capacities for self-sufficiency/empowerment? The study also examines how the objective of organizational financial sustainability and subsidy dependency impacts each group of organizers' practices and strategies which pertain to the social intermediation process. Specific questions addressing the four interconnected themes of values, practices, perspectives and strategies evolved from the literature review<sup>1</sup>.

This comparative study involves interviewing directors, staff members, and volunteers of the Community Business Partnership (CBP), a non-profit in the large US metropolitan area of Northern Virginia. Similar interviews with key staff members and community-

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<sup>1</sup> Please refer to the appendix for the complete interview questionnaires.

based organizers for Uttarakhand Seva Nidhi Paryavaran Shiksha Sansthan (USNPSS), a non-governmental organization (NGO) in the rural Himalayas of Uttarakhand, India were also executed. Both organizations support programs that concentrate their mission and activities on the upward mobility of disadvantaged and/or marginalized women.

The study findings on the similarities and differences of knowledge and experience between practitioners/community organizers in the differing geographical and political contexts of the rural Himalayas in the developing country of India and a large metropolis in the advanced country of the United States may provide the basis for strengthening strategies and practices of non-profits and NGOs which aim to empower women in both contexts. Specifically, the findings define contour lines upon which differing groups of practitioners/community organizers can become engaged in an open dialogue for the purposes of further mobilizing a global feminist movement that offers alternatives to global capitalism. This, however, does not mean that the differences between the differing groups should be diminished or minimized in any way, but rather they should serve as points of variation in which the possibilities of exchanging practices and strategies can be explored.

Katz uses an analogy of physical geography to define contour lines as “lines of constant elevation, connecting places at precisely the same altitude to reveal a terrain’s three-dimensional shape” (1229, 2001b). She argues “tracing contour lines....might encourage and enable the formation of new political-economic alliances that transcend both place and identity and foster a more effective cultural politics to counter the imperial,

patriarchal, and racist integument of globalization” (1216, 2001b). And Pratt extends the use of contour lines as an analogy to construct a “feminist praxis that can unite women globally.....A politics of engagement is consequently established around particular issues and concerns, rather than place and identity, and strategies designed to combat these can be developed and exchanged” (167-168, 2006). This study draws contour lines between the experiences of practitioners/community organizers and volunteers focused on women’s empowerment in the Northern Virginia metropolitan area and the rural Himalayas of Uttarakhand, India.

It is first hypothesized that similarities in values and perspectives and some practices will reveal strong comparisons and connections in the knowledge and experience of the two differing groups of practitioners/community organizers, therefore drawing definitive contour lines. Second, it is hypothesized that the divergent practices and strategies of the groups will be shown to stem from the contextual environments (political, social, economic, cultural make-up) in which they practice/organize. These hypotheses are tested by making comparisons of qualitative data that has been procured from the similarly structured interviews.

Studies have researched and compared the experiences of disadvantaged women in the United States and India who have participated in microfinance schemes (Schreiner, 2001; Taub, 1998). Yet to date, however, no comparative studies exist on the experiences and methods used by the non-profit and NGO practitioners who employ microfinance schemes in their programs and services for women’s empowerment/self-sufficiency. US

microfinance programs with the mission of economic empowerment for women define empowerment as “the ability to develop, use, and access individual, social, and economic resources to achieve self-sufficiency” (Johnson, 1998).

Internationally, the definition of empowerment varies among donors and researchers, yet it is how this term is defined that bears the most influence on development policies which incorporate microfinance as a strategy for advancing women in society. Indian researchers relate empowerment to the “control over decisions regarding all aspect’s of one’s life and livelihood” rather than simply a “self-realisation and self-assertion.” They further explain empowerment entails “attempting to change the social and economic institutions that embody the basic and unequal power structures in society, whether between individual men and women or groups of people” and assert “empowerment means having choices” and being educated about options and the differences between them (Rao, 173, 1996; Dutt, 168, 2004).

Most often empowerment is defined on individualist terms with the ultimate objective of increasing women’s capacity for self-reliance or self-sufficiency. It is overtly assumed that increased economic empowerment will usher in social and political empowerment and lead to improvements in women’s overall well-being (Mayoux, 2005). Researcher Martha Chen supports this assumption by referring to microfinance programs in Bangladesh which target women as a “quiet revolution.” She asserts “If [women’s] productivity can be enhanced or [their] employment expanded, women will automatically exercise greater power and autonomy within their households” (80, 1996).

For the purpose of this case study, research sites were chosen in the US and India as their national economies have made vast transitions over the past twenty years. The US economy has transitioned from an industrial to post-industrial economy, and India's economy has made great strides in changing from a 'planned' agricultural economy to a capitalist market-driven industrial economy. In turn, both states have withdrawn social support particularly that which serves the poor, and have increasingly justified their withdrawal through political-economic policies, which aim for the "self-sufficiency" /"empowerment" of dependent citizens<sup>2</sup>. Such aim also seeks to convert dependent populations into significant economic actors whose income-generating production can be bolstered to act as "source[s] of contribution to the economic growth of the nation." Vasavi and Kingfisher further observe in comparison of the public policy agendas and treatment of poor women in both contexts that "both cases indicate the increasing alliance between the state and business, and underscore the shift in terms of political debate from that of the 'state's responsibility for it's citizens to the private initiatives of the 'poor'"(8-15, 2003).

The study begins with detailing an idealized approach, as recommended by the literature, towards developing disadvantaged women's capacities for self-sufficiency/empowerment (Lahiri-Dutt & Samanta, 2006; Mayoux, 2005; Rao, 1996; and Servon, 1996). Mayoux's theoretical paradigms on "Women's Empowerment through Microfinance" are then presented as a means in explaining the differences between the organizations. Factors of

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<sup>2</sup> Self-sufficiency and empowerment are similarly used in both contexts to relate to the promotion of women's economic independence and the lifting of poor women out of poverty through their own resolve and determination.



comparison outlining the similarities and differences in the political, social, and economic settings of the US and India which shape and influence their respective national policies related to microfinance are then described. Topographies of microfinance in the US and India are subsequently developed. These include detailed accounts of the historical and political background of microfinance, its execution and outcomes. The literature review concludes with discussions on social intermediation, savings, and financial sustainability/subsidization, three significant facets that profoundly shape the mission and goals of non-profits and NGOs employing microfinance.

The methodology chapter follows in which the site selection, analytical methods, and geographical and organizational comparisons are made to provide the contextual setting of these comparative cases. The fourth chapter is the results chapter which is divided into six major sections. The first section offers narratives on the organizational development of each studied group of practitioners/community organizers. This narrative subsequently serves as the foundation for the construction of comparisons in the organizations' social intermediation processes, specific instrumental applications of microfinance through savings and lending practices, and strategies and practices which pertain to financial sustainability and subsidization. An examination of critical perspectives closes out the direct comparative analysis of the organizations. The final section of this chapter positions each organization within Mayoux's theoretical paradigms of "Women's Empowerment through Microfinance." The concluding chapter summarizes the countertopographies determined and study findings.

Creswell defines a qualitative case study as “an exploration of a ‘bounded system’ with the focus being an issue that is illustrated by the case” (249, 1998). In this study the issue is the use of microfinance for developing disadvantaged women’s capacities for empowerment/self-sufficiency and the cases are the non-profit and non-governmental organizations of CBP and USNPSS. However, while case studies are typically “bounded,” Katz argues the creation of countertopographies which “involve precise analyses of particular processes [and issues] that not only connect disparate places, but also in doing so enable us to begin to infer connections in unexamined places in between.” She further illustrates the contour lines which connect countertopographies are “drawn without measuring every inch of the terrain. The connections reflect precise analytic relationships, not homogenizations” (721, 2001a). Thus while generalizations cannot be inferred from the contour lines and countertopographies this study constructed on the experiences of practitioners/community organizers and volunteers focused on women’s empowerment indicative relationships can be extracted.

## **Chapter II**

### **Literature Review**

Ela Bhatt of India's Self Employed Women's Association (SEWA) program explains, "poverty is not simply a lack of funds, but...vulnerability, powerlessness, and dependency" (1998). Yet, the main impact of microfinance is to smooth consumption by diversifying income sources, rather than to actually increase income (Schreiner, 1999). Other critics contend microfinance is based on the concepts of free enterprise and self help. As a result, a market driven strategy that solely focuses on directing the capacities and capabilities of women dependent on state aid/welfare towards activities which support the work-productivity economic growth of global, capitalist states, such as India and the United States, is pursued.

Critics also question that if development is "concerned with enabling people to take charge of their own lives, and escape from poverty which arises not from lack of productivity but rather oppression and exploitation" then how does microfinance actually achieve this aim (Longwe, 149, 1991)? Additionally, researchers have called into question the viability of microfinance schemes for those with low incomes by asking if programs foster an unreasonable expectation that disadvantaged, impoverished people can create their own jobs if they are unable to find employment. Still others question if microfinance organizations, particularly non-profits and non-governmental organizations (NGOs), are adequate instruments to leverage the skills and social capital of the poor to improve their livelihoods and living conditions, and are they cost-effective in doing so?

(Johnson, 1998, Vinelli, 2002). Finally, critics issue cautions which relate to the flaws and failures of Women in Development policies pursued by USAID and other international development organizations in the 1970s and 1980s because they ignored the social process generated by the process of development itself and overlooked the “systemic relationships between social, economic, and political inequalities based on sex, class, and other factors” (Fernando, 154, 1997; Benaria & Sen, 1992). They question do microfinance programs address these issues or are they too fatally flawed? These questions essentially bring to light the fact that poverty alleviation cannot happen without empowerment either presciently or simultaneously occurring. Therefore, the case study focuses on how microfinance is utilized for empowering disadvantaged women rather than for poverty alleviation. The following section is a compilation of best strategies, structures and practices for “Women’s Empowerment through Microfinance” as established by the literature. This section provided the basis on which the case study interview questions were developed.

### **Best Strategies, Structures, and Practices for “Women’s Empowerment through Microfinance”**

Literature which identifies best practices for advancing the self-sufficiency/empowerment of women places an emphasis on NGOs and non-profits playing a key role that extends beyond the actual service delivery of microfinance. Paulette Meyers, an early US women’s microfinance program founder, cautions practitioners should “not view this movement as a microcredit movement, but rather as a movement that is a more holistic approach to women’s self-sufficiency” because poverty

populations are poor for reasons other than the shortage of jobs or economic development (Servon, 173, 2002).

Mayoux and Vijayanthi assert in recognition of the complexity of women's lives and their multiple societal roles, appropriate approaches towards women's self-sufficiency/empowerment entail more than "mere access to a productive resource" (2005). They argue that to secure long-term gains these approaches should thus focus on the overall development need of women rather than simply or strictly their economic, financial needs and involve a participatory process that results in increased participation in decision-making, freedom of choice, greater access, power and control over resources, equality and autonomy, overall improvements in personal well-being and sense of self worth, and means for sustaining such gains. Therefore, "access to information regarding policy, laws and regulations; access to technology, inputs, markets, credit and training; and access to support services are [considered] equally important" (Rao, 184, 1996). Structures for democratic functioning and processes, techniques in conflict resolution, leadership formation, and participation in policy and decision-making are also identified as being required for any holistic approach towards women's self-sufficiency/empowerment.

The essential role of NGOs and non-profits as external catalysts cannot be understated as they are in the best positions to raise awareness on the structural inequalities of society and awaken the "political consciousness" of marginalized groups to enact resistance and construct alternative policies and institutions including those which pertain to the

economic order of society (Batliwala, 1994; Rankin, 2003). Indian researchers advise, first and foremost, women must be viewed by practitioners as the fundamental, basic resource, rather than problem, for which planning policies and strategies are created (Bandyopadhyaya et al., 2002). NGO and non-profit practices in service delivery should ensure women's equal access to and role in design of any program or strategy. NGOs which support Self-Help Groups (SHGs) should also ensure that decision-making is decentralized and emphasizes collectivity, that group processes actively promote women's participation in discussion, and that group structure actively promotes women's equal participation in leadership to maintain a durable, unbroken circle bonded by group solidarity (Mayoux, 2005).

The central role of education and training in any empowerment strategy cannot be stressed enough as they are imperative for success. It is through these means by which women acquire critical skills and knowledge, develop awareness on "the causes of their exploitation and subordination, articulate alternatives and develop organizational and political skills required to bring about change" (Rao, 188, 1996). In both the US and India, training aids the development of self-esteem, which is vital to achieving empowerment/self-esteem. US microfinance programs should promote classes with participants from mixed income and socio-economic backgrounds to counteract the stigmatization current and former welfare recipients often experience. Pairing participants with mentors, such as now-successful past graduates, is another effective strategy (Servon, 1996).

Gender concerns need to be fully integrated into all staff and participant training. Male support should be organized to challenge and change the imbalance in gender relations. This can transpire through the development of male networks for change and new role models. Networking and active promotion of other organizations that contest gender inequality, such as women's movements, should also occur (Mayoux, 2005).

Finally, collaboration and connections to other community-based organizations and service providers, including other microfinance programs, for legal aid, training, and research provides many benefits to both participants and programs. These benefits include the ability to spread costs which arise from research and the development of new innovations and initiatives (Mayoux, 2005). SHGs also benefit from their connections and relationships with financial institutions and government departments.

In summary, "to attain sustainable gains in improving women's livelihoods, in fact, a mix of a broad range of strategies [to be pursued by NGOs and non-profits] is required, determined by the collective needs and priorities of the women themselves.....Stress on both political empowerment and social investment is essential to consolidate economic gains" (Rao, 175, 1996). While this section models the potential for determining similarities and connections to draw contour lines between the two organizations, the following section offers an explanation for the differences which are drawn between the two organizations.

## **Paradigms for “Women’s Empowerment through Microfinance”**

Mayoux has identified several paradigms wherein the non-profit or NGOs organizational mission, methods, strategies, principles, values, definition of empowerment and focus of gender policy determine their operations and subsequent results. These paradigms are as follows:

### *Feminist Empowerment Paradigm*

In this model, “microfinance is promoted as an entry point in the context of a wider strategy for women’s economic and socio-political empowerment which focuses on gender awareness and feminist organization....Here the underlying concerns are gender equality and women’s human rights” (Mayoux, 6, 2005). Strategies which support the feminist empowerment paradigm are based on participatory principles, wherein women are enabled to identify their own felt needs and create their own strategies for social, economic, and political change (Vijayanthi, 2002; Mayoux, 2005). It does not institute a top-down approach.

### *Poverty Alleviation Paradigm*

The primary objective of the poverty alleviation paradigm is the development of sustainable livelihoods of the poorest. Strategies employed focus on community development and the delivery of social services such as literacy, healthcare, and infrastructure development. Women are targeted because they constitute 70% of the world’s poor and are often positioned in the poorest sectors of society. Mayoux explains “the assumption is that increasing women’s access to microfinance will enable women to



make greater contribution to household income and this, together with other interventions to increase household well-being, will translate into improved well-being for women and enable women to bring about changes in gender inequality” (6-7, 2005). For example, community service organizations which support SHGs provide instruction on the management of water, sanitation, child and family health and welfare. Vijayanthi notes these practices as “intervention strategies for realizing the paradigm of sustainable development” (273, 2002).

### *Financial Sustainability Paradigm*

The majority of world development donor organizations which support microfinance have promoted the financial sustainability model of microfinance since the mid-1990s. The emphasis on financial sustainability therefore results in targeting the ‘bankable poor’ or ‘entrepreneurial poor’, rather than the ‘poorest’ and most disadvantaged because they present the least risk of default in repayment and the highest potential for future profits. Mayoux describes the guiding principle “as necessary to create institutions which reach significant numbers of poor people in the context of declining aid budgets and opposition to welfare and redistribution in macro-economic policy..... women’s economic activity [is viewed] as a hitherto underutilized resource for economic growth” (7, 2005). The model assumes women’s income-generating activities increase incomes under their control which leads to increases in welfare and economic empowerment. It is further assumed that economic empowerment will translate into political and social empowerment.

In a recent adaptation, microfinance programs supported by this model have shifted their focus on targeted populations of those living below poverty to include self-employed individuals and small, family-owned businesses, who although not living in poverty, are unable to access bank credit (La Torre, 2006).

Servon describes US microfinance programs as serving “a group that is ready to create businesses and jobs for itself” (175, 1997). An early memo on best practices in microfinance by Women’s World Banking suggested microfinance programs “focus on businesses with some potential for growth, [otherwise] the resulting impact of their services will be negligible. Identifying a target client with business growth objectives whose products have market potential is the key to developing programs that have real impact” (1993). Subscribers to this model maintain almost all borrowers are aspiring entrepreneurs with few assets who begin by taking loans as small as \$75 for self-employment activities. Thus borrowers are “given a hand up” to escape positions as agricultural or daily wage laborers (Morduch, 1999).

**Table 1: Paradigms of Women's Empowerment through Microfinance**

	<b>Feminist Empowerment Paradigm</b>	<b>Poverty Alleviation Paradigm</b>	<b>Financial Self-Sustainability Paradigm</b>
<b>Main policy focus</b>	Microfinance as an entry point for women's economic, social and political empowerment	Microfinance as a part of an integrated program for poverty reduction for the poorest households	Financially self-sustainable micro-finance programs which increase access to microfinance services for large numbers of poor people
<b>Target group</b>	Poor women, alternative role models	The poorest	The entrepreneurial poor
<b>Reason for targeting Women</b>	Gender equality and human rights	<ul style="list-style-type: none"> <li>• Higher levels of female poverty</li> <li>• Women's responsibility for household well-being</li> </ul>	<ul style="list-style-type: none"> <li>• Efficiency because of high female repayment rates</li> <li>• Contributions of women's economic activity to economic growth</li> </ul>
<b>Underlying paradigm</b>	Structuralist and socialist feminist critique of capitalism	Interventionist poverty alleviation and community development	Neoliberal market growth
<b>Main policy instruments</b>	Gender awareness and feminist organization	<ul style="list-style-type: none"> <li>• The importance of small savings and loan provision</li> <li>• Group formation for community development</li> <li>• Methodologies for poverty targeting and/or operating in remote areas</li> </ul>	<ul style="list-style-type: none"> <li>• Setting of interest rates to cover costs</li> <li>• Separation of microfinance from other interventions for separate accounting</li> <li>• Program expansion to increase outreach and economies of scale</li> <li>• Ways of using groups to decrease costs of delivery</li> </ul>
<b>Main focus of gender policy</b>	Gender awareness and feminist organization	Increasing women's participation in self-help groups	Providing the framework for equal access for women
<b>Definition of empowerment</b>	Transformative of power relations throughout society	Increased wellbeing, community development and self-sufficiency	Economic empowerment, expansion of individual choice and capacities for self-reliance
<b>Underlying assumption</b>	Women's empowerment requires fundamental change in the macro-level development agenda as well as explicit support for women to challenge gender subordination at the micro-level	Increased wellbeing and group formation will automatically enable women to empower themselves	Increasing women's access to microfinance will automatically lead to economic empowerment without other complementary interventions or change in the macro-economic growth agenda

Source: Mayoux, 2005

## Factors for Comparison

This section first presents the similarities and differences in the US and India's political, social, and economic settings which shape and influence their respective national policies as related to microfinance. It provides a foundational basis on which topographies of microfinance in the US and India can be constructed. Katz explains,

“Working against the ways globalizing capitalism extends and draws on the uneven power relations of gender, race, class, and nation in different social formations in different historical geographies, [constructing topographies] is a politics that at once makes clear and works off the contours that connect different social formations and their disparate geographies. It asks what connections there might be among sweatshop Bangladesh, maquiladora Mexico, and the prison work camps of the US, or among structurally adjusted Sudan, welfare-reformed Britain, and neoliberal Brazil” (723, 2001a).

Yet, while Katz seeks to advance countertopographies which “link different places analytically in order to develop the contours of common struggles and imagine a different kind of practical response to problems confronting them” this study rather seeks to construct countertopographies on common practices used to empower women in their struggles to counteract globalization (721, 2001a). Specific topographies on the landscape of microfinance in the US and India are constructed by detailing the development tool's historical and political background in each state. These detailed accounts also offer descriptions on the structure, execution, and outcomes of microfinance in the US and India.

## **Similarities**

Obvious similarities exist in the contexts of US and Indian microfinance program operations. Targeted populations have not been reached by formal financial institutions or are inadequately served. Servon, a US microfinance expert, notes, “whether in the United States or in Bangladesh more people need credit than can obtain it. Individuals in both industrial and developing countries have the energy, drive, and wherewithal to start businesses (see Table 2 for examples of microenterprises in the United States and India). In both contexts, program organizers truly believe that the act of giving credit to a motivated, disenfranchised, potential entrepreneur could be a powerful step toward self-sufficiency” (173, 2002). And along the same lines, Morduch avows “a key tenant [of microfinance] is that poor households demand *access* to credit, not “cheap” credit. Thus programs can charge high interest rates without compromising outreach (617, 2000). Notably both Indian SHG members and US microfinance program clients have little or no collateral and typically nothing more than sweat equity to invest in their businesses. And similar to their Indian counterparts, US microenterprises are often part-time sole-proprietorships, and home-based rendering them difficult to locate and serve.

**Table 2: Examples of Businesses through Microfinance in the United States and India**

United States	India
<ul style="list-style-type: none"> <li>• Care for children or pets</li> <li>• Cut hair or polish nails</li> <li>• Cook food and sell drinks at festivals</li> <li>• Sell Avon, Amway, or Mary Kay</li> <li>• Clean homes, cars, or offices</li> <li>• Trade and/or repair clothes or cars</li> <li>• Paint or repair houses</li> <li>• Cut grass or trim branches</li> <li>• Kill pests</li> <li>• Repossess cars</li> <li>• Work with wood</li> <li>• Rent video tapes</li> <li>• Deejay parties</li> <li>• Drives cabs</li> <li>• Quilt or knit blankets</li> <li>• Sling newspapers or brochures</li> <li>• Make and sell arts and crafts</li> <li>• Make and sell fake jewelry</li> <li>• Buy and sell drugs</li> </ul>	<ul style="list-style-type: none"> <li>• Plant crops and fatten livestock</li> <li>• Do odd jobs, especially on farms</li> <li>• Cook food and sell drinks on the street</li> <li>• Petty trade in food, clothes, or toiletries</li> <li>• Take in laundry</li> <li>• Make and/or repair clothes or cars</li> <li>• Build or repair houses</li> <li>• Collect and sell wood, charcoal, or water</li> <li>• Carry loads or messages</li> <li>• Drive a bus or truck</li> <li>• Work with wood or metal</li> <li>• Show movies with video tapes</li> <li>• Play in a band</li> <li>• Run a rickshaw</li> <li>• Husk rice or shell peanuts</li> <li>• Sell newspapers or lottery tickets</li> <li>• Scavenge for things to recycle</li> <li>• Make and sell baskets or rope</li> <li>• Shine or repair shoes</li> </ul>

*Source:* Schreiner, 1998

However, low-income women, both in the US and India, are poorer than men, are more likely to experience financial exclusion and endure greater familial and social discriminations, and where employed are most likely to hold low-paying, low-technology jobs with no certainty for long-term employment (Vento, 2006). Lahiri-Dutt and Samanta's portrayal of the status of women in rural India mirrors that of US inner-city welfare recipients. They describe the "salient features of rural women's marginalization [as] low levels of literacy, low purchasing power, poor health status, low participation rates in the formal economy, and low levels of empowerment in the family as well as in society" (286, 2006).

Researchers observe additional similarities in the drive to target women in microfinance initiatives. Regardless of geographic area and social-economic background, women have demonstrated that they are more capable of efficiently and effectively using loans for income-generation and exhibit higher repayment rates as they are more sensitive to social pressure within peer groups and take greater responsibility in the well-being of their households. Loans to women have also been found to have a larger impact than those disbursed to men on poverty measures of household consumption expenses, labor supply, and education (Vinelli, 2002).

Yet, some researchers observe women's participation is tethered to enormous pressure to maintain existing social relations in which survival of their families is highly dependent. Thus the high rates of loan repayment are secured through the implicit risk of social exclusion if an individual woman fails to repay (Fernando, 1997). Women's sensitivity to social stigmatization that accompanies problems with repayment is intensified through the public collection of repayments at group meetings. Women are especially sensitive since their misfortune reflects poorly on the entire household (and lineage), while men have an easier time shaking it off (Rahman, 1998).

Finally, the competency, integrity, and commitment of the NGO and non-profit staff members of microfinance programs are critical to the success of participants. Programs are susceptible to succumbing to sponsor pressures, such as tying financial sustainability to the organization's bottom line, which may inherently shift the intent of collective or solidarity organization from "empowerment" to reducing administrative costs and

prompting repayment (Rankin, 2003). Submitting to outside sponsor pressures may consequently result in the implementation of inappropriate programs for the populations they serve.

## **Differences**

A number of factors differentiate the demand and structure of microfinance in the US from that of India. These include differences in the political and social context and definition of empowerment/self-sufficiency which have the greatest impact on the methods of implementation. The different economic, regulatory, and cultural contexts also greatly contribute to the differences in outcomes and the higher expense and slower expansion of US microfinance programs (Johnson, 1998; Servon, 2002).

Group lending dominates the structure of microfinance in India, but is seldom used by US microfinance programs. In this scheme, group members are responsible for each other's debts (Schreiner and Morduch, 2002). Grameen Bank led the way in microfinance in South Asia with its "16 Decisions." These form the core of the bank's social program and include such statements as "7. We shall educate our children and ensure that we can earn to pay for their education" and "14. We shall always be ready to help each other. If anyone is in difficulty, we shall help him or her" (Johnson, 1998). In contrast, self-sufficiency in the US is directly related to the development of human capital via training which focuses on writing a business plan, and acquiring accounting, marketing, management skills. Training is also necessary to impart knowledge on taxes, licenses,



and other regulatory requirements and processes for the establishment of a microenterprise<sup>3</sup>.

Batliwala illustrates the power of empowerment strategies which utilize groups by stating, “it is difficult for one woman to bring about lasting [social, political, and economic] change, but ‘if whole groups of women begin to demand change, it is much more difficult for society to reject them altogether’ (10, 1993). However, some Indian scholars reject the notion of empowerment through collectivism. Lahiri-Dutt and Samanta write “this implied collectivity envisioned by [a self-help group strategy] does not leave space for individual human’s agency as a significant factor in determining women’s efforts. The interconnectedness of women’s multiple occupations and multiple life roles in their livelihood strategies are clearly ignored in this [group-based] approach” (153, 2002). They note individual initiative is no longer eligible for Indian government assistance and further assert the universal application of these programs denies differences in needs and characteristics between communities (292, 2006).

Few US microfinance programs support group lending as the US cultural value and ideal of individualism deters participants from engaging in such activities and the opportunity costs of participation in these groups are considered to be high (Schreiner & Morduch, 2002). Moreover some suggest the lack of social capital within many inner-city and low-

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<sup>3</sup> A microenterprise in the US is defined as a business that employs five or fewer people and requires less than US \$25,000 in start-up capital investment. They are mostly sole-proprietorships who often lack access to commercial credit provided by mainstream financial institutions because their initial loan needs (Johnson, 1998, Schreiner, 1999).

income communities prevents effective monitoring and mutual support that is necessary in the facilitation of group lending circles and schemes (Bhatt, Painter, & Tang, 2002).

Indeed, the increase in social capital is considered an unintended product of group lending in India, while it is considered an intended product of the group lending process in the US. Groups in India are relied on to screen borrowers, thus curtailing the administrative costs of microfinance programs. Bhatt's research on group-based lending in the US determined the fundamental variables of gender and homogeneity, which form the basis of group-lending strategies and practices in India, are not considerably related to loan repayment. He concluded "seemingly 'homogenous' groups can actually lack social capital, rendering joint-liability arrangements meaningless" (137, 2001).

Additionally, social capital is an asset that diminishes with each household move, and the US population is highly mobile (Schreiner, 2001). Previous attempts in replicating the Grameen Bank group-lending model in both the American city of Chicago and rural communities of Arkansas failed miserably (Bates, 2000; Taub, 1998). US programs have therefore moved toward promoting individual rather than collective responsibility through the use of incentives for personal savings, investing, and accumulation (Cowgill & Jurik, 2006). Thus, the majority of US microfinance programs use an individual applicant's business plan, which necessitates training for successful completion, as their screening tool rather.

Also the US public perception of the informal economy as inferior to the offerings within the mainstream economy greatly depresses the demand for microenterprise goods and services, and therefore the demand for microfinance programs which support them. Street vending, a common microenterprise activity in India, is illegal in most parts of the US. Microentrepreneurs face intense competition from giant, chain-based retailers and service providers, lack benefits, and contribute longer hours for unreliable income (Bhatt, 2001; Talen, Weiss, & Sarkar, 2002; Servon, 2002; Schreiner, 2004).

Other factors which constrain the demand for microfinance in the US as compared to India are accounted for by the differences in their economic structures. Unlike India's transitional economy, the US economy is formally structured with a financial market that encompasses a sophisticated banking sector and extensive credit bureaus and credit scoring systems. The \$5,000 - \$15,000 start-up costs of the conventional small business can be covered by widely available personal credit cards and personal loans. The interest rates charged on credit cards serve as an effective micro-credit interest rate ceiling which often is too low to cover the costs incurred by the lender/microfinance program thereby reducing its ability to become financially self-sustainable (Johnson, 1998; Talen, Weiss, & Sarkar, 2002). Additionally, unlike microfinance programs in India who compete with moneylenders and other forms of informal financial systems, US programs are too small to obtain economies of scale benefits (Schreiner and Morduch, 2002).

Only eight to twelve percent of Americans are serious about starting their own businesses, and only about one to two percent actually establishes one. Of those started,

only about half become viable to remain in business. In contrast, sixty to eighty percent of jobs in India are accredited to microenterprise. This sector is much smaller in the US accounting for only eight to twenty percent of jobs in the US economy. Additionally, the availability of wage jobs and a public safety net deter the desire and initiative to become self-employed. “In the first world, access to wage jobs and an effective public safety net decrease the push for self-employment (Talen, Weiss, & Sarkar, 2002; Schreiner, 2001; Schreiner & Morduch, 2002). Finally, welfare recipients are deterred from formally pursuing microentrepreneurship because of welfare rules created under the Personal Responsibility and Welfare Reform Act of 1996. These rules require recipients to work in order to maintain benefits (microenterprise activities in many states are not recognized as work). Fears of losing welfare benefits before the business becomes stable and viable also serve as deterrents to establishing a microenterprise (Servon, 2002).

The final factor which limits the demand for microfinance in the US is its highly regulated business atmosphere. Significant barriers to entry exist which are often absent in India. Beyond well-integrated, tightly competitive markets with mass manufacturers, retailers and service providers, these barriers include taxes and a complex regulatory environment that involves obtaining licenses and certifications as well as meeting inspection requirements (Schreiner, 2001; Servon, 2002). In comparison, Talen, Weiss, and Sarkar note, “starting a small business in a developing country often involves nothing more than setting up a roadside stand” (341, 2002). Finally, micro-credit applications are often only one page long in India. In contrast, the micro-credit application and process in the US is “lengthy, cumbersome, and bureaucratic” often involving extensive participant “eligibility” documentation (Bhatt, 2001).

These combined factors also greatly attribute towards the differences between the populations served by microfinance programs in the US and those served in India. Most SHG members are from rural regions characterized by illiteracy and low levels of entrepreneurial skills, high poverty rates, low levels of agricultural surpluses, scanty resources and underdeveloped infrastructure, whereas US microfinance program clients are experienced in their fields of business, are fairly well-educated, and have safety nets through supportive networks of family and friends (Pande, 2006). Also, low-income guidelines set by the Department of Housing and Urban Development, the government funding agency of most US microfinance programs, are significantly higher than federal poverty guidelines. Therefore, programs typically serve those that exist at the “margins of the mainstream economy rather than those completely cut off from the economic mainstream” (Servon, 33, 1997). As a result they do not make large contributes towards meeting poverty alleviation goals.

## **Historical and Political Background of Microfinance in the US**

Microfinance was introduced in the United States in the mid-1980s after having demonstrated great success as a development tool in developing countries. At the same time it was shown that the number of self-employed Americans grew by nearly 20% between 1980 and 1987 to 8.2 million. Additionally, the growth rate of self-employed American women grew by 35.5%, more than triple the grow rate for self-employed men. US officials and program directors identified similarities between low-income citizens in both contexts regarding the lack of access to credit and business training and worked to support policy measures to widely employ microfinance in economically distressed

American inner-cities and rural regions with the objectives of fostering small business development while simultaneously reducing unemployment and poverty.

Bill Clinton and Hillary Rodham Clinton extensively discussed microfinance as a poverty alleviation strategy during his 1992 presidential campaign. They subsequently initiated the Presidential Awards for Excellence in Microcredit and in 1997 First Lady Hillary Rodham Clinton championed the issue at the first international Microcredit Summit held in Washington D.C.<sup>4</sup> The summit resulted in a US commitment to triple domestic spending through the distribution of \$1 billion within 5 years to microfinance development programs and projects which include microenterprise loans and prompted the introduction of the Microcredit for Self-Reliance Act of 1997 by a bipartisan group of 20 members of the United States Congress. The act called for the allocation of \$350 million to the US Agency for International Development to support microenterprise programs in developing countries (Servon, 1999; 2002).

The self-sufficiency aspect of microfinance had been previously emphasized by Robert Reich, Clinton's first Labor Secretary, who stated "the economically displaced must be brought along. Rather than redistribute income to them (as was the strategy of the First Way), the idea is to make it easier for them to obtain good jobs and thus become economic winners" (quoted in Schreiner & Morduch, 20, 2002). Vasavi and Kingfisher also highlight President Clinton's self-sufficiency perspective regarding the necessity of workfare and related social welfare strategies quote him in stating, "because the answers

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<sup>4</sup> The summit drew attendance of two thousand people with delegates from nearly 100 countries, all of whom committed to reach "100 million of the world's poorest families, especially the women of those families, with credit for self-employment by 2005" (Microcredit Summit Newsletter, June 1996).

to our social problems require people to reassert control over their own lives and to assume responsibility for their conduct and their obligations, we have to develop community-based approaches that allow individuals to respond personally to these problems” (14, 2003).

As microfinance became increasingly identified as an alternative to welfare and as a solution to declining paid employment opportunities for the poor, it was quickly adopted by liberal advocates who wanted to demonstrate that low-income women, minorities, particularly welfare recipients, were more hard-working, self-sufficient, and resourceful than had been characterized in the welfare reform debates<sup>5</sup> (Bhatt, 2001; Cowgill & Jurik, 2004). Indeed, supporters insist “microfinance offers a way to help low-income clients find new livelihoods while moving away from cash-transfer programs associated with the traditional welfare system” (Schreiner & Morduch, 52, 2002).

Microfinance appeals to both the Left and Right within American political ideologies as it offers a hand-up as opposed to a hand-out and endorses entrepreneurship and the free market with the social objectives of poverty alleviation and empowerment (Bhatt, 2001). The strategy of microfinance helped support the shift of social welfare policy “from maintenance to investment” by providing resources to help those who demonstrate the willingness to help themselves first rather than focusing on behavior reform (Servon,

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<sup>5</sup> While microfinance as a social welfare strategy garnered the greatest funding support for microfinance programs, survey data on the priorities of US microfinance programs from the Aspen Institute in 1999 showed the majority of them, 44%, favored the economic development goals of “job creation/business development.” Only 29% of the 341 microfinance programs surveyed listed “poverty alleviation/individual income increase” as their primary mission (Bhatt, Painter, and Tang, 2002).

1999). Additionally, it added a business approach which is suggested to differ from traditional welfare by not focusing on the resocialization and moral assessment of participants/clients. And early advocates touted microfinance programs as self-sustaining in the long run, as credit is to be paid back.

Supporters of microfinance assert that it benefits not only microfinance program clients, but low-income communities and the economy as well. They promote its role in assisting low-income households with income-patching, wherein small amounts of income come into the household through a variety of sources, such as wage work, public assistance, and self-employment. Advocates maintain “self-employment, in combination with other income-generating activity, can help lift a household above the poverty line” (Servon, 1986, 2002). They promote it as a community development strategy wherein it is seen to help revitalize economically abandoned neighborhoods through the creation of new businesses and jobs and the development of social networks, such as business associations. Finally, microfinance is accredited with providing an entry point into the mainstream economy for disadvantaged populations by ushering those engaged in informal economic activities into the formal economy and generating new self-employment (Johnson, 1998; Schreiner & Morduch, 2002).

### **Microfinance in the US**

The microfinance sector is comprised of a variety of non-profit community-based organizations, which include community development corporations and small business development corporations that are funded under various state and federal government



agencies, local economic development offices and private-sector lending programs. Large banks are indirectly involved by meeting Community Reinvestment Act requirements through the provision of loan guarantees, backroom services, and donations of capital and time (Talen, Weiss, & Sarkar, 2002). Microfinance programs can concentrate on general entrepreneurship, empowerment/personal development, sector-specific issues, and/or provide long-term, on-call advice (Schreiner & Morduch, 2002).

Early microfinance advocates suggested donor and government financial support for programs would yield significant economic development contributions to the economy as two-thirds of businesses in the United States are established with less than \$10,000 in financial capital (Johnson, 1998). Other supporters, however, advocated for programs to focus on human capital development rather than the provision of credit. They argued potential entrepreneurs often come to microfinance programs with needs beyond access to credit and business failure is most often a result of insufficient business planning, marketing and management skills, not the lack of financial capital (Servon, 1997; Bhatt, 2001). Indeed, a 1998 study which surveyed 16 US microfinance program directors determined the greatest need for many [clients] was not capital, but rather training and technical assistance (Else & Clay-Thompson, 1998).

### **Microfinance Programs**

The overarching goal of microfinance programs that support microenterprise development is economic security for participants, which includes more employment, higher income, greater asset accumulation, and improved psychological and social well-

being. Programs focus on increasing the range of economic opportunities available to achieve self-sufficiency and provide education on these options. Self-sufficiency is then realized through the creation of a business or through the acquisition of critical skills which provide for greater access to the labor market.

Microfinance programs merge the principles of economic development and social welfare and act as “lenders of the last resort” by providing credit and other financial services such as savings accounts and insurance to populations that are typically underserved, excluded or unqualified for traditional commercial credit because of the lack of a credit history, a flawed credit history and/or the size of their capital needs. Programs attempt to build financial, social, and human capital of economically disadvantaged clients by providing services to assist business start-up and growth and promote client development.

Additionally, they enable clients to repair poor credit histories and provide access to markets through referral services to financial institutions in the formal banking sector.

Other program services include training, mentoring, and personal development activities to build participants’ self-esteem, teach time management skills and impart economic literacy. Specifically they provide asset development, business and personal mentoring, closure counseling, access to markets, assistance with acquiring skills necessary to plan, market, and manage the finances and operations of a small business, language and business environment training, and other support services. Classes are offered on general business skills, such as taxes, accounting, strategic planning and marketing. In addition to

providing technical assistance on such issues as business registration, programs offer on-going, on-call one-on-one business counseling.

The capstone of training and classes is often a business plan which dually serves to assist participants in their business idea development and to screen potential borrowers (Schreiner, 1999, 2004; Talen, Weiss & Sarkar, 2002; Servon, 2002). The business plan is evaluated on answers to the following questions:

- “Does the idea make sense in business terms?
- Has the entrepreneur mistaken the creation of a product/service with the existence of a market for it?
- Can the market support the business’s projected sales?
- How long will it take for the business to break even?”

(Bhatt, 37, 2002).

The majority of programs target low-income women, such as current and former welfare recipients, to assist them in overcoming barriers, particularly the lack of business knowledge, access to capital and social networks (Cowgill & Jurik, 2006). While women constitute the majority of participants of such programs, they come from all socioeconomic backgrounds, including moderate-income individuals, those on welfare, the working poor, and the unemployed. Early program founders had participants write childcare into their business plans and also focused on family and personal development.

Barbara Johnson, co-founder of one of the first non-profit women's business centers in the country credits sexism, women's socialization towards congeniality and passiveness, psychological issues pertaining to the lack of self-confidence and negative self-image, and internal conflict over a woman's role in society as impediments that contribute to the fewer numbers of women entrepreneurs. She further contends "even if we don't talk about class, and we're just talking about gender, you have to get over a lot in order to be successful. Whether it's getting over her fear of math, accounting, whether it's learning to be able to get up and sell herself, if it's limiting or expanding her horizons – all of that is really connected" (Servon, 43, 1996).

Critics argue, microfinance programs should first help disadvantaged people to obtain more education and transferable skills, then to search for a wage job, and lastly to attempt self-employment (Balkin, 1989). They believe that the human capital gains made by clients will yield long-term benefits for them in the labor market, irrespective of whether or not they are successful at establishing and operating their own business (Talen, Weiss, & Sarkar, 2002).

## **Outcomes**

Research shows performance of microfinance in achieving the aforementioned goals and objectives is varied. Microfinance programs do not support traditional economic development goals which focus on of high rates of local or regional job growth and business recruitment. Rather they have been shown to support social welfare goals related to providing social training, and "empowering women [and other disadvantaged groups

of people] to manage their lives within the constraints of the new economy” (Servon, 1996, p. 178).

Positive economic and social spillovers have been related to the outcomes of microfinance programs. These spillovers include providing assets and positive examples to bestow on children, employing other low-income community members through the stabilization and expansion of microenterprises and the general strengthening of the neighborhood and local economy as the result of a successful microenterprise (Schreiner & Morduch, 2002). Microenterprises improve the quality of life of owners who are motivated by a sense of independence and self-fulfillment and provide flexibility to parents, especially mothers, in combining child care and elder care with self-employment (Schreiner, 1999, 2004; Servon, 1999; Cowgill & Jurik, 2004).

Microfinance programs assert participants achieve economic self-sufficiency through the formation of microenterprises, through income packaging, by piecing together income earned by operating a microenterprise on a part-time basis in combination with other income, or through the attainment of other critical transferable skills which provide greater access to wage employment in the mainstream economy. Furthermore, they assist participants in their efforts to repair faulty credit histories, thus enabling them to access additional financial services which can further aid in securing economic self-sufficiency (Servon, 1997).

However, studies have determined self-employment alone for most participants is not enough to substantially improve their economic security or provide for self-sufficiency. And especially for women “income from self-employment contributes to the family’s income package rather than supports the family by itself” and affords smaller annual earnings than their wage and salary employment (Servon, 33, 1996; Servon, 1999). Furthermore, an early study by the Institute for Women’s Policy Research showed completion of microenterprise training by motivated low-income women does not increase their living standards in the short term, and that among employed women, self-employed women were most likely to have full-time, year-round working spouses (Spalter-Roth, Soto, & Zandniapour, 1994). Yet, one longitudinal study of 405 micro-credit borrowers determined that more than 53% moved out of poverty within 5 years and within the same time period public assistance by the recipients was reduced by 61% (Clark & Kays, 1999; Himes & Servon, 1998).

Researchers note benefits and outcomes of microenterprise training and networking opportunities which cannot be quantitatively measured. These include the development of a sense of community in low-income neighborhoods, increased self-confidence, family and personal stability, time and resource management, independence, career options, work skills, economic literacy, potential for success and greater control over one’s life. Job placement and the identification of microenterprise as an inappropriate choice for an individual participant’s route to self-sufficiency are also considered successful results (Servon, 1997; Servon, 1999; Servon, 2002). The additional positive relationships

participants establish through their participation is also considered an eminent outcome of microfinance programs (Servon, 1996).

Critics assert program elements which relate to the personal development or “empowerment” of clients do not necessarily result in “the development of income-generating microenterprises or the enhancement of participants’ economic self-sufficiency in the short run” (Bhatt & Tang, 238, 2001). Others have determined microenterprise programs fail to address special barriers faced by low-income women entrepreneurs, such as child and family care constraints (Bachrach Ehlers & Main, 1998). A study by Cowgill and Jurik on practitioners from 50 programs specifically criticized programs for women as they “pressure” clients to be “realistic” with business ideas and encouraged them to pursue those ideas which are most compatible with their past work experience and resources; therefore reinforcing existing gender stratification patterns in business as most women clients’ prior work experiences [are] in “pink collar” occupations. The study concluded that “women entrepreneurs had to meet male-centered visions of motivation, management style, and growth objectives to be treated as legitimate candidates for counseling, training, and loan assistance.....and training classes socialize [women] to accept traditionally male entrepreneurial models (e.g. competitiveness, aggressive marketing, risk taking) that ignore the often unique strategies and practices that women bring to the world of business” (155 and 168, 2006).

The US microfinance sector has been criticized for not having a large number of participants, not creating enough jobs, providing an insufficient number of loans, and loans which are too small and for not serving the “poorest of the poor” (Johnson, 1998).

Additionally, some microfinance programs were found to perpetuate dependency through heightened staff control and supervision on the lending circle activities of their participants (Cowgill & Jurik, 2004).

The heaviest critical findings are that programs fail to meet poverty alleviation goals as they do not serve many participants at or below the federal poverty level. They instead serve those who exist at the margins of the mainstream economy who are more educated than the average American, have strong employment backgrounds, well-defined skills, and strong support networks (Cowgill & Jurik, 2004; Taub, 1998; Servon, 1997). The number of participants who actually move from poverty to self-employment has been determined not to exceed 1 in 100 for those who are unemployed and 6 in 1,000 for welfare recipients (Schreiner, 1999). The limited education, skills, and relevant business experience of welfare recipients serve as incredibly high obstacles for entrepreneurship (Bhatt, 2001). These results highlight the conflict between the social welfare and economic development goals of microfinance.

Programs have also experienced a lack of demand for loans. Reasons include low debt capacity of participants, insufficient cash flow, poor credit histories, few viable loan applications, and the unwillingness of potential borrowers to complete the required business-training component. Programs where clients viewed management as lax and incompetent suffered the most financial losses and abuses of other services as clients became unwilling to pay back loans (Bhatt, Painter, & Tang, 2002). These problems have resulted in considerable challenges in outreach and sustainability which has made



programs heavily reliant on external, subsidy funding (Schreiner & Morduch, 2002). In addition to high loan losses excessive overhead costs pose a challenge (Bhatt, 2001; Hung, 1999; Nelson, 1994; Schreiner, 1998; Taub, 1998; Bhatt, Painter, & Tang, 1999).

Advocates of subsidizing programs maintain that efficiency and innovation in making the best use of funds, rather than profitability, are most important for program success.

Morduch comments, “it is not profit maximization that makes a program efficient.

Instead what matters is having a hard budget constraint, something possible even with subsidies” (626, 2000). But donors and sponsors are not interested in supporting the

program operation costs, such as training expenses and staff salaries. As a result,

programs are increasingly serving participants with moderate incomes and education to

the exclusion of the truly disadvantaged (Cowgill & Jurik, 2004). However, Bhatt,

Painter, and Tang explain low-income participants “lack the emotional, educational, or

entrepreneurial capacity that is required to handle debt. Thus, these individuals could

seldom put loans to productive use” which led to low repayment rates (214, 2002).

Notably though, these researchers did not connect the small size of loans to participants’ inability to put them into “productive use.”

## **Historical and Political Background of Microfinance in India**

Influenced by the philosophy of collective operations, the Development of Women and

Children in Rural Areas government scheme was first piloted in 50 districts of India in

1982/1983. This scheme introduced an explicit gender approach in rural development that

focused on the formation of SHGs (Lahiri-Dutt & Samanta, 2006, 2002). Imposition of

the International Monetary Fund Structural Adjustment Program followed in 1991 and receipt of financial aid from the World Bank prompted Indian government to establish a number of regional, state-level agencies known as ‘Women Development Corporations’ (WDCs). These agencies aim to “improve the economic, social and educational condition of women” by offering training and bank loans for women’s self-employment endeavors<sup>6</sup>. Specifically, they provide women with marketing strategies and business knowledge and skills (Vasavi & Kingfisher, 2003). Consequently, the ‘welfare’ approach of viewing women as beneficiaries has subsided to the ‘developmental’ approach in which women are viewed as underutilized productive resources. They are expected to become entrepreneurs and thereby limit the need for state benefits, services, and concessions (Karleker, 2004; Vasavi & Kingfisher, 2003).

However, momentous gains in social and political capital, such as increased property rights and changes in intra-household relations, are fundamental preconditions for the realization of economic empowerment. Essentially, empowerment is concerned with more than just an improvement in physical and social conditions. Women’s livelihood strategies which extend from empowerment look beyond goals of survivability which merely focus on the engagement of productive self-employment or the labor market, but also the adoption of different technologies, savings, borrowing, investing, changes in consumption patterns, labor and asset pooling, and social networking (Grown & Sebstad, 1989).

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<sup>6</sup> Information on the Haryana WDC can be found at <http://faridabad.nic.in/Administration/women.htm>.

## **Self-Help Groups**

Lahiri-Dutt and Samanta cite the Government of India's definition of Self-Help Groups (SHGs) as a "collection of rural poor who have volunteered to organize themselves into a group for improving the standard of living of the members" (146, 2002). Other Indian sources explain SHGs operate to "relate to social empowerment (equal status, participation in decision-making), economic empowerment (access to and control over resources, reduced vulnerability), and capacity building (increased skills, knowledge, self- and mutual help, leadership roles" of participants and to "promote participation as a means to increase efficiency, decrease costs of service delivery, integrate group activities in market, and promote disadvantaged groups in decision-making" (TNDCW, 2000; Acharya et al., 36, 2005). SHGs focus on access to credit through democratically run groups in which participants can develop an awareness and agency to address different societal aspects which affect their lives, learn from each other, and build self-confidence and social networks (Lahiri-Dutt & Samanta, 2006; Johnson, 1998). Prolonged intensive training in self-reliance, group integration and group cohesiveness is proposed to be taught in order to best ensure the success of SHGs (Vijayanthi, 2002).

SHGs are commonly supported and launched "top-down" by a non-governmental organization (NGO), which is often an external entity to the community (Woolcock, 1998). NGO's have been considered by development scholars to be capable of overcoming limitations of the state and to possess comparative advantages over government offices/agencies in their capacities for promoting innovative strategies, being responsive to local needs and interacting face-to-face with the communities they serve

(Kabeer, 1994; Fernando, 1997; Dutt, 2004). They are revered by development experts to be external catalyzing agencies that support women in changing their understanding of themselves, helping them to begin to value their roles in the community and commit collective action for improving their lives (Dutt, 2004).

Conversely, critics contend SHG income-generating activities “do not disturb women’s position in the existing division of labor or in the productive and reproductive spheres” and describe the scheme “domestication of development through microenterprises reinforce[ing] existing relations of power in private and public domains” (Fernando, 175-176, 1997). These statements are evidenced in review of SHG credit disbursement for income-generating activities which notably include: agricultural undertakings such as hog fattening, agro-processing, fisheries and cattle or livestock rearing/pasturing; household manufacturing like book binding, making incense sticks, flower vases, cotton and woolen garments; and artesian/traditional craftsmanship such as leather work, bamboo work, basket weaving, jute bags and pottery (Lahiri-Dutt & Samanta, 2006).

SHGs follow a rotating credit model whereby borrowing occurs in an order where group members can only borrow after the previous borrower has repaid her loan or established a history of repayment (Johnson, 1998b). Groups are responsible for fund allotment and members adhere to the practice of saving 10-20 rupees/person/month (Lahiri-Dutt & Samanta, 2006). Savings balances are held initially in a commercial or licensed bank, but after considerable depositing experience is gained the group is permitted to begin generating loans from it to be disbursed amongst members. SHGs determine amongst themselves the participant order by which loans will be sanctioned and they are required

to hold monthly or weekly meetings to collect repayment, deposit savings and allocate loans (Von Pischke, 2002).

The social capital which currently exists through the shared social networks of members is capitalized upon by lenders who utilize it as a form of collateral or chattel to ensure repayment and serve as a screening tool. Group members insure each others loans and are thus constrained from exiting the group unless all members have completed repayment. If default occurs by a borrowing member, the other members cannot access additional loans until repayment by the defaulting member or other group members occurs.

Group-lending is explicitly used to lower the transaction costs of formal financial lenders in doing business and providing loans to disadvantaged populations they had previously excluded because the private information group members possess on each other is often used to screen out riskier, poorer members from borrowing (Bhatt & Tang, 2001; Johnson 1998b; Woolcock, 2001). Bennett remarks, “In a very concrete way, [social intermediation] is creating the basis for *trust* between the banker and low income, illiterate clients and thus, helping to integrate these clients into the formal financial market” (1996b).

## **Outcomes of SHGs**

### **Positive outcomes**

Early case studies from India disclosed the status of women and their decision-making role in the family is enhanced when they have an independent source of income (Baud, 1992; Bhatta, 1980). These findings contributed to the emergence and successive widespread expansion of SHGs. Subsequent studies have found access to loans provided women gains in self-esteem and autonomy, more negotiating power with their households and increased their control and empowerment over other aspects of their lives, including economic security, increased mobility, and cooperation with community members (Sebstad & Chen, 1996; Creevey, 1996).

As a result of SHG activity, benefits are sustained by both individual members and the larger communities they belong to. Community benefits include conveying knowledge on capacity building, generating income and resources, requesting help from the government for social, economic, and physical development of their communities. Other achievements are improvements in the problem-solving capacities of both individual group members and entire groups and increases in leadership skills and community participation (Vijayanthi, 2002; Rao, 1996).

### **Negative outcomes**

SHGs are also subject to great challenges which can outweigh the benefits. Differences in political alliance at the local level have been shown to lead to the fracture of groups. A

lack of coordination and communication are common causes for the demise and disintegration of SHGs. Heterogenous groups fail to address the varied struggles experienced by women who are oppressed differently by different people. Religious differences within rural communities have been shown to exclude Muslim women. Consequently, groups often devolve into hierarchical structures with a team leader being a woman who has a higher literacy level than the other group members. She is thus burdened with the bookkeeping of accounts, a task she is often unprepared to perform. As a result she assumes the role of the executive decision-maker and conflict emerges over her role as a leader among equals. According to Lahiri-Dutt and Samanta this devolution “goes entirely against the very concept of ‘the group’ as the recipient of official support” (Lahiri-Dutt & Samanta, 2002; Dutt, 2004; Lahiri-Dutt & Samanta, 2006).

Issues pertaining to poor women’s lack of bargaining power and mobility, low wages, long and erratic working hours, and lack of legal protections and recognition as workers remain unaddressed within SHGs. Lahiri-Dutt and Samanta contend the government’s inflexibility in allowing women in SHGs to establish networks and contacts in one income-generating activity and then transfer them to another that was not specifically outlined by governmental policy. They conclude, “the problem with ‘self-help’ schemes for women is the way they problematise the ‘self,’ mostly in the mold of the bureaucrat’s own image, rather than [shaping policies through participatory consultation with] the women for whom these schemes are made. The act of government officials ‘determining’ what kind of activities women should engage in, invariably leads to replication of existing power structures within the society such as caste” (292, 2006). Other researchers

have reported on participants complaints against the Indian government, the largest and primary financial sponsor of SHGs programs, for not allowing them to apply the contacts and networks they established through one income-generating activity to another (Rao, 1996).

Also, class exploitation, resource and skill constraints which prevent the expansion of microenterprises and market constraints on the growth of the informal economy, all directly impact the empowerment/self-sufficiency of women. Therefore, research demonstrates few women are actually developing profitable microenterprises but rather are investing in their husband's activities or low profit projects. For example, an early study on Grameen Bank borrowers determined that although 95 percent were female, in only 37 percent of cases they retained significant control over loan use (Goetz & Gupta, 1995). Credit from programs is found to help fund self-employment activities that supplement income for borrowers rather than to drive major shifts in employment patterns. Program success has been especially limited in regions marked by low population densities and highly seasonal income patterns.

Furthermore, women's abilities to increase incomes and choices of activity are critically constrained by gender and social inequalities which hinder their access to other resources for investment. They are also constrained by low levels of mobility and lack of time because of unpaid domestic work. Many programs have reported increases in women's work burdens resulting in adverse effects on the children and elders they care for (Mayoux, 2005). These problems are further complicated by performance evaluation



measurements as Indian government sponsored microfinance programs are assessed on the basis of financial returns on investment rather than improvements in targeted women's social and political positions (Lahiri-Dutt & Samanta, 2002).

Evaluations of microfinance programs around the world have concluded that the target population of the 'poorest of the poor,' the bottom 20 percent of households ranked by income and wealth, are not likely to be participants. Methods of peer pressure or motivation by themselves are insufficient in guaranteeing the participation of the poorest community members as they are often reluctant to accept the explicit and implicit risks involved in borrowing, especially where the "opportunities for credit-financed self-employment are very limited" (Hashemi & Schuler, 14, 1997). The social capital within rural communities and among group members can be used to enforce sanctioning measures against defaulting members that include loss of social standing, community ostracism, and public embarrassment. Groups often disband after the experience of a loan default (Von Pischke, 2002).

Rankin reports to avoid social repercussions from non-payment "women often borrow from local moneylenders and other sources in order to meet rigorous weekly repayment schedules – thus recycling their debt and entrenching the very class-based hierarchies that microfinance programs are intended to address" (16, 2003). Additionally, the rapid decline in the food stocks and natural resources, such as lentils, firewood and rice reserves, vital to the livelihoods of rural communities, has been linked to the repayment

pressures. Fernando cites testimony of a rural Bangladeshi woman in his study who stated:

“We are constantly under pressure to think of ways in which we can raise money for weekly repayment requirements. Often we have to sell the few home-grown vegetables that we earlier used for our own consumption, forgo buying books for our children and medical treatment....We are forced to go to the forest and collect firewood and sell it in the market” (174, 1997).

Finally, NGOs in most instances have only fulfilled the role as managers with SHG members being regarded as patrons rather than participants (Dutt, 2004). Edgecomb and Barton note, “therefore ultimately the rules of the game, remain in the hands of an external body that demands accountability for continued access [to credit and other resources]” (20, 1998). This conclusion seems to confirm Fernando’s supposition that because “development is primarily a project of the nation-state; NGOs are constrained to operate within the parameters of national interests as they are articulated by and embodied in the state” (151, 1997).

Given these challenges is it possible for SHG members to develop skills and resources to participate in more extensive networks beyond their communities? With support for SHGs provided by inflexible government financing and by donors who prefer small-scale income-generating activities for women, instead of institutionalizing movements for structural reform and the end of discrimination, is it possible for women participants to truly become empowered?

In summary, no link has been established between SHGs and disadvantaged women's social and political empowerment (Vasavi & Kingfisher, 2003; Mayoux, 2005). Indeed negative outcomes far outweigh positive outcomes and may actually serve to further marginalize poor women through increases domestic and social pressures. SHG participation does not in itself lead to autonomy in decision-making, equality and liberation (Rao, 1996). On the contrary, women are often encouraged to take up income-generating activities which can easily be carried out in the home, thereby limiting the use of their organizational capacities to the boundaries of the home and possibly reinforcing their subordination.

The following three sections describe essential facets of savings, social intermediation, and financial sustainability/subsidization related to the use of microfinance for achieving the self-sufficiency/empowerment of disadvantaged women.

## **Social Intermediation**

Social intermediation is the process of organizing and interacting with disadvantaged populations and individuals to build their human capital for the purposes of making them "loan ready" (Bhatt, 2001). Common objectives for the uses of social intermediation are to create new attitudes and self-perceptions on the micro level and new systems and institutions, which serve local needs, increase local control and build self-reliance, confidence and empowerment, on the macro level (Edgcomb & Barton, 1998; Bennett, 1996; Bennett, Goldberg, & Von Pischke, 1994). Social intermediation facilitates financial intermediation through institutionalized mechanisms of incentives, subsidies,

rules, and explicit connections that foster support for asset accumulation. Broadly, it is used to harness and manipulate social capital for the advancement of social and economic development, thus making it a precarious process to manage as social capital “can enhance, maintain, or destroy physical and human capital” (Woolcock, 1986, 1998).

The form social intermediation takes is contingent upon the focus and strategies of the organization(s) which apply it. Factors that shape it include the organization’s practices and strategies in assisting targeted populations to build and control their own financial assets, as well as the amount of autonomy in decision-making empowered to their targeted populations. The organization’s relationship with clients is observed on contractual terms, either written or unwritten, and reinforced through practice, wherein accountability is mutual and both sides have responsibilities and roles to fulfill. However Edgcomb and Barton note “practitioners have serious challenges to address in building local organizations with strong accountability and control mechanisms” (ix, 1998).

NGOs and non-profits that successfully employ the process of social intermediation in microfinance often focus their strategies and practices on the capability development of their targeted population. These strategies may involve facilitating and fostering SHG connections to social services (like health, adult literacy, and family planning), and production support services, like agricultural extension. Practices may include hosting and organizing conferences as well as helping groups and individuals establish good record and audit systems and training them in basic financial management and accounting methods (Edgcomb & Barton, 1998).

As a process social intermediation relies on social networks and thus draws attention to the social relationship aspect of finance. J.D. Von Pischke notes that finance is primarily a social function as the Latin root of “credit,” *credere*, is to believe or entrust (1991).

Researchers have recognized that the sharing of resources among disadvantaged groups are primary means for their economic survival (Lahiri-Dutt & Samanta, 2006). Rotating savings and credit associations (RoSCAs), informal associations based on interpersonal ties and mutual obligations, best exemplify how social relationships are related to finance and the extension of credit, particularly among disadvantaged populations (Edgcomb & Barton, 1998). RoSCAs differ from SHGs in that they are not limited to groups of between five and twenty participants, but rather are often comprised of most or all members of the community. Additionally, they are often established by the grassroots initiatives of community members who set the rules and procedures, rather than by external entities.

Support networks best operate to build shared social capital between individuals and/or groups by expanding their connections to others. However, social capital can be used for both constructive and destructive purposes. Bourdieu posits a holistic definition of social capital stating that it is the “sum of resources, actual and virtual, that accrue to an individual or group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition (1986).” His definition acknowledges structural constraints and opportunities, as well as that actions

and choices made by individuals and groups, directly affect one's economic opportunities (Lahiri-Dutt & Samanta, 2006).

This definition contrasts with Putnam's more commonly cited view that describes social capital as "those features of social organization such as networks, norms and trust that facilitate coordination and cooperation for mutual benefit" (35-36, 1995). Many relate this definition to the connections and trusting contacts that people make while going about their daily business (Kay, 2006). However, Putnam's definition does not recognize the full extent of social capital in that networks, norms, and trust within groups can also be bonded by a mutual fear or negative belief and used to wage ethnic violence and war against other groups, as in the case of Dafur.

In contrast, the lack of social capital in the form of personal and business networks has been connected to the difficulties encountered by struggling entrepreneurs in identifying financing sources (Giles, 1993). Bhatt explains, "lack of access to the broader social network prevents many minority entrepreneurs from accessing information on loan sources. At other times, a lack of support among family and friends prevents access to informal finance" (60, 2001). Servon and Bates extend the consequences of insufficient social capital to limiting business growth and profitability and bluntly state "entrepreneurs who do business with a narrow, low-income population become ghettoized" (438, 1998). The lack of social capital in inner cities bore profoundly negative and sometimes fatal consequences on the early efforts of US microfinance programs which depended on mutual liability as a substitute for collateral.

Social capital is utilized for many purposes to meet many social needs. It also serves as a “cultural mechanism to define and reinforce the boundaries of particular status groups” (Woolcock, 1998). Social relations and trust in the people who participate in SHGs determines success, more so than trust in institutions. As previously noted social capital serves as a lending screening tool and as replacement for collateral through the social support, pressure and facilitation of shared liability among SHG members, thus making the poor who lack other assets, then credit worthy (Fernando, 1997). Accountability is also managed through incentive mechanisms such as linking future, larger loans to prompt repayment of earlier ones, peer monitoring and group-based enforcement methods. The impact of loan losses on SHGs are more critical than for individual-based microfinance programs, as each loss effects the operational dynamics of an entire group of people (Edgecomb & Barton, 1998). In US microfinance programs close relationships between program staff with participants are established to assist with information gathering that can determine trustworthiness, integrity, and dedication. These intangible assets are in turn used to assert credit-worthiness and replace tangible forms of collateral (Servon, 1996).

While it is expected that SHGs benefit women by strengthening their social networks and ties to institutions, and thus contributing to their empowerment, some consider them to be a gross misuse of social capital (Lahiri-Dutt & Samanta, 2006). Smets and Bahre observe the implicit threats of confiscation of household utensils and physical violence limit the incidence of default in South African SHGs (2004). They report from their interviews with NGOs that support SHGs,

“one of the organizers proudly said that the microfinance scheme had worked out very well and that the members were very ‘committed’. She gave an example of a woman who had used the loan to start raising chickens. She was so ‘committed’, the organizer explained: the member had not eaten all day and went to bed hungry in order to repay her loan installment to the microfinance institution. The fact that she did not even eat in order to repay was regarded as a sign of the success of the microfinance institution. The fact that it is unhealthy to stop eating and that the woman was probably afraid of the consequences of defaulting, such as ostracization or violence, was completely ignored” (231, 2004)

Rao also observes difficulties in organizing heterogeneous SHGs comprised of female quarry workers in India because of weak trust and confidence levels between castes which in turn made it difficult to call group meetings outside of the quarry (1996). However, mixed ratios of poor and non-poor clients are encouraged in US microfinance programs so as to counteract the stigmatization low-income women often experience as welfare recipients.

Some argue effective social intermediation for SHGs should first focus capacity building on instituting discipline through the establishment of rules for meeting attendance, procedures, agendas, roles, and responsibilities and strictly applying them. They suggest NGOs provide exposure to new financial systems and models for asset development and credit distribution otherwise groups may replicate existing deficient practices (Edgcomb & Barton, 1998).

Others, however, argue for using social intermediation to build social capital differently by focusing on facilitating groups to develop their own empowerment strategies and



connect them to women's movements and other organizations (Mayoux, 2005). NGOs should, therefore, help women change their understanding of themselves and begin to value their roles in the community. They should also provide support for their efforts to "institutionalize collective action for improving their lives" (Dutt, 167, 2004).

Microfinance leaders in the US are also placing more emphasis on capability development as investing in the human capital of participants will yield long-term benefits for them in the labor market, whether or not they actually establish or operate their own microenterprise (Talen, Weiss & Sarkar, 2002). The success of US microfinance programs is also contingent upon the relationships developed through them. US microfinance programs build social capital through networks within and between programs.

They act as nodes which link social service providers, financial institutions, government agencies and other community-based organizations through their intra-program networks and relationships. Networks within programs are comprised of social relationships between participants and program staff and among participants (Servon, 1999).

Microfinance programs host events and activities which bring participants together, such as trade shows, conferences, meetings, and business incubators to foster the development of social capital and social networks (Schreiner, 2004). It is through the development of relationships and social networks that participants gain access to resources, such as credit and mentoring, which were previously unattainable. Their coordination work overcomes gender, language and ethnic barriers targeted clients often face in the financial market.

## **Savings**

Savings can be established through informal methods, such as money guards (an entrusted neighbor, relative or employer) and rotating savings and credit associations (RoSCAs), or through formal financial instruments and services, such certificates of deposits and passbooks. In recognizing that disadvantaged women around the world use informal savings, like cash holdings, in-kind favors, and stored reserves of rice and other valuable goods, to prepare for emergencies, pay for large purchases and mostly to smooth consumption microfinance programs in both the US and India have begun to offer formulized savings services and incentives for clients/participants. With access to convenient and secure formal savings services low-income women are enabled to establish a reserve to safeguard against unpredictable fluctuations in consumption and to self-finance investments rather than continually rely on moneylenders and other creditors. Savings are specifically necessitated to buffer household consumption during the initial growth period of new small business. Additionally, supporters advocate building assets to use as collateral and infer higher individual savings accounts will relax constraints on loans from formal financial institutions as they establish credibility and promote risk sharing (Morduch, 1999; Deaton, 1992).

Savings and other assets are asserted to “provide indirect benefits to low-income people by helping them improve their future oriented worldviews” (Zhan, Sherraden, & Schreiner, 166, 2004). Some supporters perceive savings to offer women the “opportunity to be seen [as] making a greater contribution to the household well-being [thus] giving them greater confidence and sense of self-worth” (Mayoux, 11, 2005). However, others

view the addition of savings to microfinance programs as a “relatively inexpensive source of capital for re-lending ....and creating a natural client pool” of future borrowers (Morduch, 1997, 1998).

Schreiner notes the lack of savings is one of the foremost constraints on self-employment in the US and without a sufficient reserve of savings most new microenterprises will fold (2001). The majority of new businesses in the US are begun through the use of savings and one-fourth are launched without any financial capital (Bracker, 1993; Bhatt, 2001).

Disadvantaged women in both rural India and American inner-cities face barriers to formal savings services. Low-income American women generally lack access to convenient banks that don't charge monthly maintenance fees for balances less than \$500 dollars and bank branches are physically and literally beyond reach for poor women in much of rural India. The literature documents the informal savings of women to be stored in livestock, electronics, jewelry, and other commodities, which deter the temptation to “withdraw” because of the time and effort needed to find a buyer and the unfavorable prices they often fetch (Vonderlack & Schreiner, 2001; Bhatt, Painter & Tang, 2002; Schreiner & Morduch, 2002). And while these mechanisms are regarded as inferior to financial deposits, because they are less convertible and “can rust and run away, be consumed or otherwise lose value through time.....financial deposits can also lose value to inflation and/or devaluation, especially in [India]” (Schreiner, 1997, 2001).

## **Financial Sustainability and Subsidization**

This section reviews the arguments made in the literature for the financial sustainability and subsidization or non-subsidization of microfinance programs in the US and particularly, in India. Donors consider microfinance to be a “win-win” development tool because investors can mobilize social capital to enhance the financial feasibility and cost-efficiency, jointly termed as financial sustainability, of banking with poor women. In turn, poor women gain access to both social and financial resources which supports their self-sufficiency/empowerment (Rankin, 2003). Based on this viewpoint and an emphasis on a businesslike approach which views micro-credit delivery as a commercial transaction, donors argue that subsidization should only be used to cover start-up costs. Thereafter, the expectation is that organizations generate enough revenue to fully cover all operational and financial capital costs (Vento, 2006).

Organizations which operate through subsidization necessitate financial donations or sponsorship in the form of grants to provide services and outreach. Arguments against subsidization assert donor budgets are limited thus limiting the scale of an NGO or non-profits operations. Second, subsidized programs run the risk of becoming inefficient through their dependence on donor funds. Third, donors, like investors, can be unpredictable. Finally, former subsidies for development purposes in the past have “have ended up in the wrong hands, rather than helping poor households” they were misused by corrupt government officials (Morduch, 1992, 1999).

However, donors negatively view NGOs increasing reliance on government funds because they perceive it to potentially weaken the building of a “permanent, innovative, and independent institution for poverty alleviation” (Fernando, 165, 1997). Similar criticism has been waged against NGOs with access to international donor funds in that they subscribe to the donor’s agenda (Dutt, 2004). Rao notes “donors tend to prefer small-scale, income-generating activities for women, instead of striving for structural reform and the elimination of discrimination in all sectors,” presumptively because they demonstrate quick short-term gains that can be more easily identified and quantified (184, 1996). Accordingly, the strategies employed by non-profits and NGOs are often shaped by the constraints or autonomy afforded to them by their donors, whether they are local and/or national government and/or international organizations and philanthropic foundations. Dutt notes a fear on behalf of NGOs in India that partnership with a government office may result in compromising social change mobilization efforts for solely service delivery. Additional fears are the forfeiture of operational freedom, flexibility, and decision-making, the imposition of bureaucracy through the required acceptance of the government office’s administrative norms, and a lack of equality between the NGO and the government office (2004).

Non-profits in the US share the same fears and rightly so. Cowgill and Jurik’s study of US microenterprise development programs found that “in contrast to popular images of nonprofit organizations as altruistic, innovative, devoid of red tape, research reveals that successful social movement and non-profit organizations often grow dependent on government funding for support, and consequently become bureaucratized and

professionalized over time. Program services become less innovative and client-oriented” (154, 2006). Yet, the small size of loans, render microfinance costly to deliver. These programs focus largely on building human capital as opposed to providing access to financial capital. The expenses related to pre-loan training and post-loan technical assistance ironically render US microfinance programs incapable of achieving financial self-sustainability and thus they will continue to require heavy subsidization from government and philanthropic and/or corporate donors, even with the income they bring in on fees charged for classes (Bhatt & Tang, 2001)<sup>7</sup>.

The vast majority of microfinance programs around the world “remain substantially subsidized. This is especially so for those with explicitly social objectives.....the programs that target the poorest borrowers generate revenues sufficient to cover just 70% of their full costs” (Morduch, 672, 2000). Those in favor of subsidies argue microfinance as a possible tool for redistribution and socially meaningful and justified when the social benefits exceed the social costs (Von Pischke, 2002; Schreiner & Morduch, 2002).

Under the pressure to become sustainable without subsidies, NGOs in India have substantially downgraded the educational and social components of their programs and changed their processes, structures, and incentive systems to maximize financial returns. As a result the total costs endured by clients/participants increase, a redefining of the program’s loan portfolio pushes out the most disadvantaged clients/participants, and certain features of innovation and learning are diminished which defeats the objective of

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<sup>7</sup> Schreiner argues free training ignores “important lessons from the third world...fees produce feedback that improves the quality of training: students will not pay more than what the class is worth to them. Even a nominal fee is better than no fee” (1572, 2001).

building the development capacities of the poor. The average borrower loan balance of around \$430 and the higher loan sizes of the few financially self-sufficient programs evidence the consequential exclusion of the poor (Vinelli, 2002; Bhatt, 2001; Morduch, 1999).

The argument over sustainability and subsidization has in effect reduced the meaning of program viability to the issue of subsidy dependence or independence suggesting that a high degree of subsidy independence demonstrates program viability and operational discipline and efficiency (Bhatt, 2001). It is therefore, presumptuously assumed that the most effective development schemes that focus on poverty alleviation and/or women's empowerment are those which can be or should be self-financing. However, critics caution that the emphasis on the financial self-sufficiency of programs changes the core objective of microfinance from that of one being concerned with the welfare of the population to rather one concerned with the health of the financial system (Rankin, 2003). Such a shift in the core objective effectively negates its initial impetus of poverty alleviation and empowerment and may actually serve to further global capitalism's exploitation of disadvantaged women.

## **Chapter III**

### **Methodology**

The study is most appropriately described as a qualitative comparative case study.

Creswell explains a case study is “an exploration of a ‘bounded system’ or cases[s] over time through detailed, in-depth data collection involving multiple sources of information” (61, 1998). These sources include observations, interviews, documents and reports. Cases are bounded by place and time and situated within a context which may be geographical, historical, political, social, economic, and/or cultural. After data collection the researcher conducts a thematic analysis across cases and interprets the meaning of the analysis.

Comparative cases in this study are bounded by the places of Northern Virginia, US and Uttarakhand, India in the time period of May, 2007 to April, 2008. The historical, political and economic contexts have previously been established by the literature review to support the construction of relevant topographies as the topography and countertopography framework proposed by Katz serves as the supportive structure for analysis.

### **Site Selection**

This study began with fieldwork in Uttarakhand, India conducted by the researcher over the months of May and June, 2007. The intent of the fieldwork was to provide a basis of understanding of how microfinance is utilized and applied in the rural Himalayas of India. The researcher made observations on the operations of five NGOs located in



various districts of the state and informally met with their respective gatekeepers, who were typically either directors or managers. Upon completion of the fieldwork the researcher selected one NGO, Uttarakhand Seva Nidhi Paryavaran Shiksha Sansthan (USNPSS), of the five as a case for the study. The selection was based on several compelling factors. These factors were the organization's application of microfinance, the number of women the organization served and the openness and comfort-level of the gatekeeper with the organization's participation in the study.

The organization's application of microfinance was of particular interest to the researcher as it offered an alternative to the commonly applied model of SHGs. The organization does not sponsor or support SHGs but rather it supports a federation of women's village groups, also known as women's unions. In these groups every woman in the village is a member, thus groups are not restricted to memberships of between five to twenty women. In addition, the organization follows a grassroots approach wherein it acts as a facilitator rather than a manager to these groups. Therefore, the women's unions literally determine how the instrument of microfinance is to be structured and executed within their village groups. Formally, the women's unions use a model of microfinance termed as rotating savings and credit associations (RoSCAs), wherein they establish the rules and procedures themselves for the saving and distribution of credit amongst each other. As a facilitator, the organization merely provides information to women's unions on how RoSCAs are operated elsewhere.

For selecting the US site an Internet search on women's business centers located in US urban centers was first conducted. The search disclosed two women's business centers in relative geographic proximity to the researcher's university in Richmond, Virginia. The researcher then informally met with the directors of these organizations in November, 2007. Selection of the organization, the Community Business Partnership (CBP) was based on similar factors used for selecting the site in Uttarakhand, India. Selection was also based on its compatibility for comparison to the already selected site in Uttarakhand, India. The organization's structure and execution of microfinance and its physical geographic location and service area are wholly opposite to USNPSS. However, it served a comparable number of women and interestingly, it established its Women's Business Center program the same year the USNPSS formally organized its network of women's village groups, the Uttarakhand Women's Federation, in 2001.

## **Method**

The primary method of research for this qualitative comparative case study was conducted through the design, implementation, and transcription of structured interviews. Relevant interview questions which were applicable to both groups of practitioners/community organizers and pertained to their work values, practices, perspectives, and strategies and focused on savings, social intermediation, and financial sustainability/subsidization were generated from the literature review and from the researcher's observations gathered in prior field work. To certify a valid construction of findings triangulation of data was built into the study by interviewing a variety of participants – directors, staff members, and volunteers or community organizers.

Creswell describes triangulation as “the convergence of sources of information to help support the development of themes” (251, 1998). Questions were iterated among all groups with higher ordered questions added based on responsibility levels and organizational roles. In addition to in-depth interviews, documents, such as annual reports and other related organizational reports, served as primary source data. Quantitative data through these sources was used for descriptive purposes. An example of such data was the number of women served by the organization annually. The researcher also observed the practices of each organization for respective periods of five weeks at each site. These observations were made by attending classes and training seminars the organizations offered to women clients/members.

Nearly two dozen tape-recorded interviews were conducted, including interviews of two directors, five staff members and three volunteers of the CBP, and interviews of four staff members, two community-based organizers, and six women’s union presidents of USNPSS. Two translators in Almora, Uttarakhand, India assisted with the interpretation, forward-translation transcription, and backward-translation of interviews conducted with staff members of USNPSS and the community-based organizers and women’s union presidents of the Uttarakhand Women’s Federation. The translators were English literature and education graduate students at the Kumaun University who have studied English for more than 10 years. One woman student assisted with interpretation in conducting the interviews. After completion of the interviews the second student provided forward translation (Hindi into English) of the tape recordings for transcription by the researcher. The first student then provided backward-translation services (English

to Hindi) on the completed transcriptions. This process involved translating the translated documents into Hindi and comparing these with the recorded interviews to confirm or refute the forward translation.

Then a qualitative comparative analysis was conducted in a synthesized approach. Interview transcripts were first categorically coded to identify values, practices, perspectives and strategies that were recognized and discussed by the interviewees. This coding scheme permitted analysis of each interview transcript without obscuring the broader organizational consensus and further enabled comparison between the configurative analyses of each organization. Coding results were first compared within each organization among the varied respondents to confirm findings and record differences for a within case analysis. Summarized results of each question were then compared between the two organizations for a cross-case analysis to create a qualitative narrative. The similarities identified between the two organizations established contour lines, or analytic connections, that it made it “possible to theorize the connectedness of vastly different places made artifactually discrete by virtue of history and geography but which also reproduce themselves differently amidst the common political-economic and sociocultural processes they experience” (Katz, 1229, 2001b).

The differences between the organizations were then examined and explained by situating each organization in Mayoux’s theoretical paradigms of “Women’s Empowerment through Microfinance.” Distinctive features of the aforementioned analysis were highlighted to exemplify characteristics/details which serve to validate the

placement in the respective paradigm. Finally, an ultimate construction of results and contour lines was assessed to create countertopographies.

## **Context and Local Topographies**

A brief geographical comparison of the two organization's service areas is included to establish their comparative settings. This is followed by a detailed description of each organization and its group of practitioners/community organizers. Collectively these comparisons provide more specific or local topographies which are to be connected by contour lines established in the qualitative analysis.

### **Geographic Comparison**

#### ***Northern Virginia***

Northern Virginia has a geographic area of approximately 3,378 square kilometers and comprises the counties of Fairfax, Loudoun, Prince William and Arlington and the independent cities of Alexandria, Manassas, Falls Church, Fairfax, and Manassas Park in the US state of Virginia<sup>8</sup>. The area is part of the fourth-largest metropolitan statistical area of the country, the Baltimore-Washington Metropolitan Area. A metropolitan area is defined by the US Office of Management and Budget as a core urban area and its adjacent zone of influence with a population of 50,000 or more. The 2006 American Community Survey of the US Census Bureau provides a population estimate of 2,055,014 people. The survey also estimates 4.9% of the population lives below poverty.

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<sup>8</sup> "About Northern Virginia: Overview." NOVARegion.org. 24 Apr. 2008. Northern Virginia Regional Commission. <http://www.novaregion.org/index.asp?nid=101>. Square miles are converted to square kilometers by calculating the 1,304 sq. miles x 2.590.

Over fifty-five percent of the population holds a bachelor's or advanced degree of higher education. The average area median income is nearly \$68,000<sup>9</sup> .

Northern Virginia includes the two highest income counties in the nation and is incredibly diverse in the number of ethnicities and nationalities residing in the area with over 23% of the population being foreign born. Growing communities of Asian Americans, particularly, Korean, Vietnamese, Chinese, Filipino and Indian, and Arab Americans, mostly Afghan, Pakistani, and Iranian populate the area. Additionally, a significant Latino population, primarily comprised of Columbians, Peruvians, Salvadorans, and Bolivians and the largest African immigrant population in North America featuring considerable numbers of Ethiopians, Ghanaians, Nigerians, Kenyans and Somalians reside in Northern Virginia. The following table displays the racial demographic make-up of the region.

**Table 3: Northern Virginia Racial Demographics**

<b>White</b>	67.2%
<b>Black or African American</b>	13.9%
<b>Asian</b>	12.1%
<b>Hispanic or Latino</b>	11.6%
<b>Two or more races</b>	2.4%

In summary, Northern Virginia is one of America's most densely populated areas which over 608 persons occupying each square kilometer.

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<sup>9</sup> Mean household income figures from cities and counties which form Northern Virginia are aggregated using 2000 Census data.

## *Uttarakhand*

Uttarakhand became the 27th official state of the Republic of India on November 9<sup>th</sup>, 2000 after a 20 year struggle of separation from the Indian state of Uttar Pradesh. The Himalayan state is bordered to the east by Nepal, to the north by Tibet, to the south and west by the respective Indian states of Uttar Pradesh and Himachal Pradesh. It has a geographic area of 53, 483 sq kilometers, of which 35,394 sq kilometers are covered by forest (63%) and 92.57% of the area is mountainous with a maximum height located at 7,816 meters above sea level. The state was previously recognized as Uttaranchal from its formation until January 2007 when it was renamed because of political pressure to recognize the preferred name of the state under the separatist movement.

The area is best known as the birthplace of the Chipko environmental movement<sup>10</sup>. Uttarakhand is divided into two regions, Kumaon and Garwhal, to reflect the differing dialects and ethnic groups / tribes that populate these areas. Tibetans are increasingly migrating to the state, particularly to the northwest of the Garwhalian region. While the majority of the inhabitants are of the Rajput caste, the 2001 Census of India reports Scheduled Castes (SC) and Scheduled Tribes (ST) constitute nearly 17.9% and 3% of the population, respectively. It also estimates a total population of 8,479,562 people of which over 75% reside in the 15,761 rural villages within the state. Industrial development and

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<sup>10</sup> In 1973, in the Chamoli district, local village women demonstrated against a distant sporting goods manufacturers' threat of logging their grove of ash trees by literally "hugging" the trees until the threat to theirs and other village groves ended. This demonstration marked the beginning of a worldwide environmental movement to raise ecological awareness and slow deforestation. Pulsipher, L. and Pulsipher, A. (2006). *World Regional Geography: Global Patterns, Local Lives* (3<sup>rd</sup> ed.). New York: W.H. Freeman and Company

tourism have risen in the state over the last 15 years; however organic subsistence/cash cropping on small terraced plots remain the main economic activities.

Uttarakhand features a high literacy rate of 71.62% as compared to similar Indian states. Finally, while estimates on the percentage of the population that resides below the poverty line is not readily available, census data does offer a relative measure via the housing profile report of the state. Inspection of the distribution of households by bathroom availability reveals that only 26% of rural households have a bathroom facility located within the house.

In summary, Uttarakhand is a predominantly rural hill state whose development is in direct contrast to Northern Virginia. Notably its population density of 156 persons per square kilometer is four times fewer. However, both places are connected in their efforts to grapple with the global demands and pressures of rapid, expansive development.

## **Organizational Comparison**

### ***Community Business Partnership***

The Community Business Partnership (CBP) was officially established on June 23, 1995 in Springfield, Virginia. The official mission of the organization is to serve as “a complete resource center, providing training, support and access to capital to those seeking to build successful small businesses in Northern Virginia and surrounding areas.”

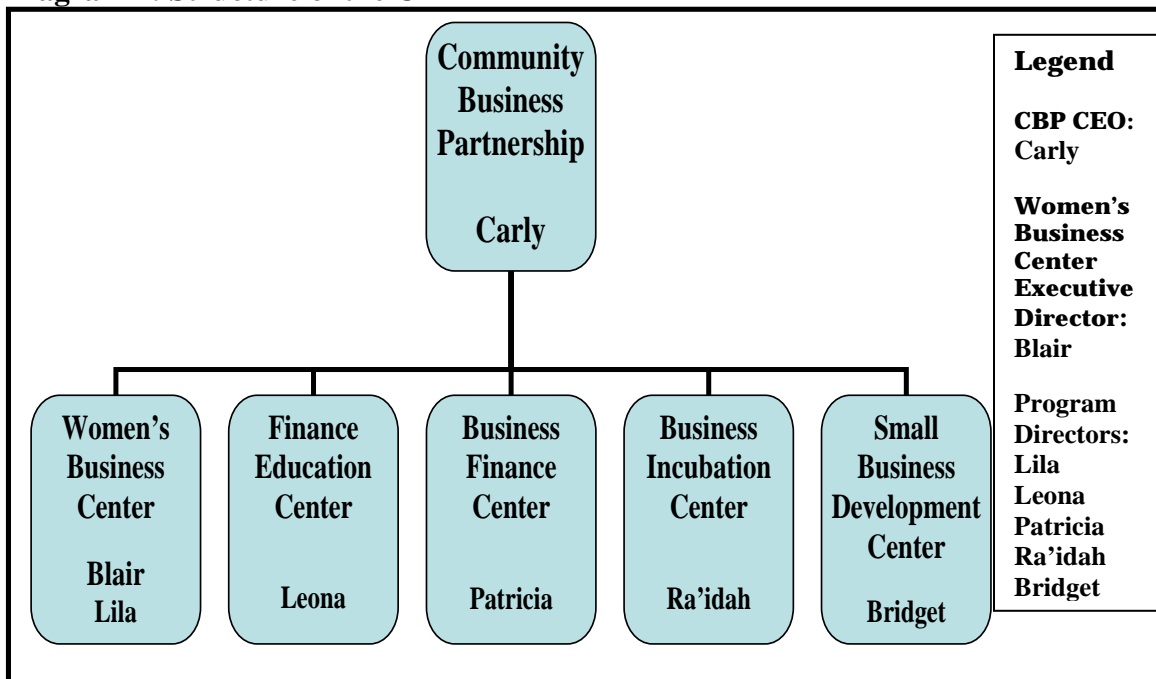
The CBP manages 5 programs, the Women’s Business Center, the Financial Education



Center for Women Entrepreneurs, the Business Finance Center, the Business Incubation Center, and a Small Business Development Center.

The following is a diagram of the structure of the organization. The people's names within the boxes are pseudonyms and represent the location of each staff member interviewee. Notably, Blair serves the dual capacity of executive director of the Women's Business Center and Vice President of Public Relations of CBP and Ra'idah is also the overall office manager of the CBP and its subsidiary programs. The volunteers which were interviewed, Bill, Shanti, and Rosemary provide support to all programs of the CBP.

**Diagram 1: Structure of the CBP**



A recent grant application reports they have “received continued funding for each of their programs since their inception, with several programs receiving increased funding based specifically on performance.” The CBP donors are the federal government agencies

Small Business Administration and U.S. Department of Housing and Urban Development; local government agencies of Fairfax County Economic Development Authority and Fairfax County Office for Women; corporate sponsors Virginia Enterprise Initiative, Mass Mutual, Capital Financial Partners; and other donors Claude Moore Foundation and George Mason University.

More than 13,000 clients have been served by the CBP and its programs within the past 4 years. Its client base is comprised of 20% men and 80% women. Approximately 18.9% of clients are new Americans, 40.2% are African American and 15.1% are Asian or Latino. The following table provides statistics on the client data of the Women's Business Center.

**Table 4: Women's Business Center Clientele Profile**

<b>Overall total number of women served</b>	12,000
<b>Percentage of women who are heads of household</b>	25%
<b>Unemployment rate of clients</b>	5%
<b>Typical sources of income</b>	formal employment
<b>Age range</b>	30's to 50's
<b>Percentage of women minorities</b>	64%
<b>Percentage of home-based businesses</b>	87%
<b>Percentage of sole proprietorships</b>	74%
<b>Percentage of non-college graduates</b>	45%
<b>Percentage of businesses with gross annual receipts &lt; \$30,000</b>	76%

*Interview Source:* Blair, Executive Director of the Women's Business Center

### *Uttarakhand Seva Nidhi Paryavaran Shiksha Sansthan*

The Uttarakhand Seva Nidhi Paryavaran Shiksha Sansthan (USNPSS) was formed in 1986 in Almora, Uttarakhand. According to its 2006-2007 Annual Report, the organization's initial mission of supporting the village work of "informal, small community-based groups and individuals" eventually evolved to "meet practical needs by creating opportunities for the local communities, especially women, to exercise choices to meet their strategic interests" (pg. 2). The report, furthermore, states the organization works to foster "a social movement to improve education, health, socio-economic and environmental relations in the hills." The initial endeavor and program of the organization is the Uttarakhand Environmental Education Center which develops and promotes environmental education "as a means of bridging the gap between the "formal" (schools, government) and 'informal' institutions (communities, network of NGOs) to make education relevant and useful to learners." Another objective of USNPSS is to "create environmentally conscious, cohesive and combative communities and reinforce and establish pride and self-confidence by sustaining an organic network that besides being supportive is capable of generating new ideas and activities" (pg. 3).

A second program of the organization is the balwadis (pre-primary school centers in the villages). This educational program for children, ages 3 to 6, has been implemented in 251 villages in "remote areas where the reach of the government programmes or of other institutions is limited or non-existent" (pg. 5). It offers an effective community-based educational model. USNPSS provides the training and honorariums to the balwadi supervisors and teachers. The girl<sup>11</sup> teacher manages the center in her home village for

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<sup>11</sup> They are referred to as girls because they are generally young women in their late teens or early twenties.

four hours every day and serves a dual role as a community development worker, for which she also receives training from USNPSS. In this capacity she works with community-based organizers and balwadi supervisors to organize whole village women's groups, also known as women's unions.

These women's unions collectively form the Uttarakhand Women's Federation (*Uttarakhand Mahila Parishad*). The federation's focus is centered on ecological security and socio-economic action through cooperative decision-making. According to the USNPSS 2006-2007 annual report, "the programme provides access to resources, agency, and power to women who are conventionally perceived as marginalized and powerless" (pg. 3). Women's unions are active in protecting, regenerating, and conserving water, grasslands, agricultural fields, and forests<sup>12</sup>. Other objectives of the federation are to demonstrate their experiences to the local government with the aim of collaboratively changing current government schemes and creating new policies<sup>13</sup>. Currently the federation is working to "challenge the dichotomy of formal and informal inclusion of women in political sphere" by promoting its member as political candidates in the local elections (pg. 23)<sup>14</sup>.

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<sup>12</sup> A successful example of a women's union recharging their village's water supply is highlighted within the report. The women's union of Bitholi village dug 500 trenches, each with the holding capacity of 4,000 liters on a hill immediately adjacent to the village. As the trenches became filled with rainwater the village's aquifer and drinking water source, a spring, was rejuvenated after 7 years. The same union also has a tree nursery of over 1,000 seedlings for its reforestation project.

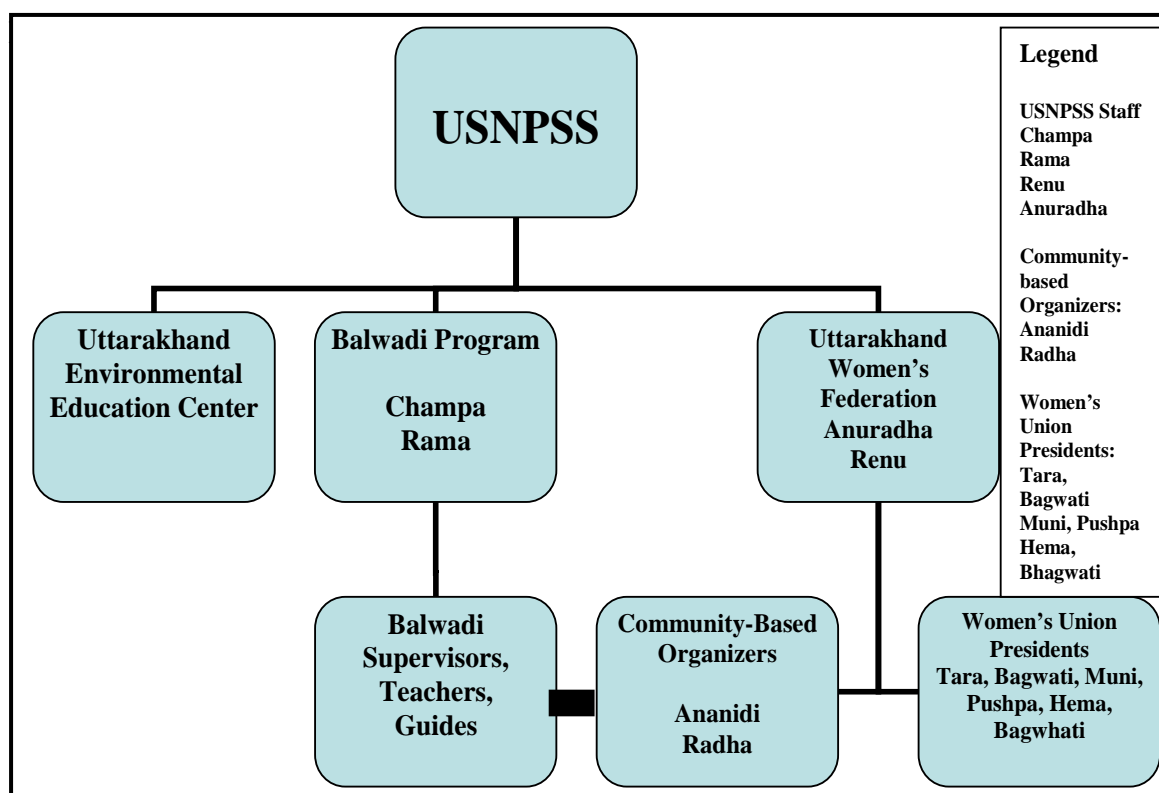
<sup>13</sup> "The issue of men and women receiving equal wages in government schemes is attracting public attention as a result of the campaigns run by women's groups in their respective areas." (USNPSS 2006-2007 Annual Report, 46).

<sup>14</sup> Its symbol is the basket because it is commonly related to women's work from making chippatis to collecting fuel wood.

Additional activities of USNPSS include financial sponsorship of a sanitation project wherein over 7,000 latrines have been constructed in villages across Uttarakhand. The organization also provides financial and technical support to 14 eco-evening centers, a two-hour after-school environmental education program with nearly 250 students in attendance, and to the People's Connecting Organization (*Jan Maitre Sangthan*), a group of young men and women, between the ages 25 and 38, committed to staying and learning livelihoods in their own villages. The annual report also discloses the organization sponsored four separate day-long health camps which provided treatment of ailments and diseases to 250 women and children.

USNPSS receives funding from the Sir Dorabiji Tata Trust in New Delhi and the Rajeshwar Susheela Dayal Charitable Trust in Mumbai. The following is a diagram of the structure of the organization. The people's names within the boxes represent the location of each interviewee.

**Diagram 2: Structure of USNPSS**



The following table provides data statistics on the membership the Uttarakhand Women's Federation.

**Table 5: Uttarakhand Women's Federation Membership Profile**

<b>Total number of federation members</b>	15,000
<b>Percentage of female headed households</b>	20%
<b>Employment description</b>	Most women work in the fields and home without monetary wages
<b>Average household annual income</b>	Valley location – Rs 50,000 – 80,000 (US \$1,200 - \$2,000) Non-irrigated land location – Rs 15,000 – Rs 20,000 (US \$370 - \$500)
<b>Age range</b>	17 – 65

*Interview Source:* Anuradha, informal coordinator for the Uttarakhand Women's Federation, USNPSS staff member

## **Chapter IV**

### **Results**

The results chapter provides the study questions, summarized findings and discussion of the comparative analysis. It is organized into the following five sequential sections: organizational development, social intermediation, savings and lending practices, financial sustainability/subsidization, and final perspectives. The chapter closes with the women's empowerment through microfinance evaluation.

### **Organizational Development**

The following section provides the study questions, results and discussion related to the organization's history, background, mission and values. Several opening interview questions asked about the interviewee's current position or relationship to the organization, how this relationship was initiated and developed over time, and the approximate years the interviewee had been connected with the organization. These questions were asked for the purposes of providing a few initial organizational comparative points, such as the overall range in length of time for interviewees' organizational connections and some organizational historical analysis. Descriptive narratives for each organization follow.

The CBP volunteers interviewed in the study have had long-term committed relationships with the organization for five to eight years. They each began their relationships as clients or through their interest in becoming a client and their roles and tasks as

volunteers have changed over time with the addition of responsibilities. Bill progressed from being a class speaker on accounting to teaching a two night class once a month to also providing three hours of counseling to clients once a month. He now serves on the organization's board.

Rosemary, a volunteer of five years, explains "I just get more interested about how to communicate to my Spanish community, helping as I tell you with questions on everything about starting a business. And I began to give some classes in Spanish here..... So it was really helpful for myself because even if I was still learning something about how to manage my business I was trying to teach while I was learning from my own experience."

CBP staff members also describe becoming employed as the result of a lengthy volunteer and client relationship or being "chosen" because of shared values and interests. Two staff members concurrently own and operate several small businesses. Leona remarks "I've always had a passion for entrepreneurship, but then I've always wanted something that would help people out," while Ra'idah volunteered five days a week for nine months as an office assistant before becoming an employee. The length of employment for CBP staff members ranges from seven months to nine years.

The executive director of the Women's Business Center, Blair, and the CEO of CBP, Carly, both possess strong backgrounds related to their positions and have been with the organization for seven and ten years, respectively. Carly was working on a doctoral



degree in community college education prior to becoming a business counselor for the organization. She accepted the position as CEO because she “saw lots of things that [she] could change to grow the organization.” Likewise, Blair’s background is in organizational development. She explains she was hired into her position because she not only had “twenty plus years of working with women, a strong training background, a strong administrative background. [Additionally] I had my own business and so I knew the trials and tribulations of women starting their own businesses and not having adequate support.”

Community-based organizers and women’s union presidents [on the village level] in the Uttarakhand Women’s Federation were either motivated to join the organization because of shared values or were working as teachers in the balwadi [one-room pre-school in the villages] program of USNPSS. Ananidi explains “I started this work seeing the condition of women and adolescent girls.” And Bagwati comments “I wanted to work in the society. I had a view that I want something for the society.” Radha says she joined when “I felt that we can take our village level problems to the state level and joined the federation.” Organizers noted their relationships with USNPSS are between three and a half and twenty years old.

USNPSS staff member, Renu, who has the shortest employment history with the organization of four years, previously worked for one of the organization’s funders, the Dayal Trust. Anuradha, the USNPSS staff member with the longest employee relationship of sixteen years, holds a Master’s degree in Geology with advanced

coursework in environmental education. She began her work with the organization as an environmental educator who trained school teachers on the subject's curriculum. She says the organization offers freedom and flexibility in opportunities which explains how she came to her current position as the informal coordinator of the Uttarakhand Women's Federation.

Anuradha explains the federation decided when it officially formed in 2001 to not have any positions to mitigate any possibilities of someone "taking advantage....and we said it's a collective work, so we are all equal...there is no head of the organization. I am sort of coordinating the work, not as a formal coordinator though."

The Women's Business Center program of the CBP and Uttarakhand Women's Federation network of USNPSS were both formally established in 2001. The Women's Business Center was initially established to provide business training to the more than 2000 family-based childcare providers located in Fairfax County, Virginia. The Uttarakhand Women's Federation was initiated through USNPSS's balwadi program, village pre-school centers.

Overall interviewee relationships with USNPSS were longer than the CBP interviewee relationships primarily because of the difference in establishment dates. However, overall CBP interviewees held much higher degrees of education in comparison to their USNPSS counterparts. While most CBP interviewees possessed Master's degrees, most USNPSS interviewees, particularly the women's unions presidents, didn't even graduate high

school. Finally, all interviewees provided thorough and detailed responses to questions thus reflecting a deep understanding of all aspects of their respective organizations, particularly its values, practices and strategies. For matters of brevity and clarity these details are not always included in the quotes of the following sections.

### **Mission**

The following three questions were asked of all staff members and directors to determine an understanding and consensus on the organization's purpose and its targeted population. The final question was asked to gauge how effective each organization was in actually meeting its mission. These questions offer fundamental comparative points of each organization's service orientation to microfinance and women's self-sufficiency/empowerment.

*Describe what are the organization's mission and goals:*

Lila, a CBP staff member states "the mission is to serve the entrepreneur. To provide the services and resources that entrepreneurs need in an environment that is cost effective....The goals are to stay afloat, but not just to stay afloat but to thrive and to put ourselves as an organization in a position where we have sustainable income and are not dependent or as dependent on the county, or on the state, or on the federal government for funding. Because in the era of a recession-headed economy non-profits are always the first to go, because that's seen as extra. The monies start drying up for non-profit organizations and so for us to be able to survive we really need to be in a place where we

provide or we create a significant piece of our financial picture. So I see that as a significant goal of the organization”

However, Ra'idah comments “Our main goal is, since we are a part of Fairfax County, to encourage businesses in Fairfax County,” and Patricia noted “it’s both economic impact and assisting individuals. But it’s definitely to help individuals.” She further remarks “what we want to do is bring economic impact to Fairfax County if we can,” by supporting inexperienced entrepreneurs. She takes her position seriously in wanting to responsibly help low-income aspiring entrepreneurs stating “I try not to put people in debt to a large amount of money [those that take microloans from the Business Finance Center program]. So we just give them what they need and enough and hopefully we can incubate and grow them so that they’ll become more self-sufficient. So we’re hoping to just lift some people out of the poverty trap.”

Carly succinctly state’s CBP’s mission is “to provide training and resources to help start and grow small businesses.” Blair discusses the mission and goals of the Women’s Business Center stating, “Our mission is to provide the training, assistance and support that women, particularly minority and socially disadvantaged women need to start and grow successful small businesses. The goals are essentially around that. They are also to retain our funding so that we can continue our existence and that means that there are certain SBA numerical goals that I have to reach each year. There are certain fundraising goals that I have to reach and certain reports that have to be done so that I can stay in business.”

In contrast Radha, a community-based organizer (CBO) for USNPSS, answers “When we feel that in this village the people are very poor. There are women who don’t know anything, no education facilities, no one is looking after them. They are suffering by these type of things. We made our aim to work with these type of people.” And USNPSS staff member, Champa, says “the aims of the organization should be to make women strong [women empowerment], the initiative of society in children education, the attachment of women [in society – more female participation], the equal rights for men and women, the whole rights of women, and working together in society.” Anuradha adds, “we try to create an enabling environment in the villages that women can work from a position of strength. So they are aware, they make informed choices because when you know what is what you can make choices.”

While the goals of the Uttarakhand’s Women’s Federation [*Uttarakhand mahila pasrishad*] are determined by the women participants, it is currently working to “align rural women’s participation with processes that challenge the dichotomy of formal and informal inclusion of women in the political sphere; to challenge development ideologies and practice that operate under unequal power relations and perpetuate discrimination based on gender, class, caste, location, etc; and to reshape development thought and policy to create and sustain practices that are sensitive to [rural women’s] needs” [USNPSS, 2006-2007 Annual Report, pg. 23].

The reasons for each organization’s establishment also vary. According to Carly, the CBP resulted from a “needs assessment done in 1995 that addressed low-income minorities in

a very specific area of Fairfax County.” Blair notes establishment of the Women’s Business Center was mandated by the federal government. “The SBA (Small Business Administration) actually came to George Mason University’s Enterprise Center because there was pressure on them to make sure there was a women’s business center in every state and Virginia was one of the last.” She details an eventual partnership between the Mason Enterprise Center, the Fairfax County’s Office for Women, and the Community Business Partnership which jointly applied and won the federal grant to establish the Women’s Business Center.

The 2006-2007 Annual Report of USNPSS recounts the organization was founded in 1986 and at its inception “invited small community-based groups and individuals of the rural hills of Uttarakhand to participate in an informal meeting....The common point [from the meeting] was that they all needed some guidance, encouragement and long-term support to begin and sustain an organized form of work in the hills. Since USNPSS was ready to support informal, small community-based groups and individuals, and did not want to impose any projects on communities, the programme relied on collective idea and activities emerging from villages. Slowly, the programme evolved in a way that practical needs were met creating opportunities for the local communities, especially women, to exercise choices to meet their strategic interests...creating a social movement to improve education, health, socio-economic, environmental relations in the hills....[while working] towards developing organic relationships between the local communities and government [1-2].”

*Who is the target population?*

Ra'idah states overall "immigrants, underprivileged people, women and minorities," and Leona adds "the low-income, the underserved, and geographically anybody who wants to travel here." However, she and Lila both concur that while there is an emphasis on low-income women in their programs, they are open to serving "entrepreneurs anywhere from low-income to high income." Lila adds, "the Small Business Development Center program within the CBP, is more focused on businesses that have reached the two-to-three year mark and are now ready to go to growth mode, because they have been able to sustain themselves," and thus attracts moderate-to-high income individuals.

Champa remarks work of the Uttarakhand Women's Federation should be "upon the women of poor society in the village." However, Renu comments "it is equal to all. Nobody is above or below, nobody is of upper caste or lower caste, equal to all and it works deeming everyone equal in every village." Finally Anuradha unites these views stating "We work in the hills of Uttarakhand for everyone. Our focus is on women, the rural women especially, but we work with the schools, we work with the teachers, we work with the adolescent girls... balwadi children. And sometimes the men from the villages also come here."

*Who actually receives services provided by the organization?*

The CBP CEO, Carly, states everyone. My philosophy is that about 30% of our funding comes from federal dollars, so therefore we cannot discriminate.” Ra’idah, the office manager, adds “all of these [aforementioned groups], even though we focus more on women we have a lot of male clients as well. People could be in the pre-start-up phase or they could be just expanding like crazy and they just need help with that.”

And Blair discusses the clientele of the Women’s Business Center as “traditionally about 5%, we’re probably up to about 10% of our clients are men now. Traditionally, we’ve been two-third’s women of color. We’ve been about 85% sole proprietorships, so single employee, small businesses, probably about 90% home-based. On average the women that come here have a very broad educational range. It averages to about two years of college. But on the low-end we have large numbers of home-based childcare providers who did not receive even a high school education in their home country, many have a 4<sup>th</sup> or 5<sup>th</sup> grade education only. We have a fair number of just high school graduates. And on the other end, we have probably 10, 15% with advanced degrees. So we’ve got a real big spread which averages out to about two years of college.”

Champa answers concisely “it is received by those who are in village society and those who are living there.”

In summary, while both organizations are focused on helping marginalized women become empowered, the medium and goals through which their work is directed vastly differs. For the CBP and its program, the Women’s Business Center, this medium is



entrepreneurship as a means for securing individual economic independence, yet for USNPSS and its network, the Uttarakhand Women's Federation, this medium is political empowerment as a means for securing equal rights and equal power relations in society. The beginnings of these organizations are markedly different as USNPSS grew from a grassroots approach and the CBP grew from a collaborative intra-governmental partnership. However, strong similarities are shown between the two organizations target populations as they are both open to serving everyone in need, not just women, within their respective communities. Also actual recipients are highly reflective of the central focus of their respective missions.

## **Values**

The following three questions were asked to determine each organization's core values, the basis for these values, and how closely correlated these values are to interviewees' personal values. As values are incredibly influential to an organization's mission and are integrally related to organizational practices and strategies these questions are essential for providing a holistic analysis. Determining the strength of correlation between an organizational member's personal values to those held by the organization also provides explanations on the length of employment or volunteer/community organizer relationship and the consensual understanding of various organizational aspects. Shared values also contribute towards the effectiveness of the organization in meeting its mission and goals.

*What are the organization's values and/or foundational beliefs?*

CBP staff members, Bridget and Leona respectively reflect, “honesty, respect, confidentiality and hard work” and “helping people achieve financial independence through entrepreneurship.” Lila expounds “that people can thrive in the right environment if given the proper tools and sometimes those tools are not implicit. And as a result of that we need to be a little bit more forthcoming with information that can be helpful. And when people know that information and assistance is available they seek it out and they grow and become better at what they do as a result of that.”

Blair, the Women’s Business Center director, points out “we need to be welcoming in a place that attracts and interests and supports and upholds minority and socially disadvantaged women. The other is that we are a welcoming place in terms of we always serve food. Another one is we give lots of hugs around and we also give kicks in the butt because we don’t want women losing. We don’t want women to start their businesses without good planning. We don’t want them losing their life savings to something that is not well-thought through. That’s really important.”

Bhagwati, a women’s union president in the Uttarakhand Women’s Federation, values “learning; they are serving society and not taking anything from one another [money].” USNPSS staff member Renu, says, “the fundamental thoughts of the organization are that the education of children should be good. There should be goodness in society. Women should go forward and whatever work we do should be good and carried forward.”

Anuradha maintains “we said it’s a collective work, so we are all equal. We believe that the local people are very knowledgeable. They live here, so we think that a village is more than a depository of problems. We believe that there is a lot of strength here locally. If you are united, you have solidarity, you can do a lot and with minimal assistance monetarily. But we do a lot of work. There are ideas which come from the villages. We don’t have an agenda here at the Uttarakhand Women’s Federation. It’s evolving, it’s coming from the villages. It’s not a top-down kind of thing, it’s bottom-up and it’s rewarding.... There is a sort of transparency and people are honest. And we respect this feeling of trust. We trust the people here and the people have faith in us. And we don’t believe in paperwork. It’s not a bureaucratic organization.”

Both organizations share nearly identical values, notably respect, hard work, equality, and honesty. Anuradha, a long-time USNPSS staff member, notes, “we believe in transparency and accountability towards people,” while Carly the CBP CEO, asserts “it’s integrity, it’s honesty, ..... Being truly straightforward and honest with ourselves, with our clients, with our stakeholders.”

*Do you share the same values/beliefs as the organization. If so, which values do you share?*

CBP part-time contractor and volunteer, Shanti, states “absolutely, to enrich women that are wanting to start their business or are already in business and they need some

assistance or another source of getting what they need to make a business grow. It's more like the more information you have regardless of what your situation is the better you are. And if you can share it with someone else to help them to get to where they want to be that's even better for all of us. Another volunteer, Bill, remarks "we both believe in the education of the business owner, trying to improve the education, the knowledge of their business."

The CBP staff members closely relate to the organizations through their own interests and identities. Ra'idah comments "Ever since I was kid I was interested in entrepreneurship and I always wanted to help out someone, so this [work] is perfect." And Patricia remarks "I do share the values of the organization. I am passionate about helping women who are going through a divorce and find themselves in a position they didn't think they were ever going to be in. They have children at home, they don't want to leave them or whatever; I am definitely passionate about helping them."

Lila affirms, "definitely, I share the same values. For me it's all about women..... as an African-American woman you know, I've had to fight hard all my life for what I've experienced and what I've achieved, both because I am an African-American and because I'm a woman. I've worked in a male dominated world before. I've been the only woman in the room fifty times over. So I can appreciate what it is to want or need to do something different or better. So helping women to be empowered and to enrich their lives in a way that can bring more income, more self-esteem, more confidence, more all

those things, that is what I do.” And Blair declares she has “a lot of passion for wanting to help others achieve their dreams.”

Ananidi, a CBO for USNPSS, observes “yes, that is women education and the education they want to give to girls and children and want to make awareness. In this we are united. And women’s power and strength they want to increase, so our thoughts match on this.” Radha, another CBO, comments “in this work there is no corruption. In this work there is the feelings of women’s real problems, a deep feeling. We find a good opportunity to understand these problems and solve it.”

In summary, directors, staff members, volunteers and community organizers all concur they shared the same values and beliefs as the organization. Education and women’s empowerment were commonly mentioned by interviewees of both organizations.

*What influenced or inspired these values to be held by the organization?*

CBP staff members, Leona and Patricia, attribute the founders of the organization.

Patricia comments “I think it was started by a gentleman who was looking to start his own business and couldn’t find any resources in the area. And I think he realized at the time that there needed to be something out there for people who were maybe low-to-moderate income and just didn’t have the money, didn’t have collateral, didn’t own a home, just to go to a bank and take a loan out and go into business. From there, I think, it grew with the people that were employed.”

However, Carly and Ra'idah attribute the organizational values to everyone in the office. And Ra'idah accredits "everyone who works here... because we want to help people and because we want to do something good; at the end of the day that's what makes us happy. And just seeing even one out of ten clients make it big and seeing how they are doing so much for themselves is worth it."

Blair notes the values of the Women's Business Center "come out of my background as an OD [organizational development] consultant, as someone that cares greatly about culture, and establishing a welcoming culture. It comes out of my own experience of starting my own business many years ago, back in 1988, and not finding places where I could go for help, where I felt welcomed even with a Master's degree. A lot of it is, this is just how I feel people should be treated."

Comparably, Anuradha accredits USNPSS's values to how the organization was created. She reflects, "when the organization was started there were very few NGOs working in this region. And we had no blueprint to work from because in the '80's the NGOs, they were very small, there was no funding, nothing like that. I think we came here with an open mind and it helped us. So we wanted to learn from the people. We wanted to work with the communities." Furthermore, she observes the values are reflected in the organization's simple practices. "We don't have long forms to fill in. We don't have any long procedures. If we think this person is right with his or her idea for a village project or activity then we will give him or her money immediately."

Interviewee responses from directors and staff members reveal strong similarities between the two organizations in accrediting former and current staff members and directors. Carly, the CBP CEO, remarks, “those values weren’t created in a vacuum. We as staff came together and created that” and Anuradha’s narration of the USNPSS reveals a collective endeavor.

## **Social Intermediation**

The following section presents the study questions, results and discussion related to the practices and strategies of social intermediation adhered to by the organizations. The first part addresses questions related to the formal practices of social intermediation. It is followed by parts on formal group practices, formal activities, conflict resolution practices and informal practices.

### **Formal Practices**

The following five questions pertain to the formal practices employed by the organizations to meet their respective missions and thus provide details on how the social intermediation process is enacted by each organization.

*What services and activities does the organization provide? Please describe.*

Carly, CBP CEO, succinctly remarks “that’s the training, the one-on-one counseling, the networking events, the conferences, the loan funds.” Leona adds, “we counsel on anything from how to improve credit to budgeting and how to make a basic financial plan.” While all staff members agree on these general points, several make additional detailed observations, which include offering group counseling, secondary marketing research services, and a networking service of connecting successful clients to new clients who are starting similar businesses to establish mentoring relationships. The organization also hosts a First Friday Networking Breakfast, brown bag lunch speaker workshops, and a business plan competition to encourage clients to write business plans and they rent their classroom and conference room space at nominal rates to their home-based business clients who need to formally meet customers in an office setting. Finally, Bridget comments on another specialized service stating, “I have facilitated strategic planning meeting for a few organizations.”

Renu, a USNPSS staff member, maintains “we facilitate the exchange of views as well as information and discussion over several problems.” Anuradha confers “we provide trainings, workshops, orientation programs. We provide the funding for village plantations, latrines, plant nurseries. If the women’s group wants to work with water, if they want to have water-harvesting systems, pollitan-lined tanks [plastic] we will give them the pollitan [plastic]....We have installed more than 7,000 latrines in the villages, the people install, but we support the activity. Then we visit. We have exposure tours where women from a village, they visit the other women’s unions; we have the regional



federation meetings, so some money to spend on that activity. And then when women come here and go that incurs travel expenses, we cover that and then food and lodging.”

*How does the organization provide these services?*

Carly discusses the strategy of service delivery stating, “we tend to be a training focused organization. The majority of start-ups all have the same questions and the same issues, so our limited resources are best spent answering that question once instead of answering it fifty times. Last year we had close to 5,000 people come through our training classes. As the business becomes more of a reality and there are questions relating to a specific industry or a specific business, then we provide the one-on-one technical assistance. Often that is not with one of our staff members, it might be with a volunteer. We have a large group of volunteers that work with us as well.”

Blair remarks “90% of the counseling we do is working on business plans because that’s where people are thinking through the notion of what they’re going to do.” Bridget provides details on how counseling sessions are conducted. “We first discuss the subject. I mean if I give you the whole process, I reiterate ‘did I understand correctly.’ And once I understand the issue I decide whether we need to refer them to volunteers that have specific knowledge in certain areas. We develop our war plan. I have actually a form where I set the goals. So we set the goals, we put the date, we put the counselor, and we put some specific activities with deadlines and all that. I usually put myself in the plan as well because I want for them to see that I am a team player.... And they feel that they are accountable for something because it is in writing.”

Champa states USNPSS services and activities are provided, “through the medium of education of children, through the unions of women and in villages through the small talks of health and through the information in the meetings which take place here and by going there [to the villages] and boosting their courage, to give inspiration to work themselves through offering small money.”

*How is training conducted for clients/women participants? Please describe.*

Lila remarks “the purpose of training is to convey information. So training as a means of getting general information disseminated is very important. The classes [offered by the Women’s Business Center] tend to range from an hour to three hours in length and it is dependent on the subject matter. We teach business skills and soft skills. So in the coming quarter we’ll be teaching time management, work-life balance, things of that nature, because those are skills that the new business owner needs to master. We try to poll our clients on a pretty consistent basis to determine what they have a need for.”

Ra’idah concurs that “all of our trainings are basically on what we hear our clients want. We have series, like it will be a four part series and you can either take all four parts, or you can just take one out of the four depending on what your need is.” The organization offers a discount for registering for a series of classes, which also serves to strengthen its relationship with clients. Carly notes “the length and duration varies anywhere from an hour to all day workshops to multiple sessions” for classes offered in its other programs.

While the generalist classes at CBP and the Women's Business Center attract between fifty and seventy attendees, Patricia observes the organization caps class sizes "which go deeper into legal issues, risk and insurance, marketing and also things like Quickbooks accounting software at eight or ten people." Leona tries "to get a lot of class interaction, so that the women can talk to each other and then they can share stories and not feel intimidated by questions that they don't know." Ra'idah also notes "we do try to say the same thing in different ways over and over again in the training sessions because they might not get it the first time. We try to use a variety of words to reiterate it."

Muni, a secretary of a district council of women's village unions discusses, the purpose of federation trainings are "to upgrade the status of women so that they become self-reliant..[and] they taught us how we can protect our rights." Bagwati, a women's union president, explains "we had no knowledge like we had today, but after that when we came here for trainings; they used to tell us so many examples, by which our confidence level become high and we get encouragement that we can do something."

Rama, a USNPSS staff member, describes "the kind of training we give to women groups is for the all round development of village and the problem of women in the same way to [balwadi] supervisors for the all round development of village." Renu adds "the meetings of women take place in a two days workshop. We just discuss with them. Only the inter-changing of thoughts take place with them." Radha, a CBO, asserts, "training is continuous. We suggest what we need and they arrange the training for the same. Trainings are held according to our knowledge level."

However, Anuradha offers additional details “If you are a new women’s village group, then you come for the two day orientation program. After some experience with the federation if they want to do a specific activity in the village then we provide the training [like for developing and constructing nurseries]. We also have around twelve issue-based trainings or meetings with the women’s groups every year in Almora which are for two days as well because in the hills traveling takes a lot of time. Then we have these regional level meetings, the regional congregation of women, that is once or twice a year for a whole day. Then we have these village level meetings with the women’s groups. These are the regular monthly three or four hour meetings that are issue and needs based but also you review your activities, you plan for the next activity.”

*How is training conducted for staff? Please describe.*

Blair, the executive director of the WBC, states “most of the staff is supposed to have arrived with basic technical assistance skills, basic counseling skills, and most have had their own business – at least one or more.” She further outlines numerous other staff training opportunities which include a professional development conference in which \$2,500 is annually budgeted for each staff member, online training that is available through the SBA, a number of technical and non-technical related continuing education courses are also available from George Mason online. She adds “there is a lot of internal training of each other,” in explaining how staff members attend each others workshops and sit in on and listen to the professional volunteers that teach their classes.

Leona, the newest staff member, describes her staff training as “a lot of emersion by fire.” She recounts, “when I was hired, they [management] had me attend every single seminar [class] that the center [CBP] offered. So for pretty much the first two, three months, every time there was a class offered I sat in on it and I participated in it so I knew exactly what the clients were learning. And then I sat in on counseling sessions with each of the counselors, several counseling sessions, to learn.”

Anuradha explains for training USNPSS staff, “we have the staff meetings. Everybody comes and we have these meetings quite regularly. And when we go to the villages, they [staff members] talk about their experiences and whatever work they have done in the villages....sometimes, we go out, outside of Uttarakhand to see the work of other organizations. We have these exposure tours for the staff and for the balwadi workers.”

*How is training conducted for volunteers/community-based organizers?*

*Please describe.*

Leona observes, volunteers “generally don’t go through training beyond attending the Small Business Resources class to get an overview of our services and activities. We meet one-on-one with them and go through what we are looking for, the rules of not promoting your business while you’re teaching or counseling, but they generally are area experts and we bring them in.” Blair provides details on a written document used by the Women’s Business Center which explains “our values, the demographics of our client

base, and gives them some pretty strong guidelines about what [volunteers] should and should not do. Things like it is critical that they define all terms, that they do not presume that a client understands ‘cash flow.’ That they have an atmosphere that really encourages and welcomes questions. And that they don’t talk down to our clients but that they explain everything in a way that is non-judgmental.”

Anuradha remarks for the USNPSS, “we have review meetings, we have an annual meeting, which is held in March every year. And if we want to discuss any specific issues, then we call them and we talk about it.”

In summary, the CBP/Women’s Business Center and USNPSS / Uttarakhand Women’s Federation carry out similar activities and services, especially those which relate to training, bringing women together and creating networks. Both organizations focus the majority of their practices on education which is provided through the means of training groups of women on general and specific issues. Although training content differs, the purpose of imparting practical and beneficial knowledge to assist women in their efforts of becoming self-sufficient/empowered is the same.

Fewer formally structured opportunities or venues of training are available to USNPSS staff members, but similarly they take advantage of opportunities to learn from each other. Neither organization offers much training to their volunteers/community-based organizers as they both work with professionals who have previously been trained in their field or who already possess an intimate familiarity of the work.

## **Formal Group Practices**

The following questions pertain only to USNPSS/Uttarakhand Women's Federation as the social intermediation process is produced and sustained on a group basis. The social intermediation process of CBP/Women's Business Center fosters individual relationships and thus outcomes related to women's self-sufficiency/empowerment are individually based. The results of the following questions are integral towards explaining the outcomes of the social intermediation process in the rural Himalayan context.

### *How does a women's village group come together?*

Tara, a former women's union president, acknowledges "we face problems to get women together. This is not that a woman come easily. We have to make contacts first." Bagwati observes, "sometimes we go into the village and we meet one-by-one and talk. When all have one type of problem, then we call all the people and talk about that and we establish the women federation." Aninidi, a CBO, comments "the women union is made through the balwadi," to bond mothers together in bringing their children to the balwadi to better child education.

However, Anuradha notes "usually it's a problem [in their village, such as lack of sanitation or water] and they approach us by traveling here from their village, which can be a one to two day journey. We don't approach them..... [We say] tell us what do you

want to do. We say we are not taking you in our federation if you want us to tell you what to do. First you have to have a meeting in your village and you tell us what you want to do and if it fits in within the agenda of the Uttarakhand Women's Federation then we can work together, otherwise we won't."

*What is the basic purpose of organizing collectively or as a village group?*

Bagwati replies "they had collective needs according to needs of the village because they have one field, one forest, one type of cow, their children read in one school. They work together for all these problems." Hema observes it is done to eliminate the reliance on exploitive moneylenders noting "it is the tradition that who are the prosperous people in the village. We take loan from them only. And we used to follow the same tradition up until our organization was made. And we took loan from them only whether we have to pay our interest amount Rs10 in Rs100. When our federation was established we used to collect Rs10 from each member and give it accordingly to the needy person. We held the conference once in a month and there only we decide the whole things whom to give the loan and distribute the money among us, which we call inter-lending."

*How is group solidarity developed?*



Hema observes “In the beginning of the federation we have to involve the prosperous people of the village in our federation to establish the solidarity among women. Because they have some strength or standing in the village to influence others.” Bhagwati remarks “the unity in union increases by asking one another like how are you. And if there is any construction work, say let’s go and help them in carrying materials, like cement, brick. They feel good and if we go there the union gets the name that this particular work is done by the mahila mangal dal [women’s group]. I made them understand that it’s hard work. As you sow, so shall you reap.” Also according to Hema, group solidarity is maintained because “whatever issue we take out in the village whether of forest, of land, or anything else it is discussed among the villagers which helps to unite them. And this thing makes the federation strong. If we talk about individual matters, it doesn’t work out.”

Likewise, Radha notes “arrang[ing] meetings continuously” is necessary. And Anuradha stresses “once you have a group ... always in your meetings, in your trainings, in your orientation programs, you always emphasize the point that group solidarity is important. The main thing is that you keep on talking about it.”

Strategies for strengthening solidarity include visits made by other members of the federation to village unions that are experiencing difficulties with the aim of increasing participation and raising awareness. Renu also comments “If all the people of the village doesn’t involve in the federation, then we will arrange some carols in the temple and all people come there for entertainment. And in between they will talk about the problems

and thus get united. The most important factor is that we will consider the most poorer one as well as the most prosperous, richest one, along with the middle class people. And they will all cooperate with each other.”

Comparatively, the CBP/WBC provides group-based trainings because of invaluable shared resources particularly, the staff member’s time constraints and program cost constraints. The necessity of organizing collectively in Uttarakhand is also based on the time constraints of the individual woman in completing work and also the fact that property [fields and forest] is owned as a community and the costs and benefits of individual actions affect the entire community. However, the foundational work of developing and maintaining group solidarity is an additional, multifaceted critical step in the social intermediation process employed the Uttarakhand Women’s Federation. Group solidarity clearly demonstrates women’s self-sufficiency/empowerment in India must be achieved on a collective basis.

### **Formal Activities**

The following five questions address the networking activities which are the second explicit part of the social intermediation process. The literature review defined social intermediation as a process which builds human capital (via formal training practices) and social capital (via the creation and expansion of networks). The first question was asked only of the CBP interviewees while the second question was asked only of the USNPSS interviewees to allow for context specification.

*What are the number and kinds of activities or events, besides training or classes, the organization has hosted, supported or informed clients/women participants about that may have assisted them in establishing connections to others, including other organizations, institutions, and government agencies?*

➤ *Please describe the participation response to these activities or events.*

Nearly every CBP staff member identifies unique practices of the organization. Leona observes “the Financial Success Conference that one really is to connect people with people in the financial industry. The Business Plan Contest, which people can submit their business plans and have lawyers, bankers, business accountants review them and get great feedback. Second quarter we’ve got the Veterans in Business Conference and there we have government contractors. And we are actually doing that at Freddie Mac. Third quarter is the Women’s Entrepreneurial Expo....Fourth quarter we’ve got a Christmas social. It’s a Christmas marketplace. Clients who have an actual product come and chamber members come and buy their products.” Carly describes how these events evolve over time adding, “the first women’s conference we held in 2001 and we had slightly over 50 people attend. Seven years later it was 430 people.”

Bridget recognizes other resources the organization provides such as referrals to “the women’s center when people have personal problems, like they are going through a divorce. And we do have contacts now with VDOT, Virginia Department of

Transportation [for government contracting].” The community board posted in the organization’s kitchen and its monthly e-newsletter are also observed to be ways the organization facilitates clients’ connections. And Ra’idah adds “we [as an organization] also are very active with other social networks, like Success in the City.”

Finally, Patricia recognizes “our board of directors, they come and speak at our conferences and they help our clients all that they can. We also have good links with the Fairfax Economic Development Authority. Kerry Short who is there who’s in charge of the minority business there is the vice president of our board. She refers people to us and [we] refer them [clients] to the EDA.”

*Are women put in touch with other NGOs, government agencies like the forest department, ANM, and panchayat through the services and activities of the USNPSS / Uttarakhand Women’s Federation? Please explain.*

Radha, a CBO, observes “we collect information of government institutions, give information, and after that we see that the [primary school] teacher should come regularly, ANM [health aid] should come regularly. Regarding forests, panachayat [village government council], land, water, forest, what are our rights? Forest is ours or not? How we save these forests? What the forest officials are doing? We think about all these. That is why the women join us.” Anuradha also notes “sometimes we invite the government functionaries. We invite these people so they can listen to what the rural women are saying. They [rural women] are very open and straight-forward, so they will

tell you what's happening in their village. Sometimes we organize seminars in which we invite people from all over India, so it becomes a national level thing. It's another sort of medium where you can generate ideas and share your experiences."

*Does the organization help connect women to banks and other formal financial institutions? If so, how does it do this?*

Carly states "we have a free class it's [called] Options for Funding so it talks about all the different sources of funding. We have relationships with lenders, we know what kind of deals they want to do and what they are willing to put forth, so we will make the introductions. We'll talk about alternative sources, such as the microlending through our organization or others." Leona further explains how clients are introduced to bankers, clarifying "we can either give them a business card or I've even had an occasion where we sat down and made a phone conference together and made an introduction over the phone. Or at networking meetings we have banks set up tables."

Renu discusses USNPSS's neutral position stating "there is no compulsion that you do or don't open a bank account here or there." Bagwati, a women's union president, however, confirms that using banks is not a practice, commenting "for bank work, this is not there. Whatever all fund is in the village, mostly it is deposited in the village and distributed as loan. Only village people deposit it and take it. About the bank there is nothing."

*Are clients'/women participants' connections to other social and financial institutions, including banks, other non-profits/NGOs and government agencies strengthened by the direct activities and services of the organization? If so, please explain how.*

Though this question is similar to the previous question it was asked to determine the nature of network ties the organizations establish between clients/women participants and other financial and governmental institutions and whether these ties are meaningful or superficial. Shanti, a CBP volunteer, observes “yes, [clients' connections] are, because we use a lot of those entities as counselors here.....showcased somewhere within the organization.” Lila concurs stating, “I think so, because a lot of them are intimidated by our [US] financial institutions before they get here. By the time they leave, they have a better understanding of it, they've been educated, they've been through the process, .... they feel more stronger and confident in themselves.”

Anuradha discusses USNPSS's activities, commenting “We talk about the programs in our meetings, the forest department, health department....What we are doing is focusing on preventative healthcare, which the government has a very limited focus on. We have a preventative healthcare program where we focus on the management of natural resources, providing sanitation and water facilities in the villages.....Also we motivate the people to go for vaccinations, inoculations and take the ANM [area nurse/health aid] to the village. So that kind of interference is common.”

*How is information passed on to clients / women participants regarding other programs supporting empowerment or self-sufficiency that they may be eligible for?*

Ra'idah summarizes the CBP responses stating that "e-newsletters, counseling, and even training. The first class that everyone needs to take [Small Business Resources orientation session] at the end we tell them about all the other organizations that are similar to us and that are in the area." Bridget also remarks, "Whenever we say you need to find this information, we usually say it's here [and give] some ideas of where you can find the information."

In contrast, consensus must be gained among the CBOs and USNPSS staff members prior to informing the women participants. Anuradha explains, "And those ideas and activities are discussed with the CBOs...And sometimes there are very heated arguments, but something comes out of it. Then you talk to the balwadi supervisors, you talk to the women, and if everybody clearly says let's take up this activity, then we take it up [support it], otherwise we won't."

These questions reveal many differences between the two organizations. The CBP hosts more formal networking activities which are primarily oriented towards expanding clients' business connections. In contrast, the UNSPSS/Uttarakhand Women's Federation focuses on disseminating information to women which pertains to raising awareness and

promoting action to speak out on their community and civil rights. The organizations also differ remarkably in facilitating connections to banks and government agencies as the USNPSS neither promotes nor discourages women's unions to open bank accounts whereas the CBP actively makes introductions for clients. The Uttarakhand Women's Federation focuses activities on filling the gaps of the weak areas in government programs by providing direct mediation. Finally, the CBP openly passes information on about other programs [outside of themselves], but the Uttarakhand Women's Federation is very protective and guarded on information regarding other schemes, particularly governmental and international programs that are presented as being focused on "women's empowerment."

### **Conflict Resolution Practices**

The following three questions pertain to addressing social intermediation challenges and establishing mutual accountability between the organization and its clients/women's unions. As with any facilitation process, social intermediation must overcome challenges which can hinder or "bottleneck" the organization's work and prevent it from effectively serving its mission. The first question relates only to USNPSS/Uttarakhand Women's Federation.

*How are internal social and economic conflicts like denial of loan, disbursement of group savings funds, disputes regarding economic and social matters addressed?*



Tara discusses what is to be done to ensure repayment of a loan taken from the rotating savings and credit fund, claiming “At the very first we see about her problem. After that we say to them that as you have a group of 41 women and if one woman will not pay back the money then all the women will not return money. And the federation will not run in future. Like this we say and take our money back.” However, Muni advocates for leniency by “organiz[ing] a meeting to make them understand that that [previous] person [who borrowed] return the money in time because she had. This person had not enough money; she was poor, who couldn’t return so in this way we compromise for one or two months.” Furthermore, she describes an incentive her women’s union offers for early repayment explaining “the period of our return is of three months, if she returns before three months we won’t take interest.”

Pushpa, a women’s union president and gram pradhan [village chief] provides a detailed account of settling early economic disputes. She recollects “we made this Rs 500 including the interest and we made fixed this money. That money is still fixed rate. After that 75 women joined us. Then we deposited the money and now we don’t take money from men. We don’t take money from outside. At the first time one or two men came to us and said you charge Rs 2 interest. Then two or three women taken money as loan. They were poor and they said Rs 2 interest is too high. Then I said in the meeting that these women are saying that the Rs 2 interest is very high. So how we run this and how we resolve this? Tell us. Then no one told how to solve this problem. Then I said to them if interest is Rs 2 then this is ours, if interest is Rs 1 this too is ours. So the money is ours.

You put interest Rs 1. The women who are poor will not face the problem of high rate of interest. We started the interest Rs 1 on Rs 100.”

Bagwati also reports on the efficiency of inter-lending stating “till now, it is not happen that anyone did not return the money. Yesterday in my Rana village the federation complete five year of time. We were depositing Rs 20 since last 5 year. There are sixty members in our federation. Fifty women taken loan from the fund and forty women were from BPL [below-poverty line] and they have taken loan according to their own needs and paid back.”

In addressing social conflicts, Hema, a women’s union president, asserts “we organize an open conference and display all the problems there. Firstly, I listen to both of them. And will try to give the answer in the favor of village and thus will establish unity between them.” Tara adds “we try to understand them. And we try to win the confidence of those people. We try to raise confidence.” And USNPSS staff member, Rama, remarks “the social problems are dealt by the local CBOs. They consider, they decide, they plan, and they remove it.”

While the USNPSS staff members do not take an authoritarian position in resolving women’s union conflicts they will visit groups as unbiased observers to facilitate open communication which most often leads to problem resolution.

*How is the decline in the personal motivation of a client perceived and addressed? Please describe. How do you remove the decline in group motivation? How do you motivate group members to come together and work together?*

Lila describes CBP's position contending, "you never work harder than your client." And Bridget explains "we give them homework and they have to follow-up and they have a deadline. I really expect for them to show that they are committed to the business. If they are not, I have so many clients that I prefer to dedicate the time to those that are committed to the business. So I just pretty much let go. If they are not coming in, o.k., there is nothing I can do really." Carly concurs stating, "usually that is manifested by the fact that they don't complete homework assignments. They come to that other appointment without step two and three [completed]. At that point it becomes necessary for us to say 'You can't come back until you've completed these. If you need assistance let us know we'll help you if you are stuck some place.' But we're not going to follow them and be a parent to them and say you have to do this."

USNPSS takes a slightly different approach. Renu asserts "for that we search the problems in between them. What is the reason of that woman. It is revealed through women's discussion that she's not coming and thereafter we tell them that if in future you conduct any meeting you do it in front of her home. What we will do is that we will go nearby her house and hold a conference there only. If we will talk to her very nicely didi [sister] let's go, but if then she will not come in the first five minutes, in the ten minutes,

in the fifteen minutes, and when the conference lasts for half an hour, then ultimately she will come there for at least five minutes.”

Anuradha adds “the groups, they are not always very active. There are ups and downs so what we do is that if there is a conflict in the village we make more visits to those villages. The other thing is that we invite women from those groups to Almora and we send them to other places to also see. You know when you go out and you see the new things you learn. And you want to do something about it in your own village. And sometimes, there is a dispute in the village and everybody says I have nothing to do with the group, I don’t want to work. And we say o.k. if you don’t want to work we are also not interested. We also withdraw from that area for six months, one year. And they will come again. And we know that they will come again. And they come again and say you know we had this dispute, we are sorry about it and we want to join in again. [We say] so come.”

*Is there a clear agreement that lets the client/women participants know what she must do in return to keep the services coming? If so what is it and how is it put into practice?*

Patricia affirms, “yes, definitely. In the form of homework....[we say] ‘o.k. we’ve dealt ‘with this and this today, when you come back I want to see these three things.’ It’s a kind of checks and balances we do. Ra’idah adds “the orientation [Small Business Resources class] has a [powerpoint] slide that says what we can expect from you and what you can expect from us.” However, Lila concurs with Blair on the standard of the Women’s Business Center that “you must keep your appointment..... but when you just don’t show up and if you do it repeatedly, then services are limited to you.”

Anuradha remarks, “it’s not a written agreement, but we talk about it. They should be continuously doing something and within the network, within the organization’s works. For example we have a very clear thing that if you are working in the sanitation program, if you are installing latrines in your village, then you should not have funding from any other sources for the sanitation program. Because if you are getting funding elsewhere on the same program, then we withdraw from that area because it’s a duplicity thing. To avoid all the confusions we withdraw from that place.”

USNPSS practices and strategies differ slightly as compared to CBP in addressing the decline in motivation by taking a more active approach, perhaps because the consequences of group dissolution are multiple and affect more than one individual.

Comparatively, USNPSS also uses an informal agreement to establish credibility and standards of respect, honesty, and accountability in the relationship with women participants. And likewise to also maintain organizational reputation.

### **Informal Practices**

The following nine questions relate to the implicit organizational practices of establishing trust and respect, fostering equality and social mobility, helping women to balance their multiple and equally demanding life roles, and building lasting self-confidence. As noted in the literature review, these implicit practices are critical to the outcomes of social intermediation. They are the internal core of which the formal practices, conflict resolution practices, and formal activities, are conjoined to effectively develop women's capacities for self-sufficiency/empowerment. Questions which pertain to fostering equality and social mobility differ for each organization to account for contextual differences. The final question inquires on organizational perspectives in developing women's abilities to change societal structures which may currently or previously have served as barriers to obtaining self-sufficiency/empowerment.

*How is trust and respect established among clients/women participants?*

Carly notes "we have established a trusting environment. It's a non-threatening environment." The organization has an open, inviting area kitchen located near its entrance adjacent to the classrooms. Patricia also accredits Blair for being "very much into making people feel very comfortable and very trusted." Bridget accredits both the

clients and the organization, stating “When they introduce themselves and share, it’s part of the culture.” Ra’idah remarks “a lot of women who come here, they want to talk to someone else and they want to be heard as well, so it just automatically builds up.”

Shanti, a part-time contractor and volunteer, observes “what I have seen is that if people come on a regular basis there are a lot of relationships that are built here..... the people that come to the center enough they get to know the other people. And a lot of the people that come here and have come for many years, they’re like family. So we encourage everyone if there are successes that has happened in your life relating to your business you make sure you let us know because we will then let others know how successful you have become.”

Hema, a women’s union president, remarks “we have made this Uttarakhand Women’s Federation collectively. We exchange the views which we discuss in the conference. And like, the members from the federation come to us, and we also go there and likewise exchange the views to each other, and thus increases the respect and faith and love among us.” Bagwati, also a women’s union president, says “we had to work with honesty among them. When we will work again and again with truth and honesty. Then we will win the trust of all those women.” Radha, a CBO, concurs “we talk with each other and make atmosphere that all could say her problems and her views. This is our role, what we do together in the village. We should give opportunity to all members.....we talk about the good or bad things. And we try to make understand all that we have to respect each other

and we all women are one. We know every woman is in problem and we give respect to each other.”

Anuradha comments “the other thing is that we are working with the same framework, all over the state, all over the hills across the state. The framework is the same and there are some basic concepts which the CBOs understand, how you approach the people, what working methods you employ. So it’s the same all across the state. Rural women are very honest. They trust people very easily. If you have a problem in your village and the neighboring women’s union has done work of the same, they will come to your village and attend the meeting and talk about their experiences. That is how you are connected.”

*How is trust and respect established between program staff members and clients/women participants?*

Bill, a CBP volunteer, affirms “there is a relationship that’s built. I believe when walking in the door there is already a trust factor there. The CBP/ Women’s Business Center, has a body of work that they can point to. That automatically builds credibility and trust. And a lot of the stuff that they do is very personal of nature. It’s one-on-one, sitting down there in a counseling session, it’s those counseling sessions and one-on-one, and developing that intimate time together because that’s what really develops the trust and the willingness to open up to somebody and air out your dirty laundry that’s holding your business back.” Rosemary, another volunteer, concurs “there is a real confidence because there is a reputation of Community Business Partnership that is a really good one.”



Leona also remarks on relationship building, commenting “trust for me, is only developed by being dependable, being reliable, doing what I say I’m going to do, and following through with them, following up with them.” Patricia adds the organization has established an open, non-judgmental atmosphere. Blair additionally comments “around here we are collaborative and we feed them. I keep coming back to the darn food, but there is something that changes the level of the relationship when you offer hospitality. And I think little things like saying ‘we give hugs and kicks in the butt’ says that we’re approachable.” Finally, Lila refers to SBA required procedures of “mak[ing] sure that our clients know when they fill out the forms that none of their information will ever be sold or given access to outsiders, including our volunteers. We reiterate that throughout the classes and throughout the counseling sessions.”

Bagwati shares her personal experience stating, “like me, there was less education for girls in my time. I got education till eighth class. I had lived sixteen years without further education then after joining the federation, these people have given me so many examples and stories. I was influenced by that, I filled a form for high school and after sixteen years I passed exam with second division.” Radha shares, “we have good faith on each other because we said all the things frankly and by heart without hiding anything. If the problem comes she will not share directly to the third person. She will say to me, we will talk about that problem together and will make solution.”

Renu, a USNPSS staff member, adds “we don’t have talk with them by showing arrogance. We hear their problem. We sit with them with love, talk in their language. If

we sit in the chair and don't sit in floor with them they never come near to us. We watched their home problems, their sorrow, attended their good and bad times. And our love became strong.”

However, notable differences between CBP and USNPSS appear in Anuradha's assertion, “the first connection is that we are the people from the villages, from the region, that's one thing. We all speak the same dialect, and we share the same culture and the same values and we are not very different from the rural women in that sense. ... You know what the culture is, what it's values are and how the system works. ....The other thing is that very frequently we go to the villages and they come here. .... The other thing is that U.S.N. is not a bureaucratic organization. We don't have positions, we don't have this culture of saying sir and madam, so that also helps. So you share this notion of sisterhood, because you call everyone didi [big sister] and bandi [little sister].”

*How is trust and respect established between program staff members and volunteers/community-based organizers?*

Carly observes “it's a relationship. They come to our events...we get to know them before asking them to volunteer.” Bridget and Patricia each respectively remark on the trial basis of the initial relationship by having volunteers “either come to trainings or the First Friday networking breakfast”and “if they offer their services for counseling one of us [staff] will sit in with them, usually two or three of us in separate counseling sessions to see how we feel, what they're like and we definitely listen to feedback from clients.”

Lila ensures the relationship is fostered on an equal footing. She asserts “we watch them. We make notes on things that may not be working great and try to address them quickly. The other thing that I like to do is when I have to have communication with a volunteer about something that they have done or not done, I tend to do it away from here, so that it is not a turf type thing.....I like people to know that they are appreciated because when people know they are appreciated they are much more willing and likely to continue to work with you. So if I am requesting information from a volunteer or I’m confirming something, there’s always a little sentence at the bottom of the e-mail that says ‘thank you again so much for making this a great event’ or ‘we really appreciate you,’ or something along that regards so that they know with certainty that they are appreciated.”

Likewise, USNPSS uses similar practices and strategies with the community-based organizers (CBOs) they work. Rama states, “we two person decide that what it should be like and what hasn’t taken place. We never think that we are greater or they are greater. We both are equal. And in this way, through programs [we get closer].” While Anuradha stresses the connections on “the same value system it works, the same philosophy. The CBOs are all from this area, we share the culture.”

*How does CBP/Women’s Business Center foster social mobility and overcome inequalities that exist between the women you work with?*

Several CBP staff members referred to the inviting office environment and the use and location of the office kitchen in their responses. Ra’idah observes “No matter what your

background is you'll start talking or commenting [over food]. The fact that we have food in most of our trainings really helps break the ice." Bridget also notes having "services in Spanish and a diverse staff. I think that's really important, Ra'idah from Pakistan, Leona speaks Spanish and lived in a different country, Patricia from England, Lila an African-American. So we have the diversity that makes people feel welcomed....We kind of set the tone on what is the type of relationship that [clients] are to establish."

Patricia also recognizes "the fact that the Women's Business Center does offer a lot of scholarships, which of course, nobody knows if you've shown up with a [need-based] scholarship. So that is well known to the women, it's on the website that you can get a scholarship.....nobody knows any different if a student is scholarshiped and who's not." Blair adds "the other thing that I think sets a norm if you will is in the ABC's class when I ask the women of means to contribute to the scholarship fund, so that, I think the words that I use are, so that your neighbors with dreams can reach them as well."

Leona observes "I really haven't noticed much problems regarding [inequality] because everyone has a singular goal of starting a business. Everybody is going to need different types of services, so it's that networking that we promote." Blair further explains "if there's new entrepreneurs or women who aren't used to networking, no matter what their background, we support them, help them, walk around, begin to introduce them to people, model how to do it." Carly emphasizes "[we say] that it's important that you come to [networking events], it's important for you to voice who you are, and that there are no strangers.... if there are two women in the room in Muslim dress, burkas, [we see

to it] that people will still talk to them, that they are included, that it's an inclusive event, we bring them in [to the networking] and we bring other people over to them."

*How does the Uttarakhand Seva Nidhi Paryavaran Shiksha Sansthan / Uttarakhand Women's Federation motivate women to participate in social activities?*

Tara succinctly states "by demonstrations, conferences are the main points" and Renu observes "others also get inspired and they feel that oh, they have done so, they go together, why don't we go with it. These unions learn from one another and apply them in their villages."

*How do you work to make everyone feel equal to the next woman, like there is no difference in caste and class between them?*

Rama identifies four organizational strategies "Like in one way in local, by sitting together and sipping tea together, this is how they mingle with each other. Because of it, the restrictions have reduced now. And second thing is that when they come here, they all live together. Then it is not asked which community or caste you belong. And third one is that they are related with the organization. This also gives a sense of similarity. And the fourth one is that the women of this place go to that place and the women of that place come to this place."

Bhagwati explains “like I wash the pots in their home then they will follow me because I’m president and at least they will do so because of shame. I carry chairs for them in their marriages, so they will have to come. If the president herself does so they will automatically do it. Then we who are lower [lower status], we will do with her and they do come. They should learn something.” Ananidi notes “we opened balwadi where there lived so many castes [people of different caste] in balwadi. And there so many children of all the castes came and we gave them breakfast together and shikshikas [teachers] of different castes also served water and breakfast.”

Anuradha further exclaims “it’s the role of the facilitator, it’s the role of the balwadi supervisor or the CBO there to see that the people from the economically backward class are given the chance to talk in the meetings. When we give training to the facilitators we talk about these issues because what happens is if only the powerful people are talking then their concerns are sort of taken up and the poor people, they are silent. If you don’t talk about it, then it becomes very difficult at any time. You have to be very forthright and you have to be tough. You have to say you have to deal with these issues right from the beginning of the program in the village. If you start talking about it from the beginning, then it becomes much easier to deal with these issues later if they come.”

Radha, a CBO, concurs “low caste and poor, this is like that who feel they are very weak. We say like this as there are two types of inequality. One is unequal caste, we live with them, we eat with them, we take tea with them. Then they feel they are something and that we want to eliminate those inequalities. Second is economic inequality. We say how

you are poor? Where are we poor? We are cultivating our field, we are eating our food, we are wearing our clothes, and those who are rich, are they not taking food? They are also wearing the clothes.”

*What is done or taught to help women balance other demands, those which are not economic or financial, such as household and community demands in their lives?*

Several suggestions are offered by the staff members and directors of the CBP and Women’s Business Center. Patricia notes, “occasionally, one of us [staff] will write an article [for the monthly e-newsletter] on you how to take a load off. We’ll have a life coach who speaks to how to balance it sometimes on First Fridays.” Blair states “we are actually having a class next quarter around how do entrepreneurs balance the demands in their personal and professional life. We are also doing a time management class next quarter. Now, we don’t do those all the time, they are sort of electives that we change around and change up. Another thing we do is offer our classes, particularly our entry level stuff, different times of the day, different nights in the week, and Saturday mornings. With the childcare providers, we offer the classes around the county because many of them don’t have their own transportation. We are located close to the metro so that people who don’t have cars can get here. I certainly encourage the childcare providers to come here, it’s fine if you need to bring your kids with you.”

Leona discusses another class being taught by Patricia, the Franklin Covey Seven Habits of Highly Effective Managers, as being helpful and states “but being women, mostly talking with women, we listen.” Carly illustrates that “I’ve been in this situation numerous times myself where somebody comes in to talk about their business plan and the first hour of counseling may be talking about their personal life and what issues they are going through. You may go through an entire counseling session and never get what they came to talk about because they have these other things that are barriers before you can ever get to that and you have to deal with that and help her connect between the personal life and the business.”

In a similar recognition, Anuradha accredits the formation of women’s unions in helping to balance all demands because the entire community is supportive of sharing the work. She observes child education as being the easiest area to coordinate within the community, because it “is one thing which has sort of no resistance to it. It’s a kind of mutual activity, everybody wants it. So if you have a balwadi in the village, then people support the program.” Renu exemplifies community support illustrating, “like if we talk of our village, it’s a matter of someone’s marriage in the village so what help we can do. They go to their home and help them in saving the money [like offer help with cooking, etc.]. Or if in the marriages, someone’s barat [wedding party] is coming, to help them in their lodging and accommodations.”

Finally, Champa points out the organization’s practices of informing and raising awareness among women of their rights and building their self-confidence. She states



“when we talk of domestic and social requirements so it is very necessary for a woman to understand her importance. This is what we teach them here that if they don’t earn the money, they save the money. And second thing we try to make their social relationships strong. We give them information, like the Domestic Violence Act has been passed and what is there in it and the right to information. And we tell them it in easy language. And the practical is done by them only.”

*What is done to support building and advancing the self-confidence and social empowerment of clients / women participants?*

CBP and Women’s Business Center staff members and directors offered several perspectives. Lila and Blair focus on the one-on-one counseling in their responses, while Carly states it’s in “everything we do.” Bridget; however, comments “I think through role models. Using ourselves as role models. I think the fact that we create an environment where they can feel comfortable. I think that the expectations in our classes they feel that they are learning....And they feel comfortable just asking us questions. I think it has a little bit to do with the fact that we have a large number of women in our classes, so they don’t feel threatened and they don’t feel like they can’t speak up or anything. Also through the graduation events and the business planning contest.”

Ra’idah concurs with Bridget and adds, “encouraging them to talk in the class. [In] first Friday networking breakfast everyone gets an opportunity to stand up and introduce themselves. And for someone who is not from this culture, and I’m speaking from

experience, we're told to stay quiet instead of talking in public. So that helps build their confidence. Giving them that thumbs up really makes a difference. I've been working here long enough to see a client come in really shy and really scared and go out the loudest person and just have that energy because they are so excited about what they are doing....And highlighting their success. For example, any of our clients who are in the news they are featured in the newsletter and they are featured on our website. Any of our clients who have made it big, they are featured on our hall of fame. And again that is not only in the hall at our location, but also on the website. We have about 20,000 people who come to our website every month."

Carly vividly exemplifies the development of one successful client's self-confidence, recounting the client "was asked to speak before a congressional hearing on the services that she had received through this organization. And the comment that she made that sticks with me is that 'If you had asked me a year and a half ago who I was, I would have said that I am a single mother of three children. If you ask me today who I am, I will tell you that I am the president of my own company.' And that's what she received her."

Likewise, USNPSS uses similar approaches. Rama remarks "we tell them so many stories that what is there woman cannot do?" Anuradha details the organization's practices stating "but the first thing we do is talk to them and listen to them....people will give you advice but they don't listen to you. So we listen to the people and say to them 'be strong, collect your courage, so let's collect it and we'll see what we can do.' Everybody encourages them to speak up. So then you feel you are given some importance in the

community. It takes time, it's not a one shot solution. It doesn't work like a bullet. It's a long process, but these women change. But you have to keep on; you keep on talking to them."

*How are clients / women participants taught to develop their own empowerment strategies?*

Several approaches are taken within CBP to successfully position women so that they continue building and strengthening their self-confidence after training and counseling. Bridget observes, "we use examples, like remember how you were two months ago and they're face lights up and they say you know what you're right, I have developed myself.' So I just try to remind them do you remember what you didn't know before." Lila uses an analogy from Mary Kay™ to discuss the Women's Business Center strategy, commenting "Mary Kay Ash would say 'Anyone can eat an elephant one bite at a time.' So instead of putting you in room with 800 people and having you make a presentation, we start with two. And once you do two, then maybe we can put you in a room with five. If it's done on a smaller scale and it's step-by-step then we can help you grow that area." Carly identifies the organization's practice of network building, stating "the biggest piece of that is the networking and getting to know other people that can help them during bad times that they can help during their good times. It's just having other women that are testimony to them that say I did it, you can do it too, as well as having those that they can call on and say I don't know what to do and those other women can help them."

USNPSS staff members also encourage women to develop positive perspectives on their abilities. Champa asserts “she does a lot of work, but should understand herself. Though I am not earning the money in cash, but whatever work I am doing it has its own importance.” Renu observes “their confidence boosts up when they work through unions in villages and the men begin to help them. [Men] try to suppress us but still when the women get together they go forward. They feel that I’m moving forward and I have a back support, in this way [their self-confidence] boosts up automatically. In the same way they think that we will go forward. If we are right nobody can harm us. She feels I’m doing a good thing for people and good work so what is there to fear in it.”

*Are women’s abilities to change or influence the social structures that affect their living conditions and well-being developed through activities or programs of the Women’s Business Center/ Uttarakhand Women’s Federation? Please explain.*

All CBP/Women’s Business Center directors, staff, and volunteer responses connect a woman’s abilities to bring about change to her individual life only, with some extending it to her immediate family. Rosemary, a CBP volunteer explains “yes, I think so. Definitely I think so, but I will say it depends on each one. You learn something new here and you learn the ways of how to improve yourself. So if you want to apply everything that you learned, of course you are going to change, your family is going to change, everything is going to change.”

On the contrary, USNPSS staff members and women's union presidents describe women's "power" on collective achievements. Renu elucidates, "like for education the women of villages have become much aware. When you talk of the education of children, if it is not good, who is responsible for it? This sort of discussion takes place here. Like the matter of panchayats, now the unions have decided that we will call women also in the panchayat. So far men keep on going and they were not able to put forward the problems of women. The issues which are really related with women's problems have not been raised so far. So the women's unions say we will go ahead and we will put forward these issues and we should be in larger numbers so that we can put forward our issues before them with strength."

Anuradha also observes "if you become a part of the Uttarakhand Women's Federation, you say that I am a member of the group, which is the largest in the state. And women use it as a weapon, as a way to get the things done. If you want electricity, or if you want water, these women they talk to the government functionaries and they say there are 15,000 women behind me. She [a village woman] says 'if we don't get water in our village we will demonstrate and women from all over Uttarakhand will come and support me.'"

Finally, Muni, a women's union president, relates women's abilities to affect change in social structures that affect their children. She considers that "now when we came in the organization we knew that this school is of our village, the teacher is also ours. Where the teachers used to sit aimlessly; nobody cared if the child is going to school or not, used to

go in the morning with his bag and came back with the same bag but there was not a single word written in the notebook. Now, it's not like this. Now, they too are afraid of us that at least we will ask something from the students. So in this way there was a lot of work on education as well and the schools are being run very well now.”

Strong similarities between the two organizations appeared through these questions. Overall, practices for developing trust and respect among clients and women participants, between staff and clients/women participants, and between staff and volunteers / community-based organizers are similarly based on constant contact, openness and honesty. Trust appears to be more easily established between USNPSS staff members and women participants because of a shared culture; however, the clientele of the CBP and the Women's Business Center are literally from all over the world, thus other connections must be established for an initial trusting relationship to take root.

Networking activities are used by both organizations to foster women's social mobility and staff members use themselves as role models in overcoming the inequalities that exist between the women they work with. Both organizations offer suggestions related to coordination and building personal relationships in helping women to balance multiple roles life demands. Other similarities emerge in their practices of listening, offering emotional support, encouraging women to value their work, to build and maintain self-confidence.

## **Savings and Lending Practices**

The following section presents the study questions, results and discussion related to each organization's savings and lending practices. These questions relate to the organizations' use of microfinance in developing women's capacities for self-sufficiency/empowerment. They also offer fundamental comparative points on how microfinance is employed in the differing geographical and political contexts of Northern Virginia and Uttarakhand, India.

## **Savings and Economic Literacy**

The following seven questions relate to the practices and strategies employed by the organizations to facilitate women's savings activity. Questions which pertain to helping women recognize the appropriate uses of their savings differ for each organization to account for contextual differences. The final question inquires on the organizational practice of teaching economic literacy. While savings and lending practices are the primary instruments of microfinance, economic literacy is essential for these practices to be considered viable.

*How is the establishment of savings accounts for clients/women participants carried out? What is taught regarding the importance of savings?*

Leona is the only staff member at the CBP who works with and manages the Virginia Individual Development Account [IDA] program<sup>15</sup>. She describes the program as

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<sup>15</sup> A state government sponsored restricted/dedicated matched savings accounts for low-income persons. Prospective IDA participants meet income eligibility criteria and must complete a required financial

“application learning” and explains “the account is established through DHCD [Department of Housing and Community Development] ..... They [DHCD] monitor it, but they are supposed to send me a progress report of the client. So if the client isn’t making that payment, I’m the one that’s supposed to call the client and say “hey, what’s going on. We’ve noticed that you haven’t made your payment in the last couple of months how can we help you.” .... the client is supposed to meet with me each month for the first quarter so that we can just see where their budget is at, see how their spending is going. And then if they are doing well they just meet with me once a quarter for the remainder of the program.

In discussing what is taught regarding the importance of savings, Leona details a “class dedicated to that. It’s called Building Your Financial Reserves and we have a financial planner come. I introduce it and talk about banking and how a savings account works. But then the financial planner [volunteer] will come in, and they’ll talk about how money can grow, putting just as much as [the cost] of your daily coffee into a savings account, how much that can grow in the end towards retirement, towards a savings goal. If you are saving towards a business, maybe a money market may get you more interest. .... that’s class where we try to emphasize this is an alternative way to find funding for your business that you don’t have to pay back.”

Radha, a community-based organizer (CBO) with the Uttarakhand Women’s Federation, explains when a women’s union is initiated “the first time we do not have talks for

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literacy course offered by the administering agency prior to establishing an account. The Virginia IDA offers a 2-to-1 match for every dollar saved by the IDA holder, up to a total maximum savings of \$6,000.



depositing the fund. When they become used to meeting then we give examples of other villages of women federations or good work done by us. We don't say do this. When they feel from inside or from heart that we should deposit the fund then they decide themselves, do we deposit Rs 5, 10, like that. We have no disputes because [the women's unions collectively decide] first that these are the rules and regulations."

USNPSS staff member, Rama, insists "women's unions have got their own norms and standards. The local organization decide it; means it is decided by the local people, not by Uttarakhand Seva Nidhi... We don't say that you collect money." Anuradha agrees but notes "what we discuss is that the implications and difficulties you face when people in community save different amounts. All these things are talked about in the training programs but you are free to do whatever you want to do."

*What is the strategy for developing a positive attitude towards savings among clients/women participants?*

Leona answers, "we do a little brainstorming session in the Building Your Financial Reserves class of ways that you can save money. We brainstorm about what's something that you can cut out of your day? We have ladies talk about their Wal-Mart trips and how if they make a list before they go to Wal-Mart they can probably save \$50 bucks when they go. So it's a very positive class."

Similar approaches are used in the Uttarakhand Women's Federation. Renu remarks, "like we learn from one another. Someone says in our union this much thousand rupees has been saved. We bought with this money this and that, means that the marriage material." Bagwati, a women's union president, offers an anecdote on the strategy for gaining all village women's participation in the savings and loan fund. She illustrates "sometimes in the village some circumstances comes like so many men leave outside of the village and their economic conditions is not so good, that they have money at all times. Then they had to take a loan for any work and today no one give them the loan easily as to see their condition. That's why we make them understand that you will be benefited by this fund and you will get the loan very easily and so less amount will be as interest. You have your own right on this fund and whenever you want to withdraw it, you can withdraw it easily. Then the people become ready to deposit the fund easily."

*How are clients encouraged and assisted in identifying future needs and appropriate uses of savings?*

Leona points out "you can only use it to purchase an asset or for inventory. We have to kind of project in the future, also because the savings program is going to take six months to two years. So they need to project what are they going to need in two years. Is it something that's going to help take their business to the next level."

*Are savings funds allotted to various accounts for different purposes such as emergency funds or school fee funds?*

Rama asserts “there is only one saving account not several. There is only one, funds are given [from it] for different purposes like marriage ceremony, or someone is ill, or someone has to buy a cow, but the money is saved on a single account.”

*How are clients/women participants motivated to contribute to their savings accounts on a monthly or regular basis?*

Rosemary, a CBP volunteer, specifies “here at the CBP, in the classes or counseling they always teach you to save some money to be stable or start your business. Because you don’t know, sometimes you have sales one month and another month you don’t have it. And it’s really necessary to have some money in back-up for those cases. So, one of the things that motivate them, personally, like this program like the VIDA, is they give you back double amount that you deposit.” Leona adds “achieving a goal and then, of course, alternative financing” as motivators. She describes alternative financing as the combination of a microloan and savings to purchase a bigger business asset than what could be afforded with only a microloan.

Women are similarly encouraged to save in the Uttarakhand Women’s Federation. Muni explains “women were inspired that this is your money and you can do something for

yourself. According to their will they could go somewhere. Suppose they have to go [to Almora] for a visit. They do not have to take assistance from father, son, or husband. If money is [in the women's union savings and credit fund], all women [collectively] decide to go and we withdraw our money. Otherwise in every home, everyone [every woman] has to ask give me Rs 500 or give me this much rupee. In our village it is about Rs 90,000 [saved in the women's union fund].”

Pushpa describes the technical practice of saving in her women's union stating, “we have decided a fixed time to deposit money in each month like today we called a meeting at your home in this month and in the second month we call a meeting in the home of Renu. We have fixed eighth day of each month right from 2 pm. We deposit Rs 10 each month. Some women are very poor, they cannot deposit much more. It become much so we deposit Rs 10 only.”

On another comparative note, Anuradha contends “saving is a part of your daily life, but there are other issues. There are issues related to the livelihood, issues related to alcoholism, social problems, environment. But saving is important, but there are other issues that are equally important, learn how to deal with those issues too.” She further exemplifies, “if I have everything, I have a good saving account, lots of money and all these things. But if my husband drinks and beats me up in the evening, that is what I am thinking about. It is o.k. if I have money and a road and all these things, but it doesn't solve my problem because I'm beaten up every evening. Gender subordination is the other thing. It's o.k. if you have money, but if you feel discriminated in you family, in

your household, and then the community, then what is so with the money. So somehow your attitude, your ideas should change. And you should be able to influence your family too.”

However, Leona notices “issues have evolved very surprisingly [in her personal financial class series]. Women who are in a bad relationship and all the assets are in the husband’s name and they don’t know how to get out of this. I had one woman in her 60’s who was trying to get a divorce and she thought that she had to give the retirement, her husband’s retirement, that she had to sign it all away, and you know it’s just a learning opportunity that they can realize.” While these two perspectives differ somewhat they are both bounded by the necessity of providing education about women’s rights to vulnerable women.

*How can clients/women participants withdraw savings? Is there a penalty for doing so?*

Leona states, “if they [clients in the IDA program] withdraw before the program is complete, there is a penalty. They don’t get the matched funds. They have to fill out a form to withdraw the money and I think it takes a couple of days.”

In contrast, Anuradha notes “if the women’s group has decided we are going to save and deposit the money in the banks, then only the question of formal withdrawal occurs. If

the money is in the village itself then you say that you want that money out during the village women's meeting and you can get the money."

*How is economic literacy taught to clients/women participants?*

Carly maintains "we have a lot of classes and training on that, anywhere from basic banking issues to cash-flow management to the big thing is pricing your product. We also have the one-on-one counseling." While Bridget says she refers clients to the Financial Education Center [another program of the CBP] she sometimes provides demonstrations to clients, detailing "I bring my laptop and pull out one of my Excel spreadsheets. I try to show them the importance of budgeting with month-to-month cash flow projections."

Ra'idah also explains, "sometimes we are an hour after a training session just answering questions."

USNPSS does not explicitly teach economic literacy to women participants of the Uttarakhand Women's Federation. Renu observes, "here the women from eighteen to eighty come here. Now the women of 60 or 70 doesn't know how to read and write, but they can keep track of their money matters very well." Rama explains how economic literacy is implicitly taught by educating women on the nutritional value of their native foods which the women sell cheaply on the market and replace with less nutritional non-native grains and vegetables that are more expensive to purchase. Finally, Anuradha comments they raise awareness and educate on the various schemes "implemented

through the panchayats because most of these schemes have some economic aspect attached to it.”

In summary, there are more differences than similarities in the savings practices and strategies of the two organizations. Both organizations develop positive attitudes toward savings by sharing experiences. They also similarly motivate women to save by connecting savings to economic choice and freedom. Notably, they contrast in their participation of formal government savings scheme as the Uttarakhand Women’s Federation does not support such schemes. The organizations also differ in the procedures for withdrawing funds. Requests to withdraw funds in the CBP program are accompanied by paperwork, a wait time, and a penalty of forgone matched funds. On the contrary, no such procedures exist in the women’s unions’ operations of savings and loan funds. Finally, economic literacy in an individual financial sense is not taught to women participants of the Uttarakhand Women’s Federation.

### **Lending Practices**

The following six questions relate to the organizations’ lending practices. The questions differ slightly for each organization to account for contextual differences.

*What must potential borrowers [CBP clients] do before they can apply for or access loans? Please explain the purpose of these requirements.*

Patricia remarks “my own microloan program here is very similar to getting a bank loan....So it is a business plan, it’s an application, financial projections, and then we’re looking for a personal financial statement. We want to look at their bank statements and we want to look at their taxes to see that they’ve paid their taxes. Bank statements to see if what they are telling me is true, if they are handling their money. It’s a very good indicator. And the purpose is to see that they are low-to-moderate [income households].”

Blair describes the purpose of the business plan explaining, “you’ve got describing your product or service, describing how you decided to price that, your competitive analysis, your marketing plan, resumes showing some background doing this kind of business. And then there’s financials on cash flow and break-even analysis, other sources of income, revenue projections, your plan for contingency and finally your plan for eventually selling it or exiting.”

*How are clients’ business plans and ideas for income generation evaluated or assessed for merit?*

Bridget concisely explains, “I look at the history of the business, the experience that the manager has regarding a similar business or even just managerial experience in the industry they want to go into. I look for sound marketing information and sources to back it up. I check for the financial projections to match their past performance and their marketing information. I really ask what are the competitors in the area doing? I check for the industry, the growth, the state of the industry, not only in the U.S., but locally.”



*The fund that you collect in the women's union – how do you apply to take a loan from it? What is the process?*

Interviewees describe several methods of how a woman can request a loan from the women's union savings and loan fund. Some methods are formal and require a written one page application detailing the use of funds. The reported number of copies and witnesses that needed to sign the document also varied. Other methods are informal, as Muni exemplifies the process in the her women's union stating, "I'll have to tell them that I had this sort of problem and I am going with Rs 2,000. Then the organization permits." However, for both formal and informal methods all requests are made openly at the monthly women's union meeting.

*How is the loan sanctioned?*

Interviewees explain savings contributions are first collected to determine the amount available to lend and then loan requests are made and reviewed. Radha, a CBO, explains "we see how many people are there to take a loan. Then we see one, two, three, four women and talk who is most needy. All are village people, they know that she is very needy. Then all decide collectively that we give the fund of today to that one. If the fund is more then we decide. First you give this to this, and second we give to that one. When there is less money, we give to one. If there is more money, we give to one, two, three, four and so on. We give all this money on a preference basis." Bagwati, a women's union

president, adds “we give loan in front of all.” Anuradha also observes “if there is a woman who is very poor then they will not charge her any interest” and Rama offers that “it is given up to Rs 2,000, somewhere Rs 3,000.”

*How is transparency, such as reporting, documentation and record-keeping, put into practice regarding the savings and loan funds?*

Rosemary, a longtime client and volunteer of CBP, conjures “ it would be one-on-one with the Business Finance Center director ....the [loan] documents they tell you the terms and the conditions and rights that you are getting this money and from where you are getting this money, for how long you need to pay, which amount. And they give you a summary so you can calculate each month how much you are paying, which percentage goes to the interest and which one goes to the capital. You have a spreadsheet with the all months, starting with the first month and then it’s at least for 3 years, or however amount of time you get the loan [for]. For example, if you pay more than the amount you used to pay, or you have to pay, you have that extra money to the capital. And anytime someone can ask Patricia to have another spreadsheet.” Patricia adds “I write and tell them when the interest rate has gone up or down.”

In regards to savings account statements, Leona remarks “Department of Housing and Community Development (DHCD) gives the account statement, but they are supposed to send me a report. DHCD is supposed to handle all the money.”

*How do the women keep track over records of deposited funds so that they could not be misused? How do you keep track of what has been loaned and what has been saved so that everyone knows what they have saved and what has been loaned?*

Radha explains “that we teach them, we prepare them for all deposits. We teach, make the rules and regulations by sitting with them. How will you do, what will you do by this money, who will go to deposit in the bank? If we hold this money with us, then who will keep it and who is honest, who will keep it safe, and who will give it? We decide all this by sitting together. Who will be the treasurer who knows how to keep the register. In the beginning when we collect money if they don’t know how to write we tell them how to write by sitting together. This is in this account, this is in that account, you write like this. They write by their own. We only tell them how to write. Then there is no need of us later on.”

Interviewees describe records are kept by the women’s union treasurer who makes entries into two registers each month, one which contains savings deposits and one which contains loan balances and the interest due. The entries are recorded in front of all members at the monthly meeting. Muni describes how even illiterate women keep track of the fund, observing the women’s union treasurer “tells that this much money is there by counting in fingers. So they themselves tell in every month that this much money has been collected. This much is not given and this much is your interest.”

In summary, the organizations differ profoundly in their lending practices as the CBP requires far more rigorous documentation from an applicant and closer scrutiny of the application before approval is granted. In contrast the lending procedures practiced by the women's unions of the Uttarakhand Women's Federation are so simple that any illiterate woman is able to request a loan. The complexity of the record-keeping practices of each organization is reflective of their respective lending practices; however both are completely transparent.

### **Financial Sustainability/Subsidization**

The following section presents the study questions, results and discussion related to each organization's practices, perspectives and strategies on financial sustainability / subsidization. The literature review demonstrated the impacts on organizations' missions and shifts in their targeted populations as a result of the demands attached to subsidized funds. Questions pertaining to financial sustainability / subsidization are divided by two parts, donor expectations and community expectations.

#### **Donor Expectations**

The following fourteen questions were asked to determine the nature of each organization's relationship with its donors, including the ease or difficulty in meeting their performance and reporting expectations. Questions related to practices and strategies for reducing program operating costs, assessing the financial feasibility of activities/programs, and rewarding staff members and volunteers/community based

organizers for innovation were also asked to determine the implicit effects of diminishing or deficient subsidization.

*How is program performance and impact measured or evaluated annually?*

- *What is reviewed or assessed?*
- *Quantitative measurements*
- *Qualitative measurements*

Blair explains “quantitative measures are tasked by our funders. So it’s how many training events did you have? How many people attended? How many one-on-one counseling sessions did you have? How many long-term clients did you have? And they give us goals and we successfully meet those goals. Qualitatively, we’re looking at the class evaluations.” Carly adds impact is also measured “by the number of people that come back here with their success stories.”

In contrast, Anuradha distinguishes the Uttarakhand Women’s Federation from other schemes targeted towards “women’s empowerment” because they “don’t have a sort of target that we have to connect women in thousands of village one year and thousands of women the next year. That is how most of the World Bank programs, and the UN programs and the government programs work. They have these yearly targets, but we don’t do that. It isn’t whether or not we work in 10 villages or 10,000 villages. We have a lot of focus on the quality of the work.” She further refers to forms USNPSS has developed in “which the women’s groups have to fill out annually [for a qualitative

evaluation]. It is very simple [these forms]. They [the women] state how they feel about the programs and what they want to do next.” Finally she remarks, “the people from the funding agency, the Dayal Trust, they come here at least twice a year. It’s sort of open, we ask them to see whatever they want. They talk to the women, they see the practical work. We also have a very close system of monitoring of programs, because we go to the villages, they come here.”

*How are organizational and program operations funded?*

Carly summarizes CBP’s diverse funding sources, recognizing “grants from the federal government, SBA, Fairfax County government provides funding, we get state funding, we get corporate funding and then we get the earned income and contributions from our workshop prices, from our incubators, other things that we do, room rentals, all that kind of stuff that we do. Slightly over 23% of our income comes from earned income. And that’s the number that we are trying to get up to become more self-sustaining.”

In contrast, Anuradha notes USNPSS currently gets its “funding from the Dayal Trust” to support activities of the Uttarakhand Women’s Federation.

*What are the expectations, such as accountability, record-keeping, reporting, quotas, these donors place on the organization and these particular programs?*

- *What do you think about these demands?*
- *Do they place constraints on the services, activities, programs and/or mission of the organization? Please explain.*

Blair discusses donor expectations on the Women's Business Center, stating "we are required to be open X number hours of the week. We are required to have weekend and evening hours. We are required to serve minority and socially disadvantaged women. We are required to provide counseling for free. There are tons of SBA government regulations that we have to follow, pages and pages and pages of activities that are not allowed and things like having to have the SBA logo on everything and have a link to their website." She believes that while the SBA has "been working to simplify paperwork demands, [requirements] have been overly burdensome." Carly shares the same feelings with Blair on the SBA quantitative measurement expectations and remarks "I think there are requirements to meet metrics that aren't valuable. As a non-profit organization with multiple funding sources one of the most difficult things is capturing the multiple pieces of data that each different funder wants. They don't all want the same thing." She discloses "our HUD microloan program will not allow us to serve clients outside of Fairfax County. So I think geographic constraint is probably the biggest one that they place on us."

While the CBP/Women's Business Center are required to negotiate and meet quota goals with the SBA, the USNPSS/Uttarakhand Women's Federation has an equally minor influence on the decisions of their donors to allocate specific amounts. Anuradha feels, "that fortunately, with this Dayal Trust, because it is a family trust, it's a private trust, so they are more flexible; they are very flexible." However, they are required to "give them the audit report and we give them annual report..... [For requesting funds] we have to say, for example how much money we want. And you have to accept it [the decision of the Trust on what to fund]. See they will ask you how much do you want, and they will give in the meeting of their board members, and if it is accepted it is o.k., and if there is any cut you have to accept it."

*How do donors expect the organization to show its demands have been met?*

Blair describes in detail "I have to write in reports and they send the equivalent of an auditor out here twice a year to look at everything, four written reports, plus two on-site visits, plus budget reimbursement requests. I have quarterly numbers that have to be uploaded to the Internet. I'm evaluated on the number of clients served, the number of jobs created, organizational structure, number of clients that are socially and economically disadvantaged, location and availability, hours of operations, that we assist clients on all levels of business growth and development, that we provide long-term and short-term counseling, that we coordinate with the SBA and other community and small business organizations, that we meet the match, customer satisfaction surveys, that we



participate in audio and web conferencing and our website is actively linked to SBA.gov.”

In contrast fewer reporting demands are made on USNPSS by its donor. Anuradha comments “you have to give them the quarterly reports in which you state that that much work has been done in this quarter” because their donor is a private trust that affords them more flexibility.

*What strategies are employed to reduce costs of program implementation?*

Blair outlines the deepest cost-cutting strategies. In her observation “the big one is having us all here together under one roof. The other thing is having top-of-the-line computer equipment that increases our productivity that allows us to produce really nice quality color documents in-house, having the I-Packs, so that we can do our scheduling and coordinate things quickly and easily with each other. The technology stuff is really critical to our productivity. Having a T-1 carrier so we get fast Internet access – it’s great.” Carly additionally notes, “we monitor costs very carefully. We want to make it an inviting atmosphere which might mean offering someone a cup of coffee, but we are going to have Rally Brand<sup>®</sup> sodas instead of brand name sodas. We’re going to buy stuff at Costco<sup>®</sup>. A lot of organizations like ours pay outside instructors to come in, we get strictly volunteers and we’ve had very good luck with that. So we control costs very, very well.”

In contrast, Anuradha doesn't provide explicit practices and/or strategies. Rather she offers an anecdote of a time when they were literally forced to cut costs. "When the funding from the Government of India stopped, we didn't know that it was going to stop, so it was a shock to us. We had no money here, so none of us were getting a salary, nothing for months. So the women's unions said 'you know, the balwadi shikshikas are very poor, so what should we do about [their honorariums which have ended]? If they don't get their honorarium, how will their family survive?' So what the [women's unions] did is they took out money from their collective fund and they paid the honorarium to the balwadi shikshika. That is how this program was sustained. It was the village people who supported the program, it was the village people who paid the honorarium. And for months, 7, 8 months they did that. And nobody is saying now, that we want our money back. When you are in a bad situation, they are ready to help you. And it's very positive. We had not expected it to happen, but it did."

*How is the appropriate cost of new and on-going programs assessed?*

Blair explains "there's not an appreciable [expense]. If I bring on a new training class, there's not a real cost associated with it other than marketing it. And our marketing costs are low because we are using a volunteer to design it and teach it..... It's the same as starting a business when you're adding a program. You write a business plan, you do the feasibility study, you look at what's out there, what kind of grant money can we get. It's cost and benefit [analysis]."

USNPSS follows similar, but somewhat less entailed practices. Anuradha describes that “we talk about it during the meetings with the CBOs and you get some idea of how much money it is going to cost. The CBO has written some calculations on it. And if it is an activity that other people are also interested in and want to replicate it in their own area, then we do a rough calculation and we try to get money from the funding agencies.”

*What is the most expensive service, activity or program the organization delivers?*

Blair emphatically references her largest and most time and resource-consuming fundraiser, “the Women’s Entrepreneurship Expo. It costs about \$15,000 or \$20,000 to put it on, so hopefully I make \$40,000 or \$50,000 on it.”

In contrast, Anuradha notes USNPSS’s highest expense is the “honorarium to the balwadi teachers and the balwadi supervisors. So in that sense, the balwadi program is the most expensive program.” Notably, the contrast is that while the Women’s Business Center relies on outside professional volunteers to teach its business training classes, the USNPSS provides payment to its balwadi teachers and supervisors who are often the organizers and initiators of the women’s unions. However, similarly, the recognized highest expense of each organization fundamentally supports the organization’s social intermediation practices and strategies related to networking.

*How are staff members and volunteers/community-based organizers rewarded for innovation?*

Neither organization offers explicit rewards, but rather refer to implicit rewards. Carly asserts “the reward is that staff members can see their idea come to fruition. But we frequently have brainstorming sessions and one person will come up with an idea and all of a sudden it evolves into something else because everybody else has gotten their consent in.”

Anuradha affirms “we are not in favor of rewards. We are not in favor of individual awards because if you say it is a collective work, then everybody has something to do with it. So no individual should get an award. See, if you have a new idea, a new way to do something, if you have done some experiment, something in the village or in your area, you talk about it. And it spreads all over Uttarakhand. So you will start it, it’s your program which is being replicated all over Uttarakhand!”

*What are the organization’s financial challenges? How are these challenges dealt with?*

Carly tersely replies, “sustainability. You get a program up and running and you are always fearful that funding source will go away just as the program is getting successful. And it takes about three years to get a program up and running and really visible and

doing what it was set out to do.” Blair explains, “we stopped buying as much food. Drastically reevaluated all of our paper use. I cut back on the number of classes, cut back on all of the extracurricular, outside activities.”

USNPSS’s financial challenges are jarringly similar. Anuradha explains “it is very hard to get funds, especially when you are in a remote area. Initially, we used to get the funding from the Department of Education, the Government of India. So it was an easier kind of thing. We used to get the funds and do whatever we needed to do, but now that has changed. The government funding has stopped. That’s why we have these two trusts from Bombay and Delhi. But fundraising is a challenging thing. Right now, currently, we are not able to meet the demands of the people. Currently we are facing a shortage of funds.” Anuradha observes fewer grants are made to the villages for toilet construction, plantation planting, and water harvesting activities.

*Do you feel donors appreciate the diversity of women’s needs? Please explain.*

Blair definitively replies, “absolutely, and I think it’s the fact that they are supporting women that makes them generous. They love that we’re supporting home-based businesses and minority and socially disadvantaged women. Absolutely.”

Similarly, Anuradha comments on the USNPSS donors, stating “they do, yes they are very supportive.”

*What is the exit strategy once goals have been achieved?*

The strategies of both organizations are strikingly similar. Blair observes “so for ourselves, we don’t have an exit strategy. We are hoping the Women’s Business Center is a permanent institution. And we also don’t have an exit strategy with our clients because we want them to stay with us from birth through selling their organization. We want them with us through the whole life cycle.” Anuradha explains “see when you are working in the field of education it’s continuous. You can’t say no we are done with it. So it’s a continuous program. We don’t support this idea of withdrawing from the community because our experience is that when you work for a long time in the same village, then only some results can be seen. We have been working in these villages for the last fifteen, twenty years. And now after fifteen, twenty years we can say these women they have changed the village, built solidarity and benefited, but in three years, five years time you can’t do that.”

*Is financial sustainability valued? If so, how? / Are you ever expected at some point to generate your own funds to support the programs?*

Carly remarks, “oh yes, and we try to find more ways to earn income. We’re investigating social enterprise opportunities and other ideas are how can we buy are own building so we can control costs, that kind of thing.”

In stark contrast Anuradha states, “no, I don’t think so. When you are working with the communities this idea of being self-funded is very hard to come by. It’s a very funny idea because then you have to have some income-generation programs and basically we don’t agree with that kind of approach because then the NGO becomes a sort of contractor or a company selling products from the Himalayas to the people in the metropolitan cities. We feel there are other problems which need to be tackled. Issues related to health and education are equally important.”

*Is profitability a goal?*

Interestingly, both organizations concur on this question answering “no.” However, Blair’s answer explains the reason for the different responses to the previous question. She states “no, because we’re a non-profit. We’re required to have a 100% match from the federal government. So if I get \$124K from them, I’ve got to show that between other money I raise and program income I at least make another \$124K. So that’s one of the requirements of the grant – 100% match.”

### *How are goals established?*

➤ *Who?*

➤ *When?*

Blair discusses the goal setting strategy of the Women's Business Center explaining "those goals that have to do with the number of clients that we serve and by "serve," they mean those that come to classes and come to counseling, we actually negotiate that number with the SBA Office of Women's Business Ownership and the SBA district director based on previous performance." Carly describes how overall goals are established for the CBP stating, "we get together as staff about twice a year and we set aside a day and have strategic planning so that it's not me as the director setting these goals and imposing them on the staff, it's jointly decided. [The board members] are not down in the trenches and they don't work day-to-day. I get their approval, but they're not involved in the process."

Comparatively, USNPSS / Uttarakhand Women's Federation limits involvement of the board in setting organizational goals. Anuradha discloses "we give them the annual report, we give them whatever information they want, but they don't interfere with what we are doing. It's good in a way, because if the people from outside, if they interfere with what you are doing then it becomes very problematic because you have to do that work and if you are saying it should evolve from the communities, it should evolve from the villages, then there could become a conflict between the two views."



The goal-setting strategy of Uttarakhand Women's Federation is more similar to that of the CBP rather than the Women's Business Center as seen in Anuradha's discussion. She explains "in fact when this federation was created we had a three day meeting with representatives from all over Uttarakhand and what came out of it was a long list of goals, missions, and vision that we all agreed on and an executive committee of the federation was formed. The rural women, they are the members of the committee and we have an advisory group which is the community-based organizers. The executive committee meets twice a year. It's not five, ten people it's forty actually. All rural women and we have a lot of discussions – where should we be going to, what should be done this year, the next year and all these things. Whatever comes up, we pick up on that issue and pursue our work."

In summary, the organizations share many similar practices and strategies in this area, but are dramatically different on several key aspects. While neither organization has a goal of profitability, only the CBP/Women's Business Center values financial sustainability. The Women's Business Center has a diverse array of funding sources from local and federal government to corporate sponsors and individual donations. In contrast, the Uttarakhand Women's Federation is solely funded by a private charitable trust.

The performance evaluation of the Women's Business Center primarily reviews its ability to meet quantitative targets set in conjunction with its donor, the SBA. However, the USNPSS/Uttarakhand Women's Federation does not work to meet such quantitative goals and neither is it expected to by its donors. As a result the organization has far fewer

reporting burdens as compared to the CBP/Women's Business Center. Ironically though, both organizations have similar financial challenges relating to the uncertainty of continuous funding and have similarly addressed these challenges through cutbacks in service.

Neither organization has an exit strategy as both intend to remain as permanent community entities. Both organizations also feel their respective donors understand the diversity of their clients/federation members needs. Other similarities in practices include the limited involvement of their respective boards in setting organizational goals and rewarding staff members and volunteers/CBOs implicitly, rather than monetarily.

### **Community Expectations**

The following questions were asked to determine each organization's role and relationship with their respective communities. Additional questions were asked to determine how these relationships are fostered and maintained. While meeting donor expectations may be necessary for short-term continuation, meeting community expectations are necessary for long-term continuation.

*What activities are carried out by the organization and its staff members to provide for or support outreach and visibility to the target population?*

Carly summarizes "word-of-mouth. We do no [paid] advertising but we do self-promote. Word-of-mouth from everybody that comes here. When we go out to the community

we're talking about our programs. We belong to three local chambers of commerce. We attend other community events and work with other organizations when they have conferences." Patricia adds "we are on the SBA, they put [us] on their website. They post all our classes on their website, the Economic Development Authority does so as well. We send out fliers and reports to all the libraries."

Similarly, word-of-mouth is how women and villages come to know about the Uttarakhand Women's Federation. Anuradha explains "we don't approach the villages. In fact, the villages they have to approach us. And it is happening, a multiplier effect on the community because if the village nearby is doing something, some work, then the people from neighboring villages, they also become interested in it."

*How are relationships with volunteers/community-based organizers developed and maintained? How are they attracted or recruited?*

Blair remarks, "more often, we don't need to encourage as people volunteer stuff. People are always writing me saying I've got this great course I'd like to teach for you. We've got tons of people who want to do this, but there's not enough hours in the day. And there's not enough interest in terms of really marketing it." She adds people offer to teach classes for free because they will get a lot of business for their services as a result, even though they are not explicitly promoting their business. Carly notes volunteer relationships are maintained by providing name recognition throughout the year and matching them with appropriate clients.

Anuradha explains that the NGOs have now become an employment sector attracting educated young men and women because there are few other employment opportunities. Thus many become a community-based organizer (CBO) and try to seek funds from funding organizations, like USNPSS. She says “we never approach the CBOs. If your orientation is towards money, we won’t take you. Money is one thing. You talk to them and you try to capture the sense of their motivation.” She further adds relationships with CBOs are maintained through “very frequent meetings and visits.”

*How is integrity cultivated within the organization and with volunteers or community-based organizers?*

Carly comments, “I think it’s just all our personal values and goals. That’s part of the thing when I hire people, it’s a big piece of it. We do monitor and caution volunteers that they’re here to provide a service to our clients and counsel. They’re not here to drum up business for themselves and we monitor that.”

The practices of USNPSS / Uttarakhand Women’s Federation are remarkably similar to the CBP / Women’s Business Center. Anuradha states, “so we have this framework, we have this approach of working to which all these people from across the federation agree to it. They say that we agree to this approach. Then you keep in touch, you talk to them.”

*How is women's interest and participation sustained over time?*

Perspectives from staff, volunteers and directors at the CBP/Women's Business Center are varied but interconnected. Blair, executive director of the Women's Business Center describes several of the organization's practices, explaining "a lot of that we do through the networking, First Friday networking breakfast, because once they've been through all of the classes we want them to continue to come here. We continue it through the special events. We continue it by bringing them in to showcase as success stories. We continue it through the annual economic impact survey." Ra'idah also remarks "in all of our classes we give them a feedback form and part of that form is 'suggest more topics.' And we do take those seriously and we try to find speakers and trainers for those topics and we introduce them in the next quarter."

Leona additionally notes, "we promote heavily in our classes. We promote the next step. I think it's even kind of a family feel. They feel like they are part of a family here, [they say] 'oh, I love it here. I'm one of the crew.' So I think it's just that camaraderie that they just feel like you're their friends." Finally, Bill, a volunteer, echoes similar sentiments, stating "the sustained interest over time is secured by trying to be continuously aware of women's needs and not making the mistake of forgetting that these people are mothers, that these people are wives and such and that they have something outside of their business. So it's trying to help them with the balance on that and such. And I think the genuine concern and the genuine caring that is displayed there is what's bringing people back. It is a very nurturing environment which lends itself to women."

Extraordinarily similar practices and perspectives are offered by USNPSS staff members and women's union presidents. Anuradha remarks "constantly you have to think of new ideas, and constantly you have to learn new things. With regular activity then interest becomes more sustained and you can nurture the program through that activity." Tara, a women's union president, and Ananidi, a CBO, describe other practices to sustain women's participation and interest. Tara explains, "continuous contact, continuous meetings in villages, continuous demonstration and awareness-related programs and continuous visits to Almora [USNPSS training center and office location]. First time they may feel they are going for just visiting Almora when they come to see views, to hear talks, then the change comes." Ananidi concurs, "stay in touch with them and treat them like family, the women keep in touch for a long time."

*How has the organization structured its role within a system of social and financial services?*

Blair answers for the Women's Business Center stating "we're an economic development organization, that's our job is to provide economic development to the area. We certainly do some referral but it's really minor to social service organizations. The cases that I can think of have had primarily to do with women who shared with us that they were victims of domestic violence and we were able to make some referrals or tell them what the resources were that were available. We're also very closely tied into the Fairfax County's Office for Children under the Office for Women. The Office for Children which does the permitting of the home-based childcare providers; we're very well-linked in with that

organization.” And Carly offers, “we provide services that none of the others provide. For instance, a bank won’t loan to a low-income individual with no credit and no collateral. The county gives technical assistance to established business owners, they don’t want to deal with fledgling or start-up businesses. So we fill in the gap.”

A strong contrast is shown between the Women’s Business Center and the Uttarakhand Women’s Federation which operates as a grassroots entity. Anuradha explains “it’s a network basically. A network of people across the hills of Uttarakhand. So in this network we have the women’s groups, the CBOs, also the balwadi workers, the balwadi teachers and the balwadi supervisors. You have to maintain your identity as being different from other organizations, so you have to think of some approach, some method of working which is different from the others. So the approach which we have adopted, is that it’s bottom-up. Everything depends on the women from the villages, and if they want to continue with work, the Uttarakhand Women’s Federation will continue working. If they don’t want to work we will stop. Our strength, I think comes from the villages, not from Delhi, not from the government. It comes from the villages, from the women who want to work in the network.”

*How do the organization’s programs differ from other non-profit/NGO programs?*

Several perspectives are offered by CBP staff members and volunteers, which include recognizing their strong board of directors and network of volunteers, their community

reputation, the diversity of their donors and especially the diversity and range of services they offer. Bill, a volunteer for eight years, remarks “I think what makes them different is again it is that personal aspect. Every client that comes through that door feels unique, feels that they are special and that they are the most important person at that point in time. I’ve never met somebody there that felt marginalized by the services that they received there. And that’s huge. And they foster that, that belief and that commitment to self, and your self-worth. They’re always trying to get these people to intermingle with each other and to realize that this can be done. They’re constantly bringing up examples of somebody that made it and [that] you could be here to. And so they do just a really good job of that and I think that’s what sets them apart. They are not afraid to reach out. They do a great job to reach out to other entities to bring people in. They develop relationships with people..... it’s the organization, the commitment of the staff that are there that really make it.”

While the perspectives of the women’s union presidents of the Uttarakhand Women’s Federation differ from those expressed above, they are bonded by the sincerity of intent in serving women. Hema asserts, “Uttarakhand Women’s Federation is an organization of rural women. Whatever be our problem, whether of land, of water, of forest, of feticide, of liquor, or any other social curse or any other problems related to woman the Uttarakhand Women’s Federation works on that. And the other federation or organizations, they work for a short period, like that of five years. These organizations work on other issues for a limited period which are not concerned with our women...



And we are fighting for the change which is a result of long work. If we will try to limit a woman or an organization for five years then we can't make it effective."

Muni observes another difference over other organizations noting, "if they [other NGOs] talk to women [and ask] how much money you have and what can you do for your village, then you be with us, but whichever work are run by Uttarakhand Seva Nidhi are not like this. It is started by their homes, like what are their domestic problems or what is their forest problem and else what is the problem in their family. It's not a compulsion because the work is done on root level." Anuradha concurs "we believe in a bottom-up approach, grassroots approach."

Finally, Bagwati observes "this is the difference that we take all people, go ahead together. In other programs they work by taking few peoples. We go ahead with peoples together. Change comes gracefully, not so soon. Others have projects, they work on those projects; they have to finish it in five years, but we don't do like that. It is a fight for the right of everyone"

Both organizations similarly rely on word-of-mouth as their primary outreach activity to their respective communities for attracting both clients/participants and volunteers/community-based organizers. Likewise, they both selectively screen volunteers/CBOs to maintain organizational integrity. They foster these relationships by maintaining constant contact and responding to volunteer/CBO needs. Both organizations maintain relationships with clients/women participants by offering activities that meet

their needs. However, they designate distinctively different roles in their respective economic and social systems. The CBP/Women's Business Center describes itself as an economic development organization serving the local government, whereas the Uttarakhand Women's Federation refers to itself as a grassroots community network.

## **Final Perspectives**

The following section presents the final study questions, results and discussion related to critical perspectives of the volunteers/community-based organizers/women's unions' presidents, staff members, and directors.

*What are the positive benefits and challenges in working with women from diverse classes and backgrounds?*

CBP staff members and directors alike identify challenges related to language barriers and name cultural differences as both a challenge and a positive benefit. Ra'idah explains "sometimes their culture can be so different from your own that you don't even realize that you might do something to offend them. So you have to be very careful. Similarly, we're not allowed to use big words. The standard is use words that a sixth grader can understand because a lot of the clients who come in here might not even be educated."

Patricia and Lila narrate upon specific cultural challenges. Lila illustrates "you live in the United States, you want to start a business in the United States but you come from a culture where women don't look men straight in the eye.... Those are things that you try

to be sensitive to, the cultural differences, but at the same time, you still have to teach this is the way it is in the United States and if you want to be successful in business in the United States, this is going to be what you are going to have to do.” And Patricia recounts “Hispanics will just classically show up without an appointment or they’ll be here an hour late and they’ll say ‘well I’m here now.’ And Bridget insists that we teach them ‘no, you’ve missed your appointment.’”

Leona recognizes another challenge in the diversity of educational backgrounds stating, “you’ll have someone in [class] with a PhD as well as someone who hasn’t finished high school. So you’ve got to establish an environment that isn’t intimidating, but also one so that others with higher levels of education are understanding [and patient.]” Blair mentions additional challenges such as, “working with low-income women, it’s the ones that come in with bad credit that need to spend a lot of time doing credit repair before they can get on with their dreams. It’s the long hours.” This time constrained work requires human resources that are often stretched thin.

Lila says the benefits are “you learn and gain insight into things that you would never have even come across. It is fascinating some of the things these women go through, not in a bad way, just thought process, the way things are done in their [native] country.”

Leona adds there is “a lot of positive synergy because you’ve got ideas coming from around the world.” Blair summarizes stating, “we have the diversity of ideas, we have the diversity of languages, we have the diversity of products. I’ve had everything from

somebody that makes tiles to somebody that is a patented toy inventor to somebody that's a patented male urinal inventor to graphic designers and authors, writers and editors."

Different challenges and positive benefits are provided by the staff members of USNPSS.

Renu observes the positive aspect of bringing women from diverse castes together.

"Brahmin is there, Thakur is there, Scheduled Caste is there. They all meet with one another. That time it doesn't seem that people of different are sitting together." However, she notes this is still challenging to achieve stating "people take their meal in their home, but at least we take tea together."

Anuradha discusses other challenges, explaining "The initial resistance to engaging with other castes is there. Still, there is resistance in the society, it's not a rosy picture because when you enter the panchayats. For example, Hema, when she stood for elections, there was a lot of resistance from the political parties because they are scared because they see a powerful women's organization which is coming up in Uttarakhand. And they will try their best I think to destroy us. They won't want to see us grow. They won't want to have some women in power in the state of the Uttarakhand, then their stakes in the political affairs, their stakes in the economic affairs they are threatened. What these women are saying we don't want just infrastructure. There are other issues. There are problems of alcoholism, and there are conservation, natural resource management related issues, and people are gambling, and social and environmental problems, which the political parties are not ready to accept. So we are already in conflict with them."

She also remarks, “the most positive aspect of this program is that we have been able to organize women all over Uttarakhand. So it has become a federation now which is very powerful. People in Uttarakhand, the government people, the funding agencies, and many people outside of Uttarakhand, they know that our federation exists now which was not there ten, fifteen years ago. So we have been able to organize ourselves, and establish ourselves as a strong women’s organization.” Rama adds “if we do little bit hard work with them they begin to love us. This is one of the positive aspects. And second is that if by making unions they are getting strength or their children are learning something from balwadi or the adolescent girls are learning.”

*What is the most important thing the organization does? Please explain.*

All CBP volunteers, staff members and directors cite “empowering” women and education in their responses. Patricia succinctly states “we help people to realize their dreams.” Rosemary, a volunteer, answers “helping the woman because [they are] teaching the woman how to develop herself, how to be able to do by herself.” Blair concurs, “we help women achieve economic independence through entrepreneurship.” Shanti, a volunteer, adds “being able to be a confidante with whoever the client may be regardless of whatever their background is.” Carly summarizes exclaiming “empower! A lot of people, particularly women, have ideas, but they don’t have the self-confidence. And when they leave here, we’ve given them tools that give them self-confidence, that empowers them to go out and change their life, and specifically changing their life by starting that business and doing it in a way that it has a chance at succeeding.”

In remarkable similarity “empowering” women is cited most frequently among the women’s union presidents, CBOs, and USNPSS staff members. However responses related to education were directed towards environmental education as Renu remarks “it is basically an environment-oriented organization; whatever matter is related with water, forest, land, children, women, we work on.” Anuradha recognizes “we create an enabling environment in the villages where women can do their work.” Bhagwati, a women’s union president, concurs “the most important work is that it is serving the people, making unity. There is no distinctions, there is only love and love. They are not doing like give me the vote, or give her the vote, they are serving with heart, mind and body.” Radha, a CBO, adds “to make aware the woman, to understand the main important problem of the woman and to raise awareness of those problems at the Uttarakhand level. The basic problem of the village woman they are raising it in front of government too. Otherwise, who will identify the voice of we village people.”

Hema provides a personal anecdote exclaiming “the most important work Uttarakhand Women Federation did is women empowerment. If I talk about me, firstly I was bounded to my house only. But today I am doing my work related to the fields, to my children, and for the whole society. This is a kind of empowerment only. In the initial stage when we had to stand in front of the conference in the regional level as well as the block level, then I used to worry three days before what I will speak and how. I used to shiver. I was confused what to say. I want to say something, but speak out something else. Now women who are not given opportunity to speak something, they get annoyed with us. Their self-confidence has increased.”

*What changes, if any, would you like to see?*

Nearly all staff members, directors, and volunteers with the CBP identify the need for additional physical space. Other major changes they would like to see include more funding and more staff. One director answers “reaching sustainability so that we didn’t have to spend such a huge percentage of our time scrambling for dollars.” A staff member mentions, “I would also like to see us work better as a team. I think we would be exponentially better if we had more of a team mindset as opposed to that’s your program you handle it type of thing. And that is – disheartening is the word. I’m not quite sure how to fix it in all honesty.” Another confides, “I have a hard time with another one of the programs because we both receive funds from the SBA. Anything that we want to do together only one of us can count the impact. So that precludes us really to working together. So the most we do is I will refer her clients she generally works with and she will refer me clients I typically work with. And to me we are missing because we can’t pull the expertise together, so I would like to see a change on that.” And one staff member reports “I would like to have more consulting programs and to have the time to go to the actual business, the actual site, and analyze the problem and help him or her facilitate change.”

While CBP responses focus on changes within the immediate work environment, most responses from USNPSS staff members and women’s union presidents and CBOs focus on societal changes toward equality. Bagwati exclaims “we want to see change that every woman could be aware about her own rights in all Uttarakhand and she get all type of

facilities and all be equal.” Muni asserts “we want to see in future that much more should be done for us women so that they can come forward and nobody can defeat them. They should not bow before anyone that the woman cannot do this work or that work. We want to see this change only.” And Hema avows “I need changes that our women should participate in the panchayats along with the issues of land, forest and water and women should be empowered in every sector.” Anuradha acknowledges “we need to be more organized. We need more people here in Uttarakhand Seva Nidhi who can work and really document the process, really do the research work, because lots of work is being done, lots is going on.”

*How do you feel about your work or what feelings do you get from doing the work you do?*

The reply “I love my work. I’m passionate about it” is commonly expressed by all CBP staff members, volunteers and directors. Rosemary remarks, “I feel comfortable and I feel lucky because I just find a way how to help someone and to help myself by the same way. Because in helping someone I am learning some experience for myself.” Shanti also comments on feeling “blessed, thankful, and lucky.... I like coming, I like the camaraderie and I learn.” Bill explains, “I get a heck of a lot of satisfaction. I take a lot of pleasure out of working with people, sitting down, talking to them, educating them on what they can do to position their company, how they can grow their company, what information do you need to know to get started....I like going in on the counseling sessions and sitting down with people that are committed to make a change in their lives



and as long as I have that that's great." Leona's relates as she says, "I love the energy that entrepreneurs bring to the center. There's always a lot of dreamers and positive energy out there so I do enjoy that." Lila's sentiments reflect similar remarks made by her colleagues which are "ninety-five percent of the time I am very happy with what I do. It is empowering to me be in position to empower others." She discloses the other five percent is filled with feeling overwhelmed by the workload, another common feeling among the staff and directors.

Similarly, USNPSS staff members, CBOs, and women's union presidents also express feelings of satisfaction, enjoyment, and good fortune from their work and make connections to the changes in society that have resulted from their work. Radha, a CBO, earnestly explains "we were getting government jobs, but we leave it and join this. We feel very much pleasure and happiness." Ananidi, another CBO, comments "I feel good that I have done something for my village. We see them learning out here and they are coming from such a distance, leaving their homes, come in meetings here. It also makes me happy. I really look forward. I have taken an oath that I'll work, till my older age and will stay in touch with these women and will make them move forward as much as possible."

Women's union presidents, Tara and Bagwati, accredit their commitment and feelings to the achievements they have made over time with the Uttarakhand Women's Federation. Tara reflects "we had so many difficulties to do the things in the beginning, but now we are confident that we will fight with any problem. Today we feel very good. We think of

what we have done and where we have reached, how was woman life earlier and how is woman life today? The change, comparing to earlier make us happy.” Bagwati adds, “if we get good result in our work then everyone has a desire to go ahead. I try fully from my side and will be trying forever.” Renu acknowledges, “we have earned a good name after coming here. We know so many people and they know us.” Finally, Anuradha shares feelings of deep appreciation proclaiming “this work is my life. It’s a very satisfying experience. There are not many people who get this kind of opportunity to work in the villages, to work directly with the rural women. In that sense I consider ourselves very fortunate. The other thing is you feel very satisfied when you see the changes occurring around these women, the personal growth as well as the collective growth.”

### **Contour Lines on Women’s Empowerment through Microfinance**

The final section of this analysis presents an overview of the qualitative analysis results that have established contour lines. It then situates each organization within Mayoux’s theoretical paradigms on “women’s empowerment through microfinance” to explain the differences.

The analysis of individual questions were carefully reviewed in order to determine how, collectively, the responses fit into Mayoux’s theoretical paradigms on page twenty-one. As the analogy by Katz suggests, the analysis shows there are a great many more similarities than differences between the two organizations and thus many contour lines which connect the two organizations in terms of values, practices, perspectives and strategies. These similarities are clearly rooted in the shared value systems of the CBP /

Women's Business Center and USNPSS / Uttarakhand Women's Federation which anchor their highly-esteemed reputations. These values are notably; honesty, transparency, trust, respect, hard work, relationship-building and equality.

Despite the strong commonalities in values, differences are indicated in the first four major sections of the interview question results pertaining to organizational development, social intermediation, savings and lending practices and financial sustainability/subsidization.

The first contrast appears in the organizational development history of how each organization was formed and founded. Establishment of the CBP involved a consortium of local government agencies, state and federally funded higher education institutions, and a civil rights organization. Likewise, creation of the Women's Business Center was top-down and literally mandated by the federal government and involved a local government agency and state/federally funded higher education institution. USNPSS evolved in a through a grassroots process of organized meetings with individuals and small community-based organizations from all over Uttarakhand. It emerged with the sole objective of supporting these individuals in their localized work with the villages without any other project-based agenda.

Second, while both organizations work to establish and expand networks for similar purposes (securing women's empowerment/self-sufficiency), the directional latitudes of these networks are quite different. The Women's Business Center explicitly works to

develop connections between clients and banks and government agencies. It also freely provides information with little censorship to clients regarding similar outside entity programs and activities. On the contrary, the Uttarakhand Women's Federation neither encourages nor discourages connecting women to banks. It has a tenuous relationship with government agencies and sometimes takes an overtly antagonist stance against government programs that it deems to be ineffective and counter to village interests. Additionally, the network takes a guarded approach of thoroughly investigating and researching information on schemes promoted for women's empowerment before circulating it through the federation.

The contrasting perspectives on women's abilities to change or influence the social structures that affect their livelihoods and well-being as a result of their participation in the Women's Business Center / Uttarakhand Women's Federation additionally demarcates each organization's position in the paradigm. Whereas CBP volunteers, staff, and directors limit change to the personal and household sphere of a woman's life, USNPSS staff, community-based organizers and women's unions presidents report on societal influence and effects.

Next, in terms of savings and lending practices, solid distinctions are also drawn across the savings and lending practices of the organizations. The differences notably pertain to the participation in government programs and the structured nature of procedures and requirements.

Finally, while similarities between the organizations are shown in nine out of fifteen questions related to the practices, perspectives and strategies on financial sustainability/subsidization, the stark disparities serve as the underlying basis for all other differences. These disparities directly relate to the organization's funding sources through which additional differences are constructed on perspectives of financial sustainability, strategies for goal-setting, practices to meet donor demands, practices of program and performance evaluation and perspectives on changes desired.

Based on the analysis of individual questions and a broader evaluation, it became clear that clearly the Uttarakhand Women's Federation is situated within the "Feminist Empowerment Paradigm" and the Women's Business Center is situated within the "Financial Self-Sustainability Paradigm." The role of the Women's Business Center within the national system of social and financial services is structured to channel and bond individual clients' attachment to it. It is operating within a market-based economy which fosters competition for survival. The Uttarakhand Women's Federation works to minimize its role within the same system while broadly encircling it to provide outward pressure for structural change. It is operating within a rural economy pressured by global demands for development wherein collective action for the protection of natural resources, land, forest, and water is absolutely vital for survival.

## **Chapter V**

### **Countertopographies and Conclusion**

The study findings on the similarities and differences of knowledge and experience between practitioners/community organizers in the differing geographical and political contexts of the rural Himalayas in the developing country of India and the large metropolis of Northern Virginia in the advanced country of the United States may provide the basis for strengthening strategies and practices of non-profits and NGOs which aim to empower women in both contexts. Specifically, the findings define contour lines upon which differing groups of practitioners/community organizers can become engaged in an open dialogue for the purposes of further mobilizing a global feminist movement that offers alternatives to global capitalism. This, however, does not mean that the differences between the differing groups should be diminished or minimized in any way, but rather they should serve as points of variation in which the possibilities of exchanging practices and strategies can be explored.

Katz affirms this view stating that “because globalization as such is an abstraction that has multiple forms, struggles to counter it have to mobilize equivalent abstractions.” Yet, she suggests that by creating local topographies we can provide a grounding on which to examine these abstractions, build on their juxtapositions, and create countertopographies that “offer the sorts of abstractions needed to reimagine and rework globalization and its effects” (724, 2001a). A number of villages in Uttarakhand have been abandoned entirely by men as they migrated from the rural hills to crowded cities, such as New Delhi, thus

defining Uttarakhand as a point of emigration. Whereas over 23% of Northern Virginia's population are foreign born, thus defining it as a point of immigration. In both places women are struggling to retain their cultural heritage and identities while adjusting to the profound effects globalization has endured on their lives and communities.

This case study examined the values, practices, perspectives, and strategies of Indian and American community organizers (practitioners and volunteers of non-profits and non-governmental organizations) who use microfinance, including savings schemes, as an instrument within the social intermediation process of developing disadvantaged women's capacities for self-sufficiency/empowerment. Neither organization is right or wrong in its approaches towards women's empowerment/self-sufficiency. Each is operating within the confines of respectively different cultural, economic, social, and political environments.

These findings confirm the working hypotheses of this study. The first, which theorized more similarities than differences in the values and perspectives of the two differing groups of practitioners/community organizers, was substantiated by the results of a qualitative comparative analysis on the collective organizational responses provided in lengthy in-depth interviews. The second, which theorized that the differences between the groups would be shown to stem from the contextual environments (political, social, economic, cultural make-up) in which they practice/organize was substantiated through the positioning of each organization in Mayoux's theoretical paradigms of "Women's Empowerment through Microfinance."

In review of the comparative organizational descriptions, both organizations show the extent of their outreach, as measured by the number of women served, is broad. The Women's Business Center and the Uttarakhand Women's Federation, both formally established in 2001, have served more than 12,000 clients and 15,000 federation members, respectively. In regards to the depth of their outreach, as measured by the percentage of disadvantaged women served, both are indeed largely serving these targeted populations. This conclusion was determined through the review of Women's Business Center's clientele profile and the Uttarakhand Women's Federation membership profile. Notably though, both organizations openly and equally serve all members of their community.

The success of these organizations is thus shown to not be connected at all to their differing microfinance practices, but rather to their shared core organizational values and similar social intermediation processes of empowering women. Both organizations are working to better the livelihoods and quality of life of women by offering them alternative ways of living and acting in the world. These organizations are grounded in a common, shared interest of supporting women's resistance to global capitalism's unequal power relations. They are enabling women to resist their exploitation, whether this exploitation is abstracted through the degradation of the natural resources their survival depends on or through the devaluation of women's labor in the workforce, by empowering them to demand and enact their social, political, and economic rights.



The basis of microfinance is to capitalize on the social capital of disadvantaged populations for the purposes of strengthening their attachment to national economies. By using networks of women to serve as collateral banks and financial institutions are greatly minimizing risks related to the loss of capital from loan default while profiting from women's creative and productive endeavors. Microfinance is essentially a development tool of global capitalism; however, inherently it is being used by both organizations to counteract global capitalism's exploitation of women. Both organizations are bringing disadvantaged women together in networks, not for the security of capital, but rather to:

- 1) develop and enhance their self-confidence which gives them the wherewithal to stand up and resist exploitation;
- 2) disseminate information and knowledge about their rights, particularly their rights to access power and resources.

The only difference between the two organizations in this process is that the CBP/Women's Business Center is implementing it by subverting the global capitalist system and working from within, while USNPSS/Uttarakhand Women's Federation is challenging the system from outside. Finally, these organizations demonstrate varied paths can be followed to develop women's capacities for self-sufficiency/empowerment. The Uttarakhand Women's Federation blazes the trail for women's empowerment through a collective movement which supports women's equal participation and representation in positions of political power. The Women's Business Center clears the

path for women's empowerment by opening the individual way of entrepreneurship for women's economic independence.

### **Future Research Recommendations**

This study demonstrates the possibilities of connecting women's struggles and resistance to exploitation in a global capitalist system from geographically and socially disparate places through Katz's analogous framework of developing topographies, contour lines and countertopographies. Future case studies should focus on connecting other practices and strategies from around the world that seek to empower women and offer them alternatives to globalization. Finally, issues of global women's empowerment should infiltrate studies on development in urban and regional planning.

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## Appendix

### **A Comparative Study of Community Organizers for Women's Economic Self-Sufficiency / Empowerment**

[The interview questions written in blue are questions only for the Indian site and questions written in red will be asked only at the American site as these questions are context specific.]

#### **Interview Questions for Directors:**

*How did you become the director of the organization?*

- *Why did you apply for the job?*

*How long have you been with the organization?*

- *Total years?*
- *As director?*

I have a few questions about values and the purpose of the organization.

*What are the organization's values and/or foundational beliefs?*

*What influenced or inspired these values to be held by the organization?*

*Do you share the same values as the organization? If so, which values do you share?*

*Does the organization have a political affiliation? If so, what is it?*

*What are the organization's mission and goals?*

*How are goals established?*

- *Who?*
- *When?*

*What were the reasons for the organization's establishment?*

*How has the organization structured its role within a system of social and financial services?*

*Who is the target population of the organization?*

*Who receives services provided by the organization?*

*Please describe the women your organization provides services for.*

- *Total number of women served*
- *Number of women who are single parents and heads of households*
- *Workforce participation and self-employment rates*
- *Average highest educational level of achievement*
- *Average household income*
- *Typical sources of income*
- *Age range*
- *Marital status of clients/women participants – breakdown of status type by percentage*

*What do you think of the people your organization serves?*

- *Do you feel connected to them? If so, how?*

*What services and activities does the organization provide? Please describe.*

Now I'd like to ask you some questions about your practices and strategies.

*How does the organization provide these services?*

*What kinds of training does the organization provide for each of the following groups:*

- *Staff*
- *Partner Practitioners/Community Organizers*
- *Clients/Women Participants*

*How is training conducted? Please describe:*

- *Purpose and goals of training*
- *What was taught*
- *Length of training*
- *On-going or one-time*

*Are staff members trained on the gender dimensions of the organization's work?*

- *If so, how are they trained?*
- *What do they learn?*

*How is trust and respect established?*

- *Among clients/women participants*
- *Between program staff members and women participants/clients*
- *Between partner practitioners or community organizers and staff*

*How does a women's village group come together?*

*What is the basic purpose of organizing collectively or as a village group?*

*How are internal social and economic conflicts addressed and resolved?*

*How do address the decline in group motivation? How do you motivate group members to come together and work together?*

*How is group solidarity developed?*

*How is the decline in the personal motivation of a client perceived and addressed?  
Please describe.*

*Is there a clear agreement that lets the client/women participants know what she must do in return to keep the services coming? If so what is it and how is it put into practice?*

*Does the organization help connect women to banks and other formal financial institutions?*

*If so, how does it do this?*

*How is the establishment of savings accounts for clients/women participants carried out?*

➤ *What is taught regarding the importance of this activity?*

*How are clients/women participants motivated to contribute to their savings accounts on a monthly or regular basis?*

*What is the strategy for developing a positive attitude towards savings among clients/women participants?*

*Is the matching of savings contributions an appropriate incentive for helping disadvantaged women save to achieve economic self-sufficiency? Please explain.*

*How are clients encouraged and assisted in identifying future needs and appropriate uses of savings?*

*How can clients/women participants withdraw savings? Is there a penalty for doing so?*

*How is transparency, such as reporting, documentation and record-keeping, put into practice regarding the savings and loan funds?*

*What must potential borrowers do before they can apply for or access loans? Please explain the purpose of these requirements.*

*How does a woman apply for a loan? What is the process?*

*How are clients' business plans and ideas for income generation evaluated or assessed for merit?*

*If clients' plans and requests do not meet evaluation criteria, what advice is given or what are they told they must do in order to meet evaluation criteria?*

*What is done or taught to help women balance other demands, those which are not economic or financial, such as household and community demands in their lives? Do you feel these methods are appropriate and effective? Please explain.*

*How is economic literacy taught to clients/women participants? Do you feel these methods are appropriate and effective? Please explain.*

*How does the organization foster social mobility and overcome inequalities that exist between the women you work with? Do you feel these methods are appropriate and effective? Please explain.*

*What are the number and kinds of activities or events, besides training or classes, the organization has hosted, supported or informed clients/women participants about that may have assisted them in establishing connections to others, including other organizations, institutions, and government agencies?*

➤ *Please describe the participation response to these activities or events.*

*How is information passed on to clients/women participants regarding other programs supporting empowerment or self-sufficiency that they may be eligible for?*

*How does the organization's programs differ from these other programs?*

*Are clients/women's connections to other social and financial institutions, including banks, other non-profits/NGOs and government agencies strengthened by the direct activities and services of the organization? If so, please explain how.*

*What is done to support building and advancing the self-confidence and social empowerment of clients/women participants?*

*How are women taught to develop their own empowerment strategies?*

*Do you feel these methods are appropriate and effective? Please explain.*

*Please describe the staff-client/woman participant relationship.*

➤ *What is the central point of the relationship?*

➤ *How is this relationship fostered and maintained?*

*Are women considered beneficiaries or participants of programs?*

*How is women's interest and participation sustained over time in the programs?*

*Is there a penalty to women who choose not to participate or stop participation?*

*Is there an incentive to participate?*

*What activities are carried out by the organization and its staff members to provide for or support outreach and visibility to the target population?*

*Is this how clients/villages learn about or become referred to the organization? If not, how do they?*

*What outreach activity has the most impact in attracting targeted clients/women participants?*

*What is the average annual number of clients/women participants the organization serves?*

*Of the number of clients/women served what percentage are from the targeted population?*

*How is the performance of the organization measured?*

- *Quantitative measurements*
- *Qualitative measurements*

*How is program performance and impact measured or evaluated annually?*

- *What is reviewed or assessed?*

*Please describe the management and governance structure of the organization.*

*How are organizational and program operations funded?*

*Is financial sustainability valued? If so, how?*

*Is profitability a goal?*

*How is integrity cultivated within the organization and with partner practitioners or community organizers?*

*How are relationships with other community organizers and non-profits developed and maintained?*

*Are these relationships static or dynamic? Please explain.*

*What criteria do you use in determining the possibility of a potential partnership with another organization or village?*

*Now I'd like to discuss some issues about funds and donors.*



*What fundraising activities does the organization or staff members do?*

*Who are the donors or sponsors of the organization and its programs which relate to the economic self-sufficiency or empowerment of disadvantaged women? Please describe.*

*What are the expectations, such as accountability, record-keeping, reporting, quotas, do these donors place on the organization and these particular programs?*

- *What do you think about these demands?*
- *Do they place constraints on the services, activities, programs and/or mission of the organization? Please explain.*

*How do donors expect the organization to show its demands have been met?*

- *Are these expectations and monitoring requirements clearly communicated? If so, how?*

*Do you feel donors appreciate the diversity of women's needs? Please explain.*

*What are your criteria to determine an appropriate time to end a program, service or activity?*

*What observations are made to influence/support this decision?*

*What is the exit strategy once goals have been achieved?*

*What strategies are employed to reduce costs of program implementation?*

*How are these strategies promoted?*

*How is the appropriate cost of new and on-going programs assessed?*

*What are the organization's financial challenges?*

*How are these challenges dealt with?*

*Is innovation, such as new ideas for service delivery, encouraged among staff members, partner practitioners and community organizers? If so, how?*

- *Strategies*
- *Rewards*
- *Do you feel these methods are appropriate and effective? Please explain.*

*What is the most expensive service, activity or program the organization delivers?*

*Is it feasible to request in-kind support or payment from clients/women participants to off-set costs of services?*

- *If this is done, what signals are sent clients/women participants about the value of such services?*

I'd like to ask a few final questions about your perspective.

*Do you believe in mutual accountability, such as complete and honest communication between, to and from, the organization and the clients/women participants it serves? If so, how is this practiced/implemented or how do you feel it should be practiced?*

*What are the positive benefits of serving women from diverse classes/castes and backgrounds?*

*What are the challenges?*

*What is the most important thing the organization does? Please explain.*

*What changes, if any, would you like to see?*

*How do you feel about your work or what feelings do you get from doing the work you do?*

## **A Comparative Study of Community Organizers for Women's Economic Self-Sufficiency / Empowerment**

[The interview questions written in **blue** are questions only for the Indian site and questions written in **red** will be asked only at the American site as these questions are context specific.]

### **Interview Questions for Staff:**

*How did you become employed at the organization?*

- *Why did you apply for the job?*

*How long have you been employed at the organization?*

I have a few questions about values and the purpose of the organization.

*What are the organization's values and/or foundational beliefs?*

*What influenced or inspired these values to be held by the organization?*

*Do you share the same values as the organization? If so, which values do you share?*

*What is the organization's mission and goals?*

*Who is the target population of the organization?*

*Who receives services provided by the organization?*

*What do you think of the people your organization serves?*

- *Do you feel connected to them? If so, how?*

*What services and activities does the organization provide? Please describe.*

Now I'd like to ask you some questions about your practices.

*How does the organization provide these services?*

*How is training conducted? Please describe:*

- *Purpose and goals of training*
- *What was taught*
- *Length of training*
- *On-going or one-time*

*Please describe for each of the following:*

- *Staff*
- *Partner Practitioners/Community Organizers*
- *Clients/Women Participants*

*Were you trained on the special gender aspects of your work?*

- *If so how were you trained and what did you learn?*

*How is trust and respect established?*

- *Among clients/women participants*
- *Between program staff members and women participants/clients*
- *Between partner practitioners or community organizers and staff*

*How does a women's village group come together?*

*What is the philosophy/belief for basis of collective organizing?*

*How are internal social and economic conflicts addressed and resolved?*

- *Denial of loan or disbursement of group savings funds*
- *Disagreement pertaining to use of funds for village activities*
- *Disagreement pertaining to use of funds for physical improvements of village property*
- *Decline in group motivation*

*How is group solidarity developed?*

*How is the decline in the personal motivation of a client perceived and addressed?  
Please describe.*

*Does the organization help connect women to banks and other formal financial institutions? If so, how does it do this?*

*How is the establishment of savings accounts for clients/women participants carried out?*

- *What is taught regarding the importance of this activity?*

*How are clients/women participants motivated to contribute to their savings accounts on a monthly or regular basis?*

*What is the strategy for developing a positive attitude towards savings among clients/women participants?*

*Are savings funds allotted to various accounts for different purposes such as emergency funds or school fee funds?*

*Is the matching of savings contributions an appropriate incentive for helping disadvantaged women save to achieve economic self-sufficiency? Please explain.*

*How are clients encouraged and assisted in identifying future needs and appropriate uses of savings?*

*How can clients/women participants withdraw savings? Is there a penalty for doing so?*

*How is transparency, such as reporting, documentation and record-keeping, put into practice regarding the savings and loan funds?*

*What must potential borrowers do before they can apply for or access loans or grants? Please explain the purpose of these requirements.*

*How are women participants'/clients' business plans and ideas for income generation evaluated or assessed for merit?*

*If clients'/women participants' plans and requests do not meet evaluation criteria, what advice is given or what are they told they must do in order to meet evaluation criteria?*

*What is done or taught to help women balance other demands, those which are not economic or financial, such as household and community demands in their lives? Do you feel these methods are appropriate and effective? Please explain.*

*How is economic literacy taught to clients/women participants? Do you feel these methods are appropriate and effective? Please explain.*

*What are the positive benefits and challenges in working with women from diverse classes/castes and backgrounds?*

*How does the organization foster social mobility and overcome inequalities that exist between the women you work with? Do you feel these methods are appropriate and effective? Please explain.*

*What are the number and kinds of activities or events, besides training or classes, the organization has hosted, supported or informed clients/women participants about that may have assisted them in establishing connections to others, including other organizations, institutions, and government agencies?*

➤ *Please describe the participation response to these activities or events.*

*How is information passed on to clients/women participants regarding other programs supporting empowerment or self-sufficiency that they may be eligible for?*

*Are clients/women's connections to other social and financial institutions, including banks, other non-profits/NGOs and government agencies strengthened by the direct activities and services of the organization? If so, please explain how.*

*What is done to support building and advancing the self-confidence and social empowerment of clients/women participants?*

*How are women taught to develop their own empowerment strategies?  
Do you feel these methods are appropriate and effective? Please explain.*

*How is women's interest and participation sustained over time in the programs?*

*Is there a penalty to women who choose not to participate or stop participation?*

*Is there an incentive to participate?*

*Is there a clear agreement that lets the client/women participants know what she must do in return to keep the services coming? If so what is it and how is it put into practice?*

Finally, I'd like to ask you for a few final thoughts about your work and the organization you work/volunteer with.

*Please describe the staff-client/woman participant relationship.*

- *What is the central point of the relationship?*
- *How is this relationship fostered and maintained?*

*Are women considered beneficiaries or participants of programs?*

*How does the organization's programs differ from these other programs?*

*What is the most important thing the organization does? Please explain.*

*What changes would you like to see?*

*How do you feel about your work or what feelings do you get from doing the work you do?*

### **A Comparative Study of Community Organizers for Women's Economic Self-Sufficiency / Empowerment**

[The interview questions written in blue are questions only for the Indian site and questions written in red will be asked only at the American site as these questions are context specific.]

**Interview Questions for Volunteers of the Women's Business Center and Community-Based Organizers/Women's Union Presidents of the Uttarakhand Women's Federation.**

*What is your relationship with the (Women's Business Center or Uttarakhand Seva Nidhi Paryavaran Shiksha Sansthan)?*

*How long have you had this relationship?*

*How did this relationship begin?*

*How has this relationship changed over time?*

*Do you share the same values as the (Women's Business Center or Uttarakhand Seva Nidhi Paryavaran Shiksha Sansthan)? If so, which values do you share?*

*Has the (Women's Business Center or Uttarakhand Seva Nidhi Paryavaran Shiksha Sansthan) provided you with any training? If so, please describe this training.*

- *Purpose and goals of training*
- *What was taught*
- *Length of training*
- *On-going or one-time*

*How is trust and respect established?*

- *Among clients/women participants*
- *Between program staff members and women participants/clients*

*How does a women's village group come together?*

*What is the philosophy/belief for basis of collective organizing?*

*How are internal social and economic conflicts addressed and resolved?*

- *Denial of loan or disbursement of group savings funds*
- *Disagreement pertaining to use of funds for village activities*
- *Disagreement pertaining to use of funds for physical improvements of village property*
- *Decline in group motivation*

*How is group solidarity developed?*

*How are clients/women participants motivated to contribute to their savings accounts on a monthly or regular basis?*

*How is the establishment of savings accounts for clients/women participants carried out?*

- *What is taught regarding the importance of this activity?*

*How is the decline in the personal motivation of a client perceived and addressed?  
Please describe.*

*How is transparency, such as reporting, documentation and record-keeping, put into practice regarding the savings and loan funds?*

*How do the women keep track over records of deposited funds so that it could not be misused? How do you keep track of what has been loaned and what has been saved so that everyone knows what they have saved and what is has been loaned?*

*What must potential borrowers do before they can apply for or access loans or grants?  
Please explain the purpose of these requirements.*

*How are women participants'/clients' business plans and ideas for income generation evaluated or assessed for merit?*

*The fund that you collect – how do you apply to take a loan from it? What is the process?*

*How is the loan sanctioned?*

*If clients'/women participants' plans and requests do not meet evaluation criteria, what advice is given or what are they told they must do in order to meet evaluation criteria?*

*How does the Women's Business Center foster social mobility and overcome inequalities that exist between the women you work with?*

*How does the Uttarakhand Seva Nidhi Paryavaran Shiksha Sansthan / Uttarakhand Women's Federation motivate women to participate in social activities?*

*How do you work to make everyone feel equal to the next woman, like there is no difference in caste and class between them?*

*How does the (Women's Business Center or Uttarakhand Seva Nidhi Paryavaran Shiksha Sansthan) programs differ from other non-profit/NGO programs?*

*Are clients/women's connections to other social and financial institutions, including banks, other non-profits/NGOs and government agencies strengthened by the direct activities and services of the organization? Please explain.*

*Are women put in touch with banks, other NGOs, government agencies like the Forest Department, ANM, and panchayat through the services and activities of the Uttarakhand Seva Nidhi Paryavaran Shiksha Sansthan / Uttarakhand Women's Federation? Please explain.*

*How is women's interest and participation sustained over time in the programs?*



*Are women's abilities to change or influence the social structures that affect their living conditions and well-being developed through activities or programs of the Women's Business Center? Please explain.*

*Can you please describe the changes that come in the life of a woman from participating in the Uttarakhand Women's Federation, such as changes in her daily life and her abilities and changes in her social life? Please explain.*

*What is the most important thing the (Women's Business Center or Uttarakhand Seva Nidhi Paryavaran Shiksha Sansthan) does? Please explain.*

*What changes, if any, would you like to see?*

*How do you feel about your work or what feelings do you get from doing the work you do?*

## Vita

Sara Duke graduated Magna Cum Laude in May, 2006 with a Bachelor of Science in Economics from Virginia Commonwealth University. She holds a professional certificate in Community Economic Development and has been a community organizer for women's rights for over five years in her hometown of Richmond, Virginia. She has received several awards for her activism and leadership, most recently the 2008 Presidential Award for Community Multicultural Enrichment from Virginia Commonwealth University.