

## **Report of Cooperatives:**

The Credit Cooperative Society is an economic organisation with 30 cooperatives of marginalised communities of Dalits, Tribals and Minorities, mainly from rural areas across 14 districts in Gujarat. Its present membership is about 65,000 women. The aim of the society is to make these women economically and socially self-sustainable.

The project began as a research on the cooperative movement that existed in isolated groups. It was soon realised that a lot was being done, but the output could be maximised if all these groups were federated in some form. Consequently, a process began of bringing the groups together - sharing the issues that affected them, their way of responding to the challenges, their limitations... The present network was born. The savings and credit activity was the platform to address the issue of poverty, and poverty related needs such as literacy, asset holdings, small credit, social security, and insurance.

There were some very dynamic groups in the way they managed their resources, and others that more dependent on the organisation that supported them. This coming together was an eye opener for all. The activity has been hugely successful, and women have taken to it very well. In spite of it being basically an economic organisation, it has gained popularity and success because of the social benefits for women in terms of exposure, confidence, and assertiveness. Part of its success lies in the fact that the activity is rooted in their culture - the women have been used to this activity, and they function in an informal way and on a very small scale within their extended families or their community in their villages.

The outcome of the Credit Cooperative can be seen in the vast variety of forms it has taken that include farming, animal husbandry, herbal medicine, traditional art, nutritional foods, village shops, agro-machinery... The women have amazing stories to tell about what happens when a myth is challenged, and a new path opened. The income the women earlier brought home just went back to the unjust system, and that system thrived. This is slowly changing as the women are mending the leaks in their system, and ensuring that their capital stays and moves within the community. Above all it is going into the greatest investment, in the education of their children, in improving their traditional trades and livelihood, and ultimately leading to a bettering of the quality of life. This economic empowerment is opening their eyes to new ways of handling their social insecurity, and above all, through the power of breaking the narrow social divisions of tribe and caste, discovering their potential and acting corporately to take up common issues, and standing up to common foes.

## **I. Abstract**

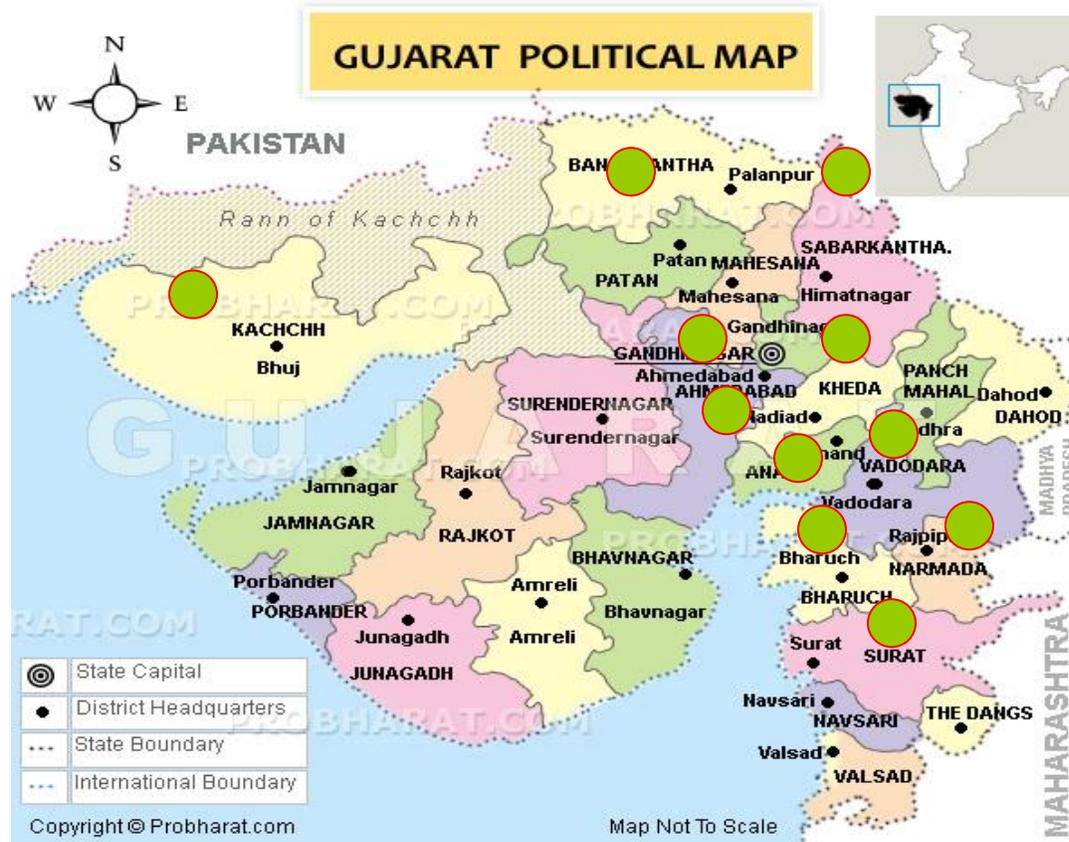
The women's savings and credit cooperative project over the past three years has sought to assist women's empowerment, to accompany them in the process of capacitating themselves, and to strengthen the savings and credit cooperatives through institution building. The project includes the cooperatives of Gujarat promoted by NGOs and organizations associated with the faith-based organization. The Human Development and Research Centre's (HDRC) role has been to build institutions and capacity over a period of three (3) years for two groups, in subsets: (1) For the members of the cooperatives, (1.1) the managing committee members, (1.2) the cooperative staff, and (1.3) the non-role holding members; and (2) For the promoters and other NGO functionaries, (2.1) those managing the cooperatives, and (2.2) those helping and facilitating the cooperatives or similar cooperatives.

The women's savings and credit cooperatives project includes 29 cooperatives consisting of the marginalized communities of Dalits, scheduled tribes, and minorities mainly from the rural areas. The project seeks to build capacity of members to develop visions for the future of their cooperatives, make decisions concerning the direction of the cooperatives, resolve conflicts, negotiate and bargain, manage finances, self-monitor, recruit new members, dismiss employees when necessary, network, and build relationships with the public. The project has sought to encourage autonomy and self-reliance of women and their organizations. The hope has been to strengthen women's cooperatives so that they could become self-sustainable, both economically and socially, in terms of building competent leadership, and in becoming agents of change in favour of women's empowerment.

The three year project has been implemented in collaboration with the Human Development and Research Centre (St. Xavier's Non Formal Education Society).

## II. Location

Eleven districts of Gujarat.



## III. Background and Project Description: Women's Cooperatives in Gujarat

In rural communities in India, cooperatives serve as a means for women to join together in a spirit of unity to promote economic mobility and social change. For the last several decades, the Human Development and Research Centre (HDRC) has been working with various promoters, village leaders, and women and families to start cooperatives, nurture and support existing cooperatives, and mentor women leaders. HDRC, alongside promoters, see the cooperative as a vehicle which promotes gender equity and positive social change in communities by continuing women's education as they learn about the financial intricacies of cooperatives, empowering the women to exercise official leadership roles, providing a platform for organized financial cooperation and control over their financials. This combination of outcomes creates a unique impact of cooperatives which is understood amongst women in the villages, HDRC workers, promoters, and others as women's empowerment.

While Gujarat is the 6th most developed state in India, there are still areas in which this “development”, illustrated by further industry, connectivity through roads, better schools, etc. is not yet seen. In places such as these, there is still severe discrimination against women and issues of gender inequality that permeate all aspects of life. In many rural areas of Gujarat, women are typically not allowed to earn money outside of the home, play a part in the financial dealings of a household, and most times are required to seek their husband's or a man's approval to leave the

house and engage in activities alone.<sup>1</sup> For the tribal women of many communities, there is a hesitance to speak up in the household because they do not feel educated and have not finished their schooling. Additionally, there is a fear of physical abuse by their husbands or other men in the family and distinct social and cultural norms that prevent women from having economic opportunity in the commercial village areas. Many women in the community cite these challenges as well as the continued issue of alcohol use in their communities as creating deeper divisions. Women in remote areas face the dual challenges of needing to provide for their growing families while at the same time be the caretaker of the household.<sup>2</sup>

To address these issues, the women's cooperative project, with funds from Alboan, seeks to support 29 women's cooperative around Gujarat. HDRC is specifically involved with the training aspect of the cooperatives, as well as further mentor support when needed. HDRC created training modules, financially supported the women's trainings with multi-day gatherings, identified and worked with local women to identify specific leaders, and continues to visit all of the cooperatives and monitor and evaluate their progress as independent, self-sufficient entities.<sup>3</sup>

The training model relies on local leadership to be effective. Structurally, cooperatives comprise a group of women from about 20 villages that come together to form a cooperative. Each village chooses a village leader, which serves as the representative on the managing committee. Therefore, the managing committee is comprised of all village leaders plus a few more women who are democratically elected and are responsible for the overall organization, recruitment, and financial logistics of the cooperative. Only the position of secretary, who is specifically given the responsibility of bookkeeping, is a paid position while all others are on a volunteer basis and rotate approximately every three years. HDRC first trains the local leaders on the managing committee to learn how cooperatives work, how to lead meetings, and what their role would be within the broader context. Then, the managing committee and village leaders are responsible for conducting further trainings and recruitment meetings in their villages and keep track of the women's payment, loan activities, and additional entrepreneurial endeavors. Through this process, the cooperative continues to grow and operate independently.

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<sup>1</sup> (Human Development and Research Centre, 2010)

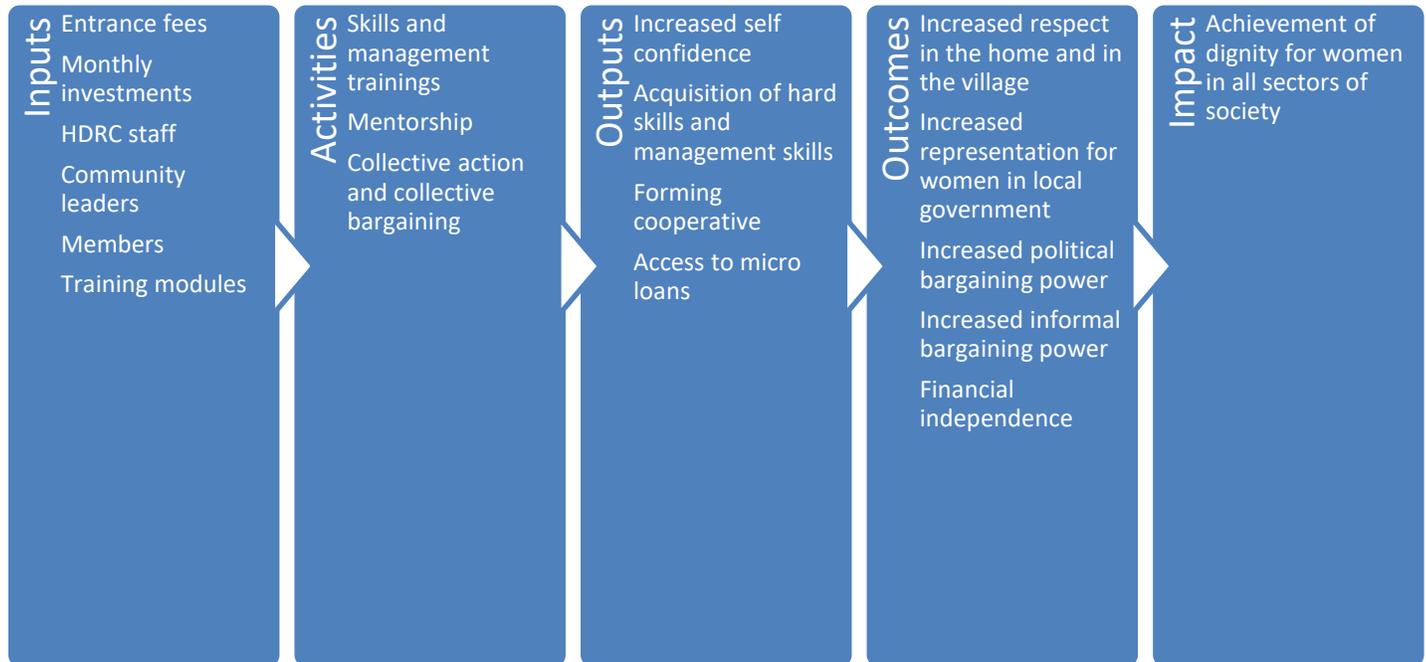
<sup>2</sup> (Canis, 2012)

<sup>3</sup> (Canis, 2012)

#### IV. Logic Model

Figure 1 below depicts the logic model for the women's cooperatives project, showing how program inputs and activities are expected to yield improvements to the lives of participants.

**Figure 1: Logic Model for HDRC's Activities in Support of Women's Cooperatives**



The entrance fees (the fee may vary by location based on the age and success of the cooperative) and monthly investments are necessary for the financial workings of the cooperative, including micro loans. HDRC staff, community leaders, and members are necessary for the social workings of the cooperative, including trainings, collective action, and mentorship. The training modules are necessary for the trainings, on which many of the existing cooperatives' members heavily rely. Mentorship and trainings contribute to the forming of cooperatives, the acquisition of necessary skills, and increased self-confidence. Collective action and collective bargaining lead to increased political and informal bargaining power as well as increased representation for women in local government. Access to micro loans and increased self-confidence both contribute to increased respect at home and in the village, as well as a sense of independence. All of these factors contribute to the achievement of dignity for women in all sectors of society.

#### V. Theory of Change

The overall theory of change of the women's cooperative project is that through continued training and knowledge of a cooperative, the ability to participate in a cooperative, further leadership development, and subsequent utilization of the benefits of economic literacy, women will gain greater confidence in their skills and abilities and therefore experience more agency and dignity in their home and community.

Specifically in regards to HDRC's involvement in the trainings, the theory of change is that if HDRC offers trainings that impart the skillsets and knowledge needed to manage a co-op, then the women will obtain practical knowledge of cooperative management strategies and will be able to lead their own trainings. With this combination of knowledge and skills, the women will be able to manage cooperatives effectively and efficiently. If women are effective managers of their cooperatives, then they will become formal change agents in their communities and have the dignity and respect they deserve in their home.

The first step of the process is developing meaningful relationships with local stakeholders and identifying a need and demand in the community. HDRC develops a multi-day training module and gathers the women leaders together on a regional level to understand the logistical processes of what a cooperative is, how to manage the books, ideas for recruiting other women, and best practices from other cooperatives. After these trainings, the women then go back to their communities and share the information they have learned on a more local level, organizing interested women in their villages and explaining the basics to them in an informal setting.

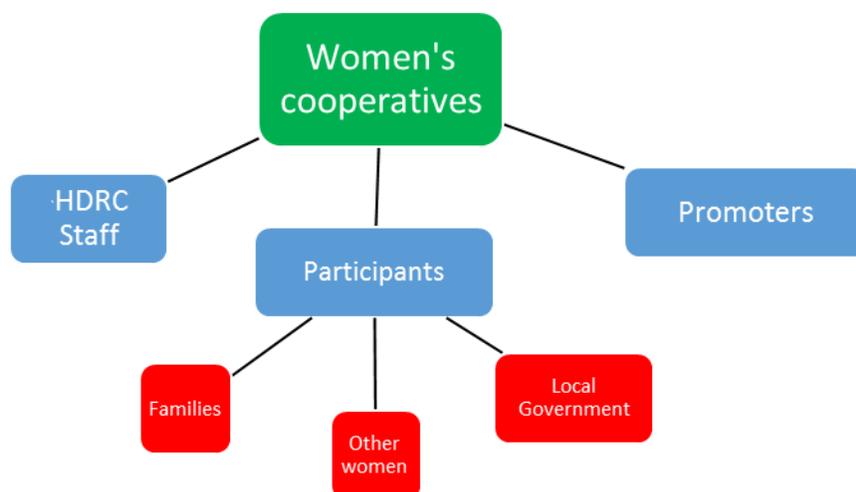
Once the trainings have commenced and women have greater knowledge of a cooperative, the financial structure, economic opportunities and potential financial undertakings, they report seeing gradual social change. Whereas women previously had little knowledge of finances and were not given much voice around this topic in their relationships, now they have the power to invest their money and take out loans as well. These social changes are not resolute and are certainly not static, but women who have been involved in this process for nearly two decades see a distinct and dramatic shift that is traced to the opportunity and benefits of being greater change agents through cooperatives.

## **VI. Identification/Mapping of Stakeholders**

The main stakeholders are the women participating in the cooperatives, the convent that started the cooperatives, donors and the HDRC staff. The women participating in the cooperatives are affected directly by the quality of the cooperative in which each takes part and by the strategies employed by HDRC to support and develop the cooperatives. The women seem to self-identify as leaders and approach the church for guidance. The HDRC staff, the convent, and the donors have a vested interest in the success of these cooperatives. HDRC has an interest in the success of the cooperatives because successful projects increase the probability of receiving funding. The various promoters have different interests depending on their background, but in general, they have an interest in promoting social justice. As an example of one type of promoter, the faith-based organization is quite often a promoter of cooperatives in Gujarat. The faith-based organization in general, and the local convents in particular, has an imperative to perform social justice. It also has an interest in being a prominent force for good in the community to attract members. The implicit interest in attracting members was a cause for suspicion at first among the tribal communities, who are often Hindu or other belief systems, but the particular convents acting as promoters have shown that they are not actively attempting to win converts. In many communities, the faith-based organization is prominent and sisters are trusted and respected in the communities and are close to many of the women.

The secondary stakeholders include the families of the women involved in the cooperatives, other women in the same community but not necessarily involved with a cooperative, and local government. The families of the women taking part in cooperatives are affected by the change in dynamic effected by the participants' access to money and a new circle of supporters in the cooperative. Husbands and fathers in particular may resent the changes in the power dynamic and may respond with domestic violence. Likewise, as the cooperatives become more established, husbands and fathers often react with interest in the prospect of access to micro loans. The men in these women's lives have a social interest in maintaining the established gender relations, but they have an economic interest in having access to financial instruments such as micro loans. When women are the only link to these financial instruments, these two interests conflict, and often the economic interest wins out. Other women in the community are affected as well, insofar as the cooperatives bring dignity by showing that women are capable of economic independence. They may respond favorably or unfavorably to the existence of the cooperative. Other women in the community may feel they have a social interest in maintaining the existing social order, or they may feel that gender relations are unfair. Women who feel that existing gender relations need to change are more likely to join the cooperative, but there are many reasons beyond gender relations to decline membership. The local government is affected by attempts to put women from the cooperatives in local office. It can be expected that there will be more conflict in local government as women fight for legitimacy, but after an initial rise in conflict, one can also expect better governance as greater representation for women translates to a more inclusive society. The local government does not have an interest in creating a more inclusive society. It has an interest in managing itself in the most efficient way, which involves preventing new elements from entering local government.

**Figure 2: Stakeholder Map**



## VII. Problem Statement

At the beginning of the project, experience and studies suggested that the promotion of savings and credit cooperatives was a viable organisational means to empower women economically, socially and politically. However, lack of adequate policies, competencies and skills in governance and management of cooperatives was making these cooperatives less effective in achieving their objectives.

*The external environment, actors and factors:* External factors such as caste and gender discrimination were and continue to be very strong within the community and outside from which the cooperatives emerged. The promoting agencies themselves were victims of these factors and thus were unable to provide a vision and strategy to counter the discriminating factors and actors.

The higher caste and higher class women, although they found themselves in leadership positions, were ill-equipped to make the structural changes necessary to accommodate their lower caste, lower class peers.

Due to changes in leadership and personnel in promoting organisations the young cooperatives suffered a set-back of continuity.

*Inclusive policies in the cooperatives:* The cooperatives needed to cater to the most vulnerable women – widows, victims of domestic and other forms of violence, the aged and destitute women. At the beginning of the project, the cooperatives did not have these social concerns inbuilt into their functioning. The members and the leaders of the cooperatives needed to be sensitized regarding this deficiency and the cooperative was expected to be financially vibrant to be able to emphasize these policies. Linkages with welfare schemes and insurance were also explored to address these concerns.

*Cooperatives needed to become the interface with local governance and the institutional vehicle to develop social and political leadership:* The cooperative needed to be able to widen the safety-net for women in the areas of health, education, social security and entrepreneurship through assisting their members to access welfare schemes and all other entitlements. Cooperatives needed to become the interface of its membership with the Government. In the same vein, the cooperatives needed to play a more active role in *addressing critical gender concerns* like girls' education (including higher education), developing leadership among its membership to become active in the local self-governance institutions and to offer support to victims of domestic and sexual violence.

The proposed project was to accompany women's cooperatives to address the above actors and factors so that the sustainability and organizational strength of the cooperatives were enhanced.

## VIII. Interventions

### OBJECTIVES

#### Specific Objective

Build specified capacities among the Managing Committee Members (MCC), office functionaries (staff) and the village representatives of 29 women credit cooperatives described earlier over a period of three years and explore ways of increasing their networking and advocacy potential.

#### Expected Results

1. Prepare and train a group of trainers to take care of the training needs of the project.
2. Design a training programme that takes care of the different situations of the cooperatives and allows for internal learning to the trainers during the project-years.
3. Have during the first year a *pilot project* which will provide the MCC members, the office staff and the village representatives of *10 cooperatives an intensive training* so that they can run the cooperative effectively.
4. Establish during the first year *preliminary contact with 19 cooperatives* to facilitate later training and asses in depth their needs.
5. Have an evaluation of the training results at the end of the first year to improve training practices and methodologies.
6. Based on the lesson learnt, provide intensive training during the next two years to the remaining cooperatives (MCC members, the staff members and the village representatives) and establish a follow up mechanism with those that have had the intensive training already.

#### ACTIVITIES

##### **Result 1 Prepare and train a group of trainers to take care of the training needs of the project**

**Activity 1.1 *Formation of the Central Resource Facility (CRF)*.** This group will be in charge of designing, monitoring, evaluating the entire training programme. In short, it will ensure the implementation of the programme. This team of trainers will have the following members:

- (i) The Director of the project: Jacinta Canis.
- (ii) The Field Coordinators.
- (iii) Two Senior Trainers who will supervise all the training programmes.
- (iv) 12 Trainers selected from persons (preferably women) based in the villages and having experience in training members of women's cooperatives..
- (v) Two consultants one from the BSC and the other external

Resources: (see Appendix 1)

**Activity 1.2 *Prepare and conduct a training programme of 6 days for the CRF at the start of each year. The objectives of this programme will be:***

- (i) Prepare the written material which will be used in the training programme.
- (ii) Agree on the competencies (skills) to be given, and the design of each type of programme.
- (iii) On the basis of the suggestions made in this project refine the indicators.

- (iv) On the basis of the annual evaluation reports re-think the training content and method for the following year. The idea is that the CRF is also a learning actor in the process and responds to the changing perception of needs of the women members.

Resources: (see Appendix 1)

**Result 2: Design a training programme that takes care of the different situations of the cooperatives and allows for ongoing learning of the trainers to deal progressively with the weakest cooperatives.**

**Activity 2.1:** Grading the cooperatives in three groups according to their existing condition regarding the economic, social and political (advocacy) situation. In consultation with the cooperatives and on the basis of the study, cooperatives will be divided in three types:

**Type A:** cooperatives that are doing *relatively well* according to the three criteria.

**Type B:** cooperatives that are *just managing to fulfil the minimum conditions* in the three criteria mentioned above.

**Type C:** cooperatives that are *doing badly in at least two of the criteria* mentioned above.