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**A Case Study on the
Impact of Group Formation and Credit on
Traditional "Social Security" Networks and
Exchange Relations of Women**

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TABLE OF CONTENTS

	PAGE NO
ACKNOWLEDGEMENTS	1
INTRODUCTION	2
HYPOTHESES	4
METHODOLOGY	4
RESULTS	5
SUMMARY AND CONCLUSIONS	13
SELECTED REFERENCES	16

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INTRODUCTION

In the context of poverty, rural households have adapted very elaborate subsistence strategies and risk minimizing practices to secure the well-being of their individual members. For the rural poor in Bangladesh, the maintenance of complex networks of exchange relationships and multiple links to diverse resources serve as "social security systems" for the provision of essential subsistence needs. These security systems may include the perpetuation of patron-client relationships and the reliance on traditional moneylenders, among other strategies.

Women, specifically, provide essential linkages to key resources that help maintain and enhance the viability of their households. Not only is it the case that women have unique access to resources (and relationships) which other members of their households do not, they also often have different strategies and priorities for ensuring the well-being of their household members.

Since the 1970s, there has been a proliferation of international and national development efforts in Bangladesh aimed at providing new resources and alternative means for poor rural households to meet their subsistence needs. Many development approaches include some degree of group formation and require varying degrees of group participation for the extension of their programs and services, particularly the distribution of loans. An important objective behind group formation policies is to replace traditional socioeconomic structures which are perceived as exploitative with an alternative socioeconomic organization that benefits and empowers the poor.

The provision of credit is also emphasized in many development initiatives on the assumption that the infusion of capital to the rural poor will stimulate new investments in private enterprise as well as expand agricultural production of small and landless farmers. Credit is also presumed to play an important role in empowering the poor by removing the necessity to rely on traditional moneylenders in an environment where prerequisite collateral makes "more favorable" credit sources inaccessible.

Within this context, women in Bangladesh have become a special interest group and direct target of development services. The emphasis of development projects on women's group formation and credit activity come to bear on the unique roles and linkages women provide for their households. It is, therefore, important to assess the impact of development on women's "social security" networks and their access to resources in order to better understand the processes of development and to more fully incorporate women into the development process.

This study, therefore, focuses specifically on rural women and the socioeconomic relations and exchanges they maintain in order to contribute to the viability of their households, and the ways these roles and linkages are changing as women are gaining access to development resources. Of particular interest is the impact of group formation and credit on women's traditional socioeconomic relations, i.e., both on the nature of those relationships and on the way the women manipulate or utilize those traditional relationships to help provide for the subsistence needs of their household members. BRAC forms the basis of this particular case study of the impact of group

formation and credit on the "social security" networks and exchange relations of women.

Over the years, BRAC has experimented with various approaches or "modalities of development programmes" for reaching the rural poor. In 1990, BRAC evolved a new operational strategy whereby intervention into new areas is initiated by BRAC's Rural Development Program (RDP). An RDP branch is designed to operate for a period of four years in a new area of intervention "developing a viable, institutional environment" to the point where village organizations are self-sustainable. The RDP is then handed over to the Rural Credit Project (RCP). RCP operates as a self-financed project which primarily exists to provide landless groups with credit previously made available within the framework of RDP's integrated program of services.

BRAC has two major, but interrelated objectives. These are "the alleviation of poverty and empowerment of the poor ... in more operational terms, BRAC believes one must address the basic needs of the poor (for credit, technical, health, and education services) while building local institutions to empower the poor" (BRAC 1989:12).

The Rural Development Program (RDP) is BRAC's integrated, multisectoral program and "provides the frontline activity for implementing BRAC's strategy" (BRAC 1991a:1). The process of group formation and institution building begins with the identification of the landless poor through an informal survey within a new area of planned intervention. Those identified as the landless poor form BRAC's target population and are eligible for membership in BRAC's village organizations.

In the first year of institution building, RDP's aim is to recruit villagers and mobilize group formation to the establishment of formal village organizations, to introduce the savings and loan system, and to initiate small scale economic activities. The second and third years emphasize enterprise development and credit operations, and the strengthened solidarity of village organizations. The goal is to draw together village organization representatives from each region for the purpose of establishing a federation of village organizations. By the fourth year, the Rural Development Program transition into the Rural Credit Program and function in the context of the village organizations (which theoretically are moving toward federation and growing in solidarity).

Credit is a major component of RDP's approach to development. The provision of credit to the rural poor is viewed not only as an end, but also as a means towards the process of institution building and meeting the basic needs of the poor. The assumption underlying BRAC's credit program (both within RDP and RCP) is that a strong institutional and economic base are preconditions to improving the quality of life of the rural poor. A good credit program is viewed as a viable institution to serve the needs of the poor as well as to strengthen their economic base.

To ensure that the credit program contributes to the goals of institution building, BRAC has linked the conditions for loan qualification to its group formation and membership policies. Therefore, in order for a member to qualify for a loan he/she must have completed the Social Awareness portion of the Functional Education course, have a

regular attendance record at weekly small group meetings and make regular savings deposits, among other criteria.

The objectives of RDP's credit program are to: 1) stimulate employment and income for men and women; 2) mobilize under-utilized and unutilized local resources, as in the use of "derelict" ponds and planting of trees on roadside embankments; and 3) diffuse technology (i.e., irrigation, power tillers, etc.) and promote better health care (i.e., sanitation) (BRAC 1991a:4).

HYPOTHESES :

Development initiatives, similar to BRAC's, with an integrated program of services and which stress group structures as the vehicle for the extension of those services will:

- a. reduce the need for and reliance on traditional social networks (including those perceived as exploitative);
- b. provide an alternative and adequate resource built around the group organization and development agency; and
- c. encourage solidarity among the rural poor.

METHODOLOGY

This research was conducted among Bengali women (15 years and up) in two village "paras" in Jamalpur, Bangladesh -- one in which development intervention (by BRAC) has occurred over a period of seven years and another where relatively no intervention has occurred. Development in this case, involves an integrated development approach to human, institution, and resources development.

The intervention village has 115 households and the non-intervention village 105. Both villages are approximately 20-25 kilometers south of Jamalpur Town. There are 119 female subjects (15 years and up) in the intervention village and 114 in the non-intervention village who participated in this study.

The social organization of the villages is strongly determined by the practice of patrilocal village exogamy, whereby women tend to be married outside their father's village. This places a strong demand on women, from the time she is married, to establish for herself and for her household a "social security" network no longer built primarily around her own close kin. (Approximately 6% of the women in either village marry endogamously, but they too must establish their own network independent of their household of origin). Furthermore, with increasing impoverishment and competition for resources in rural areas, and the corresponding dissolution of the extended household unit, women's socioeconomic position and contribution to the nuclear household is all the more significant. As women have increasing access to development resources and are, themselves, direct target beneficiaries of development programs, such as in/through BRAC's intervention, their traditional socioeconomic networks are also being profoundly affected.

Variation in the socioeconomic exchange relationships and social security networks of women in the two villages is assessed by evaluating: 1) women's credit activity and their preferred credit sources; 2) women's savings patterns and their means/source of savings; 3) women's participation in institutions, organizations and groups, and the associated benefits; and 4) the strength of group solidarity experienced among the women as a result of group formation and participation.

Credit Histories. Credit histories were collected on all women in the study population to assess the variation in the credit activity over the past four years since 1988. This includes measuring differences in the number of loans accessed, the credit sources relied upon, and the utilization of loans between women in the intervention village and women in the control village. This data reveals information about "traditional" credit activity of women and the affects of the provision of credit to women within an integrated development program.

Preferred Credit Sources. All women were asked to list up to three credit sources which they themselves preferred and to specify the rationale behind those preferences. This data yields information about the types of credit sources women see as accessible to them, what women value in credit sources, and the specific credit sources which they favor. Variation among women's ranked preferred credit sources is analyzed with reference to women's access or lack of access to BRAC's credit resources.

Savings Patterns. Women were asked to provide information about their current savings status -- the amount of their savings, the source of their savings and the intended purpose of their savings. Variation in savings patterns yields information about the differential capacities and means of women to establish a savings reserve where institutional requirements are affecting a portion of the study population.

Membership/Participation in Institutions or Groups. All women were asked to identify the various groups, organizations, institutions, and committees they were members of or participated in. The women were also asked to list the reasons why they belonged to or participated in the various institutions and groups. This data yields information on what women seek to gain from their participation in institutions and groups, as well as reveal how they ranked local institutions and organizations. Women were also asked to give reasons for not joining or participating in groups, or even for withdrawing their membership. This latter data reveals the limitations and constraints on women for gaining access to certain resources.

Group Solidarity. All women were asked to list the benefits/advantages they experience as a direct result of their participating together with other women in a group. This data reveals a ranked list of the types of groups women are involved in and the associated benefits and value the women experience in meeting together with the other group members.

RESULTS

The nature of this research is to present information about the resources rural women value and the linkages (and relationships) which they maintain in order to access

those resources. In a comparative design, the research evaluates the variation in women's socioeconomic exchange networks and institutional relationships associated with the presence or absence of development resources. In other words, this research intends to evaluate the impact of development initiatives on women's "social security" networks, but from the underside up -- i.e. from the women's perspective. Though BRAC's integrated development program provides the framework for this particular case study, this report is not meant to be an evaluation of BRAC, and it does not aim to assess the achievement of BRAC's goals. Rather, the research aims to look at the ripple effect of development intervention: to assess how women utilize resources differently and how their socioeconomic exchange relations are changed when they have access to development resources compared to women who do not, especially where the development initiatives involve a strong group formation policy and credit program.

Credit Activity.

In analyzing the credit histories of women in the two villages, qualitative differences are as important as quantitative differences in understanding how access to a new source of credit affects women's traditional credit activity. Women in the two villages access loans about evenly to meet their needs, with less than one-third of the women in either village relying on credit (27% of the women in the non-intervention area compared to 32% in the intervention area). However, by screening the credit involvement of only BRAC members within the intervention area, 79% of the women are utilizing credit to meet their needs. This represents approximately 50% greater credit activity among BRAC members compared with non-BRAC women inside and outside the intervention area (see diagram 1).

Though there is minimal difference in the total number of women who rely on credit across the two villages, the utilization pattern is much more varied among women in the intervention village than among the women in the non-intervention village. Specifically, women in the intervention village are accessing loans 18% more often to make investments in small business endeavors (like small trading) and 16% more often in profit potential asset-building investments (i.e., the purchase of land or a cow) compared with the non-intervention village women. The consumption needs of both groups of women, however, remain high and is the primary reason prompting women's loan activity. Of the credit active women within the non-intervention area, 61% took loans to meet daily consumption needs, whereas 35%, just over half that in the intervention village, took loans to meet consumption purposes. Among BRAC members, only 18% took loans to meet consumption needs. The difference measured between the three groups of women (non-intervention, intervention, BRAC members) in their utilization of loans for consumption purposes is more than accounted for in the combined difference observed among the groups with reference to business investments and asset-building utilizations (see diagram 2).

Small business investments were the second most common reason for women's accessing credit in the intervention village. Small business and trading includes selling eggs, paddy, home-shop items, etc. These women use credit to support small business investments two and a half times that of women in the non-intervention village. BRAC members utilized loans to support business ventures almost 4 times

that of non-intervention women. 25% of the loans in the intervention village were for long-term asset building endeavors, including cow-rearing and the purchase of land, compared to the 9% investments for this type activity in the non-intervention village. In the non-intervention village, the second most common reason women are taking loans is for recovery, maintenance, or other no-direct-return investments (19%). These include lifting mortgage off land, covering house repair costs, making religious purchases/contributions, repaying other loans, and purchasing medicine. Credit investments with no-direct-return is the least common use of credit among women in the intervention village, with only 10% of the women making this type of investment.

The data reveals that women are responding to BRAC's initiatives for stimulating investments in small business and asset-building. The data also suggests that these investments are simultaneously enhancing the women's ability to contribute to meeting their household's consumption needs, hence, the lower rate of loan utilization for consumption purposes among the BRAC members (see diagram 2).

The total amount of loans reported in the non-intervention area was 32,523 taka, whereas the total amount in loans in the intervention area totalled 79,662. The average size loan utilized by non-intervention women is 591 taka. The average size loan taken by women in the intervention village is twice that amount at 1226 taka. The large difference between the two villages is accounted for by the larger loans taken by BRAC members averaging 1534 taka (see table 1).

Preferred Credit Sources

It is interesting to note that only 34% of the women in the non-intervention village had a preference for any particular loan source, compared to 47% of those women in the intervention village. More remarkably, 82% of the women who are BRAC members had a preferred loan source, which also happens to be BRAC (see diagram 3). BRAC represents, in many women's minds (both BRAC members and non-members), a very viable credit source.

Within the non-intervention village, there are six credit sources which women prefer: relatives, local moneylenders/shopkeepers, banks, local samities, BRAC and Grameen Bank. Women in the non-intervention village, identified relatives as the most favorable loan source (47%), with banks and local moneylenders/shopkeepers ranking 2nd and 3rd (both 18% each). The local samity (8%) and Grameen Bank (6%) were 4th and 5th in the ranking. For women in the intervention village, 52% preferred BRAC over any other loan source. As the second most commonly preferred loan source, 43% identified local moneylenders/shopkeepers. Only 5% preferred to take a loan from a relative. Among BRAC members, 81% preferred BRAC while 19% favored a local moneylender. These two loan sources, only, were identified as preferred by BRAC members: BRAC and moneylenders (see diagram 4).

The most significant observation to make about the distribution pattern on preferred loan sources, is the weight given moneylenders/shopkeepers by women in the intervention village. Moneylenders/shopkeepers are valued among women in the BRAC intervention village more than two times that of women in the non-intervention village. Among BRAC members, moneylenders/shopkeepers is second to BRAC as a

preferred loan source. Even among women in the non-intervention village, moneylenders are among the second and third highest preferred loan sources. Moneylending is a highly valued institution among rural villagers, particularly among (and between) the poor, because it is a ready means of cash as well as an effective system for storing up a "savings" when cash surpluses become available. Village moneylenders are most commonly individuals who are able to stir up small amounts of surplus cash in order to "invest" or "save" that money in the borrowing activity of another person (see Maloney and Ahmed 1988). Often, kinship ties define the relationship between lender and borrower, particularly in the case of larger loans. Shopkeepers are also a common source of credit, primarily because of their access to surplus cash. They tend to function similarly to moneylenders. Loans generally involve an interest rate of 20% of the principle per month until the loan is repaid. Therefore, a loan of taka 100 requires an interest rate of 20 taka/month until the principal has been repaid. Loans of taka 1000 have an interest rate of 200 taka/month until the principle is repaid. There are some individuals who practice moneylending as quite a lucrative business. These individuals tend to be of a more wealthy status and are relied upon for larger loans and in times of crisis.

The role which moneylenders play in village sociopolitical economy, may be more than just an exploitative one. The behavior of the rural poor and their continued utilization of moneylenders as a credit source (and a preferred one, at that) in a context where other credit sources do, in fact exist, suggests that moneylenders are a valued resource. Villagers are willing to bear certain costs, often seemingly exorbitant, to retain that service. Also, "moneylenders" make up a very diverse category of people, including the very poor who lend money as a "storing up" of funds for times of crisis. Therefore, the provision of low-interest credit by a development agency like BRAC's, may not necessarily undermine the role of moneylenders. This is especially true if the development agency's credit program (or other credit institutions/sources) does not reflect the same qualities or criteria which is valued in moneylenders.

Actual Credit Activity.

In practice, women in the intervention village most often access BRAC loans to serve their credit purposes. As a matter of fact, more than half of the loans taken by women have been borrowed from BRAC (54%). BRAC members are accessing BRAC loans 74% of the time. This closely reflects women's preferences for BRAC loans relative to other loan sources (see diagram 5).

Women in the non-intervention village actually utilize relatives as their source of credit more than any other loan source (77%). Though women rank relatives as their number one preferred credit source, they rely on relatives 30% more than their preferences would suggest (at 47%). This is because there are fewer viable alternatives sources available to women in the non-intervention village. In the intervention village, BRAC is serving as the primary alternative to relatives with 54% of the loan taken from BRAC. Women in the intervention village are even turning to moneylenders before they turn to relatives. That is, 25% utilized moneylenders as their source of credit, whereas only 21% relied on relatives. BRAC members are also relying on moneylenders 16% of the time -- second only to BRAC. Despite the idealization of moneylenders as a preferred loan source among women in the

intervention village, moneylenders are actually utilized 18% less often than they were weighted by women's preferred rankings (43%). And though relatives are ranked as their least preferred loan source behind BRAC and moneylenders, the women in the intervention area are, in fact, relying on relatives as an important credit source 16% more than their stated preferences.

A reasonable explanation for the discrepancy between preferred credit sources and actual credit utilization, is the difference between the criteria valued in credit sources (for both the lender and borrower) and the actual accessibility of specific sources of credit. For example, at a subjective level women value moneylenders as an important source of credit, largely from the perspective of being a lender. They recognize that moneylending is profitable and take every opportunity themselves to lend money. Even BRAC women who are gaining access to BRAC's loans at 16% interest rates, are turning around any surplus money left after making their approved credit investments and dispersing small loans of approximately 100 taka, collecting 20 taka/month interest against the principle. As borrowers, however, the women in the intervention area are turning to moneylenders 15% less than their preferences would suggest they would do. Relatives still represent a viable option for credit to the women in the intervention village at 21%, as they represent more lenient terms of repayment. The difference between women's actual reliance on moneylenders (25%) and women's preference for moneylenders as a viable credit source (43%), is comparable to their greater actual reliance on relatives (see diagram 5).

Women in the non-intervention village are not accessing credit from bank sources or local samities, their second and third preferred loan sources. Banks as a source of credit, in actuality, are quite inaccessible to most rural women, both in terms of women's physical movement and in terms of observing rules of patronage, i.e. lacking an adequate representative to facilitate any transactions of paperwork and money. Furthermore, the banking institutions require a much more formal and rigid application and approval process that either dissuades women from seeking a loan from the bank or outright denies women access to credit on the basis of their credit standing and their inability to provide any collateral.

Local samities, though theoretically a viable credit alternative for women, are not being utilized by them. This is partly due to the fact that local samities are not widely prevalent in and around the study area. Furthermore, the women have established a real fear and distrust toward samity organizations. In one case, a local homeopathic doctor initiated a samity in which he collected weekly savings and fees for medicine to provide for the credit and health needs of villagers. However, due to poor management, his scheme recently failed. He is slowly repaying savings and attempting to reorganize groups in hopes of having corrected for his first failing. There have also been reports of another case where individuals posed as samity program workers and organized villagers into groups, collected weekly savings for several months, and then "absconded" with the villager's savings. For these reasons, in particular, local samities have not been fully utilized or developed as a reliable credit option. However, they still represent to some women in the non-intervention area (8%) a potentially viable credit source, especially since they do not have access to any other institutional credit source.

The criteria women find important in credit sources include a repayment schedule by installment, the ability to borrow on one's own terms, the availability of credit at any time and according to need, no interest required, the immediate availability of credit in times of crisis, a long repayment period, low interest rates, the possibility of not having to repay the loan or having the outstanding principle reduced, and an acquaintance attached to the credit source who will help with the procedures and represent the interests of the client. In the intervention village, the criteria in a loan source most important to the women is that the loan is repaid by installment (52%). The second most important criteria among this group of women is that they be able to borrow on their own terms (41%) (see diagram 6). The first criteria is met in BRAC, the second is met by traditional moneylenders (see diagram 7).

For women in the non-intervention village, the most important criteria for valuing a particular credit source is that credit be available in a crisis (20%), that there be a long repayment period (18%), and that the loan can be repaid by installment (16%) (see diagram 6). For these women, the criteria of credit being available in a crisis is met by relatives (20%). The criteria that a long repayment period be provided them is met first in moneylenders and shopkeepers, and second in relatives. The criteria that their loans be paid in installments is not met by any particular source, but is valued in such sources as BRAC, banks, the Grameen Bank, and local samities (see diagram 7).

Savings Patterns

Women practice savings activity similarly in both the non-intervention village and the intervention village, 23% and 27% respectively (see diagram 8). The average savings per woman differs greatly in the two villages. In the intervention village the average is 313 taka compared to 549 taka in the non-intervention village. The total amount of savings reported by women in the intervention village is 9387 taka whereas the total amount reported in the non-intervention village is 14,279 taka (see Table 2). In other words, women in the non-intervention village save more than women in the intervention village. This is opposite to what one would expect. This unexpected difference in savings activity between the two villages may be understood by assessing the different reasons the two groups of women save.

In the intervention village, the number one reason women save is to qualify for loans (87%), most of whom are BRAC members. In other words, as women gain access to BRAC's broader program of services, there is actually a disincentive to save in order to secure subsistence needs. Therefore, BRAC women save primarily to qualify for and establish the size of BRAC loans. Only 7% of the women in the intervention village save money for times of need or crisis (7%). Another 7% of the women in the intervention village set aside money in order to earn a profit. This latter refers to the practice of lending money, i.e., "storing up" savings in another individual via a loan which also incurs interest rate of approximately 20 taka/month (see diagram 9). As a matter of fact, 26% of the women have their savings "with" other individuals, at the time of the study.

In the non-intervention village, women save for a larger variety of reasons. Their number one reason for saving is to "store up" money among one's neighbors in the form of a loan and to earn interest from them (46%). 56% of the women have their

savings "with" someone else at the time of the study. The second most common reason for saving is to have money to buy various household and consumable goods, including chickens, cotton, spices, etc. (19%). And the third most common reason for saving is to put aside money in order to eventually purchase land (12%). Other reasons include saving for times of need (8%), to cover expenses such as the installment on a loan and to cover transport costs (12%) (see diagram 9).

Women's savings are generated from a range of income sources. For women in the intervention village, 37% of the women set aside money from labor wages or from their earnings for providing household service. 30% save from their earnings through "khatha" (quilt) sewing. 17% of the women save money from their profits earned in small trading and business, such as selling of eggs, chicken and ducks, rice/paddy, and straw. Another 17% set aside savings from their husband's earnings (see diagram 10).

Among women in the non-intervention village, 50% gather savings from profits in small business and trade. 12% of the women save from labor wages or service earnings. 19% of the savings are from women providing tuition (tutorial) to students and young children (these women are from more wealthy households and households where women have received some education). 15% of the women save using their husband's income, twice that of the women in the intervention village. And one young girl said she got her savings from her father's pocket (see diagram 10).

Contrary to expectations, 50% of the women who save in the non-intervention village are saving by utilizing profits from their small businesses and trading, compared to the 17% in the intervention village. This statistic, however, is offset to a certain degree by the fact that BRAC members who work at BRAC's khatha sewing center are saving from their earnings (30%, compared to the 19% women in the non-intervention village who save portions of their earnings). It is also interesting to note that only 12% of the women in the non-intervention village save from their personal labor wages or service earnings compared to 37% of the women (not inclusive of those who save their earnings from BRAC khatha sewing) in the intervention village. The reasons for these differences are still not clear, but they have important implications for the role credit (and savings) is expected to play in stimulating private enterprise among women. It is possible that BRAC's sewing center is providing women with an employment opportunity that is viewed as more stable/viable than women's traditional small businesses and trading, and is thus replacing them. BRAC's sewing center is not, however, replacing the traditional labor or service demands on women.

Membership and Participation in Institutions and Groups.

60% of women in the intervention village participate or are members in various institutions and groups, whereas only 20% of the women in the non-intervention village participate in groups (n=63 and 103 respectively; see diagram 11). The variety of groups women are or have been involved in are prayer groups, school committees, local samities, BRDB groups, Artho Samagik Unaion Songstha (development institutions), BRAC, BRAC sewing center, and the Union Parishad.

In the intervention village, BRAC's organizational structures provide for the greatest participation of women in groups. 56% of group participation in that village is due to women's participation as members in BRAC's small groups. Second to membership in BRAC, with some overlap of individuals, is participation (work) at BRAC's sewing center. Women who have been employed by the sewing center gather from 8:30 am until about 5:00 pm to sew khatha. 30% of group participation by women in the intervention village is a result of women's employment at BRAC's sewing center. 9% of the women who participate in groups are members of the Union Parishad and 6% were members in the Artho Samajik Unaion Songtha (see diagram 12).

In the non-intervention village, a local samity was responsible for the greatest percentage of women's participation in groups (70%). This samity, however, recently dissolved due to poor management. The main purpose for women's participation in this samity was to gain access to loans. The second most common source of group participation is women's prayer groups. 13% of group participation is accounted for by women's involvement in prayer groups. Some of these women meet together informally in each other's homes, others travel together to Jamalpur town to an Islamic mission for a weekly prayer group. 9% of the memberships are a result of participation of women in BRAC's small groups. Though BRAC does not work in the non-intervention village, these women have managed to join groups of nearby villages. 4% of memberships were due to women's participation in a BRDB credit group, involving both men and women. The majority of the women joined together with their husbands as a strategic plan to increase the size and likelihood of obtaining a loan for the household. Sizes of individual loans were limited, and only half of the group could receive a loan at a time. Therefore, if both spouses were members of the same group, it was very likely that at least one of the two would receive a loan at any one time, and in some cases, would both receive a loan simultaneously bringing into the household two times the size of an individual loan. This group is currently not meeting due to the villager's attempt to avoid repaying the outstanding loans taken to purchase 4 power tillers. Another 4% of memberships reflected women's participation in the village school committee (see diagram 12).

The primary reason to explain women's participation in groups is their desire to gain access to credit. 67% of the women in the non-intervention village stated this to be the reason for their participation in any group. 60% of the women in the intervention stated the same reason. The second most common reason for women in the non-intervention village to join a group was the hope of making a profit through business investments stimulated in/through group participation (19%). In the intervention village this accounted for 4% of group participation, which contrasts sharply with the actual number of women who are involved in small business and asset-building endeavors. An explanation for this, is that women are not placing much value on group participation with reference to their individual economic investments. 31% of the women in the intervention village claimed that their desire to sew with others (as in the BRAC sewing center) was the reason behind their belonging to a group. This was the second most important reason for group participation among women in the intervention village. Another 4% of the women stated that it was because they were poor that they joined a samity with the hope they would receive economic benefits for their participation. 11% of the women in the non-intervention village joined a group to

satisfy religious needs and 4% participated in the school committee to help develop the local school (see diagram 13).

Group Solidarity.

Women who participated in any kind of group were asked to describe the benefits or advantages they experienced as a result of regularly meeting together with the other members of their group. Some of the benefits women in the non-intervention village experienced as a direct result of their participation with other women included (in ranked order of importance): by their participation together they could qualify for and gain access to loans (50%); they helped each other with problems by providing one another with advise or periodically lent money to one another (33%); and that by meeting together they were making an important contribution to their community (6%). 11% saw no direct advantage in meeting regularly with the other members in their group (see diagram 14).

In the intervention village, women valued the mutual help available for the soiving of problems which was available as a result of their participation together in a group (24%). They also valued the companionship they shared (24%). This was felt primarily by women who sewed together at the sewing center. Meeting with other women regularly for the purpose of gaining access to credit was important to only 16% of the women, compared to the 50% in the non-intervention village. This difference is primarily due to the fact that no local samity currently functions in the non-intervention village, and therefore, group formation programs are not occurring. Only 3% of the women stated they experienced no direct advantage from meeting regularly with the other members in their group (see diagram 14).

SUMMARY AND CONCLUSIONS

Women maintain a wide range of linkages to a variety of resources to help contribute to the viability of their households. Often this involves maintaining a complex network of relationships in order to gain and maintain access to those resources. As women are increasingly becoming targeted beneficiaries of development initiatives, women's traditional socioeconomic relationships and their access to various resources are changing. Of key significance, is the role group formation and provision of credit plays in affecting women's traditional roles and their "social security" networks.

An implicit goal of this study was to describe the relationships women have to the environment of rescurces around them, and to reveal the ways in which those various resources are valued by them. An ecological theoretical perspective and the use of network analysis as the methodological approach has yielded data on women's perceptions of their environment, the types of needs and subsistence strategies which they prioritize with reference to their households, the types of resources they see as accessible to them, the criteria they apply to assessing the value of those resources, and the particular resources which women utilize in order to meet their subsisterice needs and enhance the well-being of their households.

Out of this framework, the research investigated within a comparative study the impact of BRAC's development initiatives on women's traditional socioeconomic exchange

relationships. The results showed that first, credit plays a much more important role in affecting relationships than do group formation policies. This has mostly to do with the fact that credit, and access to credit sources, is valued by women as one of the most important subsistence resources available to them, and women will go to great extents to maintain that access (including adhering to group formation policies, practicing saving activities, etc.).

Second, the values women place on certain resources may affect the nature of the impact which development initiatives have on women's socioeconomic relationships. For example, informal moneylending is a highly valued economic institution among women, and is an important means for access to credit and security. When women "save", they "store up" their surplus cash, via moneylending, in other individuals. Women also want immediate access to loans on their own terms and with a less restrictive schedule of repayment. These various factors taken together mean that women may not abandon traditional moneylenders as a viable source of credit, just because they gain new access to institutional credit provided by BRAC or any other development agency.

Women's need and reliance on traditional social networks is not decreasing. On the contrary, as women gain access to BRAC's resources, they are able to discriminate more between various resources, in order to maximize their access and benefit from those resources. For example, as women gain access to BRAC's credit resources, which they rank as their most highly prioritized source of credit, they still balance the degree of their reliance on moneylenders and relatives for credit. These credit sources are meeting different credit needs. The key factor which makes BRAC credit resources unique is that they can be repaid by installment, reducing the risk of default and spreading out the financial stress of loan repayment to an endurable amount.

BRAC's development initiatives are, in fact, providing women with alternative resources which women value. From the broad integrated development package which BRAC provides, however, women value BRAC's provision of credit the highest. BRAC's provision of credit to its target women is changing the nature of women's loan investments from consumption uses to investments in small business and trading. Furthermore, BRAC is creating new institutions which are meeting some of the women's needs for employment and simultaneously building women's group participation (i.e. the sewing center).

BRAC's staff and various policy statements emphasize BRAC's goal to become an "adequate" resource to meet the variety of needs of the rural poor so as to contribute toward their overall development. This is a common expectation among many development projects other than BRAC, and is evident in the territorial protectionism over target populations. However, in this study, it has been shown that women's relation to and continued utilization of the variety of other resources surrounding them suggests that BRAC is not solely meeting the needs of the poor, nor is BRAC replacing resources perceived as exploitative (such as moneylenders).

But BRAC should not be expecting to do so. A more appropriate way of viewing the role of the development agency in alleviating poverty and empowering the poor is to see the agency as a vehicle for providing new and/or additional resources which

complement the array of local indigenous resources available to the rural poor. The impact of development interventions may be assessed by measuring the ripple effects caused by the infusion of these new resources. Furthermore, the criteria which women utilize to evaluate and select among various resources could guide development initiatives in better meeting the needs of the poor as well as give foresight to the nature of the impact of those initiatives. In these ways, BRAC, and similar development agencies, can more adequately address the needs of the poor.

The present data does not support the hypothesis that BRAC's development initiatives, including its group formation policies and its credit program, encourages solidarity among the poor. Women in both the non-intervention village and the intervention village value their group experience because they can receive one another's advice and help each other with one another's problems. But the importance of mutual help and assistance is not valued more by women in BRAC's intervention area compared to the non-intervention area. Companionship is a benefit of group participation in the intervention village, but this is uniquely felt by those who sew together at the sewing center. Women's group participation together is not, to date, translating into their actual mutual reliance and cooperation, nor does BRAC's group formation policy in this study population give any indication of movement towards class action or cooperative self-help endeavors. It is important that BRAC, among other development efforts, weigh the benefits of program policy which stimulates class action initiatives versus policy which encourages solely private endeavors. Development policy must be explicit about the means employed to bring about directed change and the alleviation of poverty, including the extent of class action or group solidarity required to achieve those ends.

Women do provide essential linkages to key resources that help maintain and enhance the viability of their households. As women, and as specifically targeted beneficiaries of development initiatives, they have unique access to resources (and relationships) which other members of their households do not. They also bring very different strategies and priorities for ensuring the well-being of their households. Women are able to very intentionally weight and choose among the variety of resources available to them, both traditional resources and development resources. This research describes the types of resources available to women in terms of credit, savings, security, and institutions and groups, the ways in which these various resources are valued by them. This research also reveals the variation in the ways women access and utilize those resources with reference to the presence or absence of development resources, and the impact of those resources on women's "social security" networks and socioeconomic exchange relationships.

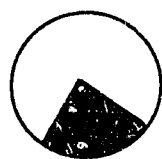
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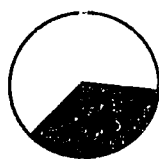
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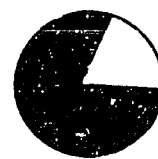
DIAGRAM 1 : Percentage of Women Involved in Credit Activity



27% credit activity
(N=114)
Non-Intervention
Village



32% credit activity
(N=119)
Intervention
Village



79% credit activity
(N=33)
BRAC
Members

TABLE 1 : Average Loan Size And Total Amount of Loans Utilized

	Total Amount of Loans Reported	Average Loan Size
Non-Intervention	Tk. 32,523	Tk. 591
Intervention	Tk. 79,662	Tk. 1226
BRAC Members	Tk. 75,154	Tk. 1534

DIAGRAM 2 : Percentage Distribution of Women's Needs Prompting Credit Activity

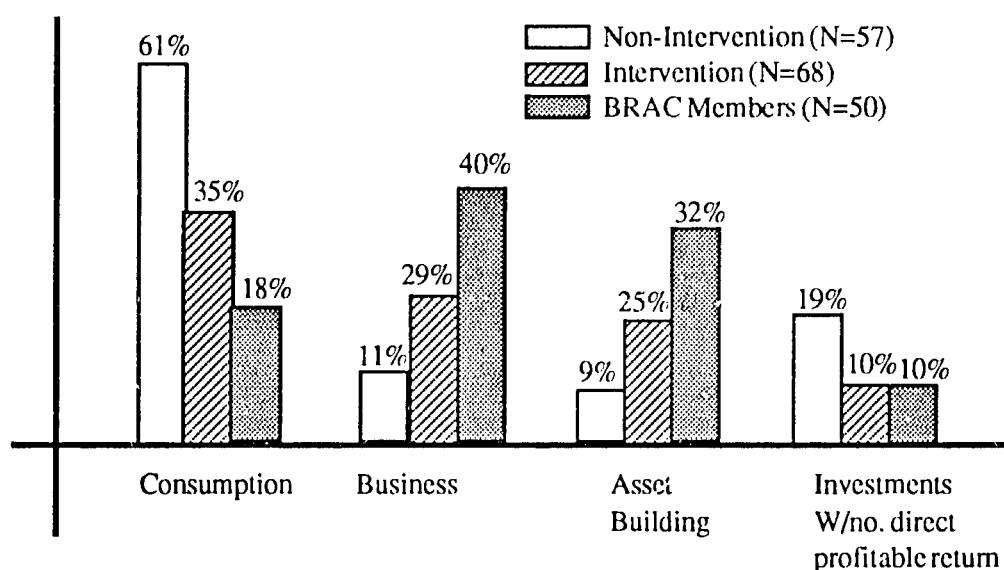


TABLE 2: Total Amount of Savings for Each Group and Average Savings per Woman

	Total Savings	Average Savings
Non-Intervention	Tk. 14,279	Tk. 549
Intervention	Tk. 9,387	Tk. 313
BRAC Members	Tk. 8,887	Tk. 342

DIAGRAM 3: Percentage of Women with Preferred Credit Source



34% W/preferred credit source (N=114)

Non-Intervention Village



47% W/preferred credit source (N=119)

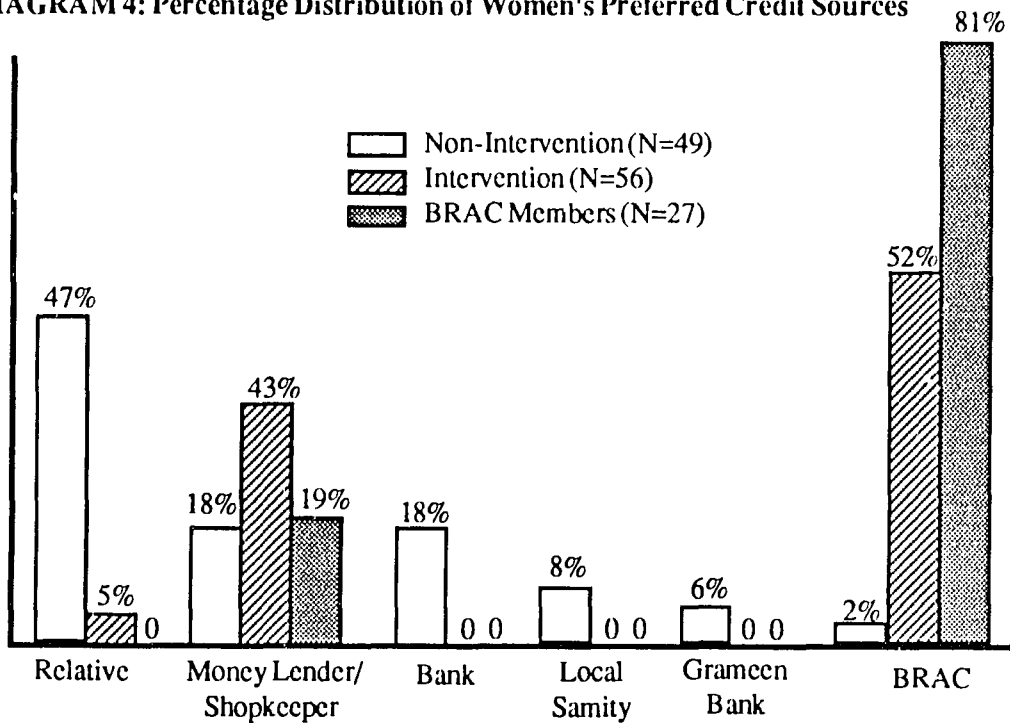
Intervention Village

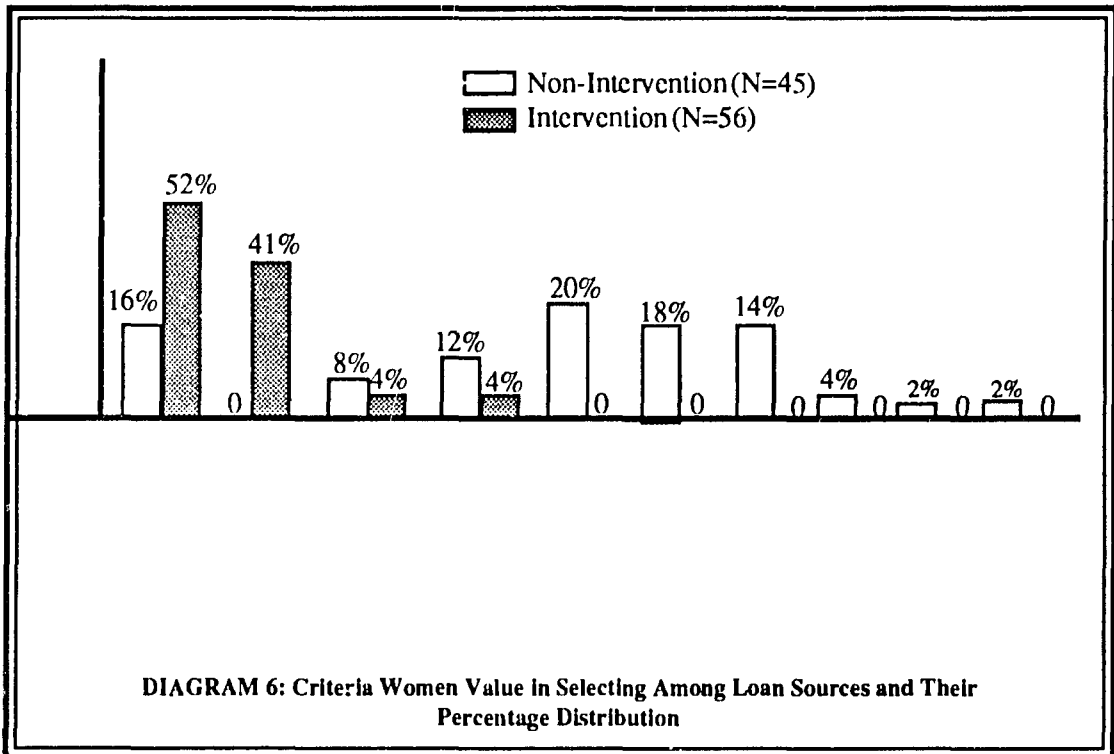
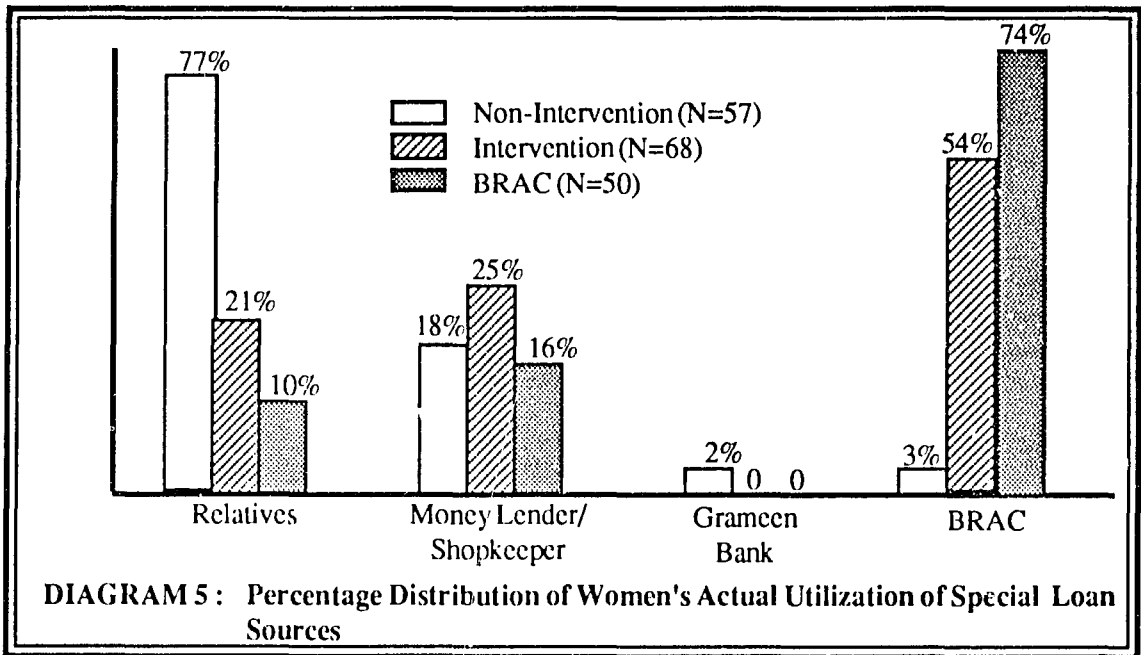


82% W/preferred credit source (N=33)

BRAC Members

DIAGRAM 4: Percentage Distribution of Women's Preferred Credit Sources





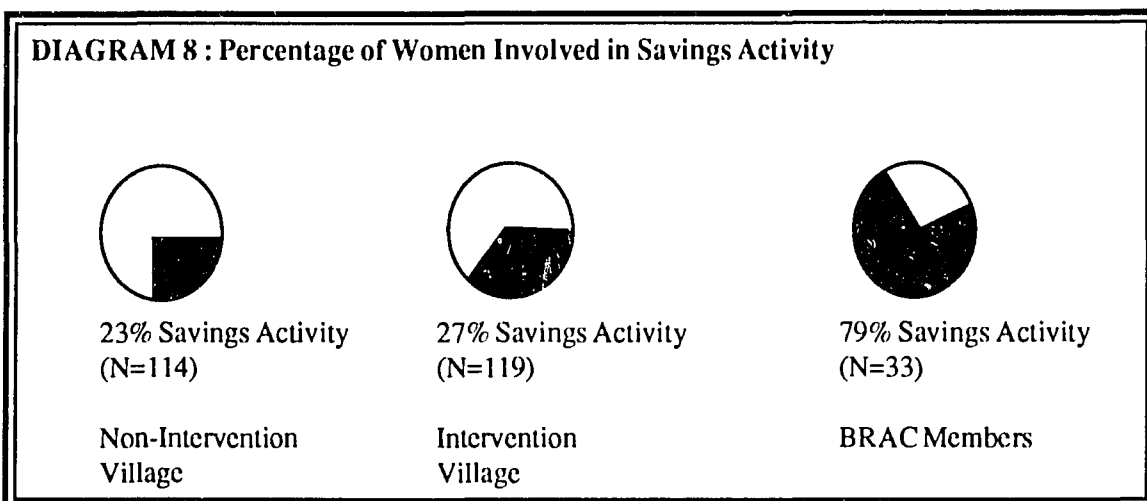
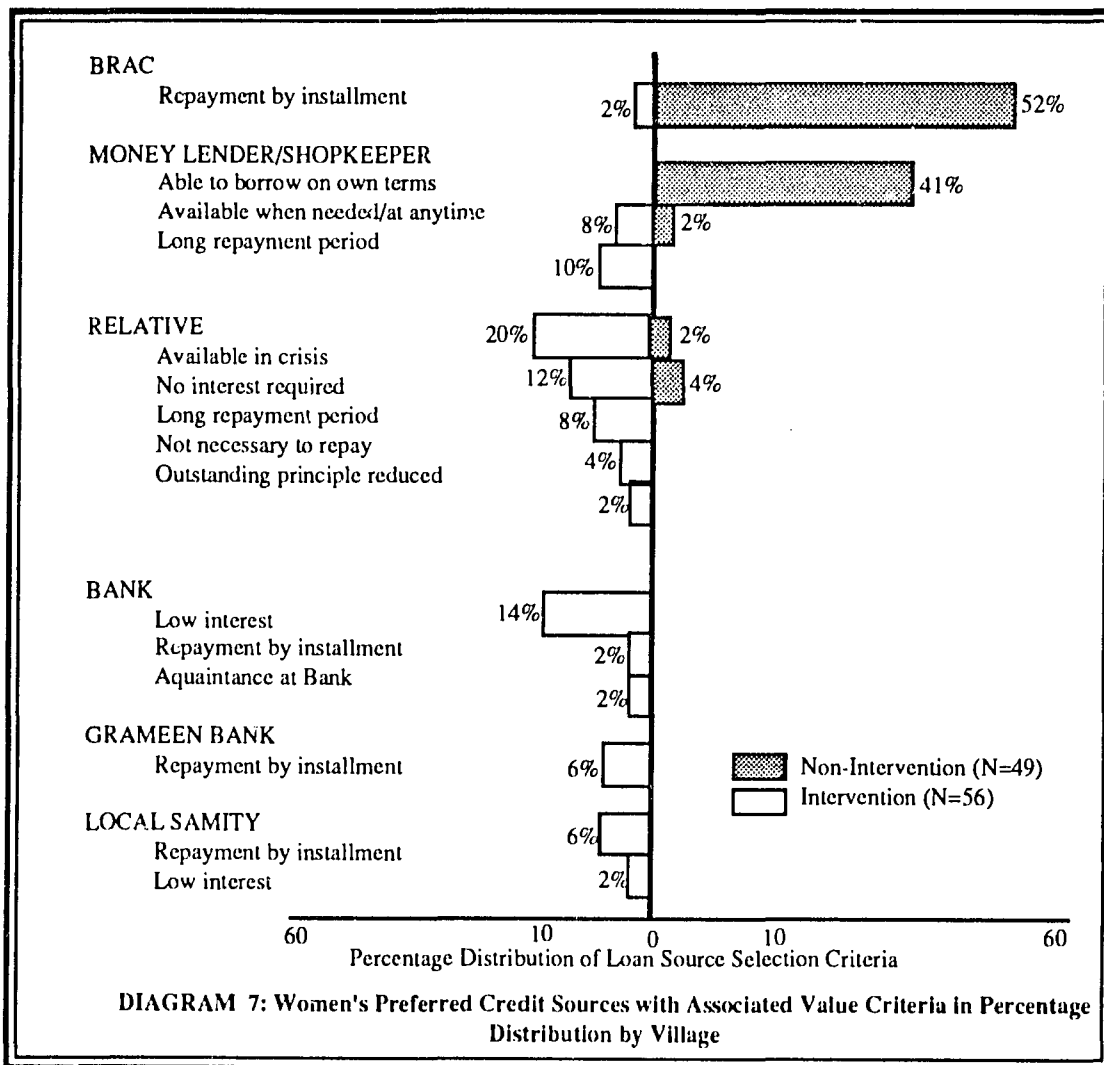


DIAGRAM 9 : Percentage Distribution of Reasons Women Save

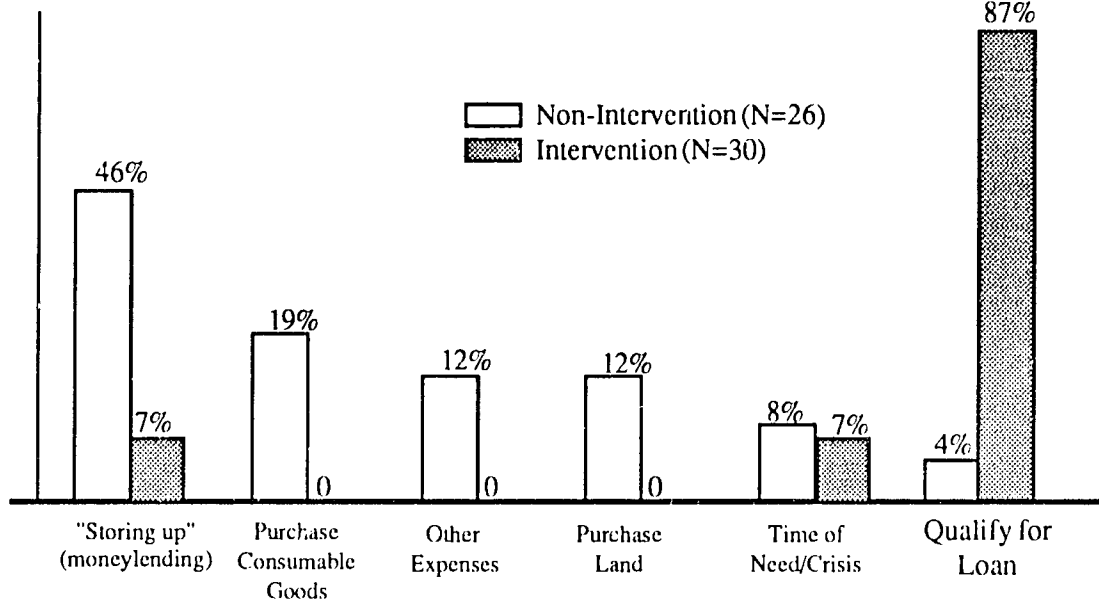


DIAGRAM 10 : Percentage Distribution of Savings Sources

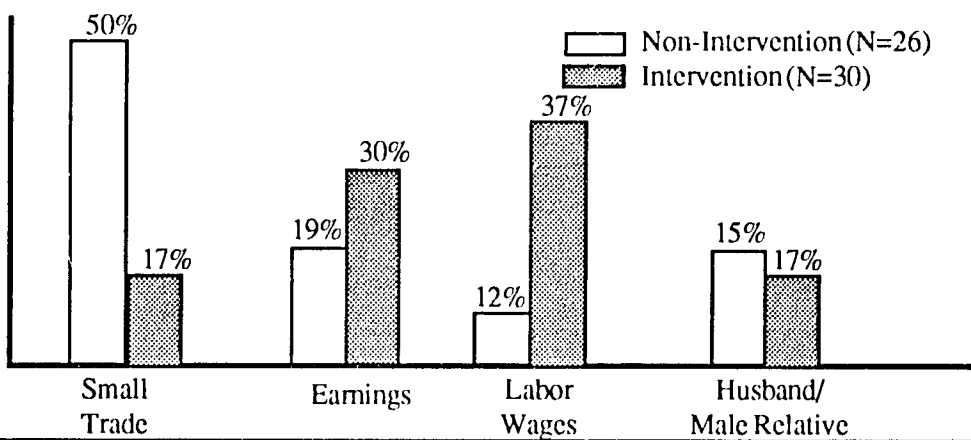


DIAGRAM 11 : Percentage Group Participation of Women

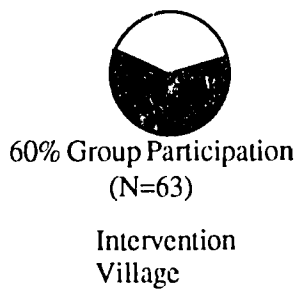
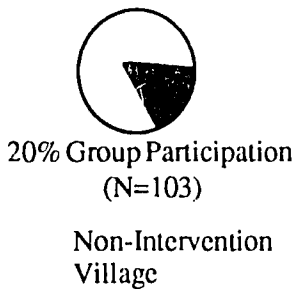


DIAGRAM 12 : Percentage Distribution of Group Membership

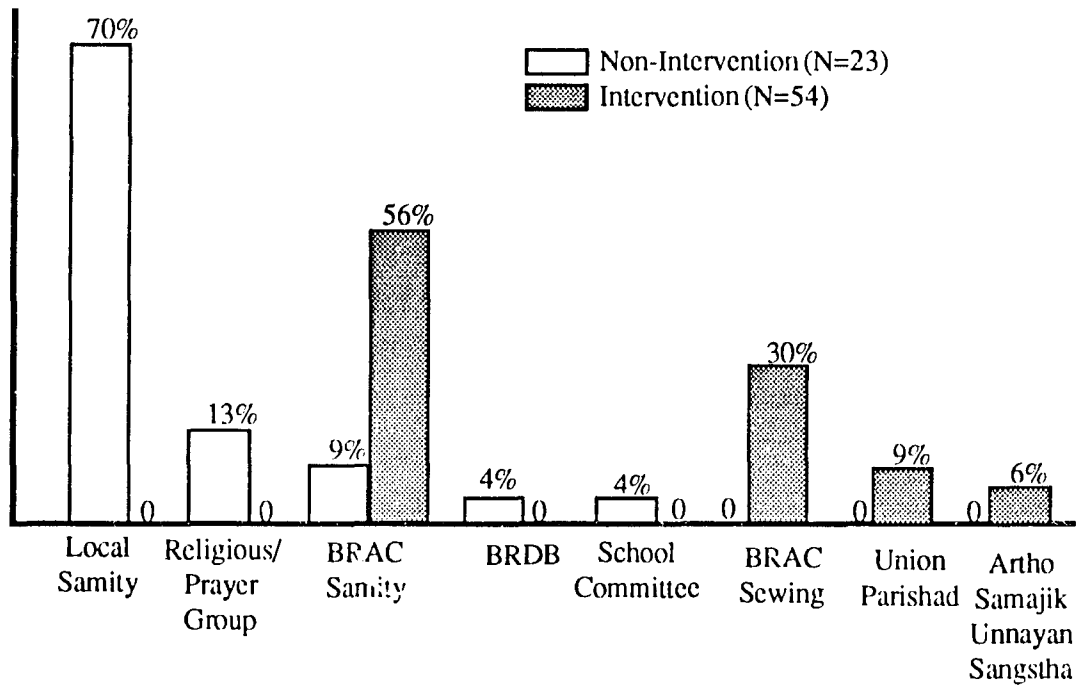


DIAGRAM 13 : Percentage Distribution of Reasons Women Join Groups

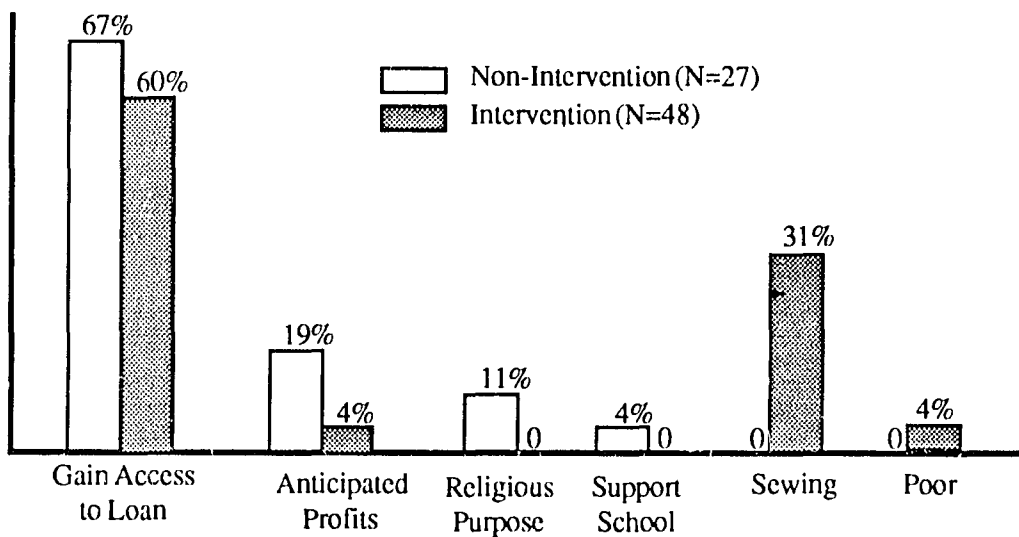


DIAGRAM 14 : Percentage Distribution of Benefits Women Gain Through Group Involvement With Other Women

