

Market, Freedom and the Illusions of Microcredit. Patronage, Caste, Class and Patriarchy in Rural South India

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Online Appendix

The following tables summarise and quantify the various forms of data collected in this research, given that only a small part of it is used in the paper, but it is of course impossible to only extract the data that has been used in the paper.

Table A.1. Household surveys

	Sampling ^a	Main focus
2010 Survey Villipuram and Cuddalore districts	407 households Representative sample of the local population	Labour and financial practices
2008 Survey Tiruvallur and Vellore districts	170 households Representative sample of microcredit clientele	The gender of financial practices (an analysis of women and their financial practices)
2006 Survey Villipuram and Cuddalore districts	344 households Representative sample of the local population	Over-indebtedness and microcredit
2004-06-09 Survey (longitudinal analysis) Tiruvallur district	395 households Representative sample of microcredit clientele	Over-indebtedness and microcredit

Source: Authors'

Notes: ^a For all our household surveys, sampling was stratified by caste and location (dry/irrigated, and proximity to urban centres).

Table A.2. Qualitative data collection

Semi-directive interviews	NGO or MFI managers (30) Loan officers (30) Local politicians (15) Elected local officials (15) Informal moneylenders (15)
Group discussions with villagers	Women (148) Men (36)
Case studies (in addition to semi-directive interviews)	Loan officers (6) SHG leaders (11)
Participant Observation	Microcredit organisations: around 12 months spent in their offices or with the staff in the field. Village life: around 36 months spent in villages, in Dalit and non-Dalit settlements 24 media events: Women's day (8) March against alcoholism (1), against atrocities to women (1), request for financial compensation after flooding (1) Health awareness campaigns (4) NGOs coordination meeting at the district level (2) Politician visit (3) SHG exhibition (3) March against the Iraq war (1)

Source: Authors'

Table A.3. Microcredit organisations' features

	Mission	Services	Number of SHG	Funding
NGO A (1986)	Facilitate community-based actions among marginalised and poor communities	Women's development (microfinance) Child rights and empowerment Empowerment of persons with disabilities Environment, sanitation and health	1435 SHG 21,182 women (2012)	Government of India Six agencies from the Tamil Nadu State International Labour Organisation
NGO B (1993)	Rural development	Community health Women's empowerment (Microfinance, entrepreneurship training) Welfare and relief	Around 1800 SHG, 25,200 women (2012)	Mother organisation based in Chennai Private donations Tamil Nadu Women Development Corporation
NGO C (1990)	Rural community development, with a specific focus on women and children	Community health Women's empowerment (Microfinance, entrepreneurship training)	102 SHG 1632 women (2012)	Private donations Tamil Nadu Women Development Lutheran network

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Table A.3. (Continued)

	Mission	Services	Number of SHG	Funding
NGO D (1969)	Social services for the poor and the marginalised	Women's empowerment (microfinance) Community development Education through evening studies	4472 SHG 56,819 women (2012)	Caritas French and German foundations LIC company Tamil Nadu Women Development Corporation
NGO E	To restore the human dignity of the poor, the deprived and the marginalised toward sustainable development and a process of empowerment	Socioeconomic development and livelihood support (microfinance) Child education Community based disaster preparedness Housing Home for the mentally ill	Around 3600 SHGs, 56,400 women (2012)	16 foreign partners; including various branches of Caritas, foundations, international organisations like IFAD and UNDP
NGO F (1989)	Empowering poor rural women/youth/farmers/fisherman/artisans/disabled persons to become economically self-sustainable and independent decision-makers in the family as well as in society	Microfinance Education and sensitisation Health services, water and sanitation Housing programmes	400 SHG 6000 women (2010)	7 foreign funders Various Tamil Nadu state agencies
MFI A (created as an NGO in 1985, and then transformed into an MFI in 2003)	Empowerment through financial inclusion 'Financial inclusion i.e. delivery of financial services at affordable costs to sections of disadvantaged and low-income segments of society and linking of the poor to mainstream financial services is the key to empowerment'	Microfinance services Sister organisations provide education group training, capacity building, livelihood training, microenterprise development and support, marketing of member products, bank and institutional linkage, exposure visits, information dissemination	148,000 active borrowers in 2013	Loans from the Indian government, financial institutions and banks like RMK, SIDBI, VGB, SBT, IOB, FWWB, HDFC, Dhanalakshmi Bank, CORDAID, RABO Bank Foundation
MFI B, started in 2005	Providing microfinance services to women from poor segments of urban and rural Tamil Nadu	Microfinance services	360,000 clients in 2013	15 Indian banks, 2 foreign banks (BNP and ING), investment fund equity partners

Source: Authors

1. NGOs and Patronage Networks

Here we set out three different examples of the diversity of alliances NGOs have to build in order to survive, and the role of media events within them.

The first NGO, which we shall refer to as NGO A, was founded by two brothers who were both Catholic, but from a middle caste background. It targets local populations as a whole, without caste or religious distinction. It is very close to the government, whatever the ruling power. It has also received foreign funding through Catholic networks, which are very active in the Indian NGO world. An NGO staff member is almost always posted in the district collector's office at the local authorities, which guarantees the NGO – and its members – privileged access to public schemes. In addition, NGO A plays an informal brokering role for many small NGOs who lack the contacts and know-how to access local administrations. All of these come with expected paybacks. The NGO is required to actively contribute to the launch and success of governmental schemes. This entails selecting members, ensuring sufficient take-up, coordinating with the press and then regularly organising media events to ensure schemes' visibility. The NGO is also required to regularly mobilise women so they attend the ruling power's political rallies: the women are told that this is the price to pay to enjoy the wide range of services offered by the NGO. For these events, NGO A can also rely on the women representatives of the small NGOs for which it acts as a broker. Exchanging groups is another form of dealing: NGO A gives its support to small NGOs and gets new SHGs in return (Dalit SHGs in particular, as the NGO is often struggling to reach them). We also came across the opposite case: NGO A offers some of its SHGs to strengthen an NGO which is too small to be eligible for governmental schemes.

The second NGO B is much smaller and defines itself as a community-based organisation created by and for Dalit women. It has very close relationships to the Lutheran church through its founder, who is a female pastor. She has helped many Dalit families to convert to Protestantism, while providing them with services, first with health and education, and now microcredit. Her sources of funding are irregular and she is always struggling to access public schemes. As a result, she heavily depends on NGO A above. In exchange, she has to send 'her' women to the media events NGO A organises. She had long refused to organise her own public events, arguing that the women had much better things to do with their time and that they should not be used as puppets for politicians. Exasperated by her dependency on NGO A, and humiliated for not being recognised for her own work, she thus began to organise her own 'women's day'. The first one she organised, in 2008, gathered around 450 women and a few local personalities. She said that this was much less than NGO A (around 1500 women, more than 10 local personalities) but that it was fairly satisfactory given the small size of her organisation.

Both NGOs moreover maintain close relationships with a local branch of a Dalit party (Ambedkhar People Front). These two NGOs operate in Thiruvallur district, which is well known for the relative political strength of its Dalit population. Their relative upward mobility has created a climate of hostility with non-Dalits. The slightest focal point, such as NGO or governmental benefits, can raise tensions and conflict with non-Dalits. Linking up with Dalit associations is a way for NGOs to prevent an escalation of violence. Here too, the mobilisation of women for mass events is a key aspect of the collaboration. When the Dalit association settles local conflicts, NGOs send buses of women for mass meetings of the Dalit association in return.

The third NGO operates in the district of Vellore, which has a more typically agrarian political structure. Agriculture is still very important here, and so high castes retain a high degree of dominance. NGO C has its origins in the urban upper class elite, being created by a Brahmin family based in the state capital of Chennai. It is funded in a variety of ways but private donations and international grants are the most common sources. While this NGO initially focused on health, it has gradually extended its activities to rural development, including microcredit. It has regularly held mass events, on health for the most part (awareness campaigns, detection tests for HIV-aids, cancer, and so forth). Women are required to attend these events whether they are useful to them or not. The events are sponsored by Chennai businessmen (for instance a Jain network of jewellers) and doctors, some of whom we met, and who are convinced that they are doing good, unaware that the women may not want or need to

participate. For these donors to invest in social events is a means to lower their taxes, but also to boost their social image and gain popularity. Some come personally to inaugurate the event and may have their photograph in the newspapers. To sustain links to rural areas through sponsorship is a very common strategy for building a reputation as a public benefactor. The high caste network is also key to the NGO becoming established locally. Unlike Thiruvallur, where NGOs often have to make alliances with Dalit associations, in this case, to make high caste alliances helps to guarantee a strong local presence (or is at least a possible strategy, which NGO C pursues). Such alliances may take official channels such as donations (which are publically displayed at the NGO's headquarters and at all of the NGO's events) or membership of the NGO board. Alliances may also be informal, for example with local high caste families (mostly Mudaliars here) systematically being consulted for approval for any new activities.

Table A.4. Microcredit use

	Average microcredit amount (INR)	Income-generating activities primary use	Other uses
2010 Survey	10,000	9.9%	Family expenses (57%), loan repayment (9.3%), housing (7.3%), health (6%), ceremonies (5.9%), education (4.6%)
2008 Survey	6100	4%	Ceremonies (24%), housing (22%), loan repayment (15%), health (11%), education (7%) other (7%)
2006 Survey	12,800	26%	Ceremonies (14%), daily life (23%), loan repayment (6%), health (10%), education (11%), housing (4%), other (6%)
2004 Survey	5,000	19%	Loan repayment (26%), health (19%), daily life (14%), education (10%), ceremonies (5%), other (7%)

Source: Authors' surveys

Notes: The data presented here was collected from a total of 1316 households

Table A.5. Profile of loan officers and SHG leaders

Gender, age (in 2014), education, caste and religion	Role in microcredit organisations and main occupation (for SHG leaders)	Networks	Additional services	Accumulation (rough estimate)
M1, Male 42 years old Secondary education Middle caste (Vanniyar)	Loan officer	15 years' experience in social work Network with local banks, private companies, local Vanniyar community association (local contact of the PMK, the Vanniyar party)	Moneylending Microinsurance Advice on personal matters	Moneylending: net profit of 15,000 INR per month (2013)

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Table A.5. (Continued)

Gender, age (in 2014), education, caste and religion	Role in microcredit organisations and main occupation (for SHG leaders)	Networks	Additional services	Accumulation (rough estimate)
M2, Male 44 years old Highly educated (Master in social work) Dalit Hindu	Loan officer	20 years' experience of social work (literacy campaigns, health campaigns, then microcredit and income-generating activities) Network with local administrations, moneylenders Strongly involved in the <i>Dalit Panthers</i> party	Government schemes and administrative paper work Moneylending Advice on health services, schooling, personal matters	Moneylending net profit of 7500 INR per month (2013)
M3, Male Around 45 Secondary education, and trained in alternative medicine sidha Middle caste (Vanniyar), Hindu	Loan officer	25 years' experience of social work (literacy and health campaign) Networks with administrative offices, hospitals, moneylenders, trade unions and <i>Ambedkhar People Front</i> (Dalit party)	Government schemes Health services (traditional healer) Advices for school, personal matters Moneylending Microinsurance	Information not available
F4, Female 50 years old Secondary education Dalit Christian (Protestant)	Loan officer	Through her husband, network with local administrations and governmental schemes Part of the Lutheran church preaching group Connection with a Dalit movement through her husband (Dalit Panthers)	Government schemes and administrative paper work Advice on health services, legal issues and personal matters	Microinsurance agent: net profit of around 5000 per year (2013)
F5, Female 48 years old Secondary education Dalit Hindu	Loan officer	20 years' experience in social work Good network with local banks, moneylenders	Moneylending Advice on personal matters	Moneylending: net profit of 5000 to 7000 per month (2013)
F6, Female 65 years old Primary education Dalit Christian (protestant)	Loan officer	35 years' experience of social work Networks with local administrations and informal lenders	Government schemes and administrative paper work Advices for health services and personal matters Microinsurance Rosca Moneylending	Information not available
F7, Female 50 years old Secondary education Dalit Christian (Catholic)	SHG leader Moneylending	Through her husband (retired teacher), strong relationships with caste leaders in the village Labour recruiter for local landowners	Government schemes and administrative paper work Moneylending Labour	Moneylending: net profit of 30,000 to 40,000 per month (January 2011)

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Table A.5. (Continued)

Gender, age (in 2014), education, caste and religion	Role in microcredit organisations and main occupation (for SHG leaders)	Networks	Additional services	Accumulation (rough estimate)
F8, Female 45 years old Knows how to write and read Dalit Hindu	SHG leader Agriculture and moneylending	Strong connections with the two main political parties and contractors (through her husband who is village government president)	Government schemes and administrative paper work Moneylending	Moneylending: net profit of 45,000 per month (2013)
F9, Female 40 years old Knows how to read and write Dalit Hindu	SHG leader Moneylending	Her parents were the first to settle in the hamlet Strong local female network thanks to her past experience as Rosca's manager and saree seller Network with local administrations, village government president, local representatives of various political parties, moneylenders	Government schemes and administrative paper work Advice for health services, legal issues, personal matters Roscas (stopped in 2008) Moneylending	Moneylending: net profit of 1000 to 3000 INR per month (2013)
F10, Female 40 years old Knows how to read and write Dalit Christian (protestant)	SHG leader Child care assistant	Through her job (child care assistant in a crèche), she has developed a strong local network with women Her job also allows her to access information from the local village government and from local administrations Connected to the political party DMK (one of the two main ruling parties)	Government schemes and administrative paper work Moneylending Advice on personal matters	Moneylending: net profit of 500 to 1000 INR per month (2013)
F11, Female 40 years old Studied till 8 th standard Middle caste (Vanniyar), Hindu	SHG leader Runs a business centre	Through her own business, she has built a network with local shops, financiers, administration	Regularly solves problems for other women entrepreneurs (with the administration, their providers or their clients) She facilitates access to goods and services at a lower price Advice on personal matters Helps with money transfers between town and village (as she lives in a village but works in town)	Moneylending: net profit of 1000 to 2000 INR per month (2013)

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Table A.5. (Continued)

Gender, age (in 2014), education, caste and religion	Role in microcredit organisations and main occupation (for SHG leaders)	Networks	Additional services	Accumulation (rough estimate)
F12, Female 35 years old Knows how to read and write Dalit Christian (protestant)	SHG leader No regular occupation	Strongly committed in the Lutheran church Network with schools	Access to government schemes Health services Advice on school Specific support for women who experience great difficulties (preparing food, child care) Accompany women in their prayers	Lends from time to time from her own pocket but for limited amounts
F13, Female 45 years old Knows how to read and write Dalit Hindu	SHG leader Labour contractor (for sugar cane cutting)	Good connections with local administrations (her husband has a permanent job in government office) Good connections with employers	Access to government schemes Labour Helps in case of emergency (hospitalisation, child care) Accompany women when needed, acts as a moral guarantor for men	No
F14, Female 46 years old Primary education Dalit Hindu	SHG leader 'Traditional' midwife	Good connections with health centres	Health services (especially related to pregnancy, abortion and delivery) Engaged in collective claims related to road and water facilities	Lends from time to time from her own pocket but for limited amounts
F15, Female Around 40 years old Knows how to read and write Dalit	SHG leader Labour recruiter for brick kilns	Good connections with employers	Labour Moneylending Advice on personal matters	Moneylending: net profit of 1000 to 2000 INR per month (2013)
F16, Female 38 years old Knows how to read and write (Middle Caste) Vanniyar Hindu	SHG leader Bank agent Moneylender	Good networks with banks and moneylenders	Moneylending Administrative paper work Free evening school for the children Transport (she has a motorbike) Advice on personal matters	Moneylending: net profit of 3000 to 6000 INR per month (2013)
F17, Female 40 years old Primary Education Middle caste (Vanniyar)	SHG leader Runs a small business	Close connections with the PMK (which is the Vanniyar Party)	Regularly acts a mediator between women and NGO, women entrepreneurs and the police (negotiating over bribes, licences, eviction threats, and so forth)	Information not available