

Half a year to Survive: How the Women Saved their Savings Programme

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Introduction

From March 2004 Auroville Village Action Group had a difficult year in which dissident ex-employees had tried to discredit and destroy the savings and credit programme, the women's clubs were still saving and repaying loans and insisting that they wanted to continue, not only with the financial part of the programme but also for them equally important, the aspects which involved them in the community and in learning new skills.

On December 26th 2004 the tsunami struck, and suddenly all the attention went to the seaside and the devastated communities there. Some inland village women's clubs helped – some collecting money and donating rice, many giving clothes, and some going to provide trauma counselling. The AVAG staff was completely involved in relief and immediate rehabilitation activities during the month of January.

Re-establishing the Women's Savings and Credit Programme

In February and March, though, the needs of the inland women who wanted to rescue and maintain their savings & credit programme had to be attended to, and the financial support of AID Australia, and the moral support of Lesley Branagan, were really welcome. On the insistence of the women, the Women's Coordinator, Ms. Anbu, returned from the Tsunami Relief team to organise the activities. There had been no seminar of Club representatives between March-October 2004, since the staff had left and blocked activities. In October through December, the women at their monthly seminars had expressed their willingness to help AVAG to continue with the WomenPower projects. But since the Tsunami, she'd only been meeting with individual clubs who came to the office to reassure the continuation of the programme.

On assessing the situation in the clubs, she realised that many of the clubs had no literate woman to keep the accounts, clubs which had been dependent on the AVAG staff.

“Core Group Women”

The first thing to do was to start the “Core Group” – about 25 women who had begun to meet in November 2004, who spread the message in the villages that the old staff were telling lies, that AVAG was still working for the people, and that their savings were safe. They, and a Men's Core Group, also carried this information to government offices in petitions. During Tsunami five of these women had volunteered to be present at the AVAG office while the Women's Coordinator was doing the relief work. They met with the Women's Club members who came to the office, reassuring them that their savings scheme was still intact. They also went out to the villages where groups had become irregular in repayment of outstanding loans, called them to the office, warned them that they were endangering their own savings scheme, and demonstrated to them that the programme could continue fine without the old staff. They even had the temerity to argue with the protesting staff and

aggressive politicians, telling them that they had no business to interfere with their programme – telling them to go away and let them get on with their own development.

For five consecutive Tuesdays in February and March, 70-80 Women's Clubs sent 2-3 representatives for day-long seminars on Savings & Credit and women's issues. At the same time, on the second and fourth Monday of each month, there would be a regular Core Group meeting.

Their Own Bank Accounts

The chief topic of both these trainings and-meetings was the problem of how to continue. The ex-staffs tactics of trying to get the women to abandon the savings programme had made it evident to AVAG that their existing modality was very risky, although it had many benefits both to the women and to the programme. In the old system, groups saved with AVAG, all the savings being pooled in a common account. There was a bank account, but in fact there was rarely any money in it because it was all out on loan to the members. Because the money was pooled, members with good credit rating could take loans even in excess of the amount their particular club had saved. Also, the interest collected on the loans went into the Women's Federation account, and was used to cover the costs of the administration, and decisions were made at Federation meetings about the rest. They funded their own big Women's Day, for example, or gave scholarships for girls. In this way the Womanpower programme was heading toward being self-supporting.

However, the risk to AVAG and the Auroville Foundation of a "run on the bank" made continuing in this way untenable. It would be safer to have each club saving in its own Bank Account. The women were very aware of the financial benefits of the old system, and also very much wanting to keep AVAG involved to assure proper functioning. It took months of research and meeting with other NGOs in south India, to come up with a suitable replacement which would retain the monitoring aspect of AVAG's participation and yet leave the liabilities where they belonged – with the banks and the people. Then it took well over a month of training and seminars to explain the advantages to the women and gain their agreement. An Indian Bank Manager, Mr. Rajan Babu, an excellent trainer, conducted a series of workshops in which he explained to them why and how to manage their own accounts. Ms. Anbu co-led these seminars, guiding them and preparing them to leave the fold of AVAG and enter the world of banks with their own accounts.

At the Core Group meetings, the women were also discussing and dissecting all the possibilities, participating in the deciding and devising of the strategy for separate bank accounts for the clubs. They met with Government officers and bank managers. The Government system for savings and credit has the drawback that the "animators" and "representatives" although they are elected by the group, have all the financial power, and cheating is quite prevalent. The Core Group Members travelled to meet with Dhan Foundation, another NGO whose system was the one finally adopted. In this system, the groups save in separate bank accounts, but AVAG will still maintain the ledgers based on their receipts and vouchers (AVAG will not handle the money itself). The Clubs pay for this service with one-third of the interest collected per year from members (another third is divided among the members, and another third goes to the club to cover travel of members and other club-related expenses). In this regard, they also helped design and prepare the forms of records and registers particular to our groups. So in April, all the clubs opened their own bank accounts, in May the books and records were prepared to be maintained by the

clubs, and by June, after more training in how to maintain their books, each club was issued with a cheque for their balance amount to deposit in their account --thus ending one phase of the Savings and Credit saga, and opening a new one.

Carrying on the WomanPower Programme themselves

Another major area of discussion at Core Group meetings was how to function without the staff, how to help the some 20 clubs who had no literate member, and – how to get back the loans which some groups were not repaying. The main answer to all these questions was, “We’d better do it ourselves”, and indeed as of today, thanks to the efforts of the Core Group who went out and met with all the tardy clubs, only four groups have significant outstanding loans, and most intend to repay although it may be slow. Regarding the literacy problem, one solution they came up with was to induct a new member who is literate, or alternatively to bring in a daughter of a member to keep the books (paying her a small amount). The Core Group members at the office are also willing to help complete the paperwork for those clubs who just fill the passbook and bring it to the office.

In fact, the whole process has been one which has immensely empowered the women who have involved themselves sincerely. Besides guiding the reformulation of the savings programme, and establishing their own office, they women have participated actively in refurbishing the office and gardens, they’ve looked into possible group insurance schemes for the women of the Clubs, met the Block Development Officer to arrange government subsidies for installing toilets in village houses, hosted a Sunday get-together with Aurovilians, and assisted at a series of 2-day summer camps for fisher and village children.