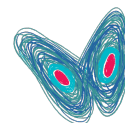




Seeing like a State or Seeing the State? A Qualitative Study of a Government Program to Support Women's Self-Help Groups in Madhya Pradesh, India.

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Abstract: This paper explores the nature of interactions between the state and village society in rural India within a major community-based development program. We perform a qualitative exploration of multiple perspectives within an interacting system of institutions. We use guidelines of the state and transcripts of 90 interviews and focus groups amongst representatives of actors of all major groups in this system in one geographic area of the state of Madhya Pradesh. The program of focus is the National Rural Livelihoods Mission, which aims to expand the well-being and empowerment of poor, socially disadvantaged, rural women, through the formation of “self-help groups (SHGs)” that are linked to credit and market related services as well as support systems provided by the state. It seeks to do this through a blend of state action and community involvement, including recruitment of “community resource persons (CRPs)” who both work for the state and “represent” the community. This is supported by the creation of federated clusters of SHGs which are supposed to take on support functions. We argue that in design, and even more in implementation, the program exemplifies two substantive tensions: between a top-down, “engineering” approach to state delivery and a stated intention to mobilize community and create “institutions of the poor”; and between primary reliance on existing village hierarchies and the goal of empowering poor women from disadvantaged social groups. Both tensions are intensified by the political and bureaucratic pressure to achieve measurable targets, such as the number of SHGs created. We argue that these tensions generate an internal logic to state functioning that leads the SHGs and their federations in our sample to not function in all of the ways laid out in the NRLM design. Some policy implications are explored in a companion study; this paper is mainly concerned with presenting the empirical material within a theoretical frame appropriate to this complex system.

List of Abbreviations

Bank Sakhi - Bank Linkage CRP

BMMU - Block Mission Management Unit

CC - Community Cadre (made up of CRPs)

CIF - Community Investment Fund

CLF - Cluster Level Federation (a federation of VOs)

CRP - Community Resource Person

DMMU - District Mission Management Unit

EC - Executive Committee (of the CLF, made up of VO representatives)

Jaati panchayat - Local caste organization

Janpad - Block or sub-District

Krishi Sakhi - Agriculture CRP

MFI - Micro-Finance Institution

MoRD - Ministry of Rural Development

NREGA/NREGS - National Rural Employment Guarantee Act/Scheme

NRLM - National Rural Livelihoods Mission

OB - Office Bearer

Pashu Sakhi - Livestock CRP

Panchasutra - The five measures of SHG performance

Panchayat - A democratically elected local council; also the name for the administrative jurisdiction (more formally, Gram Panchayat)

PRADAN - Professional Assistance for Development Action

RF - Revolving Fund

Samuh - a group (an SHG)

Sarpanch - President of the Panchayat

SERP - Society for the Elimination of Rural Poverty (Andhra Pradesh)

SEWA - Self-Employed Women's Association

SHG - Self-Help Group

SMMU - State Mission Management Union

SRLM - State Rural Livelihoods Mission

VO - Village Organization (a federation of SHGs at the village level)

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Section 1. Introduction

How and why do bureaucratic structures interact with local conditions to fail at achieving institutional programmatic outcomes for government-mobilized women's self-help groups (SHGs)? Using approximately ninety transcripts of interviews and focus group discussions with actors in and around six self-help groups in the state of Madhya Pradesh, we contend that the specific failures in the system we study revolve around the interaction between state behavior and pre-existing inequalities and social structures, which inhibit the program's goal of inducing social change through empowering women either individually or collectively. Our analysis suggests that bureaucrats' incentives can lead to program failure even before issues of last-mile delivery and implementation start. Beginning with mobilizing within existing social and bureaucratic structures is not often considered a policy variable of interest, but our analysis adds to literatures on other bureaucracies in India (e.g. the education bureaucracy—see Mangla 2015, Aiyar and Bhattacharya 2016, Muralidharan and Singh 2020) that show it is an important scope condition to consider in program design in the women's SHG sector as well.

We present a small-n qualitative study of six SHGs mobilized under the National Rural Livelihoods Mission. Our sample of SHGs was purposively selected from an "aspirational district" in Madhya Pradesh, using data from the Kochar et al. (2020) study on associations between SHG membership and various economic outcomes.¹ Our study adds to the existing literature on how women's self-help groups work -- and how we should expect them to work -- by providing a framework to think about the nature of the relationships between the actors, and incentives of these actors, located within a multi-layered local bureaucracy that is also creating new local institutions. We take the principal-agent framework as a point of departure for mid-level and lower-level frontline managers and workers' incentives, analyzing how local bureaucrats and workers (who we call frontline managers and frontline workers) navigate being agents to their principals (the state), while also being patrons to their clients (the SHG members, and often the SHG members' families as well). This is embedded conceptually in an assessment of the cognitive maps of different groups, and how these are shaped by the hierarchical cultures in which they live, in bureaucracy or village. We explore the role played by the national state (NRLM) in design and guidelines, and then delve into the transcripts to consider the pressures and rewards operating at each level of the SHG ecosystem, specifically exploring how actors "look up" -- seeing the level of the state above them -- and "look down"-- seeing the community or level of the state below them. Our analysis reveals that at each level, the bureaucrats choose to respond to their principals over their clients due to the structural incentives setup by the NRLM bureaucracy, with an especial focus on targets of readily observable phenomena, such as numbers of SHGs formed.

The document is structured as follows: In section 2, we discuss the context of NRLM and lay out study design. In Section 3, we present our framework for analysis, first describing the original intentions and questions behind our purposive sampling and method and describing the evolution of the key research questions in this paper. Section 3.1 describes our contribution to the SHGs literature and characterizes how we think about the

¹ We do not reveal the geographic region we are studying beyond the state in order to maintain respondents' confidentiality.

structural interactions within the SHG ecosystems that we study. Importantly, it also maps out the key actors in the system. In Sections 4, we analyze both the structural setup and intentions of NRLM, using the many guidelines and implementation documents that lay out the design and vision of the program in detail as texts to interpret. In sections 5 we analyze the perspectives and incentives of frontline bureaucrats (district and block-level officials), frontline workers (Community Resource Persons (CRPs), also known as the community cadre), and the community (SHG members, husbands of SHG members, so-called “active men” – who play an intermediary role in the system, and panchayat leaders and members). We also here discuss the views of the federation (Village Organization and Cluster Level Federation) members. In the concluding section 6, we consider some implications of our analysis, for interpretation, policy, and future research.

Section 2. Program context and study design

NRLM is a major national initiative of the Indian government that seeks to connect poor rural women to markets and public services through supporting their formation into groups. Group formation and complementary support aim to solve market and organizational failures, and to expand or transform the individual and collective agency of the women. It is administered at the Indian state level through State Rural Livelihood Missions (SRLMs), leading to significant variation in implementation across states. The design of the program draws on a variety of experiences, including the work of civil society actors in forming women’s groups, for example by the Self Employed Women’s Association (SEWA) and the NGO PRADAN, and on earlier programs run by state governments, notably the Society for Elimination of Poverty (SERP) in Andhra Pradesh, and Kudumbashree in Kerala.

The NRLM² has an explicit theory of change with the stated goals of expanding women’s incomes and empowerment through the formation and operation of Self-Help Groups (SHGs) of below-poverty line (BPL), rural women in villages. Groups are mobilized by frontline state actors, supported by contracted community resource persons (CRPs). Socioeconomically disadvantaged groups, often oppressed caste or tribal groups are especially targeted for inclusion in the program. The SHGs are provided support through training, protocols and—subject to following the protocols—phased access to funds, that are distributed via the state banking system as loans to group members. As they mature, these groups undertake additional borrowing from the banking system, with the intention that the women invest in productive activities. The support system for SHGs is designed to shift over time from state actors to federations of SHGs, in the form of village organizations (VOs) that comprise several SHGs, and cluster level federations (CLFs) that represent several VOs. In addition to being a channel for funds, the vision is that mobilized SHGs will serve as a broader platform for development, both as source of claim-making and

² By way of context, the NRLM is an exemplar of a long tradition of “community-based” or “community-driven” development, that became favored (or rather returned to favor) in the global development community in the 1990s. This was apparent amongst both development aid providers, such as the World Bank and the UK’s aid agency, and many governments. A major review within the World Bank research department, by Mansuri and Rao (2013) found ambiguous results of this movement, arguing that the challenge of “induced participation” from above, especially by government action, is qualitatively different from organic participation movements. In India the latter are exemplified by the Self-Employed Women’s Association (SEWA) in India, or the adaptive, catalytic and supportive engagement of women’s groups by a CSO such as PRADAN.

delivery for other government programs (under the “convergence” goal) and for engagement with the *panchayat*, the local political body in rural India (COM, 2016).

Our study is based on a small sample of SHGs taken from a larger sample that was assembled for a 3ie-supported survey of SHGs in the NRLM system covering almost 5000 SHGs and associated VOs and CLFs in nine states of the country with the goal of calculating average gains from the program (Kochar et al. 2020). The large, quantitative study found some gains in income (though from wages as opposed to enterprise sources), increased savings and use of formal credit, and improvement in an index of reported confidence in engaging with the community; it did not find evidence of increases in agency within the household. It also found an association between these gains and the linkage of SHGs to VOs and CLFs, though it is unclear whether causation goes from federation to SHG performance or from SHG performance to the formation of federations (see Bhanjdeo et al. 2021 for discussion). These findings broadly echo past research on SHG impacts, which find modest income, savings and credit benefits from the rural livelihoods program and similar programs, and, in some cases, the expansion of indicators of women’s individual agency. A specific finding from the quantitative survey motivated our qualitative data collection: some SHGs that were listed in the MIS were discovered by the research team to be not functioning or defunct. The team defined defunct groups as those that had not met for over six months. They found that over 20 percent of the SHGs were defunct in Madhya Pradesh and Maharashtra, in contrast to less than five percent in the other seven states. This raised the question of why some SHGs stopped functioning, or why the program was apparently “failing” for some groups.

To explore the processes behind these findings, our study was designed as a small-scale qualitative study of a specific area and group of SHGs in Madhya Pradesh, where the large-scale survey reported both “functioning” and “defunct”³ groups. This was based on the pattern observed in the quantitative survey that “defunctness” was not geographically clustered in specific areas in the state. We made two strategic design choices: first, to select a small number of defunct and functioning SHGs in the same area; and second, to explore the behavior of SHG members in relation to the overall interactions within the local system, including frontline state actors, community cadre members recruited by the state, the SHG members and leaders’ husbands, and other local actors, including in banks and the Panchayati Raj (the lowest level of politics). The reason for these choices flows from the following considerations. The “success” or “failure” of government-administered SHGs is typically addressed as a “program delivery question” that can be understood in terms of whether prescribed processes were designed and implemented effectively. We believe the formation and functioning of SHGs is an example of a “complex” institutional problem, with multiple interactions, imperfectly known, within the local system. Apparent “failures,” even at quite basic levels of organizational functioning, need to be understood in this light - especially given that this program involves both a hierarchical existing bureaucracy (that of the NRLM), and the creation of a new hierarchy of institutions (that of SHG federations)--see below in the discussion of NRLM’s theory of change. To understand how all of these actors and institutions interact, and why they interact in the way that they do, careful qualitative analysis is useful.

³ We use quotations around this terminology because upon completing our fieldwork, we found that functional-defunct is not a clear-cut dichotomy.

Both village and SHG selection was within the frame of surveys conducted in the representative quantitative survey (Kochar et al 2020). We purposively selected a set of six SHGs in a poor district in the state of Madhya Pradesh,⁴ with a mix of functional and defunct SHGs across two blocks. We selected both the state and district because they each had relatively high numbers of both defunct and functioning SHGs, often in the same village. As noted above, the data from the quantitative survey indicates that “defunct” SHGs are spread across most districts surveyed in Madhya Pradesh and often occur in the same villages and blocks as “functioning” SHGs. We also looked for some variation in terms of linkage to SHG federations, in light of the policy interest in the role of federations. As always in qualitative work this was based on a judgment to get some variation across both categories, but with a small enough total number of SHGs selected (six) to allow for an extensive range of interviews in each case (given our budget). We also chose defunct and functioning SHGs within the same village: this was because of the particular interest in local level group dynamics and contrasts within the same village and potential VO context. We chose one district out of six districts surveyed by 3ie in Madhya Pradesh. The district selected is categorized as a “backward” district and is one of the current national administration’s 100-odd “aspirational districts.” Within this category, the district in our sample⁵ is not atypical with respect to observable characteristics—neither in the top nor bottom quartiles of the aspirational districts according to the government’s criteria with respect to socio-economic features.⁶

Within the selected district, three “defunct” and three functional SHGs were purposively selected to satisfy the above criteria. 3ie’s survey of SHGs included 581 SHGs of which 305 were functioning and 276 non-functioning at the time of the survey. These were formed in two phases (see Figure A3.1, in Annex 1), and for this research we selected six from the 2015 to 2017 phase of creation. In the dataset, there are on average 11.4 members per SHG and 3.3 SHGs per village. Of the functioning SHGs 84% are affiliated to some Village Organizations, of which 155 are affiliated to a Cluster Level Federation (there are also 50 SHGs with missing information for this question). Annex 1 presents some statistics comparing our sample with the quantitative patterns for Madhya Pradesh: this suggests that the selected SHGs were not atypical in terms of potentially influential variables, such as distance to the local center. The functioning SHGs selected had a measure of performance (the *panchasutra*--see below and the Annex) in line with the broader pattern of SHGs surveyed in the 3ie sample in the state.

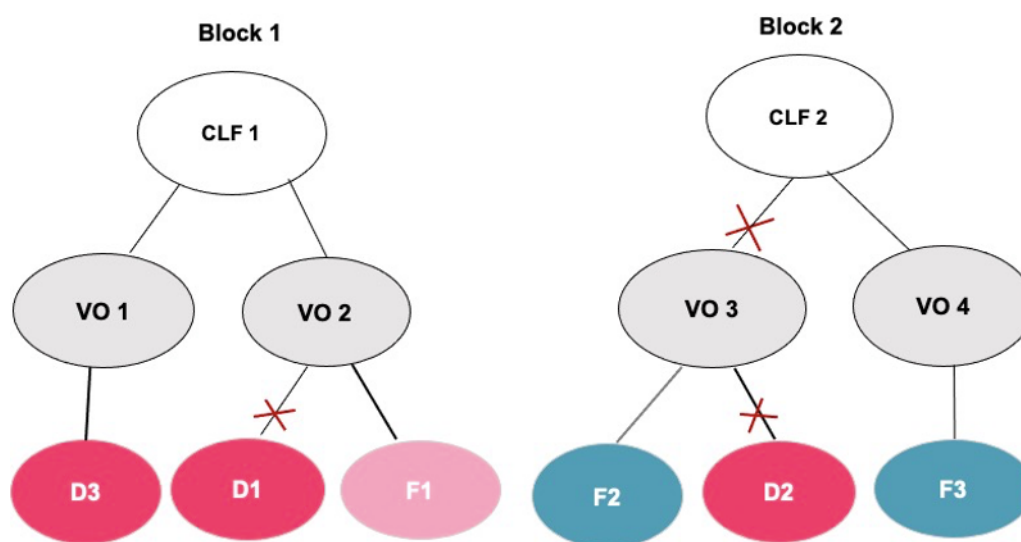
After prioritizing villages with both functioning and defunct SHGs, our sample was composed of SHGs across four villages in two blocks, with all three functional SHGs and one defunct SHG (D3) linked to a Village Organization (VO), and three of the four VO’s linked to a Cluster-Level Federation (CLF)—see Figure 1.

⁴ The SRLM had been running since 2015 in Madhya Pradesh. It built on the network of groups initiated under the aegis of the earlier MP government’s District Poverty Initiative Program (DPIP).

⁵ We do not name the district to keep the identities of those interviewed private.

⁶ This is based on Niti Aayog’s 2018 classification; see Government of India (2018)

Figure 1. Functional and defunct SHGs in the research



Source: authors

Notes: The top layer of circles indicates CLFs in our sample, the middle layer indicates VOs, and the final layer indicates SHGs. The SHGs are labelled by "D" for "defunct" and "F" for "functional" according to the Kochar et al. (2020) data. Red X's indicate the institution is not linked to the federated entity above it.

The design, implementation and initial interpretation of the field work was jointly undertaken with the Institute of Social Studies Trust (ISST). Our principal empirical instrument was a set of semi-structured interviews of these actors, throughout the system, plus focus groups of SHG women. An example of an interview protocol is in Annex 2. While the scope of field work was limited to one period of time, retrospective views of respondents were also included to support interpretation of changes over time. The focus was on SHGs formed under the state program supported by the NRLM, as opposed to those formed under an earlier program. 90 semi-structured interviews were conducted with SHG members, SHG leaders, husbands of members, VO and CLF leaders, members of the community cadre (Community Resource People, or CRPs) hired under the project, bank officials, panchayat officials and SRLM frontline district and block level staff. We used snowball sampling starting with the "focal SHG," "focal VO" and "focal CLF" members to ensure that we included actors from all categories involved in the local ecosystem -- SRLM in its social mobilisation stage expects the CRPs to meet with opinion makers and other key persons in the village, including representatives of the *panchayat*; local youth volunteers and "active women"; local leaders; community volunteers; leaders of existing CBOs/CSOs; elderly people from different social groups etc. In our study villages, we did not find any active women, instead met local influential men who were effectively selected by the SRLM in the mobilization stage. We also conducted meetings with state-level SRLM staff and national level NRLM staff. These interviews were complemented by six focus group discussions with SHG members. See Table 1 for the sample:

Table 1. Interview sample

Role	n
Focal SHG – leader, husband, office bearers, “active men”	45
Focal VO – VO member, Office bearer	5
Focal CLF -CLF member (VO rep), Executive Committee member	5
Community Cadre/Community Resource Person /mobilizer	10
Panchayat member/Sarpanch; Jaati panchayat member	9
State/District/Block bureaucrats implementing SRLM	6
Bank officials/MFI staff	4
Snowball respondents	6
6 focus groups of SHG members	45

Annex 1 presents the “story” of each of the six SHGs. This includes discussion of how and why defunct groups stopped meeting, and the extent to which groups categorized as functioning were working effectively. While the original motivation of the research was to explore an issue of “performance,” as discussed further in Bhanjdeo et al. (2021), the focus of this paper is on describing and interpreting how the system functions based on the vantage points, incentives, and interactions of the actors within it

Section 3. Theory and empirics

This section describes our theoretical approach. Our descriptive endeavor here is partially about theory-building on how the state functions and interacts with government-mobilized SHG structures. As noted above, we originally started with a question related to a policy goal--why were some SHGs recorded as “defunct” in a large-scale quantitative survey? The original research design worked with a structured set of hypotheses intended to be “tested.” The hypotheses were translated into empirical instruments of semi-structured guides for interviews and focus groups with various actors in the SHG

ecosystem. Our findings from this work (Bhandjeo et al. 2021) found that “defunct” and “functional” were not clear-cut characteristics, and even “functional” SHGs -- those that met government guidelines -- were not structurally set up to accomplish all of the goals of the program design.

This paper has a different prism: to interpret the ways in which the multi-level Indian state works in relation to rural society. We are interested in theorizing about structural failures based on a small but in-depth set of qualitative data. Our question is: in government-mobilized SHGs, how do bureaucratic structures interact to succeed or fail at creating local institutions and delivering services to intended beneficiaries? What structural issues does their specific failure revolve around? We organize our question around “failure” more than success because first, most published SHG studies do not ask questions about failure, and second, because our study sample—though picked based on characteristics that we thought would make for variation in “success” and “failure” (such as linkage, demographic variation,)—ended up illuminating structural failures across the six cases of SHGs sampled. Hence this paper is largely a theory-building exercise. In the concluding section we revisit the question of whether the fact that some SHGs do not persist should be considered a failure.

3.1 Theorizing a complex problem

Much of the literature on women’s Self-Help Groups falls into three categories: it either focuses on collective behavior of women (e.g. Prillaman 2017), on evaluating the average treatment effects of program designs (Kochar et al. 2020), or on describing the particular success of a specific government-implemented SHG program along a range of normative changes for women in the household and empowerment dimensions (Sanyal et al. 2015). This literature has taught us that NGO-mobilized SHGs can positively impact local political participation in Madhya Pradesh (our state of study as well) (Prillaman 2017) and in a government program in Tamil Nadu (Panilaswamy et al. 2019) by increasing attendance at local *gram sabhas* and in increasing and changing issues raised by women in the latter case. Our study focuses on government-mobilized SHGs, which are very different from NGO-mobilized SHGs (of Prillaman 2017) due to the structural incentives of, and interactions between, actors within the vast new hierarchy of local institutions that the government has created, as well as in the state hierarchy itself. This focus on structural incentives also shows the limits to generalizability of even other small-n studies of SHG programs that induce local participation.

The literature on impacts of SHGs also points to large-n correlations between NRLM SHG participation and an increase in household income, and an association between federation at the VO level and increased household productive assets, household expenditures on education and food, and enhanced women’s confidence in engagement with the community (Kochar et al. 2020). Large-n systematic reviews on the impacts of SHGs (De Hoop et al. 2015, Diaz-Martin et al. 2020) often focus on quantitative studies, or often do not make a distinction between government-mobilized SHGs and NGO-mobilized SHGs. Our theory and description in this paper, on the other hand, is “thick,” and focuses on the structural explanations for why actors in a system of government-mobilized SHGs and federations behave the way that they do, and how this affects the way that SHG institutions function and their members participate.

Finally, other mixed method studies such as those on the implementation of the first phase of the Government of Bihar's World Bank funded SHG program, Jeevika, describe what successful implementation that works through institutions and normative change look like. Sanyal et al. (2015) document how access to "symbolic resources (that facilitate the formation of a new identity anchored in the SHG, rather than caste or kinship), physical resources (such as group money, access to credit and passbooks), and an associated institutional environment (new collective entities created by the intervention), led to changes in norms and women's habitus and cultivated new cultural competencies and capabilities that defied the classical conventions of gender." This study documents the potential that these collective institutions have to habituate women to stepping out in public domains and make demands. In this case, the careful and responsive CRP-led mobilization drives, ritualization of SHG meetings, and federation structures formed the blueprint for the larger NRLM program guidelines which were later followed to establish SHGs in the area of Madhya Pradesh that we study. Our study shows that the same blueprint does not necessarily lead to the kind of transformative norm change documented by Sanyal et al. (2015).

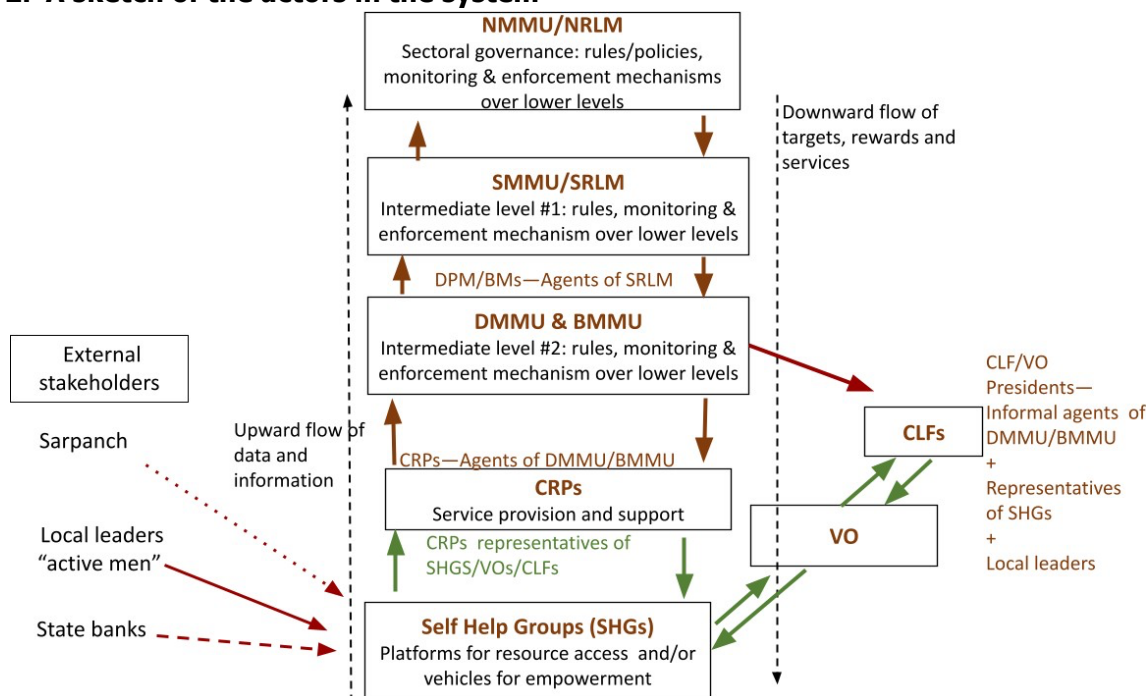
What we know less about from the existing literature is how to theoretically think about how government-mobilized SHGs work structurally, particularly when federated and located within a vast bureaucracy like NRLM -- which now runs 6,964,145 SHGs across the country.⁷ How do we think about how incentives from above interact with the precise social inequalities they are meant to be over turning? When and why would they not lead to the kinds of normative change that the positive impacts literature describes? We describe how the structure of the Madhya Pradesh SRLM system and the federations it creates can inhibit such transformational outcomes by bringing together empirical and theoretical work on Indian bureaucratic functioning, citizen-state perceptions of each other, and principal-agent incentive structures to apply to the setting of SHG functioning. The relationship between the state and society in India (as elsewhere, of course) is multi-faceted and dependent on a range of interacting actors and behaviors. This is especially true of the NRLM program, which ostensibly seeks to develop changes in the organization and behavior of poor, low status women who live in communities with entrenched hierarchical socio-cultural relationships of power. These hierarchies of power play out in both inter-household (community or caste-based relationships) and intra-household (gender relationships) dimensions. This is complex due to the multiple actors involved in the NRLM ecosystem, within and between the state and society. These actors cast their gaze upward and downward, from within the formal bureaucratic structure - sometimes seeing more like a state - and other times from outside - seeing the state. We believe that recognizing these structural complexities -- and locating the actors in the system within them -- enables us to theorize more accurately about their incentives and behaviors and provides a framework for understanding what kinds of outcomes the NRLM program design can generate in different contexts. In particular, our qualitative data illuminates how actors adjudicate and choose between these incentive structures, or make them compatible with each other, by reinforcing each structure's hierarchies. This helps to explain many of the dynamics of how the NRLM programming of SHGs works in Madhya Pradesh.

⁷ <https://nrlm.gov.in/shgReport.do?methodName=showIntensiveStateWiseReport>

We first provide a sketch of the various actors in the system, in Figure 2. This highlights the hierarchical structure of the state, and places the societal actors, including the women in the Self Help Groups and SHG federations (Village Organizations and Cluster-Level Federations) alongside the state. At the national level, NRLM is the policy making body setting the overall mission and direction of the Mission, headed by the Minister for Rural Development. A National Mission Management Unit (NMMU) in the NRLM division of the Ministry comprising a multi-disciplinary team of experts manage and monitor the Mission. At the state level, there is a SRLM, an autonomous body which oversees the implementation and other related activities through a State Mission Management Unit (SMMU). SMMU sets up a District Mission Management Unit (DMMU) responsible for implementing the program at district level which is then assisted by support structures at the sub-district or block level: Block Mission Management Unit (BMMU). A DMMU has a District Program Manager assisted by functional specialists in the areas of social mobilization, micro finance, livelihoods, capacity building & placements etc. and a BMMU works at the frontline, comprising a Block Mission Manager and 3-5 spearhead teams responsible for mobilizing poor households into SHGs, federating the SHGs and strengthening these institutions of the poor. Actors in all the three MMUs outlined above can be hired from the open market on contract or appointed on deputation from the Government (MoRD, 2017). Of these several actors in the NRLM system, we study the actors in DMMU and BMMU in depth.

A particularly interesting set of actors is that of the Community Resource Persons, who are both contracted employees of the state--often the real frontline--and are also themselves typically members of SHGs or family members of SHG members. Three other types of external actors are listed: the locally elected sarpanch; other local leaders who actively engage, seeking to patronize or support SHGs; and state banks, that in the early stages of the program play a largely passive role of passing government loan money.

Figure 2. A sketch of the actors in the system



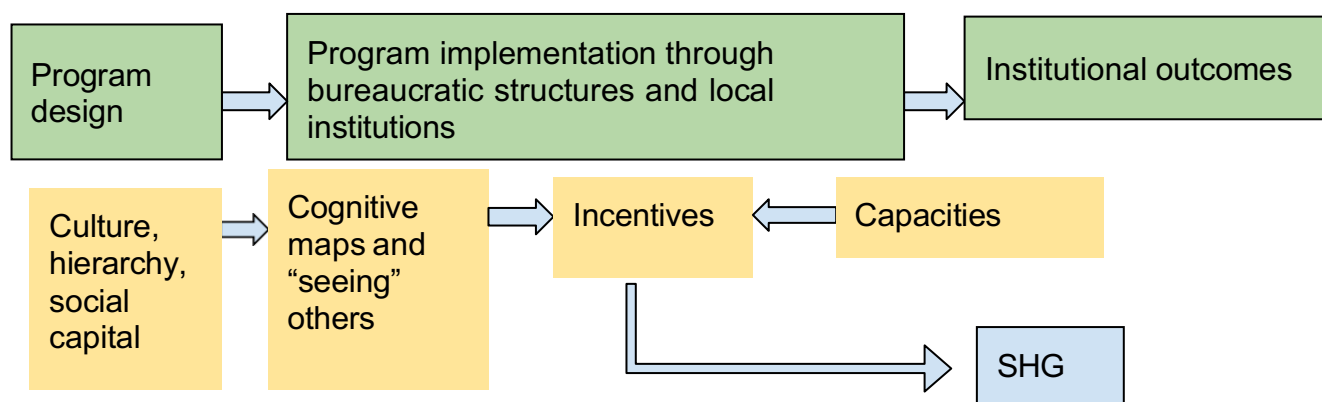
Source: authors

We now turn to drivers of behavior within this system. Figure 3 provides a map. It presents two prisms. At the top is the policy sequence. The program is designed with a set of goals and processes. It is then implemented by the state's bureaucracy that interacts with local institutions, and this generates institutional outcomes within the system, of the SHGs themselves and their federations in VOs and CLFs. These institutions then create the personal and household impacts, in terms of economic well-being and expanded agency.

The second prism concerns the drivers of behavior within this system. This interprets actual behavior in terms of specific incentives, whether material or non-material, that interact with human and other capacities. It then views these incentives as a function of the "cognitive maps" of different individuals and groups, that is in turn shaped by the hierarchical features of both village society and bureaucracy that becomes part of their cultures.⁸

⁸ Throughout the paper, we use culture in the sense of cultural processes which are "contested and evolving, and can be a source of profound social and economic transformation through their influence on aspirations and collective action; yet they can also be exploitative, exclusionary, and can lead to inequality" (Rao and Walton 2004)

Figure 3 A conceptual map of drivers of behavior



Source: authors

At one level behavior can be interpreted in relation to the specific incentives that different individuals face, whether material or other. Thus a common way of conceptualizing the state's implementation challenge is in terms of a series of principal-agent problems that the government faces--here conceived of as lower levels of government being agents of the intentions of higher levels of governments, as illustrated in Figure 2.⁹ A characteristic of these problems is the relationship between the rewards and punishments to the information on the behavior of an agent (a lower-level bureaucrat) that their principal (at higher levels in the bureaucratic system) can see. This is related to what we find to be a central feature of the state system, the use of *targets* on observable features of SHG performance, that can be linked to the behavior of frontline managers and workers. As we discuss below, this can be problematic if the observable targets are weakly correlated with the true goals of the program.

It is also, of course, important to assess incentives in relation to capacities--numbers of personnel, skills, complementary resources of transport, computers and so on--in relation to tasks (and targets).

In a parallel fashion, we can interpret the behavior of SHG actual and potential women members in terms of specific incentives--the perceived benefits and costs that they see from joining a government-formed group, from savings, from taking out loans and so on. Similar considerations apply to leaders within the SHG ecosystem of institutions (SHG, VO, CLF). Here the "capacities" also include the capacity of women to manage accounts, to start and manage a small business, and the complementary capacities of markets that shape opportunities for small businesses.

However, both the behavioral responses to incentives, and the (conscious or unconscious) design of the incentives, is itself embedded in the outlook, attitudes and norms within the larger context. This we characterize in two levels. How state actors "see" citizens and society is an important part of this (thus the reference in the title to James Scott's *Seeing Like a State*). It also concerns how higher levels of government see lower levels. And the complement to this is how different citizens "see" the state, for example in terms of a largely extractive and distant entity that can occasionally be a

⁹ A full characterization of the political system would formally see citizens as the ultimate principals, with governments as their agents via the representative political process, at least in theory.

source of benefits (perhaps in return for votes), or one that is abusive and corrupt, or even one that is a source of cooperation and support (thus the reference in the title to the work of Stuart Corbridge and co-authors). We use the term cognitive maps to refer to this, in the sense of the views people and groups hold about the way the world works, their position within it, and the responses of others (Mehta and Walton, 2014).

These cognitive maps are in turn shaped by the powerfully conditioning role of culture, in the sense of the group-based identities, norms and aspirations, that to a significant degree structure behaviors and interactions. These are both contested and dynamic, and also, in a particular context, associated with constraints, and often with hierarchies of status and power.¹⁰ This is again true of the state, both in the sense of the norms of behavior, and, for example, the dominance of what Mangla (2015) refers to as “legalistic” cultures (following rules from above) that is typical of many parts of India, that is firmly entrenched within the formal hierarchy of bureaucracy. It is also profoundly true of Indian society, including especially the village societies that are the focus of this study. These operate within and between groups of households in terms of the hierarchy of caste, identities of caste groups notionally within the same “level” within this hierarchy (different castes, or *jatis*, with say, Scheduled Caste or Other Backward Class groups), across religion and class. And, importantly for this study, there are strongly patriarchal cultural norms affecting women, that work within households and in public spaces of the market, community, politics and interactions with state actors.

The task of interpretation, and associated theorization, needs to take account of these layers: at one level the state-society interaction is one between a bureaucratic culture of behavior and an unequal social and patriarchal local village culture. Then to really understand behavior, we need to see how this is linked to incentives for action, and how these depend on the cognitive maps of the different individuals and groups.

While the primary focus of this paper is interpretation of behavior within a system, note that each of these layers of theory carry, at least implicitly, a theory of potential change. This is directly relevant to the extent that the state is seeking to effect change, if, as we see, with some intrinsic ambiguities. And it is also relevant to make public action more effective in improving the well-being and agency of poor women. Indeed, group formation of lower status women can be a means of changing the cognitive maps and norms of members. But whether this actually occurs depends on both internal group dynamics and the nature of external support.

The remainder of this paper interprets this system by examining the empirical evidence on key actors within it: the national government, state level front line managers, the community resource persons, different village level groups, and the federation structures. There are other actors of interest for which we have information--for example representatives of local political structures (the Panchayat, or bottom level of political governance), and bank officials--but these proved to be less central to the overall story and are not discussed.

¹⁰See Rao and Walton (2004) for discussion of this view of culture, and how anthropological and economic perspectives can be bridged.

3.2 Texts, transcripts and representativeness

The evidence we use for our interpretation is of three kinds.

First, there are written texts of the state, that describe the goals of the program, the (explicit or implicit) theory of change, that reflects the state's own interpretation of the problem and potential behavior, and the rules of operation. This constitutes our source for interpreting the expressed goals and cognitive maps of the top level of the state in Figure 2.

Second, there are the transcripts of the 90 interviews and six focus groups, that documents what people in the system said, in response to the semi-structured protocols. The latter allowed for both stories that they wished to tell, and more structured probing into specific areas and hypotheses. These are the primary sources for the various other groups.

Third, there is existing literature, especially other empirical, interpretative work on the behavior of the Indian state in service delivery, and other work on government or non-governmental programs that support women's groups, in rural India and beyond.

For each level we aim to build on the theoretical schema in Figures 2 and 3.

How representative is this approach? This involves two different questions.

How does what is said, or written, relate to actual views and behavior? This cannot be fully resolved from the information we have. But we argued that the expressed views, in text and interview, are immensely interesting, even if they, in part, represent normative positions. The interviews were conducted by experienced qualitative field researchers, which gives reasonable confidence that the descriptions are accurate, at least from the perspective of those reporting. Moreover, for much of the observational material, we were collecting information from multiple sources, for example on "what happened" in the self-help groups.

There is then the question of how representative is the research in terms of coverage. Here we see a mixed story. At one level we can only talk to the experiences of the women and others we interviewed in the villages selected. However, for interviews at the district and subdistrict level, the interviews were effectively of key informants at these levels, while the government texts are of views formally expressed at the national level. We also triangulate our interpretations with other literature and reflect further on the potential generality of findings in the concluding section.

Section 4. Texts of the Indian state: a top-down state designs a community-based program

The NRLM bureaucracy has many layers and procedures, from national guidelines to state-level adaptations and practices, down through the administrative structures to districts, blocks (the subdistrict administrative level) and villages. While the main operational apparatus of the program begins at the state level (under the SRLMs), the

national ministry has substantial influence providing both downward financial support and upward reporting incentives. In this section we look at NRLM's national texts. These reveal a well-articulated theory of change, but also internal tensions. These tensions are transmitted--and magnified--to tensions on the ground that we discuss in later sections.

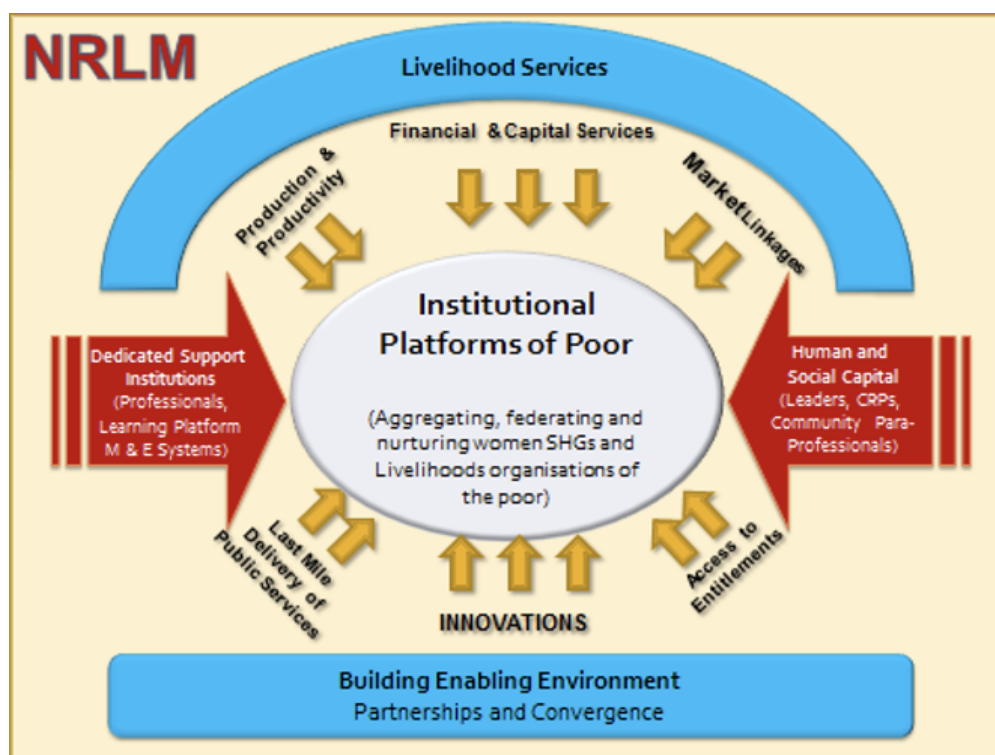
The two main tensions are:

- (a) between a top-down, engineering, or "delivery" approach, and demand-driven community-based action, including the creation of autonomous institutions of the poor.
- (b) between working with communities as they are now and mobilizing poor and lower status groups to transform power relationships, whether with respect to differences across households or gender.

These tensions are magnified by the expressed goal of universal reach amongst the poor, as this adds pressure on meeting observable targets, notably on numbers of SHGs created. This can be in tension with formation and nurturing of SHGs that are viable and transformative.

Figure 4 provides a sketch of NRLM's view of the system diagnostic from one of their guideline documents. At the center of the system are "institutional platforms of poor" including SHGs and federations of SHGs, that include Village Organizations (VOs), grouping several SHGs and Cluster Level Federations (CLFs), that group several VOs. The figure also features a periphery comprising a range of "support institutions" and "human and social capital," including local leaders, the Community Resource Persons (CRPs), and community paraprofessionals. Finally, it envisions the core SHG institutions as being surrounded by not only support from this periphery, but also being thoroughly embedded within partnerships, specific services provided by the state system, and linkages to financial services (at least in part via state banks) and other markets.

Figure 4. NRLM's system diagnostic



Source: MoRD (2016)

This SHG institutional platform was designed and formally launched in 2011,¹¹ initially to provide financial inclusion services to help group members strengthen and sustain their livelihoods. The first external review of the program observed that "the community institutions are expected to enable the poor to overcome three types of exclusions that perpetuate their poverty viz., social exclusion, financial exclusion, and economic exclusion. The four key components of the Mission are therefore social mobilization and institution building, financial inclusion, livelihoods promotion, and convergence and social development. These strategies are designed to address the exclusions of the rural poor, eliminate their poverty, and bring them into the economic mainstream. Additionally, the Mission seeks to facilitate access of the poor to their rights, entitlements, and public services, besides diversifying risk and improving empowerment" (IRMA, 2017, p. 4) This thus explicitly emphasizes the need to tackle "exclusions," and improve "empowerment."

Within the theory of change, community workers are envisioned to play a central role in representing and working with communities. The "Model Community Operational Manual" has the following to say:

Community cadres are identified, from amongst us in general and from our poorest and vulnerable members in particular and engaged by our Institutions The Cadre is accountable to us and our institutions. The services of the Cadre are renewed against satisfactory objective performance assessments...

¹¹ Based on DAY-NRLM Mission Document, Ministry of Rural Development, Government of India 2012

There is already a tension here between community workers being accountable to the community, but also subject to “objective performance assessment” (that is, by the local state). We discuss the CRPs’ ambiguous position between women, community, and state in detail below; in relation to the literature on representative bureaucracy, the question here concerns whether recruitment from community groups leads to substantive changes in bureaucratic behavior or program design based on SHG members’ or the local community’s interests and demands. As discussed below, we find no such evidence of an upward flow of information or substantive representation, and we further argue that there are no incentives to expect that such an upward flow would exist.

The Community Operational Manual also emphasizes increased voice and bargaining power of SHG members as a collective:

They [SHGs, their federations and livelihoods collectives].... increase our voice, space, bargaining power and change of policies in our favor. Gradually, our institutions take charge of supporting us being in control of our livelihoods and lives, without falling back into poverty. [...] We specially get equipped to identify and reach out to these households to bring them into our fold as quickly as possible, with appropriate customization without undermining their identity, solidarity, dignity, and self-esteem.

MoRD, 2016 p.5

In its “non-negotiable” principles these commitments are further reinforced, explicitly prioritizing the voices of both the poorest and of women:

Non-negotiable principles include

*1. Inclusion and Sensitivity –We include the Poorest of Poor and most vulnerable members (especially women) in our institutions. **We ensure that their needs have priority in our groups.** In decision-making, planning and resource allocation.*

*2. Participation –We have equal say in planning and decision-making and opportunity to participate in activities. All sections of us are adequately represented in governance and leadership, with every **representative** having equal say/space to voice her/his opinions.*

3. Transparency and Accountability -We remain transparent in all our processes and activities.... We also subject ourselves to peer audit and social audit.

*4. Communitization. We take charge of all activities at our earliest, **with the support of our cadres, leaders, and members.** We strive for self-reliance ab initio.*

*5. Empowerment –We strive for the empowerment of the poorest and most vulnerable people in our village. While **we fight for our rights, we fight for their rights and negate the conditions that disempower them.***

MoRD, 2016. p.8 (emphases added by authors)

These read as models of commitment to community-led engagement, using rights-based discourse, and with community leaders (CRPs, or “our cadres”) playing an instrumental role.

We also see this commitment to “sensitive” external support that eventually gets transferred into the internal structures of federations in the NRLM’s framework for implementation.

*Mobilizing the poor into their institutions needs to be induced by **external sensitive support** structure. Government agencies, NGOs and civil society organizations, local governments, banks, and corporate sector can play this role. With time, as the institutions of poor grow and mature, they become the internal sensitive support structures and institutions for the poor. Their successful members and empowered leaders take charge of and accelerate many of these processes. Thus, the program for the poor becomes the program by the poor and of the poor. Poverty is complex and multidimensional, and therefore, the institutions of poor engage in many sectors and service providers. Their ability and effectiveness improve with time. However, after the initial learning curve, the progress picks up speed with quality.*

MoRD, 2013 Framework for Implementation, p. 5 (emphases added by authors)

And here:

Based on participatory livelihoods mapping and detailed livelihoods analysis, and identification of gaps (in the value-chains) and opportunities (from market) for intervention and collectivization, SHGs and Federations would evolve and implement the intervention plan through livelihoods sub-committees in Federations. After adequate experience with running them and members experiencing significant benefits, these sub-committees would be transformed into separate livelihoods organizations—cooperatives, producers’ companies etc.

MoRD, 2013 Framework for Implementation, p. 25

In the program design, then, there is clearly a commitment to “empowerment,” voice and building institutions of the poor, including having the federated organizations take over the functions initially provided by the state. Furthermore, there are specific targets for reaching the disadvantaged:

NRLM would ensure adequate coverage of vulnerable sections of the society such that 50% of the beneficiaries are SC/STs, 15% are minorities and 3% are persons with disability, while keeping in view the ultimate target of 100% coverage of BPL families.

MoRD, 2013 Framework for implementation. P. 8

This goal of universal coverage of the target group--BPL refers to “Below poverty line”--is referred to at various places. The BPL categorization of a family is in spirit linked to India’s poverty line, but in practice varies from state to state, with families assessed by local

authorities. It often has broader coverage than officially measured national poverty statistics. Additionally, it is important to note that such inclusion goals--especially 100% coverage--can often come into tension with "sensitive structure" goals, especially because the former is more easily quantitatively measurable than the latter. When goals are conceptualized and committed to in a government document, it is important to pay attention to which ones are easily converted into quantitative measures that form the foundation for upward-reporting in a vast bureaucracy, compared to which ones are less easily measured (or are improperly or only partially quantitatively measurable). Other parts of the implementation guidelines demonstrated how stated commitments get transformed into targets and upward reporting emphasizing input-based measures of success:

*NRLM implementation is in a Mission Mode. This enables (a) shift from the present allocation based strategy to a **demand driven strategy enabling the states to formulate their own livelihoods-based poverty reduction action plans**, (b) **focus on targets, outcomes and time bound delivery**, (c) continuous capacity building, imparting requisite skills and **creating linkages** with livelihoods opportunities for the poor, including those emerging in the organized sector, and (d) monitoring against **targets of poverty outcomes**. The overall plans would be within the allocation for the state based on ... poverty ratios. In due course of time, as the institutions of the poor emerge and mature, they would drive the agenda through bottom-up planning processes.*

MoRD, 2013 Framework for Implementation guidelines, p. 8 (emphases added by authors)

The different language in these different portions of NRLM's framework for implementation guidelines again holds an internal tension. Demand-driven here refers to Indian states, not communities. Thus the target and outcome focus are aligned with a delivery mode, as is monitoring against targets. While this may seem standard good practice for any organization, we highlight it here as targets become a central instrument of top-down delivery, with, as we will see, an important and outsized influence on the incentives faced by frontline managers and workers. Targets can, in principle, help solve the principal-agent problem of how to track and incentivize performance to align the behavior of "agents" with the goals of the program. However, the informational challenge is that what is tracked has to be observable. Numbers of SHGs formed, and their performance relative to SHG guidelines, such as bookkeeping and formation of federations and so on, are measurable. Shifts in norms, changes in power relations, critical consciousness are harder to track and take much longer to effect). They are also not specified beyond broad language on "empowerment" and commitments to rights. This raises a central question as to what degree, and when, should we expect transformation into collective action and increased voice through these new SHG structures.¹²

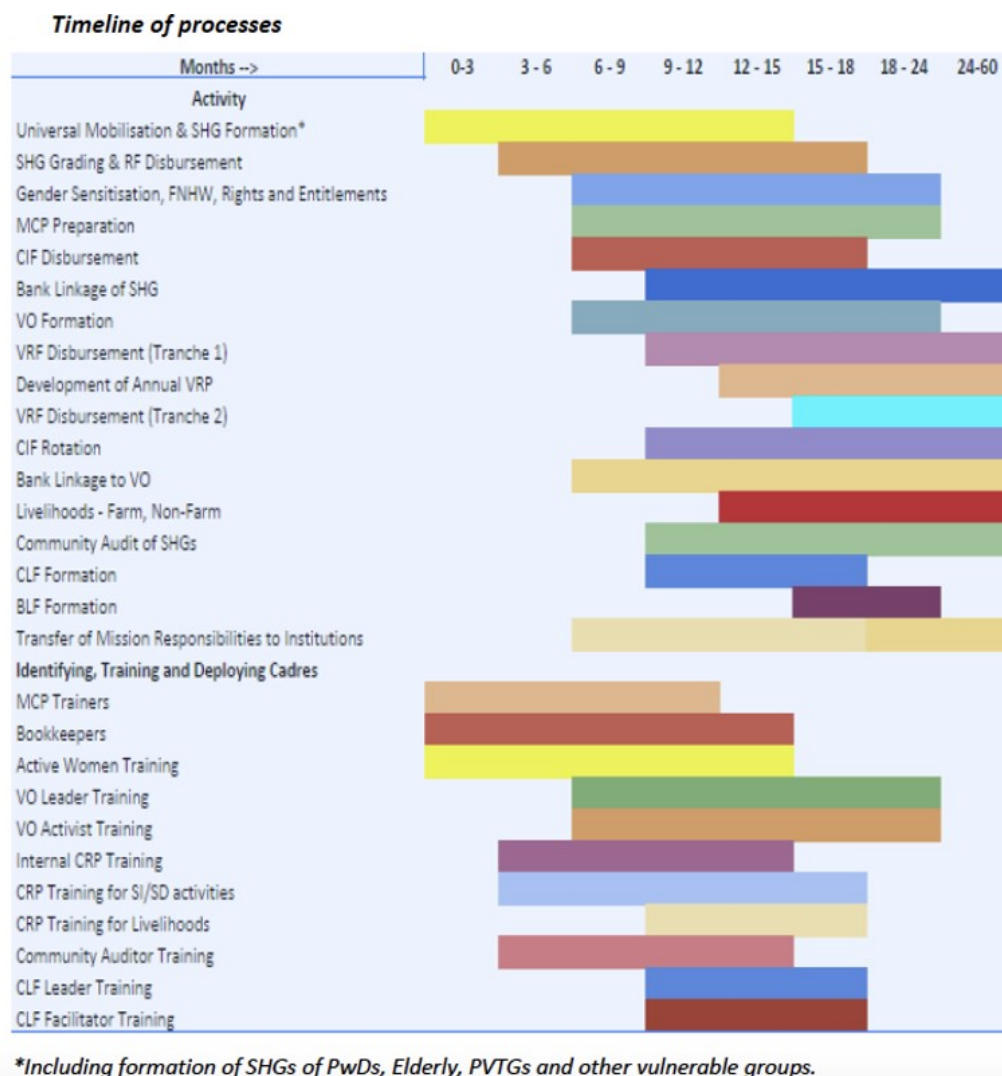
The question of performance and measurability is also evident in the criteria for SHG grading, and eligibility for receiving the next level of financial support. The basic level of

¹² Honig and Pritchett (2019), discuss this in terms of the problem of using such "thin" accountability indicators to measure performance of a "thick" complex issue of behavioral and normative change.

eligibility for progressing concerns the achievement of *panchasutra*, or the five practices of good group organizational behavior: regular meetings; regular savings; receipt of loans; loan repayments; and bookkeeping. These are indeed good practices for a group, but again refer to only potentially observable “external” behaviors, as opposed to an attempt to assess internal group functioning and dynamics, or any indicators of individual or collective expansion of agency.

Another example of the tension is illustrated in Figure 5, an illustration of how the NRLM sees the implementation process unfolding in meticulously planned steps. This is an impressively detailed sequence of actions, mapped to expected time. We see tasks of “mobilization” and “gender sensitization” in the sequence, plus more administrative activities, such as “bank linkage,” “CIF disbursement” (the CIF is the community investment fund) plus a major schedule of training of SHG members, frontline workers (the CRPs), and federation leaders. But it is unclear how this detailed series actually maps onto the messy and varied realities of group formation, dynamics, interactions with state and other local actors, and federation formation.

Figure 5 NRLM's view of the sequence of activities for a functioning SHG system



Source: MoRD, 2013

On the other side of the tension, note again the goal that the “institutions of the poor” would, over time, take over the role of the state. However, in this period of design of the NRLM, say in the 2011-2016 period, there was very little attention given to state protocols of support for the federation structures, in contrast to the very detailed protocols for SHG functionality levels.

A further observation on these texts is the contrast between frequent mention of the poor, or of targeting the poorest of the poor, and some references to gender sensitization, but little in the way of what would be structurally required to tackle entrenched hierarchies of power and practice, whether between households and groups in villages, or within households and groups, with respect to gender. This is in contrast, for example, to the ways in which organizations such as SEWA or PRADAN work, that either explicitly or implicitly put great emphasis on building awareness and behavior change through what amounts to the development of alternative cultural norms within the groups--including

what in feminist writing is referred to as building of critical consciousness.¹³ This is why a key scope condition of our structural description is that of *government-mobilized* SHG federations.

Yet again, this is best characterized as a tension. The NRLM's guidelines have a table and discussion on "barriers to social mobilization" that includes resistance from husband, father or mother-in-law, cultural barriers due to the *parda* (veiling of women) system, caste hierarchy, village level norms, and hijack by dominant groups. These are accompanied by a range of strategies, from sensitization, to focus groups, mentoring, information campaigns, and identifying active women.

In similar spirit, the "Protocol for Gender Mainstreaming and Social Action under NRLM" (MoRD, 2018) has the following:

*NRLM believes that **gender sensitization and social action should be mainstreamed** in its framework, systems, institutions and processes. NRLM mobilizes poor women in general and also undertakes special mobilization efforts for reaching women in exploitative situations/ occupations (Single women, divorced, separated, survivors of violence, trafficked women, devadasis, HIV+ve women etc.) in particular. **NRLM focuses on building institutions which support women towards gaining: Identity: Positive self-image and dignity; Solidarity: Voice, Decision-making and feeling of not alone; Capacity: Knowledge, Skills, Resources and Ownership; Access : Rights, Entitlements and Services; Well-being: Livelihoods and Lives; and therefore Enhanced freedom and portfolio of choices.***

MoRD 2018, emphasis added by authors

This protocol also has a set of guidelines around gender sensitization and training, plus formation of Social Action Committees in the VOs and CLFs with responsibility for preparing Gender Action Plans, working with a range of relevant government departments. Here again, there is clearly awareness of the challenges associated with group formation and empowerment of women in a deeply patriarchal society, but it is unclear if this is then accompanied by the kinds of support required of this complex, and often disruptive, process.

This section has illustrated how the texts of the state already hold internal tensions. The goal is community participation, but this is to be implemented in a mission mode, with time-bound targets and a highly structured sequence of activities. Targets themselves, and associated monitoring, are focused on "external" features of groups and the implementation process. There is explicit focus on the poorest, on support for women, on gender sensitization and tackling caste, patriarchal or other barriers, but little attention to how to support critical consciousness, help foster alternative norms, or attend to the consequences of changes that challenge existing hierarchies -- which would require more than a static set of "empowerment" measures.

¹³ These sometimes draw explicitly on theories of the practice of change, from Lewin (1947), and Freire (1970); see also Cornwall (2016) for a review of concepts and cases with respect to women's empowerment.

Institutions of the poor play a central role in the NRLM design, including especially the establishment of the hierarchical federation structures. These are designed to both represent and support the SHGs, and over time take over the role of the state. However, these institutions seem to emerge very quickly in the implementation scheme and with little discussion of exactly how existing state functions and capacities are to be transferred over to these new institutions. This intensive institution-building occurs within the goal of rapid scaling to reach 100% of the target population, feeding back into a top-down, target-driven approach--and without questioning whether this organizational innovation will be effective for all types of women in the communities of concern.

Why does the Indian state like targets? We suggest two reasons. First, there is the narrative of leadership from the top, that infuses both politics and bureaucracy. This is common across the world, but is particularly present in India, with its potent hierarchical structures within state and society, and associated "legalistic" bureaucratic cultures (Mangla 2015). This has intensified under Prime Minister Modi, in the form of a narrative of a strong CEO and increased centralization. Second, it is a form of hierarchical bureaucratic control, at least in aspiration--the program is ultimately implemented in a way that seeks to solve a bureaucratic principal-agent problem rather than with a structural logic intended to "empower" communities or groups making them the ultimate 'principal'. This has been intensified by the growing culture of "delivery" and the bureaucratic imperative of upward reporting of implementation progress.

The title for this paper refers to James Scott's view of the high modernist state--with a question-mark. The program design and implementation texts rather indicate a hybrid stance: one which recognizes the need for participatory engagement but is still imbued with the Indian bureaucratic variant of top-down thinking. This is why the resulting design, logic and operation of SHG federation structures embodies these internal tensions. We next explore how these manifest themselves in implementation.

Section 5. The workings of the system: reports of the actors

In this section we present the views and perspectives of a range of actors within the local system--from district level bureaucrats "down" in Figure 3. We do this through an interpretation of the semi-structured interviews and focus groups, based on the transcripts and field observations¹⁴.

5.1 Frontline Managers: incentives, capacity and target-driven culture

We refer to the SRLM bureaucrats at the district and block levels (DMMU & BMMU¹⁵ respectively) as frontline managers.¹⁶ They are situated in the middle to lower level of the NRLM organizational structure (Figure 2), both "agents" of those above them in the hierarchy, but also principals to the frontline workers who are *their* "agents." This section provides perspectives on how the frontline managers "look up" at the targets provided

¹⁴ All the semi-structured interviews, focus group and field observations were conducted from 12.12.2019 to 21.12.2019.

¹⁵ DMMU- District Mission Management Unit and BMMU- Block Mission Management Unit

¹⁶ DMMU- 2 respondent BMMU-4 respondents

further up in the hierarchy, and “look down” at front-line workers and community members from such an intermediate position on the ladder.

In the sample the six frontline managers interviewed were all **male, educated and of higher status than villagers (in caste or education)**. Three of the five block officials have a Master’s degree: one is an MBA and a Post Graduate Diploma in Rural Development, the second an MPhil in Social Work and the third has an MA in Politics. Their higher status leads them to have greater affinity with, and support from, powerful local leaders such as *sarpanchs* and other male leaders in the *panchayats*.

From our analysis of the interviews, the following sections present our interpretation of their gaze, their conditions of work and their incentives. While the core interpretation broadly applies to the different levels of front-line managers interviewed, we found contrasts between the gaze of district and block level staff, especially with respect to their attention to what is happening in the villages. This is linked to their proximity to the villages, for while block level staff engage with the villages on a day-to-day basis, the district level staff oversees and monitors the block staff.

5.1.1 Incentives and Overload

Salaries and other facilities such as vehicles were reported as external (and primary) motivators for both the district and block level staff. Additional extrinsic benefits come from the prestige for having a ‘government job’. The BMMU staff that we interviewed shared the struggles facing the villagers and voiced the importance of their ‘doing something for the community’. The following illustrate some of the contrasts:

“When we take on a job we insist --tell me the salary I will earn. Otherwise doing social work can be a separate motto for us but it cannot be our mission. We prefer a job where we can do something for the community, but the main thing is that we consider how much payment we will get and what the facilities are.”
(FM1:DMMU:DPM:M:Gen)¹⁷

Due to many vacant positions at BMMU level, block manager positions are often occupied by other, already existing staff who end up having multiple responsibilities. This condition of bureaucratic overload has been discussed in the literature (e.g. Dasgupta and Kapur 2020); however, it was interestingly also seen by two BMMU staff as an incentive – as potentially helping the advancement of their careers, at the cost of increased pressure in the current job (and without any additional material benefits).

5.1.2 Frontline managers see villagers as poor, uneducated, conflict-ridden and lacking in trust of outsiders

¹⁷Transcripts are henceforth labelled as: Broad category of respondent (unique identification number): sub-category:position:sex:caste

Note: we are still working on formatting transcript citations; we want to keep the respondents anonymous, so are still developing our reference/citation list for transcripts. For now, it should just be noted that each quote comes from a different transcript, and the numbers are our internal way of documenting which transcript.

Some front-line managers see the program as primarily a vehicle for delivering benefits to poor villagers, rather than a set of new institutions, and they see the community as lacking in trust of the state but partaking in the program to draw the monetary benefits that they can from it, especially based on the further up the state hierarchy they are (i.e. district-level staff see beneficiaries as optimizers, but do not interact with them on a day-to-day basis).

In particular, block-level staff, who interact more frequently with SHG members than district-level staff, reported seeing villagers as extremely poor, in constant need of cash and struggling to make ends meet without a regular source of income.

"ST/SC families that are extremely poor if they join the groups, they will be in a better place in terms of their financial situation." (FM3:BMMU:BM:M:Gen)

"Migration is prevalent in these areas but remittances are only enough for sustenance. With no reserves for (medical) emergencies, these villagers borrow money from financial intermediaries or local moneylenders paying high interest rates and hidden charges. They are hence in need of development and benefits from the government." (FM4:BMMU:BM:OBC)

By contrast, the district level staff, who more commonly saw the villagers as optimizing efforts in the light of potential material benefits from the (NRLM) program, even though they see these benefits as very low (see also the reports of SHG members themselves below.)

"Social mobilization is one part but people in the villages want to know how they will benefit. It's a simple thing and the same as for us. If we apply for a job, then we ask how much our salary we will get, same for them. They consider the benefits they may receive, and what facilities they will have." (FM1:DMMU:DPM:M:Gen)

"Women get irritated and say we are not getting also so much and every 7 days you call for a meeting". (FM2:DMMU:IB:M:Gen)

Lack of education, awareness and exposure was reported by the block staff as reasons why villagers often find it hard to trust people on the outside.

"Because of the lack of education, people don't even understand programs' benefits and losses, they do as they are told by others and are often misguided." (FM5:BMMU:SP:M:OBC)

"Many people/women are just not interested in forming SHGs or doing any work in these villages so it is difficult to work with them. But they also don't follow rules or do regular (SHG) meetings." (FM4:BMMU:BM:M:OBC)

Frontline managers also point out that lack of education among SHG members also makes it harder for SHGs to function, specifically according to the basic *panchasutra* reporting requirements of the state which involve a lot of record-keeping and reporting .

These “basic function” requirements of the state also lead to key positions being occupied by men:

“Bookkeeping, for instance, is a basic function required by each group but is not present in groups. One, the bookkeeper needs to be class 8th or 10th pass, and it is difficult to find such persons in every Gram Panchayat. Bookkeepers are usually men so that these are easier to find.” (FM4:BMMU:BM:M:OBC)

A common theme in interviews concerns conflict and lack of trust in villages. BMMU staff reported the presence of groups of people in these villages who create disputes, blame, or don't trust the government and try to create conflict and challenges in implementing programs. They attribute alcohol consumption by male members of the village as a reason for many such conflicts. Conflicts between male members of the family or village leads to conflicts and arguments between women in SHGs, creating additional challenges for sustaining the group.

“Arguments and clashes because of property happens, so if you go to a village for a meeting, many times people will refuse to sit with others...”
(FM5:BMMU:SP:M:OBC)

Officials also refer to entrenched caste structures existing in the villages. They report seeking to avoid disturbing caste dynamics by preferring to make homogeneous SHGs.

“While most of the time they exist in harmony (in general and in SHGs), sometimes their mindsets get the better of them and they dont trust other caste people in their own villages. Based on caste structures, a majority of women have limited mobility and awareness (especially Yadav community women) which puts them in a continued position of disadvantage and breaks groups.”
(FM4:BMMU:BM:M:OBC)

“They believe in, and follow caste structures/hierarchies, so we also try to form SHGs in the same castes. A lot of time goes into convincing people to form mixed (caste) groups.” (FM1:DMMU:DPM:M:Gen)

Patriarchal structures add further challenges. They observe that restrictions in the mobility of women act as a hindrance in the smooth implementation of the NRLM program.

“ In villages, the first and foremost challenge is to win women’s trust. Women find it difficult to come out of their households to form a SHG. In rural MP, women stay in parda (veil), it is a challenge for us to make them come out and form a group. Hence, social mobilization gets difficult.” (FM3:BMMU:BM:M:Gen)

In the eyes of the frontline managers, women cannot engage with and are ignored by the local government offices, *janpad* (block), and *sarpanches*. Men on the other hand, can get the work done with the local government.

"Because our mission is 100% with the women, there is no involvement of the men. Our community cadre is also women, there are no men in it.¹⁸ And whatever meetings we have, all are with the women of the SHGs. There is no role of the men in it so the sarpanch and others ignore the mission."

"In receiving a government scheme into the SHG (for example midday meal), the contract is issued by the Janpad (block) and sarpanch. It is a difficult task you see and men who are active and engaged with sarpanch, it is possible only for their SHG¹⁹ to get it."

(FM1:DMMU:DPM:M:Gen)

However block officials also reported receiving logistical support from local leaders such as the *sarpanch*, the Jila (District) Panchayat head and the Gram Panchayat during SHG mobilization drives.

"When we send a team for SHG mobilisation (who come from the state or district) for 8-10 days in a village then their food and accommodation is supported or facilitated by sarpanch and gram panchayat." (FM3:BMMU:BM:M:Gen)

Thus while these existing local institutions and elected leaders are brought on-board enough to sanction the activity of SHGs initially, they play little or no role in "convergence" or any interactions with SHGs unless an "active man" is involved in advocating for it.

5.1.3 Frontline Managers have Strong Incentives to Deliver on SHG Targets

Specific targets relating to the state's program and the program's national agenda are given to the frontline managers by the SRLM. These include, for example, the number of groups to be formed, inclusion of households as identified in the Socio-Economic Caste Census (SECC, 2011) and the goal of poverty reduction. Officials also clearly identify the emphasis on large-scale expansion of the program to cover as many villages and groups as possible. Functionality and quality (and therefore success) of the program is talked about in terms of the detailed grading procedures from NRLM guidelines. While group closures and failure to meet grades is recognized as inevitable, they are also seen as failures to achieve targets.

"Actually everything is target based: 90% of the households are identified by the SECC (2011) in the district (identified hamlet-wise and village-wise) are to be organized into groups.... 20-30% of these groups may not make the grade for the Revolving Fund."

"That some groups may close down is a natural phenomenon. If a thousand groups are being formed, then from them some will close --that's why we form a thousand so that some retain and we achieve our targets"

(FM1:DMMU:DPM:M:Gen)

¹⁸ This is factually incorrect, given that we interviewed two community cadre members (CRPs) who were men. However, the majority of the community cadre members are indeed women.

¹⁹ By 'their SHG', the DMMU staff refers to the SHGs that the men's' wives or the female family members are part of.

Given the overall language of “convergence” of SHGs with other existing national programs aiming to alleviate poverty, additional targets are added to the already long menu of SHG-specific targets that bureaucrats have to try to achieve. The cash credit limit accounts are linked with the national targets for the banking sector to enhance priority sector lending, while targets related to the “convergence” of SHG with national poverty programs such as the National Rural Employment Guarantee Scheme and mid-day meal scheme also flow from the SRLM and are linked with the national flagship program targets for these programs. While these do not form part of the SRLM’s target structure, they still matter for frontline managers’ incentives:

“while there are no targets related to this [other programs], any situation going wrong reaches the State office and the DPM is reprimanded and held accountable.” (FM1:DMMU:DPM:M:Gen)

Block officials specifically reported that the targets are given to them for each year and many times, the quality of implementation is ignored in order to fulfil the targets on time.

“We are always under pressure to deliver targets on time and with speed without focusing on quality sometimes. Sometimes it is just about the number of SHGs made, the number of meetings conducted, number of bank accounts opened, number of trainings held, etc.” (FM5:BMMU:SP:M:OBC)

There are also reports of the importance of following procedures, even if high-level targets cannot be met. This from a different source:

“Actually we are unable to reach the 100% target as we focus on completing the procedure. We can’t miss the procedure. If the target is even reached 70 to 80 percent even then we are happy, but the procedure has to be met. Because if the SHGs do not work, then the VOs would not work, and if the VOs do not work then the CLFs would not. The entire system will collapse if the procedure is not followed.” (FM3:BMMU:BM:M:Gen)

Frontline managers stated that they must regularly report to the SRLM with numbers that show their progress on the saturation of SHGs, the grading of groups, and the disbursement of revolving funds and bank credit. This type of reporting requirement involves continuous monitoring by the SRLM and frontline managers to track progress on targets without any information feedback into the system about how to change procedures that are not working well on the ground, or to incorporate inputs from communities into the program design.

“We meet twice a month with the COO. They just tell you that this is what you have to do. They record all the information. But no one listens to us, they say: ‘don’t tell us your problems, we have not put you here to hear your problems, we want the work done.’ So none of us speak, and there is no talk about the problems.”
“Group formation is like feeding information into the national portal”
(FM1:DMMU:DPM:M:Gen)

Some frontline managers also reported the very real consequences of not fulfilling the target, and the specific link between targets and their own livelihoods and reputations:

"Everything is online. From the portal, we receive letters that this is your target and these are the drawbacks and that the next month you won't get your salary if your target is not achieved. Till the time the target is not completed, such letters are not removed. Removal of the letter means the state officials do a complete analysis of what is missing." (FM1:DMMU:DPM:M:Gen)

"State can give punishment if they want to if our targets are not met. It is also a matter of shame if the neighboring blocks finish it and we are not able to." (FM2:DMMU:IB:M:Gen)

5.1.4 Managing without resources

Frontline managers at the district level reported that the salaries the block-level staff members receive is disproportionately lower than the effort they put into their work and the risks they face such as accidents, especially in road travel to long distances in two wheelers. There is no travel or other allowance for either the core work or for additional work that is added in case another (block) team member leaves:

"We consider how much payment will we get and what will be the facility. Each block member is looking after 80 villages, sometimes 90, 70, so very big numbers. This should not be more than 30 villages but that is hardly the case. Also and their office routine work is there only, they have to make SHGs. Sometimes we have to spend from our pockets but not everyone does it." (FM1:DMMU:DPM:M:Gen)

Both district and block teams are chronically understaffed, under-resourced and overburdened, reflecting other analysis of the low staff capacity (Dasgupta and Kapur, 2020).

"The district has seven approved posts, but only three people are there. The vacancies are not filled and each has an additional charge. For 300 villages we have six staff at block and for 250, five staff; one staff has to cover 50-60 villages which can take him around two months to complete" (FM1:DMMU:DPM:M:Gen)

DMMU also reported a high turnover of frontline managers, especially in BMMU. A large percentage of the staff on board was fresh and did not have experience or knowledge of the area, nor relationships with the self-help groups. A district official, himself two months into the job, said:

"...two to three local administrations have transferred me. Over here, a lot of people leave the projects and go. And in this sector, it takes a lot of time to build trust. Like if I talk of the project facilitation team at the block level, of the five members that were there when I joined two months ago, only one has some experience in the position and the remaining four are new. As a result people in the village start losing trust, as team members change." (FM1:DMMU:DPM:M:Gen)

Frontline managers see the program as under-funded and hence lacking the capacity to bring about transformative changes. Funds are rationed and only 50% of SHGs are given the Community Investment Fund (CIF), and then not the entire amount. In addition, bank

credit is not forthcoming as most SHG loans are declared as non-performing assets. This is because the prevailing expectation is that the politicians will waive the loans to the poor.

"We get funds of Rs 3 crores from the state which is very low: the IBCB fund which includes the block staffs' salary; training funds; administration expenses that include the salary of the district staff plus office expenses and administrative expenses; and program funds that include the Revolving Fund or the Community Investment Fund and the VO and CLF start-up fund. In such a scenario, we find it very difficult to sustain the interest and engagement of women and the villagers in the program." (FM1:DMMU:DPM:M:Gen)

5.1.5 Frontline managers views of frontline workers (CRPs)

We come in the next section to the position of the community resource persons (CRPs), that are effectively the frontline implementers of the state, the bottom of the hierarchy of state agents (Figure 2). Here we note how front line managers see the CRPs.

The main perspective on CRPs is of local resource persons who are supported by BMMU. They are the extended arms of the block staff and are expected to share the burden of BMMU by conducting regular visits to the villages and supporting the SHGs:

"today's condition is that our block staff are not able to reach the villages for almost one month. So, then after going there and assessing the situation we send some of our community cadres." (FM1:DMMU:DPM:M:Gen)

They are also viewed to be able to garner more trust given their local embeddedness and SHG membership, serving as aspirational role models for the benefits that membership can confer:

"They are women from the same/similar communities and from SHGs, hence more 'acceptable'/ friendlier to be an interface.... As they are also old SHG members, women get inspired seeing other women who have done this and benefited from it in the past. When we have to enter a village and form SHG we use CRP as a way to enter." (FM2:DMMU:IB:M:Gen)

BMMU officials who work with these CRPs closely see them as smart, young, qualified and interested women. The women amongst them are SHG members who have made some progress and if given the opportunity and funds, can further enhance their lives. Block officials, however, do not necessarily refer to CRPs as representing the women in the villages. They do emphasize the challenges CRPs face, mirroring the larger socio-cultural environment in the villages. This includes, for instance, interference of, and resistance from, male family members and husbands limiting the mobility of these workers.

The payment structure and incentives of these CRPs were perceived as poor and unstructured, with salaries often not paid on time due to a lack of funds. The possibility of SHGs providing some incentives to the CRPs is mostly reported as absent as the SHGs are not able to establish profit-making micro-enterprises. Officials go so far as to clearly point out that the reason that CRPs are contract workers is to circumvent labor laws.

"We built a community cadre in the beginning of the project as the funds flow to the project was okay but since the past year and a half, the flow of funds is the worst (from March 2018) ."

"We identify and train bank sakhis (Bank CRPs), to play an important role in connecting with the banks. And then what happens is that they are paid Rs 1,500 monthly and only for one year after which they are paid by task. This is to circumvent the labor laws, and they are then paid on a task basis so many bank sakhis work for one year and then withdraw."

"CRPs are not comfortable with their incentives that are based on the business plan of the VO and SHG. There is not much business there so while some SHGs are willing to pay, others are not. And we cannot interfere with this fund and can only encourage and sensitize SHGs to pay it."
(FM1:DMMU:DPM:M:Gen)

The district and block officials' intermediate position in the state hierarchy place them in a complex place that is reflected in their representations (and resonates with our Figures 2 and 3). They are embedded within a legalistic rather than deliberative bureaucratic culture (Mangla 2015), "looking up" to the rules and targets that will govern their present and future work. They "look down" at the citizens they are charged to work with, and on whose behavior their targets depend, seeing people who are poor, less educated (and typically from lower castes) than themselves, and often with high levels of conflict and lack of trust. However, these bureaucrats also work hard in conditions of substantial lack of resources and overflowing plates of responsibilities, made all the heavier as more targets get added on. These bureaucrats see the community resource persons as critical agents of their work due to their proximity to the communities in which SHGs are mobilized, but do not necessarily see them as sources of information for how the program can be improved, of how the SHGs are actually working on the ground, or for understanding SHG members' collective needs or demands to tailor the program design toward.

5.2 Community Resource Persons: occupying the space between community and state

The Community Resource Persons (CRPs)²⁰ are located on the lowest rung of the state hierarchy. They are also the front-most frontline agents of the state, drawn directly from the communities in which SHGs are mobilized as paid, part-time contract-workers. At first glance, they occupy an ambiguous position in terms of incentives, and embody one of the key tensions of the NRLM program design: they are hired by, and report to, the state; but as we saw in the discussion of NRLM guidelines, CRPs are also seen as being from, and accountable to, the "poorest and vulnerable members" of villages. In other language, they are meant to be "representative bureaucrats" - agents of the state who represent the community (Keiser et al. 2002).

²⁰ Often referenced by their specific roles, which they are supposed to be trained for, e.g. *bank sakhi* (bank), *pashu sakhi* (agriculture), *krishi sakhi* (livestock), bookkeeper, and so on.

However, our findings indicated that CRPs are dependent on their tenuous jobs and the salary they draw from the state, which is directly dependent on how they perform according to the frontline managers to whom they report (District Managers and/or Block Managers). Additionally, CRPs are generally recruited from the higher-status segment of the local community they are meant to represent. Thus CRPs have incentives to meet NRLM's well-defined inclusion targets and maintain the functioning of SHGs on the books. They have weak incentives to create an upward flow of information about SHG members' needs or to represent the collective interests of SHG members to the state.

5.2.1 Target-Driven Behavior as Frontline Workers of the State

The state is an important source of income for CRPs, whose alternative daily wage would generally be significantly lower than their CRP rate. For example, one (male) CRP specified that he receives Rs. 361 per day for his CRP work, while his daily labor wage work earns him Rs. 200-250 per day (FW2:CRP:BK:M:ST). Other CRP roles earn a lower daily wage and are often women who have never been employed outside of the household before.

Because they are contract-workers, and this wage is an important source of income, CRPs' sense of job security is precarious. In the pressure to perform, they often work above and beyond the period of days that they are paid for. The maximum number of days they get paid for is 10 to 15 days per month; however, they are often assigned to support SHGs in at least 8-10 villages (often due to understaffing of the community cadre), and the visits in fact take them 15-20 days every month. One CRP explains:

We have to cover it [referring to 10 villages], doesn't matter how many days it takes, be it 10 days or be it 15 days. Not less than 15 days ma'am. Because we'll tell about agriculture, and who will come and we'll fill their Parpatra, will make the list, will explain to everyone that in just two days work is not done. Will check their records and will check all of their entries. So there comes problem in two days, so usually it takes three days. So let's say it takes around 18 or 20 days. We get money for only 10 days in that. (FW4:CRP:KS:F:Gen)

In addition, their salaries are only released once in multiple months making it difficult for them to meet their daily expenses – including travel. CRPs have to work in and travel to a number of villages, many of which are far from their places of residence. They do not have access to any transport facilities or allowances to cover the costs of travel. At times, they face difficulties in finding transport and sometimes have to walk more than five kilometers to reach the villages. One CRP indicated that it had been three months since she had received a payment; another, when asked if there is anything he wanted to add, stated:

Interviewer: Anything else you would like to say about the samuha? You are working since 2008. It's been a long time for you in this work.

CRP: Sister, I am not getting money on time.

Interviewer: When do you get money?

CRP: That if in a month I work for two, four, ten days then with great difficulty in three to four months, I will get my salary.

Interviewer: Ok, so you didn't ask that why I am not getting my money?

CRP: I told to DPM sir.

Interviewer: So, what did he say?

CRP: Sir, if you give timely salaries then we will feel like working. We are a poor family. We are dependent on it.

Interviewer: And the cost of travelling?

CRP: The cost of travelling, I only have to bear it.

Interviewer: And on the way, if you eat or drink something then that also goes from your pocket?

CRP: From my pocket. (FW2:CRP:BK:M:ST)

Work conditions are also precarious - some CRPs interviewed reported that they were unsure of their work hours and job conditions: was it on a daily basis, do they get any days of leave and what cuts could occur? Fearing cuts in an already meagre and irregular salary, some reported working for two months continuously without a single day off and being paid for ten days a month.

Across CRPs, we find evidence of incentives to meet state targets communicated by SRLM bureaucrats who hire them and to whom they report. In particular, they are focused on inclusion goals, and maintenance of records to show that SHG structures are functioning. For example, one CRP noted:

Grading is done at block level, by three people at least, for one [name removed] sir will do and rest two sirs will come. And after coming after three years or one year the grading is done. Whether the guidelines are being followed or not. (FW3:CRP:BK:M:OBC)

When asked what activities were checked and monitored for SHG functioning, the CRP responded meticulously:

So the first thing we check is whether the groups have been made or not. And if the groups have been made then their record is complete or not, they are conducting the meeting or not, they are doing some saving or not, their transaction should be appropriate, all the entries are valid or not. Actually the Panchasutra are they following or not. This is the first thing we check in the group. If all these things are alright then we ask them, you're running this group from so many days, have you done any activity or not. [...] In Panchasutra, we arrange the meeting of all the groups. In meeting their registers are checked, how much transaction has been done. Like we check the register, they must have done some transaction, then they must have written in it, and if some has returned then their

entry should also be there. And if the meeting has been conducted then there must be the signature of those women, and the money also must have been written there. This is all we check from the register. (FW4:CRP:KS:F:Gen)

Many CRPs are motivated, active and key to SHG formation and local support, even as their positions are understaffed. CRPs perform multiple support roles even if they are officially designated as one) and they are under-resourced (for example lacking vehicles). In our sample, many CRP positions lay vacant and four SHGs (D1, D2, D3 and F1--see Annex 1) did not have the support of all of the different types of CRPs envisioned in the NRLM guidelines such as *Krishi Sakhi*, *Pashu Sakhi* or *Bank Sakhi*. CRP support via a *Bank Sakhi* is particularly conspicuous by its absence in our sample due to the relatively basic function of opening a savings bank account.

Women CRPs (a majority of the total in the area of research) also face gender-related constraints, generally due to the geographical mobility required of the position, and sometimes additionally due to family surveillance of activities outside of the home.

Quoting a CLF Office Bearer who typifies the interviews conducted:

"Banks (relating to opening of bank accounts) are a huge trouble for women sometimes in terms of paperwork. Women come from faraway places and they get tired with all this. Bank Sakhi is there but she has to handle so many SHGs. Women complain to us and we have tried talking to the bank, but to no good"
(COMM:CLF:D2F1OB:F:Gen)

The DMMU staff attributed this shortage to a lack of educated women in the area, and the mobility required on the job. The CRPs also reflected the difficulty in travel as required by the job as a barrier:

"I have to go alone to the villages and banks. I go to the villages that are around here. We face challenges also when villages are too remote inside jungle areas. My husband sometimes supports me or comes along."

"I do not go to very new villages. I haven't even visited all the villages assigned to me."
(FW6:CRP:BS:F:OBC)

Some CRPs have supportive families, while others do not -- this is especially important given that the women CRPs do not receive any facilities like maternity leave, creche facilities and other entitlements provided to salaried women in India, even though they work for a state program. For instance one of the respondent's husband and mother-in-law share the care responsibilities and household duties when she is away for work or duty. Her husband also accompanies her to remote villages and helps her by counselling the males in the villages about the benefits of the SHG. In contrast another CRP experienced constant surveillance from her husband as he would call every hour to check where she was. Another CRP had to constantly vouch for her.

The shortage of local cadres also leads to switching roles and tasks as required and lack of clarity about their roles and information on deliverables. For instance, one Bank CRP

was initially trained as a *pashu* or livestock CRP but then was switched to the Bank CRP role. On the other hand, a *krishi sakhi* describes her workload and role-switching. When asked to describe her responsibilities, she replies:

CRP: It is not fixed. If any help is required in any other group we go and help. [...] There are approx. 40 groups in [a nearby panchayat] and we are only two Krishi sakhi. [...] We monitor whether the money transaction is happening on time or not, registers are filled or not. It's the duty of Bank Sakhi and I do it without it being my duty because I go to villages regularly.

Interviewer: Your responsibility is of Action plan?

*CRP: Yes, and Bank sakhi is responsible for looking after other things like books. We don't mind doing this because **till the time group is doing well our Krishi work will also continue. It's important to get a better final result even if one has to do some extra work.***

(FW5:CRP:KS:F:Gen, emphasis added)

Despite all these challenges, the CRPs interviewed were motivated to continue their work—being a CRP seemed to give many of the women CRPs a sense of identity and confidence.

My in-laws love and respect me double than before because I am treated nicely outside and get known. When I am out, they ask if I am off to duty. My husband also comes home and tells me that people in the village are talking so highly about me. My husband is known from my name. He really likes it. People come and talk to him and ask him to give documents to me. (FW5:CRP:KS:F:Gen)

People appreciate that I work and send my kids to school. They tell me that I have a lot of knowledge and I am doing a very good work by giving women employment and money. (FW6:CRP:BS:F:OBC)

5.2.2 Representation

CRPs are meant to represent the local community in which they work – they form the “community cadre” envisioned in the NRLM program design. All of the women CRPs we interviewed are also SHG members – thus drawn from the population that they are working in. But complicating the notion of a cadre of “representative bureaucrats” (Keiser et al. 2002), CRPs are generally drawn from relatively higher-status households of these communities. In our sample, we find that they also continue to function as elites within the SHG system – occupying, or having family members occupying, leadership positions in various parts of the SHG ecosystem. Out of six CRPs interviewed, four were female, and three of them occupied leadership positions such as VO President, CLF Secretary, and SHG founder and current secretary; another is a member of an SHG in which her mother is the president (CRP Transcripts FW1:CRP:BS:F:OBC, FW4:CRP:KS:F:Gen, FW5:CRP:KS:F:Gen, and FW6:CRP:BS:F:OBC). Of the two who were men, both had family members in the program – one was an informal village dispute arbiter, and the other had multiple members of the family who was responsible for mobilizing women into the first SHG in his

village (CRP Transcripts FW2:CRP:BK:M:ST and FW3:CRP:BK:M:OBC). Thus because of their key role as mobilizers and “trusted members” of the community (as frontline managers reported seeing them), CRPs who already have many connections are likely to be recruited by the state; but they also then have more power to place or maintain their own family members or themselves in leadership positions in the SHG ecosystem and to be invested in SHGs continuing to function according to the measures provided by the state, in order to benefit from the NRLM program.

Additionally, CRPs serve a larger community than the specific one they are embedded in, and they are not necessarily resourced or given state legitimacy when approaching new communities. They face difficulties owing to frequent turnover and lack of a streamlined training and induction program -- many CRPs had been trained for some roles that they were *de facto* playing but not others. Though the CRPs reported that they felt the BMMU staff acknowledged the difficulties they faced, they do not have much support from the DMMU or the BMMU as they enter the village, and neither are they provided with ID cards or uniforms (which some asked for) -- thus not having any legitimacy of being a state or community representative unless or until they establish a rapport. This lack of state resources often makes it difficult for many CRPs to establish trust with the local community when they go to a new village, and their proximity is perhaps not as much of a boon as the frontline managers reported it to be. SHG members and their husbands sometimes doubt CRPs’ credentials and wonder if they are from private microfinance companies (FW6:CRP:BS:F:OBC). CRPs also may face opposition from the local community if they are viewed as security threats. For instance, a *krishi* CRP described how a local youth stopped her from conducting a meeting on this basis. Because different villages have very different local castes and other kinship-based hierarchies and CRPs are responsible for multiple villages, their local representativeness on this key dimension may again be somewhat limited.

Finally, given that CRPs can be men or women, the gender dynamic in representativeness should also be studied. As we saw in the previous section, men mobilizers can be important in getting the husbands and men family members of SHG members to be willing to trust the formation of new groups; “active men” may also be more likely to garner support in SHG activity endeavors from other local institutions, who do not converse with women. On the other hand, men and women CRPs may view their own roles as CRPs very differently and thus perform them quite differently. One man CRP, for example, stated in the course of describing his work:

Women are like diamonds, till the time diamond is a stone, it won't know its value but if it is polished and made into a diamond then it will know its value.
(FW3:CRP:BK:M:OBC)

On the contrary, many women CRPs seemed to know their own value and the value of the women they worked with on a variety of dimensions, including the importance of their needs, autonomy and collective voice. One woman CRP, for example, talked about how she explained the importance of the SHG to women that she was mobilizing:

I tell all the women to save. Save an amount of 10-10 rupees, money cannot be collected just like that. If someone is sick, unhappy, when it is needed, we can take money from the samuh and get our work done. Even in the middle of the night, if

there is a need, you can take money from the samuh and get your treatment done. If you go to someone to ask for money, they will say that we don't have now. If you go to the bank, it can be closed on holidays like Sundays. And if we have our money, our savings invested in the samuh (group), then we can get that and do any of our work with that money, for all the women. When we all join our hands, then we can get success. (FW1:CRP:BS:F:OBC)

A CRP's gender comes with its own constraints (e.g. in mobility, autonomy, and making connections with other male-dominated local institutions, for example) and benefits (in serving as role models and motivating women to join SHGs in a qualitatively different way). While gendered descriptive representation at the CRP level does not translate into representative bureaucracy for many structural reasons, our interviews show that it may make a marked difference in the type of support the CRP offers to SHG institutions and members.

CRPs in our study thus embody two key tensions of the NRLM program: first, they are at the very center of the bottom-up versus top-down programming nexus that comes with the state mobilizing groups of women. CRPs are critical to state functionality (as last-mile providers of the NRLM program). Even as the state undervalues their labor, they are invested in the SHG program as beneficiaries of it, ostensibly making them good "representative bureaucrats." However, because both the state and the local structures value their elite status position in the community, they reproduce existing power hierarchies in both systems by taking and maintaining leadership positions in the SHG ecosystem, and not necessarily representing the needs of those at lower rungs of the hierarchies to improve the state program's design. CRPs thus do not create an upward flow of information about the needs and demands of the SHG constituency up the rungs of the NRLM bureaucracy. This results in a community cadre that is understaffed, overburdened, and under-resourced (mirroring the frontline managers' position), which is working hard to take on functions of last-mile delivery, including being motivated to assist in doing extra tasks to keep SHGs functioning according to targets (in place because the state is trying to solve principal-agent problem).

Second, from CRPs' reported work there is no real focus on critical consciousness and agency-building of SHG members; this also makes sense because the CRPs themselves often draw their power from being relatively higher social status compared to the other SHG members in their groups, and the state also does not train them on, or provide them resources to build critical consciousness, or incentivize them to bring information about the community they ostensibly represent to go up the hierarchy to improve state programming. However, it also leads to a group of frontline workers who try to keep SHGs functioning (if at a low level), but not interested in raising a collective consciousness that could challenge their place at the top of the local hierarchy. This was the reason for which they were hired in the first place – the social capital they have in the community to mobilize groups for the state and keep them running, while also not challenging the state.

5.3 The view from the community

In this section we explore the views—the gaze and expressed incentives—from different members of the communities, including the core SHG members, SHG leaders, “active men” (intermediaries between the state and SHGs), and *panchayat* leaders.

5.3.1 SHG Members

The primary motivation for forming or joining a group (or the program) reported by the women was expected material gains. The most-reported expectations during interviews were access to loans; getting money when they needed it and getting the amount they wanted; opening small individual businesses; starting collective SHG “business” enterprises such as government contracts to run a local Midday Meal Scheme or a Public Distribution Shop; creating a large savings corpus, and using the interest generated by judiciously investing it. Some women also expected the money they were saving/depositing would get doubled over time. Quoting a woman respondent, “*We joined thinking we will receive some monetary benefits and will be able to start our own businesses or open a shop.*” (COMM:SHG:F10B1:F:OBC).

However, the material benefits that member were actually getting were considered to be low and below the level of their expectations; this is echoed by an overall finding that participation in the NRLM program in nine states is associated with an improvement in the amount of savings for a household, but not enough to make up for the significant “negative savings” that the average participating household has (Kochar et al. 2020). Our interviews show that this was also actually the main source of disappointment reported by the women and a source of low motivation for participation among SHG members. It was both a cause and consequence of failure to move beyond a basic level of functioning -- which we define as fulfilling some or all procedural target requirements of the state and thus receiving some resources, but not developing into sustainable institutions with collective voice - in their groups. None of the six SHGs we studied had received the Community Investment Fund (CIF) in totality. This perception of a very low-level of support from the state among SHG members agrees with the frontline managers' statements that the funds they receive to run the program on the ground are insufficient.

In one case, a woman bought hens and a goat from her contribution but had to leverage the rest of the money from her husband. She stoically said:

“But what will be gained out of such little money? We returned it to the group, with interest too. Then we thought, let us keep faith and hope and not ruin the group. Let us keep it running.”(COMM:SHG:F1W3:F:OBC)

Another expectation the women had from the state was to receive training and assistance in market linkages in their micro-enterprises. For example, in two of our study villages, women bought sewing machines for themselves using funds from their SHGs. However, they did not receive any assistance from SRLM after that. One woman learned sewing from “Jio” (YouTube videos on her Jio data plan) but there was no market in the village so she sewed only for herself and family. One of the VOs was given a rented shop in a market complex for SHGs, but no customers visited, and the women were unable to sell any of the products they had produced, such as soaps or incense sticks, and so there was no money for bills. There were few efforts to work with the women’s traditional skills in

animal husbandry and agriculture, and a low availability of krishi sakhis (agriculture CRPs) to support any of these skills.

Women in two of the functional groups in two villages were supported by frontline workers or CRPs and they considered CRP support as an important incentive to work in the groups. One of the women shared,

"If Rashi didi would not have convinced my mother-in-law I would not have joined the group and saved so much money..... Once we had a confusion regarding who will write the register, she only helped us resolve the issue..."
(COMM:SHG:F2W1:F:OBC)

Other groups in two other villages that were not supported by a frontline worker, due to various reasons, did not share similar experience and they remained unaware that any support for gaining market-valued skills existed in the form of a CRP, or otherwise.

Women in functional groups in three of the studied villages were connected to VOs and in two villages to CLFs. Our study found that women in these villages had little knowledge of the VO: they knew that their SHG was a member of the VO, and that their SHG office bearers attended VO meetings, but displayed little or no knowledge of what was discussed or what the role of a VO was. Quoting an SHG member:

"Our president and secretary go to the monthly VO meetings but all I know is that they take Rs 50 from our SHG kitty to deposit in the VO...I don't know what happens to the money...I don't know what happens in the meetings, they just deposit the money and return" (COMM:SHG:F3W3:F:SC)

Even fewer SHG members were aware of CLFs.

5.3.2 Husbands

Perspectives of men in the villages, more specifically husbands of SHG members, were not very different from that of the women described above. Below we outline how the men 'see' the state. These men's gaze is separate from the influential male members of the villages or 'active men' (described in the next section) who were also husbands of SHG members but had a greater role to play in the social mobilisation and functioning of the groups and in the larger ecosystem of the village.

Husbands of SHG members saw the program as a platform for receiving small monetary benefits from the state that would help them set up some business or shop and hence supplement their household income. The following quotes from two of the men we interviewed illustrate their perception towards the benefits they could garner from the state through NRLM:

"We set up a small vegetable cart from the money we received from the group. Now if we receive more money, I will convert the cart into a good shop."
(COMM:SHG:F3H1:M:OBC)

The mobiliser also told us that if you want to take a loan for cattle, for dairy, numerous things she told us then you take from that, if the women want to buy a machine which women work on they can buy that. And if they want money then they can take out money from that. My wife joined but nothing came out of it.

We could have taken the loan and sold the milk of goats and sheep. But nothing"
(COMM:SHG:F2H3:M:OBC)

There was, however, a mismatch of expectations between what was promised by the state and what they received:

"Nothing they had said will happen actually happened. They had said that it would help in your work. If someone requires then that person will get a loan. So it will help you in your work. They would have got subsidies on interest from the government which they could have divided amongst themselves, but nothing.
(COMM:SHG:D2H1:M:OBC)

Further, he says about the BMMU staff involved during social mobilization in the village:

".....One man from the block said all this but he only doesn't know everything. He did what he was told to and now we did not get anything."

Men also saw the NRLM program as having the potential to bring improvement in their villages through convergence, or linkage, with various existing government schemes and entitlements. For example,

"The group was formed so that children in the village could get food in their school through anganwadi. We agreed to join because of that. The group ran for one year. We are facing loss due to the closing down of the group. The kids could have benefited from the money and the food." (COMM:SHG:D1H1:M:OBC)

A lack of clarity from the program mobilizers and not receiving enough information provided an impression of men in the villages being unaware and disinterested about the program's processes and details, sometimes not letting their wives participate as a result. For example, one man shared,

"Sometimes some government officials come to the village. They say things like, be part of it, there will be less interest to your loan and it will be nice. No one has ever come to tell us anything about the group. They just gather women and say men are not part of this group....how will my wife go to meetings if I don't have information?" (COMM:SHG:D3H1:M:SC)

5.3.3. "ACTIVE MEN"

Given the constraints facing the frontline managers and frontline workers, and the barriers to social mobilization described in the earlier sections, the SRLM staff have had to prioritize making local connections with, and relying on, established local leaders. We refer to these actors as "active men" (on the lines of "active women" who are appointed by the SRLM) because they function as intermediaries because they generally have a higher social status than the average SHG member and have established social capital both in the village and in existing ties with the state. Playing a *de facto* leadership role in four out of six of the SHGs in our sample, they were effectively selected by the SRLM mobilizers, or sometimes proposed by the *sarpanch*.

Active men are typically influential or well-networked individuals and in our context, emerging development entrepreneurs who expect to receive benefits from the state through this (NRLM) program and are seeking to advance their private goals. Our study shows that in order to do that an active man typically places his wife (and other female

relatives) in leadership positions in the SHG and supports the running of the SHG, for example in bookkeeping, and is especially present in interactions with the bank. These men considered themselves as a bridge between the state and the women in the village. The following excerpt from an interview with an active man illustrates his role in not only instantiating the SHG, but also his feeling of ownership towards the groups:

"Respondent when I initiated the group, I only managed everything. Then first of all when CRP Madam visited, I had actually formed the group.

Interviewer: So did you receive any help from the government during the formation of this group?

Respondent: No, I didn't get any help from the government, I feel privileged and happy to help the people around me. I also know people around, they listen to me

Interviewer: "Like some kind of monetary help ?

Respondent: No, none of it

Interviewer: How did you come to know about the necessary arrangements and the paperwork including all the documents that will be required to initiate a group?

Respondent: I am a wanderer and I like to go places and know about things; I know a bit of politics as well so I have some knowledge of what is to be done and what not, about the basic formalities today like the aadhar card, voter card and the ration card which are needed every time. I can get things done. Once a women official came from the block with some regulations, as these days mostly all the regulations and schemes are there for the betterment of all. The person who is the more aware in the village gets associated with the group earlier than the one who is not. I spoke with her then and she was happy with me to help..... Another thing is that the women here are not literate, and no one among them are free from their household duties, they are not concerned about what things are taking place around them, so they don't know much."
(COMM:SHG:D3AM2:M:Gen)

5.3.4. LOCAL VILLAGE LEADERS (PANCHAYAT ACTORS)

In their social mobilization stage, SRLM staff are expected to meet with "key people" in a village in which they are mobilizing SHGs to form a support team, to identify households, and to participate in initial SHG activities (MoRD, 2016). As an integral part of the social and political fabric of a village, we describe how the *panchayat* members see the state and the women in the villages who are mobilized into SHGs.

Panchayat members, particularly the *sarpanchs*, did take credit for introducing SHGs in their *panchayats*. Their relatives, and wives of the male representatives, were also members of SHGs, and in leadership roles. In this sense, the *panchayat* members viewed the SHGs as platforms for receiving benefits from the government and also played their role in supporting the introduction of yet another, government program to their constituency.

Some *panchayat* members saw women as not following rules of the program by not repaying their loans and not sitting for meetings.

However, in general panchayat officials see no advantage from the SHG system for the women, rather viewing it as a parallel, potentially competitive, route to those coming through the Panchayati Raj system. Panchayat representatives were pessimistic of the SRLM bringing benefits to the women and to the villages. They did not recognize the role of SHGs in channeling government schemes (beyond credit for the members). One of the *sarpanch's* put it bluntly:

"They will grow only when there is development and one gets employment. But no benefits are coming. I think best is to not make such SHGs as there is no benefit".
(COMM:PAN:Sarp:M:OBC)

5.4 Do SHG federations fulfill their function of representing community and delivering services to SHGs?

As seen above, the NRLM's guidelines envisage a central role for the two levels of SHG federations--the Village Organization (VO) and the Cluster Level Federation (CLF). These are the "institutions of the poor" referenced in the NRLM Community Operations Manual, and they are expected to take over the mobilization and support functions of the frontline of the state.

In our sample, the association between the linkage of "functional" SHGs to a federated body found in Kochar et al. (2020) holds: the "functional" groups whose members we interviewed were all connected with VO's, while "defunct" groups (D1 and D2) never reached the stage of being linked with the VO. However, there was no evidence that VOs, and even less the CLFs, provided the types of direct support to recover defunct SHGs or to take the functional SHGs to the 'next level' in terms of programmatic delivery or organizational functioning. In fact, our interviews with CLF leaders, CRPs and DMMU/BMMU staff all suggested that they lacked the capacity to support SHGs beyond a limited geographical radius from their headquarters.

Our federation member sample included SHG members who were not representatives in the VO, and VO members who were not representatives in the CLF; it also included those who were VO representatives and those who were CLF representatives. We found that for members at each level who were not also members at the next level of the federation, there was little knowledge of what the higher level of the federation did. SHG women members had little knowledge of the VO: they knew if the SHG was federated into the VO, and that office bearers from their SHG attended VO meetings but displayed little or no knowledge of what was discussed or what the role of the VO was. Indeed the VO members typically also had little awareness of the VO itself, beyond logistical requirements of attendance and procedural details about money flows between levels of the federation.

"We do not have much knowledge about the Gram Sangathan [the VO]. First thing in Gram Sangathan meeting most women come out of compulsion, give Rs 50, and sign and leave. And if they skip a month's meeting then they plan to

attend the next—but only if they are going to get some benefits, and then they come back.” (COMM:VO:F3:F:OBC)

The VO leaders interviewed (those who were not also CLF members), and SHG members, did not report any connections with the CLF and were unaware of the role and contribution of the CLF. By contrast, VO executive committee members (who are members of the CLF) have a greater awareness of the CLF and the activities it undertakes. Here is one account of the formation story of a CLF by a VO EC.

“... first the Gram Sangathans [VOs] were brought together. Then the BMMU sir called and said that a CLF has to be made. I did not know about CLF then, so he gave me information about it: that an Employment Mission is being created in which all the money has to go through CLF. Then slowly we got to know the benefits of this CLF. The CLF is an office, an organization above the Gram Sangathan, and its members can come and talk about issues in it. We can also go to the Gram Sangathan and listen to them if there is an issue.”
(COMM:CLF:D3F2:F:OBC)

Women leaders of the CLF saw the BMMU as consisting of state agents who would support them if they faced issues in the day-to-day running of the SHGs, VOs and CLFs. For instance, one of the CLF leaders reported that when their CLF was formed, its office was in a place far from their area and they could not travel regularly. After sharing this issue with the BMMU staff, the office was then shifted to a nearby town where the women leaders from CLF and VO could easily travel to. The following excerpt of the transcript of CLF leader illustrates how they see the block office of the SRLM:

Interviewer There is a person from Block.....have you heard about him?

Respondent: no

I: he is from the block and he helps you in dealing with the issues in SHGs...like that

R: from the block...a sir comes. If there is an issue, we can write a complaint and keep it. When an official comes from the block level. Then he is told about this. Till now there has been no issue. But in case any problem would arise...we would write it and he will help us. This much we definitely learned.

I: okay...where is Jagan ji from?

R: he is the BMMU member Sir..he looks after the group

I: so what is his position and how does he help?

R: Position I don't know sir....initially there was Naveen Sir in the Block...then Karan Sir came. He didn't work properly so then Jagan Sir came. He has come recently so we haven't met him many times.

(COMM:CLF:D2F1OB:F:Gen)

The VO and CLF leaders saw the women in the village as largely unaware of the two institutions or why the federation structure exists; in fact, the leaders' main understanding of the federation structure is articulated in terms of procedures that need to be followed:

"... women are not sure of what is the purpose of VO and say that why should we give you Rs 50 per month. But attending the meeting is very important to get your SHG entries done. For money you can give some reason that my members don't understand so the SHG President should make them understand that what is Gram Sangathan but that doesn't happen." (COMM:CLF:D2F1:F:OBC)

Elaborating on the above CLF member's perspective, one other CLF leader shared that when villages are remote and very far from the CLF office, it becomes difficult not only for the women in those villages to travel to the CLF office and banks, but also for the CLF leaders to visit the villages which leads to the groups not functioning properly and the program not working in these villages.

We do not have data on the date of formation of the CLFs. However an interview with an SRLM official indicated that CLF formation was more recent than VO formation²¹, and the relations between the VO and the CLF were not very clear. Once the CLF evolves into a formal organization, it is gradually expected to become self-sufficient. The profit margin from financial intermediation and other services is retained by the CLF to self-sustain. Existing community cadres are brought into the CLF and they are paid an honorarium. However, in our sample, one of the VOs had channeled the CLF to the SHGs before the CLF was formed and was not comfortable with giving up this role and sharing the interest spread with the CLF.

Thus while these federations indeed channel financial resources – in fact, becoming another bureaucratic level through which state resources had to go before reaching SHG members – there was limited evidence of their being a source of either downward training and support, or higher-level negotiation with the government to induce more responsive program design for SHG members. There was no evidence of any system of feedback or support to groups that did not meet the required (A) grade. There are also no prescribed procedures to support groups with lower grades, or those who had not met the prescribed developmental milestones. There was no MIS system at the group and VO level, and this was an area highlighted as a deficit by the SRLM staff. Such practices have perverse consequences for program achievement but serve the purpose of rationing scarce financial resources and reducing the workload of the implementing frontline workers.

Sometimes, even when CLFs do work with SHGs, the SHG members demand benefits that the CLF office bearers find difficult to respond to; and the SHGs do not repay or revolve the funds, and the CLF members seem to feel helpless. Here is an account of CLFs support to SHGs by a CLF President:

"Some groups do not even work for one month and they start asking for loans. The Rs 10,000 (RF) is too little for them and they don't repay it. It should be returned...because government's money is being wasted if it is not returned and

²¹ In NRLM guidelines (Figure 5 above), VO formation is suggested from 6 months onwards and CLF from 9 months onward, from the date of SHG formation. The SHGs in our sample were 2-3 years old at the time of the interviews (all were formed in 2016-2017).

the group stops meeting, then I try to go myself to conduct a meeting to discuss the issues with them. When I go there, all of them say that we will restart the group meetings and deposit the money in the group this time. There are some groups which I have managed to restart, but most of them, even after a lot of convincing, won't start meeting until they receive more benefits". (COMM:CLF:D2F10B:F:Gen)

The CLF members interviewed had not heard about the defunct groups in the sample, even though they were in the CLF domain. They suggested that a reason may be that they were not from those VOs, and that these villages were quite far from the CLF office. The CLF leaders interviewed did, however, report success stories from closer VOs. One of them shared:

"Women from nearby villages who knew stitching work were selected and stitching centers were set up. Women were involved in stitching school uniforms for anganwadi school students. Women in the stitching center made Rs 50,000 from stitching. So they used to come daily as they live nearby, stitch some 10-20 pieces of uniforms and even take some back home." (COMM:CLF:D3F2:F:OBC)

The SRLM staff interviewed at all levels were aware of the hurdles in the processes of social mobilisation, formation and stabilization. Considering the challenges at various levels, they focused on meeting their targets with the help of the CLFs. The CLF headquarters were always located in the block headquarters or a large town which enabled the SRLM frontline staff to manage their work despite minimal physical, financial and human resources. SHGs in our sample were between 9-18 kilometers away from the CLF headquarters, and more attention and visits were paid to the closer VOs and SHGs, as revealed in the interviews.

"groups that are near [the center] have a better chance of survival as compared to further ones. You will see that villages nearby have better groups... While making the headquarters of the CLF, we take care that the people of that village come there for marketing. Our CRP and CLF members are not so many in number to visit every remote village regularly..." (FM1:DMMU:DPM:M:Gen)

In such a scenario, CLFs undertake specific programmatic delivery activities close to their location and serve the more stable SHGs (those that have been funneled based on their grading), with SRLM support.

The weak capacity of VOs and CLFs to support SHGs through the social mobilisation and formation stages, their lack of capacity in being able to deal with the socio-political embeddedness of the SHG system, and the low availability of funds from the state, resulted in misalignment between expectations and benefits received. The agency that the collectives (the VO and CLF) have in negotiating with the SRLM on issues of demand and program design is circumscribed, and they seem to view their role, at best, as one of channeling government benefits to the villages.

In the cases studied, it is clear that SRLM cannot hand over poorly functioning SHGs to the CLF or VO and expect economic outcomes and empowerment effects to flow, whether

sustainably or not. This may reflect the fact that these structures had only a few years of operation, but at the time of the study they were neither representative institutions of the poor, nor taking over the service and support function of the state, nor playing a special role in supporting flailing SHGs. More recently the NRLM has increased its focus on strengthening the CLF system, an issue we come back to in the concluding section.

Section 6. Conclusion: some implications for interpretation, policy and research

This paper has undertaken an interpretation of the structure and operation of one, major, rural development program of the Indian state, which focuses on mobilizing self-help groups as institutions of marginalized women. Building on qualitative field research that was originally motivated by a question around SHG performance, our study has offered a diagnosis and description of how the system functions. We used the central government's texts to explore the intent, design and theory of change of the program, and interviews and focus groups of representatives of all the key actors in the program's ecosystem in one geographic area. Understanding incentives of these actors throughout the system is a key part of the picture, but this is viewed as embedded within the cognitive maps of the different actors, which are in turn shaped by their positions within the hierarchical structures and associated "cultures" they interact with within the program. Behavior is also profoundly influenced by the capacities and resources of the state and other market and non-market services.

The NRLM conception, theory of change and rules articulate a particular internal coherence, clarity of causal pathways and detailed guidelines on the formation, organizational trajectory and financial performance of SHGs. However there are significant internal tensions in the design. These are reflective of the apparent paradox of a top-down state seeking to effect the transformation of the position of the women amongst the "poorest of the poor" that occupy low status, influence and social capital, within hierarchical village societies.

These tensions in conception become magnified in implementation, as vividly seen in the empirical material from the interviews. The Indian state seeks target fulfilment, rule-following, response to hierarchy and short-term program delivery over longer-term institution building, let alone the complex process of empowering women from disadvantaged and low status groups. At one level this is an agency problem (in the principal-agent sense, as opposed to the empowerment sense)--in which targets that support monitoring of lower levels of the state have intrinsic biases based on what is easily measurable (e.g. in numbers of SHGs formed, or external measures of group performance and procedures, such as book-keeping). The frontline managers of the state work hard to deliver on targets, in the context of often severe lack of resources relative to the targets. But this is further shaped by the hierarchical culture in which they work within the bureaucracy, and the cultural distance, in education, and often in caste, with the citizens with which they work. The community resource person is a particularly interesting actor, occupying an ambiguous position that embodies the underlying tensions, as the frontline agent of the state incentivized to deliver on targets, as "representatives" of village women in the groups, and also as relatively higher status members of the local community.

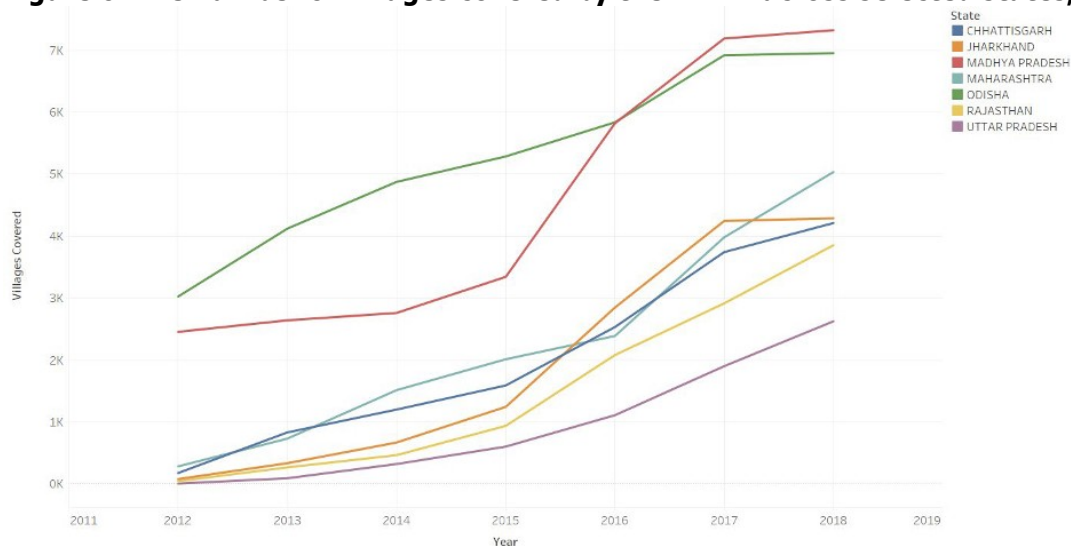
Returning to the relationship with “performance,” - i.e. how well the program is delivering on its stated goals, our study highlights the issues with using a dichotomy such as functional and defunct SHGs. As the original motivation of the research was to explore the reasons for groups being defunct, we purposively selected parts of the system that were “failing,” but also matched these SHGs to those that were labeled as functioning²² in similar areas, thinking that we would get variation in performance. However, of the three “functional” groups, one had stopped meeting (thus was no longer “functional” as per the programmatic language), but additionally, the other two seemed to be stuck at a very low level of functionality. Our structural approach to studying the entire SHG system shows why this dichotomy of functionality, based purely on observable measures, is not particularly useful to evaluate whether the program is delivering on its promise.

Instead, we argue, the system is producing what it is actually designed to deliver within the scope conditions of the SRLM’s structure and program implementation in Madhya Pradesh. There has been a dramatic expansion in the recorded reach of the NRLM across many states, with a particular surge in Madhya Pradesh around the time of the formation of SHGs in this research (Figure 6). This measure, as reported in the state’s MIS system, is an observable indicator of “success”. But in the cases studied, such rapid scale did not produce the self-functioning “institutions of the poor” envisioned in NRLM guidelines or documented in Sanyal et al.’s (2015) ethnography of four Jeevika Phase 1 villages. In our context, the demands of scale further burdened an already overburdened bureaucracy, incentivizing it to work closely with the existing village hierarchy,²³ and additionally worked expressly within the boundaries set up by the hierarchical culture of the state itself. This may be a matter of time, and it is possible that seeds have been planted for the institutions to become transformative. But the system diagnosis undertaken for this research, through multiple prisms, rather supports the view that the program in practice, if not in intention, is reproducing both existing social inequalities and state structures.

²² The functional SHGs selected groups, that were not observationally atypical of groups from the representative survey in Kochar et al (2020) throughout Madhya Pradesh (see Annex 3)

²³ Note that this is an expressly different story from that of Anita, the middle-aged widow in Sanyal et al. (2015, p. 34)

Figure 6. The number of villages covered by the NRLM across selected states, 2012-2018



Source: MIS data as reported by Kochar et al (2020)

Are there policy lessons from this research? There is first a basic question, as to whether the issue of some SHGs being “defunct” is a good or bad outcome. It could well be that these groups would never have worked, given the character and mix of members, or the nature of their formation--see the detailed stories in Annex 1. As the reported quote by one SRLM official indicates, the bureaucrats’ incentive is to create more SHGs than required in order to make the target, because some will inevitably go defunct. Rather than spending their time understanding how to change the design or structure of the program to suit the needs of the communities, they instead concentrate on forming more groups. This happens also to be the practice of the NGO PRADAN in its much more intensive process of group formation and support. It is notable that in PRADAN’s framework, a significant fraction of SHGs do not continue, and this is in fact considered an “efficient” response, because their intensive process means that groups with genuine potential are sustained. For some rural women, or some local contexts, the group-based solution just doesn’t fit their needs even with substantial support. As we saw in the discussion of village women, they have a keen sense of the benefits and costs of joining and staying in a group. There is a larger question of whether group formation is the most effective way of supporting the transformation of the lives of disadvantaged women in the rural Indian context--but that goes beyond the scope of this paper. The NRLM program implicitly assumes group-formation is effective and efficient, and thus has a large-scale, top-down design that incentivizes formation and maintenance over quality.

What about design questions for *potentially* functional SHGs? Our findings are from a small group of SHGs in one district of Madhya Pradesh. While they do not seem to be atypical of SHGs in the state based on observable features in the survey, there is likely to be a substantial variation in processes and outcomes across villages, blocks, districts and states. The Management Information System (MIS) for the state is inadequate, necessary information is not available to the SRLM officials and is a poor basis for broader assessment. Additionally, even if it were more comprehensive and complete, we have shown why using proxies such as *panchasutra* or other quantitative measures alone do not necessarily lead to SHGs that accomplish the outcomes envisioned in the program design. These findings resonate with other in-depth research, both on the SHG movement

and the extensive literature on the organizational challenges of the Indian bureaucratic functioning. For example, there is specific resonance with the findings of a large, longitudinal study of the Jeevika program (SRLM) in Bihar, comparing results from Phase 1 of implementation (locally-sensitive, intensive mobilization) to Phase 2 (rapid scale-up). The study concludes:

Focusing on the frontlines of change -- at the village level, the analysis finds that the key difference between implementation in the two phases of the project was that facilitators in the first phase deployed a discourse that was carefully "co-produced" with its beneficiaries. Through careful groundwork and creative improvisation, facilitators incorporated the interests of multiple stakeholders on the ground while bringing beneficiaries into the project. However, as the project scaled up, participants were mobilized quickly with a homogenous and fixed script that lacked the kind of improvisation that characterized the first phase, and which failed to include diverse stakeholder interests, objectives, and voices. These differences significantly reduced the intensity of participation and its concomitant social impacts.

Majumdar, Rao and Sanyal, 2017

However, while the Jeevika study found the scaled up program failed to bring any measurable benefits in women's agency, there were gains in savings and credit use. This suggests that the scale up may have significantly succeeded in building SHGs as platforms for service access (as in the broader international experience reviewed in Diaz-Martin et al, 2020).

So what does this imply? Our framework would imply that this would involve working on a combination of the cognitive maps of actors, especially those in the states, and the cultures of behaviors in terms of the social hierarchies and associated norms of behavior and structures of social capital. We then distinguish two types of issues: first, how to make the process of group formation and development more effective via the SRLM-CRP system; and second, whether and how to make the CLFs self-sustaining institutions with the capacity to support SHGs achieve their potential in terms of platforms for service delivery and sites for effective empowerment of women from disadvantaged groups.

The group formation issue involves getting groups "institutionalized" as functioning organizations. Contrary to expectations in selecting groups characterized as "functional" in the 3ie quantitative survey, at the time of the survey, none of our sample SHGs had achieved a level of organizational functioning that would support a transition to viable financial growth (see Annex 1). As our sample didn't have cases that had shifted to such an organizational equilibrium, we couldn't directly analyze the causes. However, the implication of our analysis, and comparable work elsewhere--as just cited—is that there would need to be a different, slower process.

The question is how to do this. Since this involves new SHGs, it is likely the SRLM and CRPs are the key actors. While initial contacts will often be with local leaders--and indeed should involve connecting with the *sarpanch* and ward *panches*, there needs to be much more careful attention to group composition, building as far as possible on existing groups with internal trust (with high "bonding social capital" in that terminology).

However it is clear from the fieldwork that this requires both more resources and shifts in the bureaucratic culture of behavior, including on the interface between SRLM staff and CRPs. At one level this looks like what Mangla (2015) referred to as a more “deliberative” bureaucratic culture. But this is unlikely to be a policy variable! In Mangla’s own comparative analysis the contrast between deliberative and legalistic cultures is a deeply ingrained part of state-level functioning that is ultimately based on state-level political and cultural history. Nevertheless there can be shifts within the system through: (a) changing the emphasis on upward targets of numbers of SHGs created; (b) providing more resources and guidance to CRPs and a wider recruitment base for CRPs; (c) developing different forms of measurement in relation to group performance (rather than only formulaic proxies for quality of functionality like *panchasutra*). There is also likely to be scope in terms of learning from experiences across states, as well as from NGOs, in terms of specific practices, innovations and levels of resources--but this type of comparative analysis fell outside the scope of this study. We contend that while government-mobilized SHGs may be useful for some types of positive outcomes, there are also limits to the types of positive outcomes that are achieved based on the structures both at the state level and at the community level -- a single, scaled-up blueprint does not accomplish transformational outcomes for all marginalized women, and cannot be expected to.

The second issue concerns whether CLFs can develop a capacity to transform SHGs that form part of their federation. This may be even more important at this stage: for NRLM is now largely past the group formation phase, with target numbers of groups having to a significant degree been met in many parts of India. Growth in numbers of new SHGs is slowing. The policy focus in NRLM is now on strengthening the federation structure and on supporting women’s livelihoods. Most CLFs now have a large number of groups already formed within their ambit, and many of these would be at varying organizational equilibria. The question remains: how can defunct or weakly functioning groups be revived, rejuvenated and perhaps reconfigured? This is a wholly new challenge compared to forming groups. How will this be addressed?

Our research implies the task is to restructure and strengthen existing SHGs--so that they can move to a higher operational equilibrium. This may mean breaking them up and re-forming them in groups with higher levels of mutual trust, or, alternatively, putting much more effort into the group dynamics to foster trust. To then support their development in terms of finance, economic well-being and (hopefully) empowerment, would require the array of support mechanisms envisaged in the NRLM’s theory of change, but implemented by the CLFs. The CLFs in this study clearly lacked the capabilities to undertake such a function. However, there is an argument that they are the only organizations with the potential to fulfill this role, given the limitations of the state system. This will only occur with a substantial upgrading of the CLF’s own organizational capacity and resources. Focusing on CLF capacity is aligned with current government policy at the time of writing. The “model CLF program” (of 1000 CLFs) is designed to do this, and within this there is a smaller scale pilot with some 50 CLFs (working with the non-profits PRADAN and Transform Rural India Foundation) whose goal is to develop the capacities, protocols and business plans for CLFs, to fulfil both this large organizational support challenge and become financially viable. The Indian government is providing “viability gap funding” to provide expanded resource support to the CLFs in the transition to potential financial sustainability, but the larger challenge is capability development. It is too early to assess whether an effective and scalable model can emerge from this, and it is directly related

to one of the core tensions highlighted in this study: can the Indian state, with its current system functioning, culture and incentives, foster representative and autonomous “institutions of the poor,” and do this in ways that they represent groups of women now in disadvantaged, and lower status positions in the rural social hierarchy? What dimensions of the program design can be expected to deliver on “empowerment” benefits for women, or collectives of women? There are inherent tensions between a state-created program which delivers benefits, and collectives that foster spaces for normative change.

This brings us to research. Whether the focus is on developing the capabilities of the SRLM-CRP system or the CLF-VO system, this is an adaptive challenge of a complex problem, in the specific sense that we do not know how the system will respond to new shocks or “interventions.” This would be best supported by a complementary adaptive research process that both documents and interprets processes and does so in a way that feeds back into intervention and institutional design, with systematic prototyping and testing.

The research undertaken by the 3ie quantitative survey (Kochar et al, 2020) and this study were both snapshots, the first broad in coverage, but limited in institutional diagnostic, this study, small in scale, but designed to develop an understanding of how the whole system works. To take this further four design features would be desirable in future research:

- (a) a capacity to assess in more depth the processes, incentives, motivations and culture within at least three parts of the system--of frontline state actors (embedded in a hierarchical state system), the key intermediary organizations (especially the CLFs), and of course the range of actors in the community, in the SHGs, and beyond, within the local socio-cultural and political system.
- (b) a dynamic frame, that can track patterns of change over time, with a structure that allows for causal interpretation; while an effective MIS is key input to this, it would need to be complemented by a set of other techniques, including process tracing, comparative case analysis, and eventually experimental techniques once interventions can be scaled to larger numbers.
- (c) (c) an adaptive structure, with the capacity to feedback into intervention design--in the spirit of a more structured extension of prototyping and testing.
- (d) (d) a comparative frame used to contrast Indian states and make appropriate substantive changes to program design, given the variation across states in traditions of bureaucratic functioning and the relationship with local socio-economic and political conditions.

These are principles for an empirical strategy. Complementary to this is the further development of theories that are aligned with the interpretation of the incentives, behavior, norms and aspirations of the array of actors within this complex system. This paper sought to develop some initial ideas and insights on both the empirical analysis of this system and theory.

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Annex 1 . Interpretative narratives of the six self-help groups

The SHGs in our sample were 2-4 years old -- young but having passed through multiple phases of the program. However, the results were substantially short of programmatic expectations laid out in the NRLM guidelines. None of the SHGs had crossed the minimal hurdles set in the guidelines, namely: (a) crossed the third grading stage; (b) received both the RF and the entire CIF due to them and repaid the CIF at least once; and (c) received bank credit at least twice and returned it. As a corollary, there was very little investment in productive activities. Additionally, there was no progress made toward achieving convergence with other government programs.

Though these are the overall findings, every SHG also has its own story, which needs to be examined to understand the variety of trajectories of functioning, as well as of ecosystemic interactions between SHGs, federations, banks, and local governments. Table A1.1 summarizes their main features and Figure A1.1 then maps them on to phases in NRLM's guidelines. Letters have been substituted for the village and SHG names to ensure anonymity. All were formed in the recent expansion of the SRLM, between 2016 and 2017. Three were categorized as defunct in the 3ie quantitative survey (D1, D2 and D3), and three categorized as functioning (F1, F2 and F3). There was substantial variation in the social mix; in four out of the six an "active man" played a leadership role (discussed in the next section); all the three functioning groups had received both the initial revolving fund (RF) and part of the subsequent community investment fund (CIF), while only one defunct group (D1) had received an RF.

Table A1.1 Main features of the research SHGs

	D1	D2	D3	F1	F2	F3
Stage reached	Pre-formation	Formation	Stabilization by formal criteria	Stabilization	Stabilization	Stabilization
Status	Never met	Stopped functioning	Never met	"Pause" in functioning	Functioning	Functioning
When formed	2017	2017	2016	2017	2017	2016
Who mobilized	SRLM	SRLM	Anganwadi teacher	SRLM	SRLM & CRP	SRLM & CRP
Composition	Two Yadav families 1 Brahmin	2 Goswami 6 Harijan 4 Chandel	2 Dalit 10 Yadav	6 Kewat 5 Sehariya	Kewat and Ahirwar	10 Jatav 2 Yadav
"Active man"	Yes	Yes	No	Yes	No	No
Bank account	Never opened	Never opened	Opened	Opened	Opened	Opened
Bank loans taken	0	0	0	0	1	0
Bank loans repaid	0	0	0	0	0	0
RF received	No	No	Yes	Yes	Yes	Yes
VO formation date	25/06/17	26/12/18	15/6/10	25/06/17	26/12/18	25/01/17
Linkage status with VO	No	No	Yes	Yes	Yes	Yes
CIF received	No	No	No	Yes	Yes	Yes

Note: Goswami is a dominant caste, Yadav, Chandel, Kewat and Ahirwar are OBC, Jatav and Harijan are SC and Sehariya is ST

Source: authors from field work

Legend

- Defunct**
- Functional from data, but showing signs of defunctness
- Functional

The three defunct groups were not effectively mobilized, even though some elements of what was described in the implementation guidance note did occur.

Additionally, the active man and a few Yadav husbands of members did not approve of the Brahmin woman's character, because she had left her husband's home and, they said, was bringing a bad name to the village by returning (she was a daughter of a family in the village). Owing to this conflict, most Yadav men did not allow their wives to be a part of the group and it never took off after the first mobilization gathering.

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group. The SRLM staff had not followed up, and neither had the VO followed up with this group since 2017.

D2. The second defunct group, D2, was in a mixed-caste village also formed by an SRLM official working with an active man in the village, this time from the single dominant caste Goswami family. Like the Yadav 'active man' in D1, the Goswami 'active man' also wanted his wife and sister-in-law as President and Secretary of the SHG. Unlike the Yadav 'active man' in D1, the Goswami 'active man' was successful in doing so and a group was formed with a mix of Scheduled Caste (SC) and OBC women from the Chandel jaati, both castes living in two separate hamlets. However, the SC women reported their names were forcefully (zabardasti) listed. The four OBC members said that they approached the SC women and asked them to become members of their group because all the OBC women in their hamlet had already joined other SHGs and they had no other alternatives if they were to form a group.

The group conducted 2-3 meetings in the beginning and saved some money. However, very soon they stopped meeting. The initial meetings took place in the OBC hamlet at the Goswami office bearers' house with the presence of SC women on only one occasion. The SC women said that they were not invited to any subsequent meetings. Members of these two castes, from two different hamlets, seemed to generally avoid interacting with each other. There were restrictions on mobility as the OBC women did not visit the SC hamlets, even though the distance between hamlets was not more than 100 meters. The OBC members we interviewed did not consider the SHG to be defunct and hoped to restart the meetings. On the other hand, some of the SC members had joined another group in their hamlet. The SC women reported issues of trust: they considered the intentions of the active man and the SHG leadership to be untrustworthy and they were concerned about how their savings would be deployed. This lack of trust was attributed in part to the interference of the active man in the day-to-day functioning of the group. They reported that they had heard that he wanted to get some government schemes for the Chandels and himself through the SHG.

D3. While D1 and D2 were in the pre-formation and formation stage, respectively, when they became defunct, D3 was formally in the stabilization of benefits stage when it broke down (see Figure A1.1). An entrepreneurial anganwadi (pre-school) teacher effectively organized the group (D3) reportedly encouraged by a Block level official to "register" an SHG, apparently because this was seen as a means of getting access to midday meals, via another government program. Her door-to-door campaign led to women signing up for the midday meal delivery scheme. No meetings were conducted. She identified a President and Secretary and offered them Rs250 each to sign off as office bearers and visit the bank to set up an account. The pre-formation and formation stages being "successfully" crossed, the panchasutra was graded, allegedly by the SRLM (with fraudulent entries), and the group received the RF. Of the Rs 10,000 received, Rs4,000 were given to the block official and she retained Rs6,000. The VO did not intervene. When interviewed, most members said that they were unaware of their membership in the SHG until they tried to join another group and were denied by the BMMU, as they were already SHG members. By this time the RF had been disbursed, and these members were upset that this amount had not reached them. Their husbands complained to the BMMU and panchayat, and action was taken to close the group and disciplinary action was taken against the anganwadi teacher.

F1. F1 was identified as functional at the time of the quantitative survey. However by the time we reached the group it had not met for over six months, and so was technically defunct by the definition adopted in the quantitative survey. The social mobilisation team had a similar formation to D1 and D2—an SRLM official (BMMU level) working through an active man, who was an OBC. The group consisted of a mix of women from the OBC and Scheduled Tribe (ST) communities. This active man placed his wife and sister-in-law in the office bearer positions in the SHG. It is instructive to note that an ST (Seharia) male interviewed described his role as an active man in another SHG in the same village (VO): he had placed his wife and sister-in-law as office bearers in that group, thus “balancing” the distribution of power between the Seharis and the Kewats in the village. In F1, the Kewat women reported that they approached the Seharia women because they were falling short of members. The Seharia (ST) women, living in a nearby hamlet reported that though they were invited by the OBCs to be a part of the group, meetings were always held in the Kewat hamlet and at times the Seharia women were not informed of the meetings.

This group was formed in 2017 and for a while. It received both the RF and part of the CIF, and these were divided equally between the members. Meetings, savings, inter-lending and repayment activities were a part of the initial activities. However, the Seharia women soon lost trust in the Kewat leadership. They reported lack of transparency in accounting, the active involvement of the President’s husband (the “active man”) in the book-keeping and other processes of the SHG, and complaints of Rs.5,000 from their CIF being taken by the President of the Village Organization (VO). Though the group had not met for several months at the time of interviews conducted for this study, most members (and the active man) did not even consider it defunct as they were still eligible for government benefits.

The social mobilisation team for the two groups in our sample that were still functioning (F2 and F3) comprised an SRLM official (BMMU level) and a community resource person. F2 comprised a mix of two castes (Kewat and Ahirwar), both classified as OBC. Office bearers were from among the Kewat caste, that accounted for a larger number of members in the group and also in the two hamlets covered. The CRP, a bank sakhi, also interviewed for the study, was not from the local area. She paid regular visits to the SHGs during its mobilisation and initial months of formation and continues to visit as and when needed. Decisions about leadership and functioning of the group were taken in group meetings, which she facilitated. Although the two caste sub-groups lived in distant hamlets, the meetings were conducted at the Office Bearers’ homes rather than in rotation across the hamlets. The Ahirwar members said that they did not like this aspect of the group functioning, however there were no reports of conflicts due to this. Activities related to the panchasutra (required to cross grade 1, Table 1) were being carried out in a disciplined manner, supported by the bank sakhi. She also helped them to overcome the problems related to opening a bank account and supported bank-related transactions. The daughter of the SHG President did the book-keeping. The group had received the RF and a part of the CIF and had paid it back. Amounts received from these funds were distributed equally to all the members; some used this to open vegetable shops and snack shacks and in purchasing livestock.

F3 was mainly made up of Jatav (Scheduled Caste) women, along with two Yadav (OBC) women. Office bearers positions were divided between the Jatav and Yadav women. The BMMU staff (Samuh Prerak) guided the group through its pre-formation/social mobilisation and formation stages, and the women were in regular touch with him. Members also reported ongoing support from the bank sakhi, a CRP. This group, an 'exemplar' in our sample, did well through the three stages of grading. They adhered to the Panchasutra guidelines with book-keeping assistance from the President's daughter. The office bearers also reported that they attended political rallies and training for painting the Swachh Bharat toilets in the villages. The group was functioning when we met them, and had received, and paid back, their RF and a partial CIF. Overall there are two broad empirical patterns in relation to the focus of this research. As depicted in Figure A1.1 and Table A1.1, with respect to "defunctness", the sampled SHGs barely got off the ground. Our defunct groups either effectively never got past the social mobilisation or pre-formation stage (D1), just got to the formation stage (D2 held one meeting) or got part of the way to stabilization, but on fraudulent terms, in a group that never met (D3).

With respect to the groups classified as functioning, F1 had stopped meeting after getting the RF and partial CIF, while the other two had at best a low level of transactional performance (F2 and the 'exemplary' case of F3). There was little activity with respect to bank borrowing and rotation of bank credit, nor with convergence with government schemes or connection with the panchayati raj. In addition, the women reported very little attention paid to deliberative processes or articulation of members' preferences. In summary, all the six SHGs were at different stages of organizational functioning i.e. pre-formation, formation and stabilization. All three classified as functioning were linked to a VO, as was one of the defunct groups. However, in all cases, the VO was formed later (after the stabilization phase had begun and A grade groups had been "funneled") and therefore did not play a role in supporting the group formation process. Nor did any of the interviews refer to direct support from their VO. The date of CLF formation was also after the groups had been formed or stopped functioning. The three defunct groups, and the functioning group that had stopped meeting, were intrinsically unstable, with low levels of trust, typically formed opportunistically by local leaders. The other two functioning SHGs groups were functioning at a low level, receiving the transfers from the state, but without, yet, signs of proactive collective activity, on borrowing or livelihoods, nor on claim-making or measures of individual agency.

Annex 2. Example of semi-structured research protocol

Semi-structured interview protocols were developed for each of the interviewee types:

- Focal SHG – leader, husband, office bearers
- Focal VO – active woman, VO member, Office bearer
- Focal CLF -CLF member (VO rep) + EC member
- CC/CRP/mobilizer, if available
- Panchayat member/*Sarpanch*; Jaati panchayat member (if applicable)
- State/District/Block bureaucrats implementing SRLM
- Bank officials/MFI staff

A comparable protocol was developed for focus groups.

The following is the interview plan for SHG members. All other interview protocols are available on request.

Questions for SHG members

Functional SHGs

Oral Consent:

I am working for a non-profit organization called Institute of Social Studies Trust (ISST) which is located in Delhi. We are doing a study to understand the status and functioning of the SHGs to improve its functioning. This research will involve your participation in a personal interview that will take about 1 hour. You are being invited to take part in this research because we feel that your knowledge of, and a person can contribute much to our understanding and knowledge of SHG. Your participation in this research is entirely voluntary and there are no right or wrong answers. You will not be provided monetary or any kind of benefits for participating in this study. It is your choice whether to participate or not. If you choose not to participate nothing will change. However, if you participate in this, you will help our research. You may stop at any time to ask questions. If you participate, we will audio-record your responses, but your responses will be kept confidential. The purpose of recording is solely for our study, and we will ensure your privacy and that the information you share is not passed to anyone else. Your names and any other identifying information will be removed from your response before it is shared with anyone. We realize your time is valuable and we would be very grateful if you chose to participate in our study.

Do you consent to participate in this study? (To add: social identity; bank manager questions;)

Experience with the SHG and SHG member's own experiences

Please tell us something about your SHG

Mobilisation of SHG members (8-10 min)

SHG: **Prompt:** Please share your SHGs journey with us

Listening for -

- -How and when did the SHG start
- -How did you and other group members become a part of the group?
- -Process of mobilisation: Who mobilized; how did they do it?
- Support
- Strength of the group

Probes: Why did the members become a part of the group

- -Were the members selected or it was voluntary.
- -If selected, who selects them.
- -Were there/are there any eligibility requirements for joining the group
- -What did the mobilisers tell your SHG members were the benefits of joining? / How did they convince the members
- -Do they continue to support your group? Can you tell us in which ways
- -How often do they visit you/ take part in the group meetings?
- -Was there someone else who supported you in group formation?
- -Do you remember how many members joined at the start? What's the count now
- -Status of the group now? What does that mean?

(If it is strong- Why; if it is weak- why do you think so?)

Own experience **Prompt:** Please share your journey with us (We want to know more about you, your experiences of joining the group)

Listening for:

- When and how did you join the group?
- Why did you join the group (Were there struggles; what were her drivers for joining)
- Support from household

Probes: What convinced you into joining the group? (mobilisers/friends/relatives in the group etc.)

- -Did you have friends in the community who also joined? Who?
- -Did you meet new people after joining, or did you know everyone who joined already? Have you become closer to any women because of joining?
- -What about your family? Did your family support your SHG membership? (Who did/who did not)
- -Did their support change over time? How and why? How is it now

Expectations of group and benefits; Individual expectations, benefits, knowledge/capacity (10 min)

Prompt: Tell us what did the group members want/expect from the group? Why did they all come together to form a group

Listening for: Expectations, benefits

- -Savings
- -Loans
- -Help getting ownership of property
- -Access services - pension, rations, etc.
- -Discuss/solve household issues

Probes: Do all the members in the group have savings?

- Do all of them take loan
- Did the group members help get ownership of property
- What kind of benefits do the members of the group receive? (material, assets, recognition)
- Has the group been able to talk to local politicians, representatives, or bureaucrats? Can you give me examples of why or why not?

Own experience: **Prompt:** Tell us what did you want from the group?

Listening for: What were your expectations when you joined?

- -Benefits that you received

Probes: Tell us what you as *Kavita didi* expected from the group

- -Did someone tell you to expect this? Who

- Can you tell us what all benefits did you receive (material assets, savings etc.)
- How did being an SHG member help in them in getting aadhar, rations, pensions, mgnrega, toilets, housing etc.)
- -Do you feel confident about how to access resources? Can you give me some examples of why or why not?

Internal SHG Composition and Group Dynamics (20 min)

A. Homogeneity and diversity in the SHG (Internal Cohesion)

SHG: Prompt: Tell us about the members of your SHG/ What are the characteristics of the members in your SHG?

Listening for: Are the members from the same tribe? Caste? Age? Marital status? Women of reproductive age? Migration?

Probes: Does that affect their participation and functioning in the group? How?

- If negative- How; If positive- How?
- -What are things according to you that enhances the unity of the group and what are the things that creates rift
- Can you tell me an example of conflict that happened in your SHG
- Are members in the group related to each other?

Own experience: Prompt: Tell us about your experience and positioning in the group

Listening for: Relationship with other members in the SHG

-Experience

Probes: -How long have you been in the group

- -Have you experiences conflict with anyone?
- -You have friendly relationship with everyone in the group?
- -Do you have relatives in your group?

B. Panchasutra (Regular meetings, Regular savings, Regular internal lending, regular repayment, regular bookkeeping)

Prompt: Tell us something about the day to day functioning of your SHGs. What do you call it here? Panchasutra? Can you tell us more about it?

Meetings:

SHG:

Listening for: Frequency of **meetings** (Weekly/fortnightly/monthly/irregular)

- -Nature of participants in the meetings
- -Location of meetings and distance of location from house/hamlet

Probes: Do all the members come to the meetings regularly? Who all don't come? Why? Does anyone else from family accompany them? (husband etc.)

- Does anyone besides SHG members attend? (e.g. Block/state/district Staff, NGO facilitators, other SHG members, bureaucrats)
- -Has the group met regularly in the last 6 months?
- -Where does that meeting happen, is it very far from your house/hamlet? How far do SHG members come from?

Own experience:

Listening for: Frequency of participation in the meetings

Probes: How do you go (mode)

- -Why do you go the in such frequency (lower/higher); How conducive is your household environment to go to the meetings
- Do you go to the SHG meeting with someone, or alone?

Deposits:

SHG:

Listening for: Nature and frequency of Savings

Probes: How much does everyone deposit weekly?

- Is everyone in the group able to save

-When you all make deposits, how do you know that you will get them back? Has the group had any problems with this in the past or currently?

Own experience:

Listening for: Nature and frequency of Savings

Probes: Are you able to save weekly?

- What do you do with the savings?
- Do you face any challenges in saving money?

Loans & repayments

SHG:

Listening for: Nature of loans

- -Processes of receiving and repaying loans

Probes: D-Did people in the group take loans?

- -Can you tell us the reasons/examples why people took loans
- -Where did the money for loan come from and how long did it take to get the loan?
- -Were there some rules and guidelines of taking loans
- -Do you think everyone followed the rules
- -How did they repay the loan
- -Were there some members who could not repay loan
- -What challenges did the members face in taking loans.
- -Can you share some instance with us
- -In your understanding, what's your perception on the group's loan behavior

Own experience:

Listening for: Frequency of taking loans

- -Challenges

Probes: How often do you take loan ?

- Is it easy to take loans?
- -Can you tell us a few examples of why you take loans
- -How do you repay the loan

- -What are the challenges you face in a. taking, and b. repaying a loan
 - Do you think everyone follows the rules

Records

SHG:

Listening for: Maintenance and accountability of keeping records

Probes: How are records maintained for the savings and loans?

- -Are there any guidelines or rules among SHG members about how accounts are handled? Can you tell us what are they?
- -Who handles the accounts and how are they trained?
- -Has anyone ever broken the rules? Can you give us an example or an incident
- -How did the SHG select the SHG accountant? Have there been others?
- -Have there been any issues with any accountants - if so, what?

Own experience:

Listening for: Experience with your records in the group

Probes: Have you faced any problem wrt your records

- -Are you satisfied with the process of maintaining records?
- Have you ever done record keeping for your SHG? Can you share an interesting incident/observation?

C. Activities in the group

Prompt: Apart from savings and loans, what activities and discussions happen in the group?

SHG:

Listening for: Kinds of household and community issues the group talks about

- -Advocacy
- Interacting with government officials wrt to community issues or with a complain

Probes: Can you share examples of such activity or discussion

- -When a member of the group is having problems, do they discuss it at the SHG? Or somewhere else/with other people? If in the SHG, can you give me an example?

Own experience:

Listening for: Experiences of the activities and discussions you have participated in

Probes: Have you ever discussed a family issue with the SHG? If you don't mind, can you tell me a bit more specifically about the issue(s) that you have discussed?

- -Did the SHG group give you trainings on anything? Can you give me some examples?
- -How did these trainings help you get more resources? How did they help your family?

D. Leadership

SHG Prompt: Can you share something about the leaders of your SHG

Listening for: -Selection of leaders

- -Decision-making
- -Trust
- -Internal cohesion

Probes:

- -Can you tell us how the leaders in the SHG are selected
- -Who is the SHG leader? How was she selected? -What is her role
- -How often do you interact with the leader?
- -Do the members widely trust the leader? Has the leader ever had problems? Have there been other leaders? How were they
- -Were there any rules and guidelines for governance in the group
- -How is the leader of your group, is she approachable and supportive
- -What is her role as a leader, what do you think about how she delivers her responsibilities

Intra- Household Support and Political Economy

Prompt: Please tell us about the support of households in the SHG member participation

SHG: Listening for: -Support of the members of the family in member participation

Probes:

- -Did/do the members face resistance from family members
- -What kind of resistance do they face/support they receive
- -Has the nature of support changed over a period
- -Who do you approach for some issues regarding the same

Own experience: **Listening for:**

Probes:- How was the family, especially husband and children's reaction to her joining the group. Tell us more about that experience.

- -How is the support from them now? Tell us how did (did not) they support you

Social identity and agency of SHG members

Prompt: Can you share if/how the participation in the group has impacted the women

SHG members and own experience

Listening for:

- -Changes in the confidence and agency of women (and self)
- -How is it perceived by the respondent and the community

Probes:

- -Are the members able to express themselves better; Tell us about yourself; Do you feel any change in your life; why?
- -Is there increased awareness/exposure (in members and in you)
- -Can you share an instance from your life
- -Has the confidence level increased due to increased access to loans/ability to deposit/ participation in activities
- -How do you feel about that; how does your HH feel about that
- -Enhanced a sense of community in the women/ platform for empowerment

- Increased say and voice in the community?

Relationship with, support from, and legitimacy in the community

Prompt: Tell us something about the perception of the community towards your SHG?

SHG: **Listening for:**

- -Perception (Recognition/ Issues) faced by the SHG in the community

Probes: -Have there been any local issues that have also caused issues within the SHG?
Can you give me examples?

- -Has the SHG got involved in any local issues or community issues? If so, how?
- -Did you or other SHG members ever represent your community in other forums?
- e.g. gram sabha meetings, going to meet bureaucrats in the village, outside of the village for NREGA, pensions, rations
- -Did you and SHG group or federation members ever attend gram sabha meetings together? If yes, when? Why did you attend together?
- Does the SHG's name hold any respect in your community? With whom?
- How using the name of the SHG help?
- With sarpanch/panchayat members?
- With bureaucrats - which ones?
- With others (who?)

Own experience: **Listening for:** Experiences in the community due to involvement and participation in the SHG

Probes: -Has your reputation or role in the community changed in any way after joining the SHG?

-Can you tell us more about the change

Bank

Prompt: Can you tell us the relationship between the SHG and the bank

Listening for:

- -Relationship between and support from the Bank and bank officials

Probes:

- -Is the SHG linked with the bank
- -How far is the bank from the hamlet?
- -How is the support from the bank
- What is the nature of support from the bank officials to the SHG
- -What about the MFIs(micro-finance institutions); are there any MFIs in the village; how is their support?

Support from the Federation

Prompt: Can you tell me about the federation and its impact on your SHG

Listening for: -Characteristics of a federation

- -Their awareness and knowledge
- Interaction with, and support from the federation

Probes: -Can you tell me what is a VO

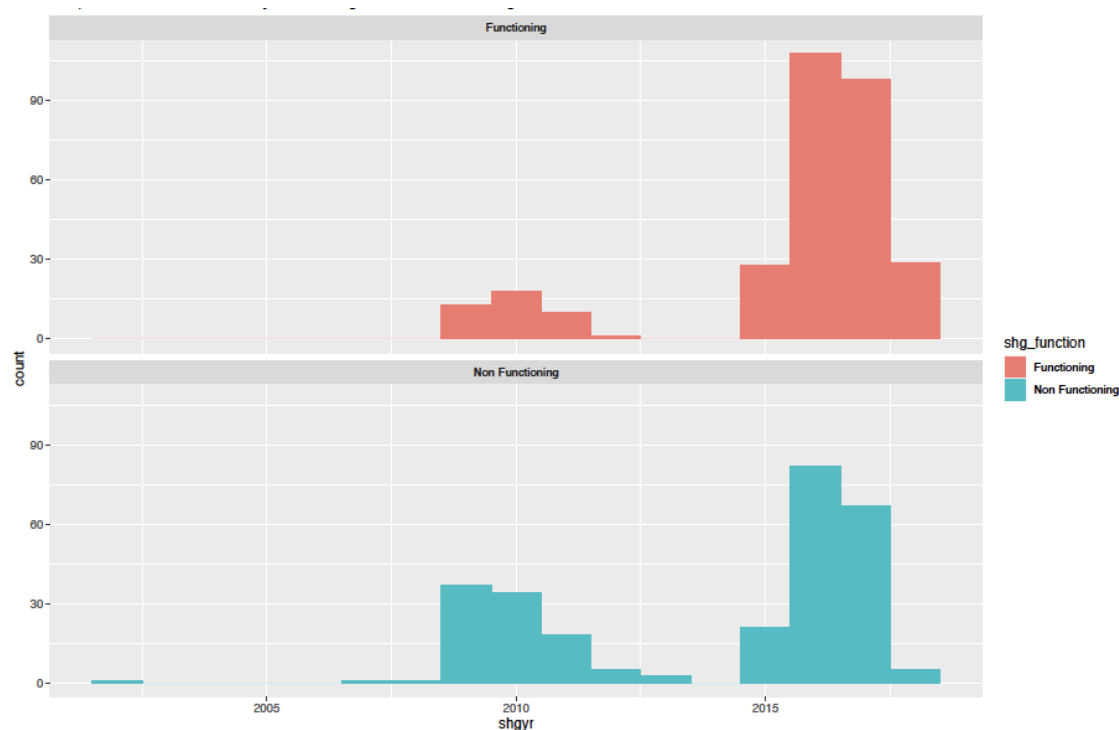
- -Who all are members of a VO?
- -Is anyone from your SHG a member of the VO
- -Can you tell us How are VO members selected?
- -What is the role of the VO in supporting your SHG? Does the SHG also communicate with the VO? About what issues and how?
- -Do the VO members visit and attend the SHG meetings or trainings ?
- -Do you interact with VO members?
- -Can you tell me what is a CLF
- -Who all are members of a CLF?
- -Is anyone from your SHG a member of the CLF
- -Can you tell us How are CLF members selected?
- -What is the role of the CLF in supporting your SHG? Does the SHG also communicate with the CLF? About what issues and how?
- -Do the CLF members visit and attend the SHG meetings or trainings ?
- Do you interact with CLF members
- -Who makes the decision about the relationship between VO/CLF/ EC ?
- How did the SHG get resources?

Annex 3. Descriptive statistics on selected SHGs in the overall distribution in Madhya Pradesh

This annex presents a few summary statistics on SHGs in Madhya Pradesh, based on data in the 3ie quantitative survey used in the report by Kochar et al (2020), by date of formation. As the early SHGs were formed under a different program, this research selected from those formed after 2015

Figure A3.1 shows the overall distribution of functioning and non-functioning (defunct) SHGs in MP.

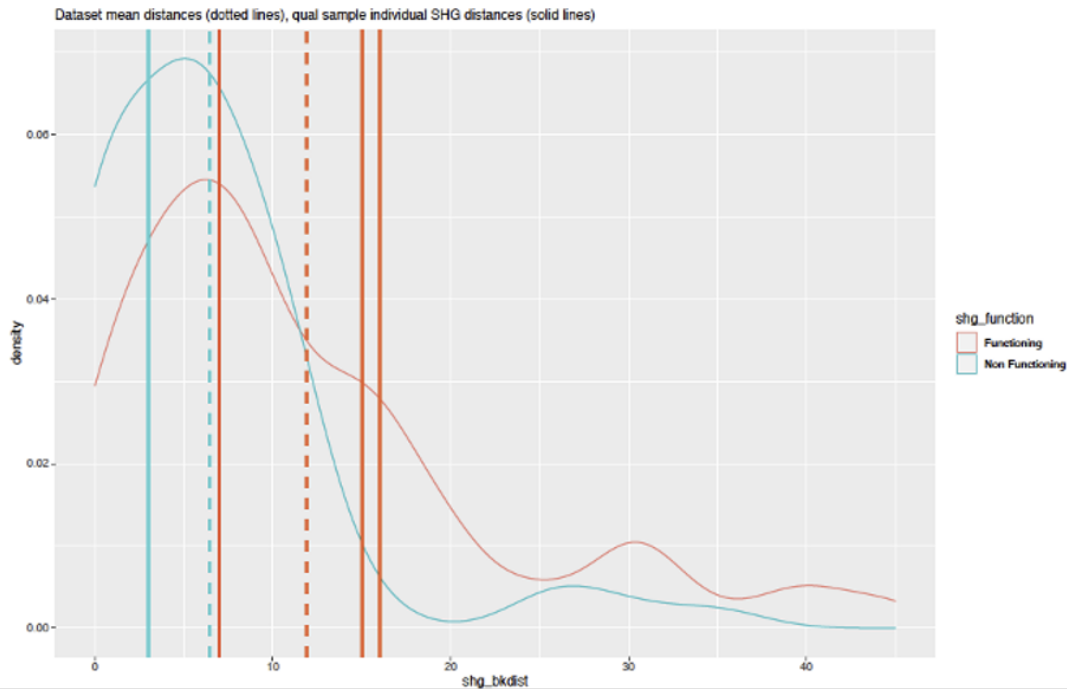
Figure A3.1. Functioning and non-functioning SHGs in Madhya Pradesh



Source: authors' calculations from 3ie survey data

Data from defunct SHGs is very limited: one of the only variables of use to the analysis is the distance to the bank, that is a good proxy for distance to the block office of the SRLM. As Figure A3.2 shows, the modal distance to a bank is about 6 kms in Madhya Pradesh, with wide variation. Defunct SHGs were actually closer than functioning ones on average, and also in the sample for this research.

Figure A3.2. Mean distance of functioning and defunct SHGs to a bank in MP



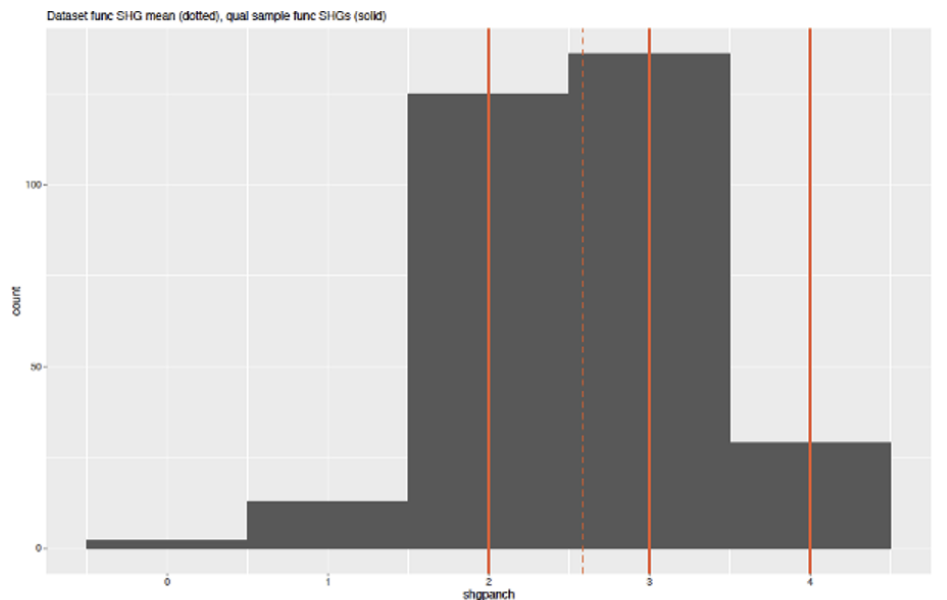
Note: dashed lines are means from the full survey; solid lines are individual numbers for selected SHGs in the qualitative research.

Source: authors' calculations from 3ie survey data

We then compared the functioning SHGs selected for this research with the larger sample. The three sample SHGs were close to the mean for average age of members (between 38 and 44 years) but had significantly lower average education (0-1 years, compared with 2.5 for the whole sample). With respect to identity, in the whole sample over a third of all SHGs in the sample are exclusively of SC/ST members, about a quarter with none, and about a further third mixed. By contrast all the sampled SHGs were mixed. (Note that in one case this was different from the quantitative sample that recorded the SHG as being homogeneous.)

We then report two proxies for SHG performance for the three sampled functioning SHGs compared with the larger sample from the quantitative survey: meeting Panchasutra criteria and total loans received. Panchasutra is a measure of procedural performance of an SHG, that encompasses five measures: regular meetings; regular savings; receipt of loans; loan repayments; and bookkeeping. These are reported levels as an index from 0 to 4. For the vast majority of defunct SHGs this is zero or missing. For the functioning SHGs in the whole 3ie sample there is a range, with most in the middle or upper middle A3.3, and only a small minority counted as fully satisfying the criteria. The three SHGs in the research sample are spread across the top three categories—from middling to fully meeting Panchasutra by this standard.

Figure A3.3. Index of SHG performance with respect to Panchasutra

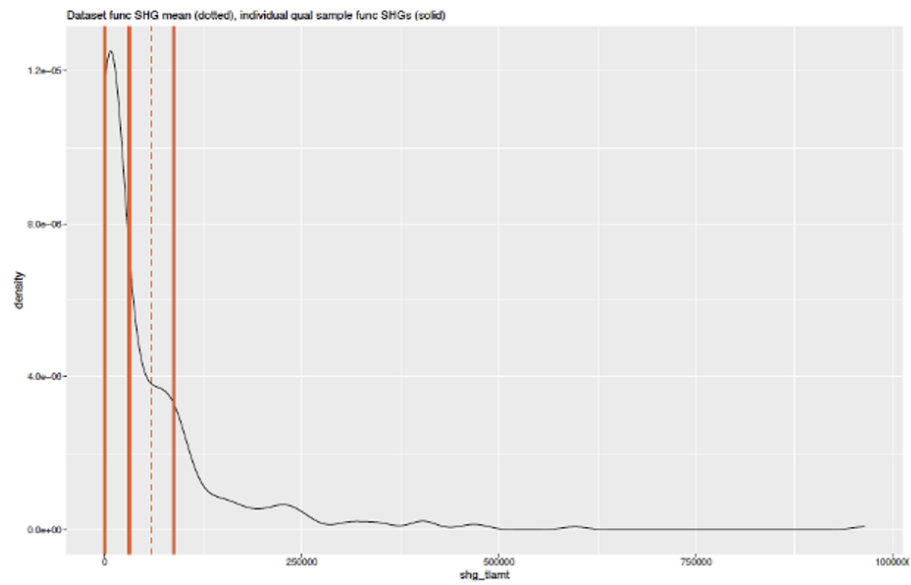


Note: the dashed line is the mean from the full survey; solid lines are individual numbers for selected SHGs in the qualitative research.

Source: authors' calculations from 3ie survey data

With respect to reported total loans, there is a large range in the overall Madhya Pradesh sample, but with a sharp mode around a low level (Figure A3.4). The research sample again has a spread from reporting no loans, to somewhat above the mean. None were in the right tail of the small number of SHGs that had received much larger total loans. Only 35 of the functioning SHGs reported also receiving bank loans (and none from the research sample.)

Figure A3.4. Total loans received by SHGs



Note: the dashed line is the mean from the full survey; solid lines are individual numbers for selected SHGs in the qualitative research.

Source: authors' calculations from 3ie survey data