

# Microfinance Insights™

Vol. 6, March 2008

Cover Price: US\$15/Euro 11

## Features

### Interview

Kishore Biyani, Retail King

### Survey

Human Resources Solutions

### Commentary

What Does *Forbes* Know Anyway?

### Centerfold

Social Entrepreneurship Trainings



Focus on  
Human Resources:  
Finding the Key to HR Challenges

## Locally Grown: It's all Women's Work in this Urban Slum

Although there has been an influx of foreigners into India and other developing countries who want to work in microfinance or social business, not all MFIs choose to employ them. Some organizations prefer to fill their field and middle management roles with local employees, creating one more job opportunity in places where there are often few. In this article, Managing Editor Lindsay Clinton meets the women who help run an urban MFI located in a slum on the outskirts of New Delhi, and finds out why they work here when they might be able to make more money elsewhere.

The streets of Holambi are alive with vigor and flies as dusk, and dust, settles on this urban slum. On "main street," vegetable sellers are peddling cauliflower and purple onions, small hills of garlic and green chilies. Chickens sit in cages next to their sellers soon to be chopped into piles of head, feet, hearts and bones. As the sun sets, the village gains energy. Workers are returning from a nearby factory. Women have come out to do their shopping.

Holambi is a planned "slum-burb," built by the government of India as a make-good for residents they booted out of New Delhi's city center around 2001. Most of the people in this village worked as maids or shopkeepers or in other small jobs before they were moved, and they earned money with relative ease. But, when their homes were destroyed, so went their livelihoods. Now, in a self-contained village on the outskirts of India's capital city, there is little to do in the way of work if you're not a shopkeeper or a vegetable procurer. Some girls and women make money by separating plastic bottle tops—the factories make them in one piece, and then need human hands to take them apart. Others put caps onto medicine bottles. But, for many, the only steady stream of employment close by is at a factory. Workers get paid INR100 (US\$2.50) a day for their work there.

Aajeevika, a start-up microfinance NGO based in Holambi with a branch up the road in neighboring slum Bawana, is trying to change this. Both communities are considered urban slums even though they are surrounded by fields of green. Aajeevika started working in Holambi in 2004 by engaging in community building efforts. Along the way, it saw an opportunity to provide microfinance loans to its members, and it has gradually built its client



Rashida Bano

base since then. About 3,300 people are members of Aajeevika's self-help groups, which have 5-10 members each; about 600 of those members are clients who borrow money on a cyclical basis.

**"...by doing this work they are not only improving the financial stability of the women around, but also their own financial stability."**

Aditi Mehta, a member of the Indian Administration Services (IAS) for 29 years, started Aajeevika (meaning livelihood) to help the women in these communities. "We knew that the women needed something. They had lost everything and had nothing to do," Mehta told me over coffee one morning. While some men still commute to their old locale to work, and others have found a job at the local factory, the women have very little to occupy them-

selves. Aajeevika set out to change that. The organization only serves women, and tries to hire women whenever possible. Besides poor infrastructure, exclusion from public services, and the health costs of living in an unclean environment, lack of access to education tops the list of challenges for young women in Holambi. There are only two schools, but for girls older than 10th standard (around 14 or 15 years old), there is no opportunity for education. As a result, many girls have left their studies, and have very little opportunity.

Aajeevika has changed that equation for some of the women living here. By choosing to hire only women for field staff positions, they are providing a new, much needed source of employment for a chosen few. Renu is a 21-year old mother of two who was recently promoted to branch manager from center manager after working with Aajeevika for a year and a half. Although she is young, Renu

carries herself with aplomb as she walks through the village lanes. She works in Aajeevika's Bawana branch and takes her role seriously. When she is not tracking the money collected at the branch, she is attending center meetings to make sure they run smoothly and that the members are repaying. She has also taken it upon herself to hold awareness camps in the village to bring in more members and potential clients.

All of the field staff at the organization are between 18 and 23 years old and none have any formal working experience. Like many small MFIs, Aajeevika hires its field staff locally, and believes that employing "insiders" strengthens their organization. But, Aajeevika is unusual in that all of its women staffers are from the slum itself. Rashida Bano, 23, another branch manager who is revered by almost everyone who works with her, finds that one of the most important parts of her job is motivating the center managers under her charge. She explains, "I try to reassure them that by doing this work with Aajeevika they are not only improving the financial stability of the women around, but also their own financial stability. They get the chance to progress with their education and career development."

Aajeevika's women work a long day. They convene center meetings starting at 6:30 a.m. and sometimes don't finish until 8:30 p.m. Salaries start at INR 2,000 a month (US\$50) and there is an increase after six months. Although they could work elsewhere, and possibly make a higher salary—there are several nonprofits operating in this urban village—Renu and Rashida stick around. In fact, Renu seems to have hit her stride here. She likes to work in the field, and finds that in her position, she can teach others. Although she doesn't say it explicitly, Renu is a leader at her branch, and within her community. Mehta, who echoed that sentiment, said, "Employing these women has demolished myths that young women/mothers can't do this work. These are slum girls who have been given financial and psychological responsibility."

As unusual as it may sound, the urban

environment serves as an incubator for female MFI staff members. Renu might not be allowed to be a field officer if she worked at another MFI in India or elsewhere due to safety or cultural issues. But, the structure and culture of an urban MFI varies markedly from that of an MFI operating primarily in rural areas. A field worker at a rural MFI will spend most of his/her day traveling large distances. The isolated environment is also thought to be unsafe for a woman traveling alone. Culturally, in some areas, it is seen as inappropriate for a woman to be apart from her husband, children, in-laws, or parents. And, carrying large amounts of money is seen as more of a risk for a woman staff member than for a man. These difficulties are avoided in an urban environment. Rashida told us, "Some families are not as supportive as my family. They want their girls to get married and work at home, and not go out

**"Employing these women has demolished myths that young mothers can't do this work."**

and learn English and computer courses. I am fortunate that my family, with my parents and two brothers, supports me. They are proud that I have completed my studies and now contribute to the household income through a job that is close by. Although, when I come home late at night they worry."

Although there is tension in the slum—at night families can be heard fighting and neighbors squabbling—there is an aura of relative safety. It has the comfort of a small, "one horse town", where everyone knows who you are and what you do. Most of that can be attributed to the density of the community. A center manager only has to walk a few streets to reach a group meeting, passing people she knows along the way. When she reaches the meeting, it is held outside in the lane, in public, which lends an additional quality of transparency and security. Generally, there are always curious passers-by who stop and observe the meeting. The open nature increases the sense that these women borrowers,

and the center managers have nothing to hide. Additionally, Aajeevika has created a system where none of the field workers carry money. They keep track of accounts, and ensure that each group member has the funds to pay her debt each week. But, the money is delivered to the branch office by a center leader (not the center manager) each week, taking the onus off of Aajeevika's employees.

Yet, the job is not without challenges, even in Holambi. For Renu, most group members are at least twice her age, and she must find a balance between discipline, camaraderie, control, and power in order to ensure that loans are repaid and that groups keep peace. She relays one story about a group, where a woman flat refused to repay her loan, and then ran away to a faraway state, Bihar. The other group members were held accountable for loans in arrears, and they were vocal about their dissatisfaction with this arrangement. For Renu, this was a tough situation. It was her responsibility to ensure that the group would somehow repay the amount loaned, for the sake of the organization and to keep up Aajeevika's 99 percent repayment rate. In this scenario, the group members ferretted out information that helped them track down the AWOL member, and pressured her to return. She did, and repaid her loan. Fortunately, most dicey situations seem to work themselves out through the application of social pressure.

Aajeevika has its sights on expanding into neighboring communities, and with that expansion will come new hires. Mehta says that they will continue to hire from within slum communities, giving them a new opportunity for steady employment. For Mehta, hiring locally is like meeting another bottom line, and it's not without its rewards. She explains, "To see a community of women leaders at that level, there...that's something." ■

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