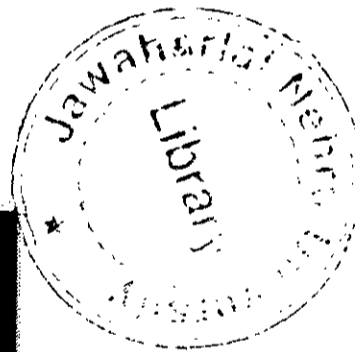


**SOCIOLOGY OF SELF HELP GROUPS (SHGS) AND THEIR
IMPACT ON MARGINALISED WOMEN:
A STUDY OF SELECTED SITES IN DELHI**

*Thesis submitted to the Jawaharlal Nehru University
for the award of the degree of*

DOCTOR OF PHILOSOPHY

JITHA T.J.



**CENTER FOR THE STUDY OF SOCIAL SYSTEMS
SCHOOL OF SOCIAL SCIENCES
JAWAHARLAL NEHRU UNIVERSITY
NEW DELHI – 110067
INDIA
2011**



Declaration

The thesis entitled, “Sociology of Self help Groups (ShGs) and their Impact on Marginalised Women: A Study of Selected Sites in Delhi” submitted by me for the award of the degree of DOCTOR OF PHILOSOPHY has not been previously submitted for any degree of this University or any other University and is my original work.

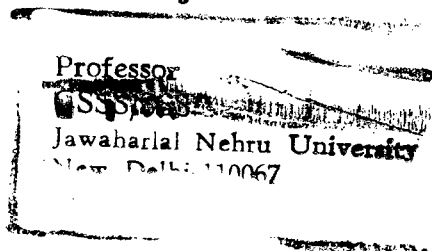
Jitha T.J.



We recommend that the thesis be placed before the examiners for evaluation for the award of Ph.D Degree of this University.

Supervisor

Prof. Avijit Pathak



Chairperson

Prof. Susan Visvanathan

Chairperson
CSSS/SSS

Jawaharlal Nehru University
New Delhi-110067

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Abbreviations

APRACA	Asia-Pacific Rural and Agricultural Credit Association
ASA	Action for Social Advancement
BRAC	Bangladesh Rehabilitation Assistance Committee
CBO	Community Based Organization
CDF	Cooperative Development Foundation
CGAP	Consultative Group to Assist the Poor
CSWI	Committee on the Status of Women in India
CYSD	Centre for Youth and Social Development
DAWN	Development Alternatives with Women for a New Era
DWCRA	Development of Women and Children in Rural Areas
EMI	Equated Monthly Installment
EPWRF	Economic and Political Weekly Research Foundation
FINCA	A microfinance organization active in Latin America, Africa and Eurasia
FWWB	Friends of Women's World Banking
GAD	Gender and Development
GOI	Government of India
GRC – SK	Gender Resource Centre – Suvidha Kendra
GRC	Gender Resource Centre
HDFC	Housing Development Finance Corporation
HUDCO	Housing and Urban Development Corporation
ICICI	Industrial Credit and Investment Corporation of India
IFAD	International Fund for Agricultural Development
IRDP	Integrated Rural Development Programme
KK	Katha Khazana
KREP	K-Rep Bank (of Kenya)
MC Summit	Micro-credit Summit
MFI	Micro Finance Institution
MFO	Micro Finance Organization
MP	Madhya Pradesh
MRYDO	Model Rural Youth Development Organization

MYRADA	Mysore Resettlement and Development Agency
NABARD	National Bank for Agriculture and Rural Development
NCR	National Capital Region
NGO	Non-Government Organization
NMDFC	National Minorities Development and Finance Corporation
NPP	National Perspective Plan
OBC	Other Backward Classes
PDS	Public Distribution System
PHBK	Programme Hubungan Bank KSK (of Indonesia)
PNB	Punjab National Bank
PRADAN	Professional Assistance for Development Action
RBI	Reserve Bank of India
RMK	Rashtriya Mahila Kosh
RRB	Regional Rural Bank
SANASA	Sinhala acronym for the movement of Thrift and Credit Co-Operative societies in Sri Lanka
SAP	Structural Adjustment Programme
SBI	State Bank of India
SC	Scheduled Caste
SEWA	Self Employed Women's Association
SGSY	Swarnjayanti Gram Swarozgar Yojana
SHARE	Society to Heal Aid Restore Educate
ShG	Self help Group
SID	Society for International Development
SIDBI	Small Industries Development Bank of India
ST	Scheduled Tribe
TV	Television
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UP	Uttar Pradesh

USA	United States of America
USAID	United States Agency for International Development
WAD	Women and Development
WID	Women in Development

Preface

It is not just accidental that Self help Groups (ShGs) happen to be the focus of my research interest. I had been nourishing my interest in the area for long. Much before I could ever interact with any ShG members in practical sense I did come across writings on micro credit as development strategies, especially with its women's emancipation potentials. I had taken keen interest in reading more on the subject because within the disciplinary framework, sociology of development and gender studies were my areas of deep interest. In the texts, though rarely critiqued, the celebration of ShGs was found not just in terms of economic empowerment, but in political and social contexts as well. As a middle class member grown up in a patriarchal set up I had seen in my surroundings the inaccessibility to financial resources, especially at times that they require the most, as one of the main handicaps of the women of the households. The women have to depend on their men folk for any kind of financial needs and whether their demand is acceded to or not depends on the decisions of males. Moreover, when the women get an opportunity for receiving some money from some sources (like their parental home), either they have to hand it over to the men in the family or have to keep it in hiding from the knowledge of others and due to which they are under constant threat of being caught. When I related the writings on ShGs to my own real life experience, I could easily see how the accessibility to financial resources with an acceptance from the family and the society would make women, that too of low income groups more confident and active in their life. My 'taken for granted' approach of development as economic growth made me to believe that accessibility to economic resources is the panacea that solves all the socio-cultural predicaments of an ordinary woman. And the showcasing of life experiences of women into micro credit activities, I thought, should be replicated taking more and more women into its fold leading to their emancipation.

While being so, I had a short stint of doing an internship with Katha, an NGO. One of its community activities is ShG formation of community women in different low income localities in Delhi. Katha had one income generation group as well working in

the premises of the organization. That was a group of eight women into cooking and serving lunch to the staff of the organization and also sometimes, on orders, to outside organizations as well. The women were making a reasonably good income. While in Katha, I could interact with the women of cooking group. In one of my field visits to the community, I had an interacted with the women grouped into ShGs also. (I must say, that was the moment of excitement being able to see and talk to ShG members in real life). During my on the spot interaction with the women, they explained me, without much of a cross questioning, the advantages of such arrangements as ShGs are meeting their as well as the family's requirement of urgent financial requirements. Women talked about their new supporting role as earners of the family.

The women of the cooking group who were, though, of multi regional, multi caste, multiple socio-cultural backgrounds showed a good amount of unity among themselves. They also talked about the constraints that they faced in running the group, the lack of human capital and skills, which force them on their continued dependence on the organization. While, they could enhance their individual skills required for the successful running of the group, they also lamented the lack of institutional support in further skill advancement. Interestingly, the illiterate women could well identify their problem areas from their experience of income generation group and were in a position to advance, at the behest of the group, their individual agencies to overcome the multiple structural constraints. But at the same time, they assess their income earning capability quite fragile; they feel they wouldn't be able to take it forward without the supervision of the organization and the moment the institutional support is withdrawn they would go back to their old role of 'housewifery' or domestic chores which, though, would save the family some money in terms of consumption expenditures. However, they also felt that their present engagement is nothing but an extension of their household chores, where they can earn good enough but still they spend it for the family consumption. Whereas, the organization projects the income generation group as a group of 'empowered women', who are capable of taking their venture forward without any external help. The mismatch in what others say and what the women themselves experience made me to think what it really means to be empowered; does empowerment perceived differently by different sets of people and so on. Moreover, there was a

contradiction in what I have heard, what I have read and what I have celebrated about with what I have experienced and what I have seen as practiced at the ground level. This had taken me to the inquisitiveness to find out whether the problem is with the way ShG is practiced at the ground level or there is anything more than that? This is the juncture when I took interest in studying ShGs to understand sociology of ShG as a collectivity of women of multiple socio-cultural backgrounds.

My reentry into the life of active studies and research was also the period of a realization or a discovery of experiencing owning of my own self – a self belonging to female gendered category. I belong to the southern most state of the country. I came to Delhi about twenty years back for higher studies and continued to live here till date. Delhi though is dominated by the cultural practices of northern region of the country, is largely multi cultural. My long interaction with the people of Delhi gave me very little to believe in the slogan ‘unity in diversity’ in terms of the cultural practices; though in larger political terms there are much more to experience. Patriarchy was one arena I found has an overriding unity despite the differences whether social and or cultural, although I agree, in a state of multiple identities the overarching unity of patriarchy manifests itself with differential impacts.

Born into a middle class and strongly patriarchal family background, I realized though much later in the life, that from the day that I was born my understandings of rights and wrongs which found expressions through my mind and body are shaped by the established thought patterns that have circumscribed the socio-cultural milieu that I was born into. Like, the patriarchy not only decided what am I supposed to do for the reason of being born as a female, my mind and body itself became the spokesperson/carrier of the same system as I grew up. Since my father’s generation and that of his parental generation moved away from traditional caste occupations and for the reason that they moved much ahead in the class ladder, the usual stigma associated with the caste status and related discrimination was not experienced much in life to the extent that I was not even aware of which caste I belonged to till I started filling up applications for college admissions. But throughout I was reminded of my status as a female in the family as well as in the society at large. From the early years of my life itself my attempt for deviation and revolt from the accepted gender norms were

suppressed rigorously. I grew up learning to abide the accepted norms and to live with the pain of repressing genuine expressions of the self to the extent that holding back of self became the order of the day and opportunities that seldom get to express the true feelings of self, left me baffled.

My encounter with (differently) learned people, my exposure to different academic atmosphere which facilitated to think differently, my experiences to different world of knowledge gave me the opportunity to think and relate my life experiences to the ideologies that rule my mind so as to understand that my own thinking process is shaped and acted/owned by some forces/discourses outside me, an alien, which rather operates through my mind and body, as if my own 'self', reducing it to nothing but a robot acting for or as a slave of that foreign force/discourse. I began to realize that I have my own self which yearn for an expression that it satisfies itself when acts for its own self fulfilment. It took me a long rather strenuous journey of 'depatriarchisation' of my mind.

With this self discovery emanated from a reflexive mind, when I embarked my journey attempting to have a better knowledge of the day to day life experiences my fellow women, God was kind enough to give me his share of fifty percent well in advance, making apt the Malayalam saying "*Thaan Pathi Daivam Pathi*" (half is self's efforts; and half is God's blessing), by granting me the right supervisor, Prof. Avijit Pathak. He, at the very outset, helped me to consolidate and gave shape to my rather vague and incoherent ideas in the subject.

I take this opportunity to specifically mention that the present study is undertaken with an intention of making a sociological enquiry in order to find out the interface of theory and practice of certain models of development taking reflections from their empirical manifestations in the day to day life of women of backward communities. It is never intended to make any critical or otherwise evaluations of acts and activities of any particular individual or organization.

New Delhi
July, 2011

Jitha T.J.

Acknowledgement

While, both intellectually and practically, completely attuned within the strict disciplinary boundaries, the entire research process has been, for me, specially found to be a personal traumatic experience (though extremely enlightening and exciting) of a metamorphosis of paradigmatic crossovers; a process of learning through unlearning. When my personal experience of doing research just not traversed beyond the mental fixations of paradigmatic and disciplinary parameters generated from my institutional training and orientations, but drastically moved to another world of political as well as philosophical fields, and when that very process put my persona to a state of utter confusion and inexplicable pain of searching for an expression of merger of my own personal self with that of the researcher in me coupled with the series of tragedies that I had to encounter within my own personal life; handling them would have, without being self alienated, been simply impossible if not for my supervisor, Prof. Avijit Pathak, the living model of praxis. Sir, I owe this thesis to you for the courage and the confidence, that too in the face of your own irretrievable personal loss, that you built into me which made otherwise a very fearful, skeptical and hard transition rather smoothly. This research thesis and the expansion of my own knowledge terrains wouldn't have been possible had you never bestowed on me the liberty to flourish my thought process all throughout this period. I gained immensely from the formal discussions as well as the non-formal and engaging intellectual interactions at your residence along with the group of your other students. The joy of personal fulfilment I experience at this moment is boundless.

I owe equally deeply to Prof. Md Abdul Kalam for the time he spared for me and expressing his own personal points of views which made me to think hard and reflect on what, why and how my research experiences are different, which ultimately lead me to explore more deeply and intensely into the subject in order to find out satisfying explanations to my own dilemmas and THE differences.

This study wouldn't have materialized without the kindness and magnanimity of the presiding officials of four Delhi centered Community Based Organisations – Katha, Chetanalaya, Deepalaya and MRYDO. No doubt all these organizations lent remarkable services for the advancement of millions of downtrodden residing in Delhi's low income areas. All these organizations are headed by the most able and leading personalities and all of them extended me all humanly possible warmth and support in undertaking this study. Ms. Geeta Dharmarajan needs a special mention here for personally intervening to remove the hindrances in conducting the field study. I am indebted to each and every one of the officials, from bottom to top, in these organizations making my study possible. Yes, Shakun, I wish, I could take your name and that of Kanchan, Urmila, Deepmala or for that matter each one of them specifically, but that's not the purpose here; you all would remain eternal in my heart.

No thesis is a product of combined effort of exclusively one or two or a few individuals; but it is the reflection of the heart and soul of tens of hundreds of most generous people who apparently might not specifically stand benefiting from this whole endeavour. My indebtedness see no bounds when I think about the community women who took me whole heartedly as one among them; shared their experiences; showed their love and as well their ire when I did something unpleasant; they laughed at me for my ignorance; and they respected my diverse identity – my life time experiences which thrown open new vistas of knowledge. *Bahanae*, it is your 'Indianness', your generosity that made this long time dream of mine made possible. You taught me, academic research is only the beginning of a yet bigger mission, of getting involved deeper into the community; finding a new meaning to one's own life.

I am specifically grateful to the faculty and the staff of Center for the Study of Social Systems. The moral support and the encouragement I received from our teachers is tremendous. Prof. Maitrayee Chaudhuri, Prof. Susan Visvanathan, Prof. Anand Kumar, Prof. Tiplut Nongbri, Dr. Nilika Mehrotra are just a few to name. Prof. R.K. Jain and Prof. Shobita Jain as always were the pillars of support and constant motivation. A special word of gratitude to Prof. Salil Mishra for engaging me in thought provoking discussions. My friends Meena Gopal, Shubangi Vaidya, B. Kiranmayi,

Archana Singh, Sona Godfrey, and Aloysius had always been sources of encouragement.

Yes, for more than to me, this was a dream project for both of you, my Achans. Your inspiring presence was my motivation to begin this study. From the abode of God, along with Him I am sure both of you would join me at this moment of joy with the shower of blessings. I could fulfill your dream, and that is my greatest achievement. I am happy, I could give a moment of pride to my Ammas, who suddenly felt their life meaningless in the eternal absence of their husbands of whom they remained the shadows all throughout.

For completing this study, I made use of the library and the reading room facilities of Nehru Memorial Museum Library, CWDS, NIRANTAR, JNU main library, and DSA library. I am grateful to the staff and officials of all these libraries for their assistance.

I kept to the last, expression of gratitude to two most important persons, the ones who are part of my body and soul – my husband and our little daughter. Though not so expressive, Swarabji is one of the most democratic husbands. With every step I take forward, I could feel his contentment. And my lovely girl, the one who sacrificed the most, Gayatri Krishna, took me with the spirit of one more learner in the household. There is one more person in my household, Renu Bala aunty, my maid who took care of my family with utmost devotion all the while as I found no time for anything else in life other than my studies.

I remain indebted to all those who made this endeavour possible.

Chapter I

Introduction: On Concepts, Location and Methods

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In the past few decades the societies in general witnessed the concept of Self help Groups (ShGs) or the collectivities based on credit and thrift playing a critical role, both for the State and non-State actors alike, in bringing the women of the low income groups in the path of State led or mainstream development claiming to result in their poverty eradication as well as empowerment. The present study is an attempt to critically examine the operation of Self-help Groups as a manifestation of socio-cultural practice and evaluating the impact of their functioning on the overall advancement among the women of low income groups in the National Capital Region of Delhi. Whereas, there might be a plethora of studies on board, either supporting, suggestive or critiquing, primarily from the stand point of economic dimensions of ShGs, what makes a sociological study, like the present one, stand apart is not only its primary focus on the social dimensions of the practice of ShGs but its unambiguous attempt to analyze them within the specific socio-cultural and historic context that they are situated.

In reverberation to the global trend emerged (or conspired?) in the late 20th century, in our country too, development is conceived within the Western notions of economic growth and modernization¹. Accordingly, the aim of poverty eradication and development of poor is visualized as integrating them to the market economy. It was within that overarching discourse, especially in the period of State's explicit adoption of financial policies of liberalization and privatization and the shift in its role in the welfare of the mass from that of interventionist to one of facilitator that women focused thrift and credit collectives or otherwise called as Self help Groups (ShGs) found wide popularity. This got translated into their unrivalled growth (as per official records) of a mere 225 ShGs in 1992 to over 50 lakhs in 2010, courtesy to the overwhelming State supported institutional backing for the last 2-3 decades. When such endeavours are claimed to have bounded along with financial in non-financial developmental purposes such as livelihood promotion, empowerment of the disadvantaged, community activism and so on they become idealized as instruments for celebration for the mainstream and

¹ This is quite evident if one refers the Five Year Plans (especially 7th Plan onwards) of the country.

alternative development and feminist activist/scholars² alike. However, while the very dominant ideologies of capitalism and patriarchy (within which the modernist development paradigm is constructed and practiced) is proved to be exploitative, exclusionary and marginalizing, the one which creates the hierarchical duality of rich and poor, the superior and inferior, the advantaged and the disadvantaged, the question remains, would this strategy of integrating the victims of a particular social order to that very social order, probably in a more 'advantageous/efficient' way, yield the desired results – the poverty eradication and empowerment or does that equip them to survive in the given system, which is the root cause of their marginalization? The present study is an attempt to find out an answer to this question, probably also to advance a theoretical explanation based on practical experience (praxis) to this paradoxical situation and a few suggestions thereof.

In India, especially beginning 1990s the successive Five Year Plans and annual Budgets of the country saw special financial allocation for the promotion of ShGs as one of the main tool for poverty eradication³ with civil society organizations as intermediaries. Several institutional bodies had been set up by the government for a smooth ShGing of the rural as well as urban poor. Interestingly, the successes of these programmes are often evaluated based on the number of people involved/participated in the programme, the amount of money lent out, as well as the amount of money recovered as repayment, and the programmes get a further impetus for up scaling and outreach based on such success assessments. But the fact is that as the very idea of 'development' and 'ShG' is conceived within a certain paradigmatic boundary its very translation into the empirical practice requires the promotion or encouragement of certain socio-cultural practices which are considered as 'developmental' and suppress or repress or discourage certain others for the reason that they are anti-developmental. And an analysis of such aspects of the practice of ShGs had rarely been a subject of scholarly

² What became more attractive for feminist activists/scholars is their said potential for women's empowerment as such group based thrift and credit mechanisms operate more 'successfully' (perhaps, in terms of rate of the repayment of the loans) among the marginalized women, there are, though, two views exist in perceiving the empowerment outcome where one group finds it as an automatic outcome of the financial intervention (the virtual spiral theory) and the other who view that as often (social) structure act as an effective impediment for empowerment to happen automatically and hence the social intermediation is essential along with the financial one (the credit plus approach).

³ ShG promotion also bears the shift in the policy of the government from that of welfare to one of facilitator in the era of liberalization.

enquiry perhaps due to the complexities involved in such an assessment or because they become matters of non-enquiry when the very 'foundation' is taken as a given. Against this backdrop the present study is an attempt to examine ShGs as an empirical manifestation of certain socio-cultural practices. Focusing on selected ShGs operating at different localities (Govindpuri, Mukundpur, Jaivihar, Najafgarh, Dwaraka, Madanpur Kaddar) in NCR and promoted by four different NGOs viz Katha, Chetanalaya, MRYDO/GRC and Deepalaya, the effort would be to explore the potential of ShG programme in bringing about a structural reformation while working towards attaining the proclaimed objectives – poverty eradication and empowerment of women. My point of contention is that as the problems of poverty and disempowerment are structurally rooted, the remediations for the problems need to be looked within the same structural base the starting point of which has to be the realization of the imbalances in the structural reality and its causal factors. A reflexivity of the sort is very essential for the 'undoing' of the structural injustice, not for a 're'doing but for a 'fresh doing' or real emancipation, something which is not shackled within any pre-determined/ pre-existing universal system/structure but instead 'located' within the context of its existence. Any impact assessment thus instead of evaluating growth/development/integration of the poor into any pre existing system, must be one which examines the ability for reflexive analysis of one's structural condition so as to build individual, societal, and institutional capacity to make way for a sustainable advancement which would be holistic rather than fragmented; situated rather than universal.

I. Conceptualizing ShGs

In the contemporary period, ShGs as people's collective founded on financial transactions have come to the foreground primarily as a tool for the development of underdeveloped sections in the society. Institutionally, the trajectory of micro credit⁴ based ShGs⁵ or thrift and credit groups might be quite recent, but socio-culturally the

⁴ Micro credit is distinct from the other regular credit where not only credit amount is small and clientele is poor, but also credit is provided with collateral substitute instead of traditional collateral and non-financial services for increasing the productivity of credit (Dasgupta 2005).

⁵ ShGs, micro credit and micro finance, although are used loosely and interchangeably, all three are distinct and different yet closely related concepts. Micro finance is a more encompassing term, while ShG has limited application. Micro finance is a financial service of small quantity provided by the financial institutions to the poor. These financial services may include savings, credit, insurance, leasing, money transfer, equity transaction etc., that is any type of financial service, provided to customers to meet their

historicity of such financial (as well as non-financial) transactions among individuals/groups may stretch even more deeper⁶. ShGs as it practiced today as ‘semi’⁷ formal groups, especially women oriented ones, got wider popularity⁸ within and outside the country since late 1970s and early 1980s. Although ShGs are widely practiced across the country in varying dimensions and dynamics according to the contextual specificities (Kabeer 2005), about its practice in the popular literature on the topic there exists some universal theoretical constructs, which as always combines differences/differential practices into one uniform category and as well dissociated from any one particular context. As for the academic purposes, the thinking starts from such theoretical constructs rather than the practical reality; following paragraphs discusses how ShGs are understood in theoretical discourses.

A more popular understanding of ShG is that by definition and in practice, it is a group of individual (not more than 20) members who by free association⁹, come together for a common collective purpose. They comprise individual members known to each other, coming from the same village, community and even neighbourhood. That is, they are homogenous and have certain pre group social binding factors. In the context of micro finance¹⁰, they are formed around the theme of savings and credit. Small groups of individuals become members and pool their savings on a regular basis to form

normal financial needs: life cycle, economic opportunity and emergency with the only quantification that transaction is small and customers are poor (Dasgupta 2005). Micro credit has come to be referred to as a small scale financial service (including savings, credit, insurance, business services and technical assistance) provided to rural people who operate small or micro-enterprises, provide services, work for wages or commissions and other individuals and groups working at local levels. Thus while micro finance indicates the larger institutional financial services, micro credit generally is indicative of the quantum of finance involved and the target group. Or to say micro credit is only one component of micro finance (Kalpana K 2007). Whereas ShG is one, and the most prominent, among the various operational mechanisms of micro finance/micro credit in the contemporary period. By far the largest component of micro finance in present day India, in terms of scale, geographical coverage and outreach is the ShG bank linkage model.

⁶ The historicity of ShGs, both institutional and socio-cultural would be traced in next chapter.

⁷ Generally it is categorized as informal, but I would like to use semi formal, the reason for which would be explained in the next chapter.

⁸ The wider political, financial and socio-cultural environment within which this happened too would be looked into briefly in the next chapter.

⁹ Although it is depicted as free association, they often are formed with the help of an external catalyzing agent (typically an NGO) and ShGs are increasingly mainstreamed by the agencies like the State and the banks (Sriram and Fisher 2002: 107). Here free in the sense that there is no mandatory stipulations with regard to an individual’s choice of joining a group.

¹⁰ ShGs in the general sense can be groups of people came together for any purpose. But since the context of the present study is microfinance based micro credits in the entire study the ShGs indicate micro credit based ShGs. Wherever it is not it would be mentioned specifically.

a collective fund. This fund is then rotated as credit amongst the members through self-generated norms. Hence, the basis of ShG is said to be mutuality and trust in depositing individual savings in group funds. Once the initial trust is established, the incentive or motivation for a member is the access provided to financial services through the common pool fund, which is higher than the individual fund saved. In cases where the group have been given a reasonable operating shape by promotional agencies like NGOs, and an ShG thus formed is stabilized (through repeated rotations of their own savings converted to mutual credit), it is possible to introduce external funds. This completes the cycle of ShG and micro finance (Satish 2005).

Some of the commonly viewed functional characteristics as quoted by Karmakar (1999) are:

- *Group members usually create a common fund by contributing their small savings on a regular basis;*
- *Groups evolve flexible systems of working and manage pooled resources in a democratic way;*
- *Loan requests are considered by groups in periodic meetings and competing claims on limited resources are settled by consensus;*
- *Loans are given mainly on trust with minimum documentation and without any security;*
- *The loan amounts are small, frequent for short duration and are mainly for unconventional purposes;*
- *The rates of interest vary from group to group and the purpose of loan. It is higher than that of banks but lower than that of moneylenders;*
- *At periodic meetings, besides collecting money, social and economic issues are also discussed; and*
- *Defaulters are rare due to group pressure and intimate knowledge of end use of the credit.*

II. Women and their Marginality

In sociological literature, the concept of marginalization emerged in 1960s in the context of cultural marginalization (Gordon 1964: 54-59), or a situation where the

people live in the borders of two cultures not being fully the members of either. Later on the concept stood to represent wider notions of deprivations; socio-cultural, economic, political and so on and got closely associated more complementarily with the notion of 'exclusion'. Marginalization is a concept that cannot be quantified, nor even defined in a precise manner. It is more experiential, relative rather than absolute, structural than individualistic, multi dimensional, and has wide range of manifestations for different individuals/sections of the society. What it basically signifies is a situation in which individuals or sections of the population are pushed to the margins of the society for whatever reason. As a result, the human rights of these people are not sufficiently respected, the principles of equity and equality, however defined are flouted, society is fragmented and many people suffer from the insecurity and poverty which is almost invariably identified with a situation of marginalization (Cox 2001: 35).

Marginality or the outcome of the process of marginalization is a natural upshot of the process of social exclusion. Social exclusion not only concerns with lack of material wealth but also to symbolic exclusion, social deprivation and incomplete participation in the main social institutions (Silver 1997). Lenoir (1974) is considered as the pioneer in the use of the term social exclusion. He developed a stigmatizing view of the excluded: those who have no access to the fruits of economic growth. The socially excluded were those with a mental or physical handicap, suicide people, the aged and invalids, drug abusers, delinquents, asocial persons and so on. The initial perception of excluded as those who exhibit less social cohesion, mainly because of their improper economic integration in the larger society, and also as individualistic later broadened to encompass, with the high speed spread of the process of globalization and the new economic policies and corresponding upsurge of disparities and inequalities, much wider connotations to include aspects such as social vulnerability (Galtung 1995; Castel 1995). There was also a shift in the perception of it from that of individualistic to systemic or structural¹¹.

¹¹ Some Latin American scholars (Faria 1995) argues, poverty and deprivation in the region is not so much a reflection of lack of integration but a phenomenon which is structurally related to the functioning of economies and societies.

Exclusion may be experienced by sections of society on different grounds such as ethnic, religious or regional minority, lower caste and class status, political reasons, refugees, and so on. While contingencies for social inclusion/integration may be a matter of contestation, exclusion from the productive system and the resultant social deprivation were considered as the two crucial processes leading to social exclusion. The exclusion may take the form of lack of acceptance by the members of the dominant social groupings, and even more importantly it may give rise to discriminatory practices not just by the dominant groups but to the extent that the larger social system, like the formal societal institutional framework and quite often by the State itself leading to a serious combination of cultural, economic, political and social exclusion with the possibility of significant consequences at the personal level in terms of lack of self esteem and a confused self identity which might well mean that the individual withdraws into a world of his or her own (Cox 2001: 32).

Marginalization resulting from the multiple exclusion is a complex phenomena. When discourses on 'exclusion' came to the fore the gender issues had hardly been an issue for focus. While the 'secular' ideologies of modernity project having egalitarianism and equality as its mouthpiece, in reality when it consolidated the traditional Indian practices of inequalities, whether in terms of caste, class or gender, by giving the interpretation of hierarchical inequalities as a part of 'natural' way of life, resulted in the social exclusion of certain sections of the population. Women, especially, of the lower economic strata are one such category. Their marginality is multi dimensional: socio-cultural and historical, economic and political which are mutually dependent and reinforcing. Both historical and ideological factors have affected women's access to productive resource and their choices and opportunities for a better life. A large amount of women's work is typically carried out in the informal sector with little capital and confined to production of low quality cheap goods (Sharma 2001). The realities of gender inequality, arising from deeply entrenched attitudes that the female gender is the inferior gender – an attitude that the social institutions often reinforce – are responsible for pushing women into many marginal situations. Marginality is thus a state of affairs that result from the systemic and systematic deprivation or exclusion of individuals or sections of society, like women from the

process of advancement of the society. It may be a result of complete exclusion because of their disadvantageous structural positioning or their disadvantageous inclusion; and women in our society are victims of either or both.

III. Contextualizing the Present Study

a) **Political economy of the practice of ShGs:** One of the basic premises of formation and operation of ShGs is that they are primarily defined in Indian rural context¹². They are based on shared commonality or homogeneity in terms of caste, ethnicity, social status and so on and they operate on the building blocks of mutual trust, and peer pressure and collective responsibility that arise basically out of their homogeneity and group belongingness. Their democratic functioning and self regulating mechanism are often highlighted. Thus ShGs as voluntary associations of people for the mutual financial benefit is said to be formed among ‘affinity’ groups¹³ which already existed within the community and hence they are highly cohesive entities (Karmakar 1999) contributed further by their economic interests (Fernandez 1998). It is also often propagated that the ShG members take the loans for engaging in economic enterprising activities, which would help them to improve their financial situation and come out of poverty, or at the least to meet, their immediate consumption needs so as to prevent them from falling into further impoverishment. It is also claimed that the formation and operation of ShGs is a response to the felt-need of the community.

What becomes interesting for a sociological query is the working of a paradoxical combination of strengthening of economic progress stressing on traditional values. While economic progress conceived within the modern market economy stresses on individualistic values, on the contrary, ShGs claim the communitarian values

¹² In Indian context most of the times ShGs are defined in rural context probably because majority of them operate in rural sector. NABARD defines ShG as a homogenous group of rural poor voluntarily governed to save whatever the amount they can conveniently save out of their earnings and mutually agree to contribute to common fund to lend to the members for meeting their productive and emergency consumptive credit needs.

¹³ According to MYRADA “the staff noticed that the basic structure of the groups was already in existence before our intervention. The people expected MYRADA to build on these structures. The linking factors that united the group was not the desire to get loans but a certain affinity arising from social homogeneity like common heritage, caste or sub group, gender, place of origin or the same traditional occupations. As the members trusted one another, the staff did not have to spend much effort to keep the group together” (Fernandez 1998: 27).

built into the ideology of economic progress as the bedrock of their successful operation. A claim, which apparently looks paradoxical, becomes the focus for a sociological enquiry. Besides this epistemological paradoxical situation, at empirical level too the claim about the homogeneity as the essential characteristic of ShGs raises the sociological interest.

ShGs in Delhi began to be promoted largely by the government of Delhi beginning the year 2000, mainly in the economically backward areas/clusters like the slums and resettlement colonies. The slum dwellers of Delhi are characterized by their heterogeneous nature of people migrated from different parts of the country. Many times other than neighbourhood proximity, their shared commonality would be very limited. In this context, it becomes indeed issues for research whether it is essential to have shared commonality for the group to function successfully as a financial unit or its existence is limited more to a theoretical level than practical one. Who benefits¹⁴ the most from the shared commonness (if they really exist) and in what way? What are the ShG programmes targeted at? Are they designed for the benefit of the target group or for some other stakeholder? What are the primary characteristics of ShGs as they operate in Delhi? What are the binding factors that keep the group together? Is there any disparity in the discourses propagated on ShGs and what is actually practiced? If so what is the conceptual basis of that?

b) ShGs as development project for poverty eradication: The trajectory of credit groups in India shows the primary mission of those initiatives for poverty eradication of poor households by helping them to meet their credit needs for which they otherwise turn to non-institutional financial sources which also arise out of the inability of the formal institutional financial sources to reaching the poor. Thus one of the important stated missions of ShGs is poverty alleviation¹⁵ where poverty is defined primarily in terms of income poverty and the idea is to overcome the income poverty by using the credit for income generating productive activities. However, poverty is a multi

¹⁴ While the very concept of micro finance as a development initiative has been justified on the grounds that it is 'beneficial' to both micro finance institution as well as clients (Deshmukh 2002) it is matter of investigation for whose benefits or who gains more benefits when groups have specific organizational characteristics.

¹⁵ As an alternative people friendly mechanism which is endogenously generated.

dimensional phenomenon, which goes beyond income poverty. It also includes the human dimensions of poverty such as health, education and housing and as well other socio-cultural factors. It is often manifested as low consumption, malnutrition, illiteracy, insecurity, low expectancy of life, powerlessness and low self esteem.

Nonetheless, when poverty is understood merely as income poverty the focus of poverty alleviation programmes concentrate on linking the individuals to market economy as the sole path of economic advancement, the foundation of which is taken as promoting certain economic and social practices, which are considered as 'modern', against certain others that which got the stamp of 'traditional' and therefore anti-developmental. Moreover, the process of economic reforms and structural adjustment programmes¹⁶ has unpleasant consequences for various sections of people, especially the poor. The withdrawal of the government from social sector, specifically health and education, increased the vulnerability and exposure to exploitative conditions of poor in general and women among the poor in particular¹⁷ and ShGs are viewed as a panacea for overcoming those adverse impacts.

Several crucial issues come up when one thinks about the poverty alleviation capability of micro credits viz. whether accessing loans lead to material or non-material productive activities; are productive activities build on the existing knowledge base¹⁸; any supportive activities (like training, capacity building) follow the productive activities so that they can lead to fruitful income generation activities, do ShGs enable individual capability to overcome their poverty; what kind of social vision is generated through the practice of ShGs; what are the manifestations in the social practices when poverty and its eradication are primarily conceived in economic terms; what are its

¹⁶ New economic policy and structural adjustment introduced in India in 1991 tried to deregulate markets, modernize industrial sector and achieve faster growth of the economy at the cost of various other social policies.

¹⁷ For example the impact of structural adjustment policy on women's employment has been studied in Annapoorani and Arulselvam 1998. (Impact of New Economic Policy and Structural adjustment on Women Employment).

¹⁸ This is significant because among poor, family based skill attainment is quite common. Moreover, people, in general, do not adjust easily or readily to new things/ideas that get introduced from without, particularly those that do not relate to or are not in their worldview or their cognitive processes and their day-to-day practices (Kalam 2008 www.writeurgekalam.blog.co.in; also see Samoff and Stromquist 2001).

implications on bringing forth a structural reformation, both economically and socially; etc.

c) **Women's empowerment and ShGs:** Empowerment is a multidimensional concept perceived in different ways depending on time, situation and context and target group to whom it is being referred. In the context of gender and development, empowerment is mostly understood as a process which essentially leads to change; a process of change or progression from one state to other in which women gains control over their lives by knowing and claiming their rights at all levels. ShG initiatives are focused more on women with the argument that by getting access to economic resources the status of women improves and that it leads to their empowerment¹⁹. Developmentalists' argument is that development agencies by virtue of their policies, schemes, programmes and activities cannot claim to empower women. It is important that women empower themselves. However, their support and intervention can play a facilitating role by supporting the processes of empowerment (Oxaal and Baden 1997). They can ensure that their programmes work to support women's individual empowerment by encouraging women's participation, acquisition of skill, decision making capacity and control over resources. Many a times development agencies assume that promoting a certain type of activity will necessarily lead to empowerment.

It is commonly argued that a principal constraint faced by poor people in their attempts to improve their living standards is lack of income. Access to economic resources becomes more crucial in the case of women because it is one of the basic requisite for enhancing their status in the society (CSWI 1977). Access to credit is thus considered as the first step towards their empowerment. However, in most cases (specifically in Indian situation), economic development for women is not obstructed by financial factors alone: quite apart from the institutional apathy, a lack of access to resources, raw materials, new technologies, markets, knowledge and training, the societal stigma, and other cultural factors are all pose serious problems for women. If a credit programme is to be successful, therefore, additional services may be required to

¹⁹ Beginning Boserup's study the gender lobbies view inaccessibility to economic resources as the primary hurdle in women's empowerment.

help women to overcome these barriers²⁰. At the same time, having the supportive services in place, many of the institutional development initiatives aimed at empowering women at the margins without really questioning the unequal power dynamics within the existing social structure that creates the inequality at the first place²¹, expecting local women to bring about and responsible for formidable task of social change within their latently promising and inclusive framework that fail to deliver the intended goods in their entirety²². Besides, operating within the social and cultural milieu of Indian society even loans extended by ShGs might have cultural connotations that may ultimately lead to sexual violence²³. Translating women's accessibility to economic resources to empowerment has been problematised by others as well (Scully 2005: 1; Sabharwal 2005: 32)²⁴.

In this context it needs to be scrutinized even within the space availed (due to the accessibility of economic resources) both in the private and public domain whether a redistribution of control of resources (empowerment) is facilitated to the extent to challenge the status quo in family and society. Studies show (Raju 2007: 267) empowering²⁵ strategies that continue to intervene only in terms of increasing women's access to productive resources and thereby improving their material conditions do not aim at transforming power dynamics among the genders. In addition, their individual and collective bargaining positions in public domains remain at best fragmented and

²⁰ Hilhorst and Harry (1992) give a good account of both constraints and accessibility of formal and informal financial resources for women and various techniques to make use of those finances for women's entrepreneurial activities giving examples from across the world.

²¹ Batliwala, S. 1994

²² Raju (2005) argues and demonstrates through a case study that very often developmental initiatives that look relatively better conceptualized and inclusive at the outset fail to impact on several basic issues embedded in asymmetrical gendered power dynamics, despite creating some supportive structures for women's empowerment.

²³ An Indian situation as depicted by Gnanou (2002: 65) is that "many woman hand over their loans to their husbands because for the most distressed of them, it is unthinkable to have any control over possessions or take decisions in general. For some of the husbands these loans represent some form of DOWRY; and credit could also be a source of tension or violence at home if the husband cannot control it."

²⁴ Scully cites studies in Bangladesh which show that the majority of women borrowers in the programmes did not control either the loans received or the income generated from their micro enterprises

²⁵ Here empowerment is viewed at three levels: i) the individual – that is the self confidence, self esteem, sense of agency and a sense of self in a wider context and dignity ii) the contextual/collective – that is group identity and dignity, sense of collective agency, self organization and management and iii) the relational – that is the ability to negotiate, communicate and gather support and ability to defend self/rights and a sense of self in relationship with dignity.

partial and in many cases may even backfire. This is further supported by the view that with the diminishing power of the State to that of market where the productive capability defines citizenship and in a situation thus created for women in public spaces can be arenas for subjugation rather than emancipation/empowerment²⁶.

The question here is that whether by providing economic resources (alone or with supportive services) leads to the empowerment of women. Whether in the emergent situation by allowing to expand women's space 'thus far and no further' (Raju 2004) i.e. to the extent that prevailing patriarchal norms were not seriously questioned and actually leads to women's empowerment to no further; or is that the way to reposition the 'ideal' (Indian) women in the neo-liberal economy who is able to prove her economic worthiness to the family at contingent situations and glorifies the image of women further (Thiruchandran 1998). The very question of whether this glorified state can be considered as empowerment takes on forward to the necessity to rethink on the very perception of the concept of empowerment.

IV. Locating the Present Study in the Current Academic Debate

The objective of this section is to position my research study within the larger spectrum of academic research done on and around micro credit based development paradigm. Empirical as well as theoretical studies conducted in micro credit ShGs are in abundance in the form of books, monographs, occasional papers, articles in books and refereed journals and so on. Academically, there had been enquiries from various angles, viz. economic, developmental, socio-cultural, policy analysis and guidelines and so on, both in support and critiquing. And a detailed review of that vast abundance of literature is neither the purpose here nor possible to undertake in this limited space. More than for the practical convenience, taking into account the essentiality of the task, concentration would only be to a limited number of studies selected on the basis of their contributions towards the conceptual framework within which micro credits are practiced, since the present one is conceptual/analytical study based on experiential field information.

²⁶ Kumar, Rachel Simon (2007) elaborately demonstrates gender and citizen relationship in the neo liberal State.

The dominant discourses

In micro finance the debate exists strongly between the schools of thoughts of finance and poverty where the former may argue to achieve financial sustainability, but has little outreach to the poor, and the latter claim to reach the poor clients but are often unsustainable. The advocates of the former argument insist the singular concentration of ShG initiatives for attaining financial institutional sustainability and successfully taking the household across the poverty line. There are studies (Rutherford 2002) that show micro finance services go hardly beyond financial intermediation that might help poverty alleviation to a good extent than taking it to the strategies that combine developmental outcomes for poor. Robinson (2001) outlining two different and mutually exclusive approaches to financial services as a way of illustrating the differences, favours what she calls the ‘financial systems’ approach which offers a commercially-oriented, minimalist package of financial services for the economically active poor – with subsidized job creation or charity for the rest. The financial services like micro finance would help the poor according to Rutherford (2002) to make small pay-ins into large take-outs. The Grameen Bank working within this paradigm said to (McGuire and Conroy 2000) developed highly effective techniques like taking services to the village level, promoting and motivating groups of the poor, use of group guarantees, compulsory savings mobilization, intensive supervision of borrowers and decentralized and cost effective operations for lending to the poor.

Concentrating on the financial angle there are even arguments that such initiatives are advantageous for both the stakeholders – the promoters and the beneficiaries. They not only reach out to the needy sector in terms of financial resources (Basu and Srivastava 2005) but also assists the banking sector as any branch can do business with ShGs without making significant changes to its operating procedures (Harper 2002; Satish 2005), also it indicates a reduction in the bank transaction costs (Puhazhendi 1995; Srinivasan and Satish 2001). For some reaching out with the aim of poverty alleviation through financial sustainability is more practical because, for India, the ShG system is more economical, and thus more sustainable. And the large scale existence and growth of ShGs itself is taken as a proof (Satish 2005: 1737) of the sustainability of the ShG system itself where the very ‘sustainability’ is taken as an

indication of the success of the programme. Some are more prospective of how the sector is going to evolve probably by a convergence of formal sector (like the banking, private as well as nationalized) and the informal (the NGOs) where the NGOs take the role of informal financial agency banking on their capacity to streamline the grass roots delivery of services, and thereby becoming the sales agents of the formal sector, which has the advantage of adequate financial resources coupled with their robust system of regulation and governance and thus pushing forward the micro credit enterprises in large scale (Nair 2005: 1698). Often getting connected to the market agencies/institutions are considered as economic advancement of the concerned population and the studies have been done (Mahendra 2005) to find out ShGs as routes to increased banking activities of poor women although contributed by other social factors such as leadership in the group and so on. There are those who argue (Morduch and Haley 2001; Hulme and Mosley 1996) examining the micro finance efforts from various parts of the world that by and large access to micro finance has had a positive economic impact, that this impact has been often larger for those further away and that they increase with duration of membership or intensity of loans as members begin to invest in assets rather than consumption. Making a review study of empirical evidence of NGO led micro credit programmes and the State led poverty alleviation schemes Chavan and Ramkumar (2002) show that micro credit programmes and institutions have generated, though marginal, a positive change in the incomes of beneficiaries. Thus, it is very clear that working within the financial sustainability paradigm, the poverty eradication and social empowerment potential of ShGs are immense. Institutional strengthening like up scaling of ShG bank linkage programme overcoming the challenges of regional imbalances, capacity building of members of ShGs, livelihood promotion among the members and so on, and as well structured financing to the micro finance institutions yield better results making it more and more inclusionary. A protective and regulatory policy measure blanketing the micro finance activities also perceived (Nair 2011) as a requirement for a healthy and more productive²⁷ MFI sector.

²⁷ The author finds more than its said claim of replacing money lenders from the rural credit scenario, in a developing country, the relevance of micro finance is that it helps the poor reduce their financial burden so that they can channelise their meager resources productively to improve livelihood situation (Nair, Tara 2011).

For Osmani (1998), by providing access to credit could improve, though partially, women's relative well being where well being is defined in terms of three sets of capabilities – autonomy; control over decision making within the family; and relative access to household resources. Studies show how strengthening the paradigm while handling higher operational costs working among the urban poor who are characteristically qualitatively different from rural poor, would yield desired results (Titus 2002); also by combining social entrepreneurship with ShG movement for better realization of empowerment goals of ShG (Kanitkar 2002). Although under some circumstances micro credit programmes bring about mixed results (Ahmad 2007) yet, institutional policy intervention (Afsar 2003), and/or incorporating specific empowerment strategies along with institutional financial performance (Cheston and Kuhn 2005) may work towards better outcomes.

Development critiques

There are arguments (Khandker 2006)²⁸ that micro finance is not a panacea for poverty reduction if it singularly concentrates on credit delivery. This is because poverty reduction requires both complementary supply side and demand side factors²⁹. Thus while there are many supporters (for example Khandelwal 2007; Kaladhar 1997; Ramakrishna 2001; Galab and Rao 2003; Vatta Kamal 2003; Kelkar et al 2004; Littlefield et al 2003; Swain and Varghese 2011) about the positive outcome of the financial self sustainability potential of ShGs, it is not that it is accepted whole heartedly by all without any opposition. There are also studies, which highlights the negative economic, social, cultural, and/or political impact of such initiatives among communities. The negative impacts may arise out of (the latest trend of) commercialization of micro financing³⁰ and the 'gold rush' (Sriram 2010) having

²⁸ A world bank study involving 1800 households in Bangladesh, found only marginal improvements for borrowers of micro credit.

²⁹ Supply side factors include good infrastructure, entrepreneurial skills and so on to make the micro enterprise more productive. On the other hand, on the demand side, without a supportive macro economic trade and industry policy framework, micro enterprises will remain micro without no backward or forward linkages or employment creation possibilities.

³⁰ There are scholars who talk about a visible global trend of commercialization of micro finance (Christian and Drake 2002) where business take precedence over the social development / poverty alleviation focus of the initial years. Also see Ofreneo 2005, Hermes and Lensink 2007, Muhammad 2009, Sriram 2010.

NGOs³¹ as the sales agents or subcontractors (Muhammad 2009) of mass retailing of micro credit. It is argued that privatization³² of ShGs make the real needy less accessible to the micro finance programmes (McIntosh 2005). Also, functioning within the conventional framework, adverse impact of ShGs on community may result from indiscriminate homogenization and replication of organizational principles without giving due attention to the socio-cultural context (Castillo 2004)³³. Moreover, they fail to overcome the structural and institutional impediments (Kalpana 2005); and challenge or alter the social structure in favour of women's cause³⁴, besides perpetuating existing class and caste structure (Rao 2005)³⁵. They simply become a vehicle to perpetuate the shift in the economic policy of the government having poor to bear its negative impact (Sharma 2004)³⁶, and acting in its role as subsidizing the development interventions of the State (NIRANTAR 2005) and consequently instead of relieving, financially burdening the poor with 'debt cycles'³⁷ (Rahman 1999) besides resulting in the social and political disempowerment of women (Batliwala 2004).

One of the foremost criticisms is that they hardly reach the poorest of the poor or the core poor (Scully 2004) for various reasons like the poor themselves perceive as vulnerable and their lack of confidence (Ciravegna 2002) or they do not get group acceptance as they were taken as bad credit risk, or they are excluded by the micro finance institutions strategically (Hulme and Mosley 1996). And that it not to be expected that micro finance without additional measures in the area of education, health and infrastructure is able to substantially reduce poverty (Hermes and Lensink 2007).

³¹ Those NGOs which function as micro finance promoting agency either on its own or on linkage with formal financial institutions like bank or other governmental agencies.

³² Grameen Bank and Bangladesh Rural Advancement Committee (BRAC) signed joint ventures with multinationals and World Bank turning themselves into group of companies. Also there emerged private ownership among NGO leadership (Muhammad 2009).

³³ Citing examples from Mexico the author demonstrates that just as the needs of people are diverse, micro finance models needs to be designed to address these diversities and remain flexible an opposite of which severely limits its scope and impact.

³⁴ Eggger 2004; V. Kannabiran 2007.

³⁵ The author cites examples from her study of ShGs in Andhra Pradesh.

³⁶ The economic policies of the government beginning 1990s and the consequent retreat of the welfare State resulted in the transfer of responsibility of social development from State to the poor themselves. These responsibilities have been given to the ShGs which by mere extension of credits failed to provide the poor a sustainable livelihood. See Sharma, Kumud 2004.

³⁷ In his study in Tangail district in Bangladesh, he shows the timely repayment of the borrowers do not come from increased assets but from their further borrowals from other sources, sometimes taking another loan from the Grameen Bank itself to pay off the debts from the earlier loan.

Moreover, the State by shifting its responsibility of safeguarding the interests of the poor to the market forces through the promotion of micro credit initiatives, in fact assures only short term relief to ease immediate needs rather than meeting the long term social, political and cultural requirements to alleviate poverty. By placing the onus of overcoming poverty on the poor themselves leaves the systemic inequalities and factors that create poverty unchallenged (Kannabiran 2005).

Besides, financial/institutional sustainability drives often lead to multiple memberships of the clients in different microfinance organizations or dependence on other money lending resources such as informal money lenders (Gifford 2002), a process which found to leading to the collapse of the poorest households (Sinha and Matin 1998). The trend in MFIs to focus on finance as part of their drive towards attaining organizational sustainability and the 'inflexibility' of the group functioning is what defeats its very purpose - poverty alleviation of the poor (Sinha 2005). Moreover, product homogeneity and stricter rules meant for financial sustainability often results in poor outreach depth (ability to reach the poorest) as well as poor client retention (Cohen 2002; Dunn 2002). Besides, in the cases where there is an increased productivity by availing micro credits for entrepreneurial activities, it has not translated into increased average income or the improved consumption of the families as mostly the micro credits do not address the (financial) structural issues in including the factor and product markets (Nair 2001).

Alternatively, some argue (Kabeer 2005) the design of financial services to the poor should be based on an empirically based understanding of the relationship between context, approach, and impact. Without taking this into account aiming financial sustainability/delivery exclusively not only excludes the poor from its reach but often fails to achieve its mandated objectives as well (Fisher and Sriram 2002: 20). While credit is critical, it can be absorbed productively only within a larger development context. The micro financial services argued to bring forth more of poverty alleviation by integrating more development purposes such as livelihood promotion, developing local economy, empowerment, building democratic people's organizations and changing wider systems or institutions within society. Combining with appropriate

development activities³⁸ with credit and other financial services delivered through ShGs can lead to successfully achieving the desired results of poverty alleviation and empowerment of the group to take care of their own development (Fernandez 2007). Referring to the crisis that Indian micro finance sector witnessed³⁹ in October 2010, Sriram (2010) opines the downside of a standardized model⁴⁰ is that unless the cultural and economic nuances of each location are understood, there could be cracks. While Shah (Mihir 2007), reinstates that much more than micro finance is needed to overcome the problems of poverty that over looms the country for a very long time in the history, advances the suggestion that ShG-bank linkage⁴¹ approach has the potential to make a decisive impact on the security and empowerment of the most of the disadvantaged; a purely credit based micro finance institutional model is unsustainable and might actually end up worsening the situation for the poor. Kalpana (2005) finds the credit based poverty alleviation strategy of ShG bank linkage programme practiced in India has more protectional dimensions compared to the sustainability model, which is more exploitative because of its repressive and disciplined financial way of operating⁴².

Thus, the financial systems approach with its roots in methodological individualism and a competitive equilibrium view of the world, is argued (Kabeer 2005) at best able to deal with the financial exclusion of the poor when it reflects individual deficits (of assets, education, health etc.) and market failure (problems of asymmetric information and contract enforcement). It is less able to deal with problems of financial exclusion when they reflect social exclusion in situations of structural inequality. Individual disadvantages in such contexts is a product of entrenched social relationships of ethnicity, caste and gender which systematically block the access of certain social

³⁸ He demonstrates how Sangamitra a MFI outfit of MYRADA supported the poor along with developmental activities for their livelihood building by connecting them to programmes such as government programmes; improvements in the delivery systems and introduction of mechanisms that raise efficiency and productivity.

³⁹ The case in focus is the micro finance related suicides in AP because of the high rates of interest rates of MFIs and their arm twisting ways of repayment extraction.

⁴⁰ He argues: A standardized model with its religious belief in zero tolerance to default, closes innovation, reduces responsiveness and prevents customization and once it reaches stability it expects to grow at a scorching pace, it is going to build into bubble sooner or later.

⁴¹ ShG bank linkage initiatives are very specific to Indian context. More on this would be detailed in the next chapter.

⁴² However, in the changed policy environment, the change may represent only a shift from repressive exploitation to humane exploitation.

groups to market opportunities, government services and collective forums of decision making. If micro credit is not integrated into the larger development perspective, there is a danger that it may result in over-indebtedness and financial bondage of the poor (Vasimalai and Narender 2007). A focus on financial services based on commercial principles, cost recovery and individual lending in such contexts may very well reinforce social exclusion and exacerbate social inequality.

Feminist critiques

While micro finance institutions diverge in many ways, the gender of the majority of their borrowers tends to be the common feature (Micro credit summit 1999). The reason could be that female borrowers have better repayment records (Hulme and Mosley 1996; Sharma and Zeller 1997) which enhances the lending organization's financial sustainability. In addition, it is argued that the investment is better spread over all household members when credit is directed at women (Pitt and Khandker 1998). Moreover, more importantly the argument is that opening of micro finance services to women may induce a process of economic, social and political empowerment⁴³ altering the underlying social and gender relations. Empowerment tackles the strategic interests of the sexes and micro finance is considered as a useful starting point in the process. The view within the dominant paradigm is that a successful utilization of credit would automatically lead to women's empowerment and while some agree with this unopposing (Narendranath 2001), critiques argue (Johnson 1997; Holvoet 2005; Hunt and Kasynathan 2001) effects of women's empowerment may be increased when access to credit is combined with other services, including additional financial services like insurance; enterprise development services like management training or marketing support; and welfare related services like literacy services, social and gender awareness training. In a similar line of argument Guerin (2006) tries to establish the empowerment potential of micro finance can be materialized if designed, instead of a standard, one-size fits all model, in a more contextual way as the ability of women to use credit in an

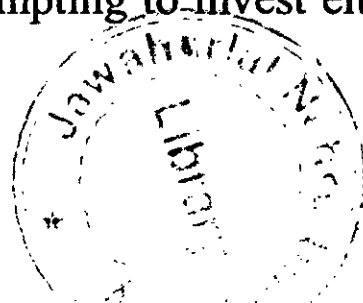
⁴³ Within the framework of micro finance empowerment is proposed (Mayoux 1999) within three hypothesis (the virtual spiral theory). i) Individual economic empowerment: it is hypothesized that greater access of women to financially viable micro credit could increase their control on income and resources. ii) Improvement in well-being and status: greater access to micro finance would enable women to improve their status at home and in society. This should give them greater self-confidence, a greater share of the expenditure and a greater say in domestic decisions. iii) Social and political empowerment and the ability to challenge the distress of women and change their situation.

empowering way depends largely on the economic and social context in which it is offered.

The socialist feminists have a much different stand point with regard to micro credit and women's empowerment concerns. For them separation of gender from poverty concerns with integrated and interlinked explicit strategies for addressing gendered resource and power inequalities within households and communities should be integral part of economic intervention so as to materialize the potential of women's empowerment (Mayoux 2001). There is an explicit recognition that the issues of improving women's contributions to household income and well being, and or reversing patriarchal power relations need to be tackled separately but with equal seriousness. The feminist interventionist strategy would place considerable weight on linking the self sustaining participatory women's micro credit groups to the larger women's movement against patriarchy (Johnson 1997). It is also indicated that automatic benefits to women cannot be assumed even in the most innovative of programmes (Mayoux 1997). Goetze and Gupta (1996) has also questioned the immaturity of the assumption that economic empowerment as a straight forward process, and easing women's access to credit translates unproblematically into their control over its use.

Citing the studies conducted in Bangladesh, where it is shown that the majority of women borrowers in the programmes studied, did not control either the loans received or the income generated from the micro enterprises. Scully (2005) says credit by itself cannot overcome patriarchal systems of control at household and community level and hence, micro finance as no panacea to poverty as a multi causal problem in which the lack of access to capital is only one cause. For them, when financial sustainability becomes the priority for promoting the micro credits based ShGs, surely they fail to protect the interests of women and undermines women's empowerment by making women's access and control over their own resources impossible (Premchander 2005). By singularly concentrating on the credit delivery, the practice while at one and the same time banking on the homogeneity, increasingly used as a mainstream development intervention to resolve the complex structural problems like poverty alleviation and women's empowerment, without attempting to invest either in capacity

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building or making any fundamental changes in the structural frameworks to address unequal rights over resources and discriminatory practices; this in effect rather strengthens the structural inequality that exist in the society and thereby contributes nothing more to empowering women other than the group enabled increased mobility and group visibility (Sharma 2004). Gendered experiences of poverty demonstrate that the mere transfer of income to people living in poverty does not change biases in inter and intra-household resource allocation. Intervention programmes such as micro credit must thus focus on the empowerment of women themselves and enable them to gain decision making power (Gnanou 2002).

Similarly, Kabeer (2005) too argues while access to financial services can and does make important contributions to the economic productivity and social well being of poor women and their households, rather than acting as a safety net, it does not automatically empower women. There are no magic bullets, no panaceas, no blue prints, no ready made formulas which bring about the radical structural transformation which empowers the poor women. These various interventions are simply different entry points into this larger project, each with potential for social transformation, but each contingent on context, commitment and capacity, if this potential is to be realized. Also there are others who argue (Jakimow and Kilby 2006), examining the normative model, that the ShG programmes have the potential to empower women, but the persistence of 'top down' approaches in implementation often pose a hurdle in realizing the empowerment objective. For them, ShGs would contribute to maintain the status quo or at the best empowers women within the prevailing system, and does not challenge the social structure that restrains the marginalized in pursuing their interests.

To women being empowered means, to understand and act against the fundamental factors responsible for their subordination. Kannabiran (2005) argues that operating on the principles of socio-culturally constructed feminine qualities of gendered notion of shame, decency and discipline and in its role of policing and delivery agents, most often micro credit based ShG initiatives satisfy the immediate practical needs. Moreover, by its approach of taking part as representing the whole, it rejects to recognize the structural fallouts that cause women's subordination and thereby

they only serve to perpetuate women's subordination. ShG programmes have generally used patriarchal structures for implementation, particularly adherence to gender norms that increase the efficiency of the programme (Kannabiran 2005; Mayoux 2003); for instance, the official reason for the use of women in ShG programmes is their greater credit worthiness and relative disempowered status (MYRADA 2004). For Rahman who has done a thirteen month ethnographic field research in Bangladesh among micro credit borrowers, micro credit programmes rather than empowering women, built on the disempowered status of women in the society. Mostly, the programmes are women centered for the reason of the positional vulnerability of the rural women in the society. The positional vulnerability is often understood in relation to women's limited physical mobility and to their culturally patterned behaviour i.e. their shyness, passivity and submissiveness. Though the overt reason for centering women is depicted as their self employment status and empowerment, the actual reason is their easy traceability, regularity in attending meetings, and their disciplined and submissive nature (Rahman 1999: 74). By failing to conceive correctly the social context within which women take up economic activities, rather than empowering where it implies control over ideology and an inner transformation of one's consciousness that enables one to change traditional ideology, the patriarchal values are reproduced through the practice of ShGs (Thampi 2004: 211), where women's empowerment is defined more or less as increasing their capacity to improve the well being of the families, assuming that the mutual synergies between better well being, community improvement and participation in groups would lead to the virtuous spirals (Devika and Thampi 2007: 36).

Some have attempted to put forward an agenda for women's empowerment combined with ShGs. It is argued that a framework that would combine programmes for gender awareness and feminist political mobilization with micro credit would challenge the larger level development agenda by explicitly encouraging women to challenge gender power at the macro local level (Devika and Thampi 2007). Mayoux (2001) opines that micro finance that builds on and develops women's networks through group activities has considerable potential to contribute to women's empowerment, provided, they are formulated keeping in mind the gender dynamics and their possible negative impacts on women (also Burra 2005).

‘Locus’ of the present study

The ongoing discussion on development discourses and their critiques evidently show that they unambiguously endorse the very conceptual modernity based development paradigm for poverty alleviation and empowerment of the marginalized sections of the society. While the mainstream voices the view that addressing exclusively the economic interests would achieve the said goals, the critiques are advocating for a contextualized or situated approach suggesting modifications of varying degrees within the existing approaches maintaining economic and socio cultural interests as separate, yet interdependent. In the process, the adherents of both the approaches ignores the fact that in a third world context the very ‘location’ of the emergence and the operational contexts of the knowledge production are increasingly under contestation (for instance Vandana Siva, Bina Agarwal, Saunders Kriemild).

It is not that studies had never been done that challenged and rejected the accepted conceptual framework within which practice of micro credit operate. Some even argued the practice of micro credit in the line of neo liberal framework would facilitate financial practices that perpetuate poverty instead of its alleviation (Chowdhury 2009; Rajan 2010, Swaminathan 2007). Muhammad (2009) argues, elaborating its commercialization drives, financial disciplining, insensitivity to the contexts, universalistic approach and standardization, it has taken the role of supplementary dominant development paradigm, a representative of neo-liberal ideology and something which produces and reproduces poverty for many and affluence for a few, that destroy nature and people’s lives to ensure and maximize cooperate profit (also Sriram 2010).

However, the focus of analysis of most of these studies concentrates on economic dimensions (the business strategies, money involved, the nature of share holders, profits that company makes and so on) of the practice of micro credit. And what makes the present one different and distinct in its focus of scrutinizing ShGs as a socio-cultural practice within the accepted/adopted framework for practice. When the development projects within the western development thought of economic growth and the resultant enchantment of humanity could not bring about the desired impact of

poverty free or a minimum of progressively increased reduction of poverty over the world, even after centuries of efforts, prompts one to critically scrutinize the very paradigm within which they operate, in terms of socio-cultural implications in the day today lives of people. The present study is an effort towards this endeavour to examine the development project of ShGs as a socio-cultural practice at the ground level, situated with a specific historical and socio-cultural context against the paradigm within which they operate, and the impact that it creates while attempting to achieve the desired goal of poverty alleviation and women's empowerment.

V. Specific Research Questions

Positioned within the socio-cultural agglomeration of the country, Delhi, especially its low income localities has its own specificities which are characterized by migrant population who made urban-ward movement from their native rural areas mainly as a part of survival strategy to make a living possible for themselves and their family. Any development intervention under the circumstances is expected to be more than meeting their survival needs, which has become a tricky affair for them due to their specific historical, economical, and the socio-cultural positioning in the larger social structure. they should be able to bring them out of the vicious circle of poverty and disempowerment in a sustainable manner both systemically and systematically through a social transformation that questions the very social structure which is the foundation of their present condition. When the theory is translated into practice, it becomes reflected in people's actions manifested in different arenas of life like – the socio-cultural, economic, and political and so on. In this setting, the aim of the study would be to critically understand the operational context and the ground level practice of development programme of micro credit based ShGs in the national capital region of Delhi against the theoretical framework within which they are proposed and practiced in achieving the desired results of poverty alleviation and empowerment. The study proposes to pose certain specific research questions for careful scrutiny.

- Is there any inherent contradiction in the theory and practice of ShGs in Delhi in view of the fact that ShGs are a modernist developmental approach rooted in traditional communitarian values?

- How the concepts of development and poverty are conceived in the discourses of the State? What are their implications in the formulation of the development projects for the poor?
- What are the manifestations of practice of micro credit in the socio-cultural milieu of the day today life of the poor? What are its implications in bringing forth structural transformations and thereby poverty alleviation?
- How the practice of ShGs does integrate the concept of empowerment in the development paradigm? Why is it essential to problematise the very conceptual framework within which empowerment is conceived by the development discourses?

VI. Research Method

I understand, following Harding (1987), the three congruent and interrelated constituent ingredients of any research process are i) epistemology (theory of knowledge) ii) methodology (a theory and analysis or approach of how research does or should proceed) and iii) the methods (approach as well as techniques of data collection and analysis). These three components of a research process are so interlinked that it is the epistemological assumptions or the stand that the researcher has adopted unveils the methodology that s/he adopts and which in turn decides on what is/are the method/s that followed in the research and vice versa. In a 'top-down' research approach the assumption is that the research methods that the researcher adopts and how she employs those methods are shaped by the epistemological stance taken (consciously or unconsciously) by the researcher, as, both the knower and the known are considered as amoral, ahistorical and context-free, albeit, the critiques argue that this is rather an assumption than actually what is practiced because in social science research it is human studying humans rather than inanimate objects; and such assumptions are asserted as reality through a process of selectivity both in the choice of studied 'object' as well as in their representation. Whereas in the 'bottom-up' process, while the argument is that the data collected would lead to the building up of theory which is 'grounded', the fact is that the very data collection process/method is guided by some epistemological/methodological stance taken by the researcher (again, either consciously or unconsciously) well within the disciplinary boundary, although, it

provides enough space for the improvisation/changes as per the context/situation, though a complete overhauling is rarely entertained. Thus, either in deductive or in inductive study, it is the epistemological assumptions what influence how we define our roles as researchers, nature of relationship between researcher and the researched, and what we consider as ethical research practices and so on (Harding 1987). However, in my personal research experience, it is the ethical position that I could ever adhere to during the process of interaction with the community women in the field⁴⁴ for the purpose of data collection that I have taken to the epistemology as well as the logic of research inquiry. And these definitely positioned in a different methodological terrain than the one which I assumed as began with. I am going to discuss here the research activity as '(an unconventional⁴⁵) bottom up' process of how it happened during the course of its progress through different phases of the entire activity. In the present section, the research process is explained as the actual practice of exploring the social reality as lived experience of all involved in the research i.e. both the researcher and the researched. Before I get down explicating the ethical dilemma that I faced in the field emanated from my own specific personal political positioning and making it the starting point of examining the epistemological and the methodological stance of my study, let me give a brief description of the geographical and the socio-cultural locale of the study.

Geographical locale of the study

The study area or the universe for the present research is the National Capital Region (NCR) of Delhi. The specific sites are the economically backward areas of the urban centres of Delhi i.e. slum or resettlement colonies⁴⁶, either within the city limits or those bordering the city as development programme of ShGs are promoted in such low income localities of Delhi. ShGs organized by four different NGOs that have their operational locality at different slum settlements/resettlement colonies were selected⁴⁷ for the study. Katha having it ShG operations in Govindpuri; Chetanalaya at

⁴⁴ Here the field represents instead of the anthropological "field", the geographical location where the community women, with whom interaction took place for the study purpose, live in.

⁴⁵ I already mentioned the conventional bottom up approach and how mine differs from that.

⁴⁶ Resettlement colonies are those areas where occupants of various illegal settlements inside the city were relocated during a major demolition drive in late 1970s during the period of emergency.

⁴⁷ The selection process was done after an interaction with resource persons on operation of ShGs in Delhi as well as personal visit to the sites to study the feasibility.

Mukundpur; MRYDO/GRC at Jaivihar, Najafgarh, and Bakkargarh; and Deepalaya at Uttam Nagar and Madanpur Kaddar are the four NGOs and their respective places selected for the study. Out of these settlements, Mukundpur and Jaivihar are urban villages, Bakkargarh is a rural village, and others are urban slums or resettlement colonies. Urban slums or resettlement colonies are thickly populated having one room accommodation, sometimes one additional room constructed upstairs, and those having very poor infrastructural facilities having no public toilet facilities, no drainage facilities and so on. Urban villages are relatively better off in terms of the economic status of the occupants as well as infrastructural facilities. The sites selected for the study fall in different parts of the city.

Socio-cultural locale of the study

The major chunk of the population live in these areas belongs to the north Indian states of U.P., Bihar, Rajasthan, Himachal, and Haryana who came to the city looking for jobs and the women in these localities are mainly those joined their husbands from their native villages after marriage. The women mostly are from low social category as well. Despite the fact that in the Indian sub continent there have been infinite variations on the status of women diverging according to cultural milieu, family structure, class, caste, property rights and morals (Thapar 1975), I am trying to grasp in general the culture and status of women of the north Indian region. In India in general and in northern region specifically, the society is patriarchal in nature where patriarchy is taken as a system of social structures and practices in which men dominate, oppress, and exploit women (Walby 1996: 21). The patriarchal nature regulates sexuality and reproduction and social production⁴⁸ prevailed in the society and was expressed through specific cultural metaphors. Overt rules prohibiting women from specific activities and denying certain rights exist in society historically. More subtle expression of patriarchy was through symbolism giving messages of inferiority of women through legends highlighting the self sacrificing, self-effacing pure image of women as a faithful wife and devout mother (Desai 1987). Woman is supposed to be very loyal and devoted to her husband and family, and remain dependent on her husband. The salvation and happiness of women revolve around their virtue and chastity as daughters, wives and

⁴⁸ Total conditions of production.

widows. There are rituals and practices for a woman, which reinforce her role as a devout wife and doting mother. The community women under study fall into the category of typical traditional Indian women in their approach and attitude, but at the same time have differential exposures to the modern urban world and its anonymity which they believe does give them at the place of their present stay some space to move from the traditional mores and customary practices as one of the respondent put it “*I move around here, go to the market and surrounding places, but once I go to the native village you wouldn't find me without purdha and never coming to the forefront of the house when men are there in the house*”. Most of the women I found in the community in the traditional dress of saree, covering their head and always with the bindi and sindoor on the forehead and wearing bangles.

My accessibility to the community women engaged in ShG activities was made possible only through the promoting NGOs. My initial attempt was to approach the community women directly as I thought the NGO intervention would influence the responses of the women and would restrict their open interaction. However, in my pilot study itself I could make out the impracticability of such an initiative because of many reasons, like: i) the community women of the urban slums whose awareness level about the bad elements in the society is relatively high are not open to a stranger without some introduction from a reasonably trustworthy source; ii) in the locality they see several people like me who go to the women interviewing or offering some schemes sometimes genuine and at times to misrepresent the fact and cheat them. (This too made them skeptical⁴⁹ about the presence of strangers), and iii) the ShG members specifically have a standing instruction from the field staff of their respective promoting agency not to talk about their ShG activities to any ‘strangers’⁵⁰ and hence it would be a total shunning when I ask anything about the ShG activities specifically.

⁴⁹ In my case, quite often, they mistook me as a personnel from the government came to propagate the information about some government schemes and when I cut short their curiosity by saying I am not, they go skeptical.

⁵⁰ Stranger here means anyone other than the NGO field staff, which would include any other staff from the same NGO too. Later on my enquiry to the field staff about this could help me to gather the reasons for this practice. One is that because of the high competition among the promoting agencies in showing a higher number of ShGs organized by them, each of the local organization would go around among the community women for showing at least in the paper the number of the groups they organized and in the process they even go to the extent that the groups organized by other organization too would be included as the groups organized by themselves, and for this they collect the required information from the

Thus, in order to get accessibility to the community women who are into ShG activities my first step was approaching the head of the organization for permission. With the initial interaction, once they are convinced with my purpose corroborated by the official proofs the sanction would be given without much hesitation. But in conducting the fieldwork the actual support I should have got from the field staff, but they practically proved to be the ones who show much of reluctance to cooperate. Many a times I found dealing with the field staff and their immediate official in-charge as a matter of everyday strategy formulation; getting ready to face the hurdles they create as and when it comes.

Turning point in the field: a reexamination of ethical engagement in the field

While conducting the fieldwork within a specific framework attempting to break down the hierarchical and potentially exploitative relationship between researcher and the researched by cultivating friendship, sharing and closeness that it was felt would lead to a richer picture of women's lives (Wolf 1996), I realized it is difficult to sideline the ethical dilemmas whether ontological or political, arise from intensive/extensive⁵¹ fieldwork as claimed and done in the classic ethnographic translations. Building relationships is, of course, a necessary part of gaining trust and access in ethnographic fieldwork encounters. However, in an attempt for 'passionate detachment' (Haraway 1988) or 'conscious partiality' (Mies 1983) and partially identifying with the informants, I often encountered with emotional consequences. In the process of finding out ways, handling of those ethical dilemmas definitely took me towards the collection of required information about the women under study more realistically, from the point of view of their own experiences. Let me explain an ethical encounter, which is distinct and different from the usual ones.

This has happened while I was undertaking fieldwork among the ShG members at Bakkargarh village in the outskirts of Delhi bordering with Haryana. Bakkargarh is

community women. Another reason for keeping away the strangers is to hide their own actual practices of organizing the groups which may be different from what they have to show it in writing to the organization.

⁵¹ May be my fieldwork can be categorized as extensive because I visited the field on daily basis instead of staying there. I visited each of the site every alternative days for about a month and a half continuously.

an agricultural village where economy is based on agricultural and livestock activities. The women of the village are very traditional in their appearance. It is Hindu dominated village with most of the women found covering their head with the aanchal/dupatta. In the village I received a warm welcome where my hostess offered me special misi roti topped with home made butter and a glass of Lassi. While having food and afterwards too, for about three hours, I had detailed interaction with her and some of other ShG members whom she called over to her place thinking that would be more convenient for me. After that she offered me to take to their fields and also the place where the buffalos are housed. When we came out of the house and standing in the street with another five six women from the neighbourhood, suddenly I saw a man approaching us, and all the women pulled down their anchal/dupatta to cover their face. I was not amazed as I was aware of this customary practice. But instantly, my hostess asked me to imitate what the other women were doing. Within moments of thought, I refused to imitate the act. Once the man crossed us, visibly annoyed women asked me why I didn't cover my face even after they asked me to do it. It was very clear from their behaviour that they are annoyed by my act of disobeying their request to follow their customary practice. I explained to them that since I belong to a different part of the country where we do not observe such customary practices, I didn't feel so comfortable in doing so.

I asked Shanti my respondent and the hostess and the one who asked me to cover the face: why you did ask me to cover the face?

Shanti: all married women are supposed to cover their face to all men elder to them in their sasural (in-law's) village.

I: Why not men cover their face to women?

Shanti: What are you asking? Only women have to do that.

I: Why so?

Shanti: Don't your elders tell you to do that? It is customary for women to cover the face everywhere. Why didn't you cover your face? Aren't you a Hindu? What kind of cultural background you are from?

I: I am a Hindu. But it is not done so at our place. Have you heard about a place called Kerala, I belong to there. There the same gesture is expressed in other ways. Practices are different in different cultures.

Radha one among the women asked me: this might not be part of your riti rivaz. But once you are among a host community what is wrong in just imitating their customary practice? Haven't you seen in television that the foreigners visiting our country wearing saree and putting bindi?

I explained to them further that as I too belong to a patriarchal society and a male dominated household where we practice similar practices, and hence I understand their feeling about my refusal to follow their customary practice, yet being one who is aware of male domination in the society and its ways of making the women overtly the followers of such a society, and as my personal understanding of resistance to such practices do not allow me to follow such practices was the reason why I was reluctant.

I: yes, I have seen that foreigners imitating our customary practices. But would they imitate a customary practice which is against their belief and riti rivaz? Similar is my case. Your customary practice is a sign of male domination in our society. There is similar practice in our society. There are instances I do not follow them there too. I am not showing any disrespect to your customary practices. Since I believe such practices are part of women's suppression in our society I want to show my displeasure doing such acts. May be I can simply follow what you say; but then how would you know what do I feel about that?

My action/decision of not to follow the cultural practice of the subjects under study even after their insistence for doing it brought in me the realization (even after I had a personal satisfaction of doing the right thing) that probably I could not respect the wishes of my informants who were willingly ready to cooperate with me and disclosed their intimate family matters exclusively for my gain. I refused to comply with the wishes of the woman who whole heartedly welcomed her home and who was unfulfilled in serving her guest with the best of the food possibly she could have at that point of time. Their unsuspecting warmth and hospitality was so good that in just one hour's time that I interacted with them my identity is transformed from that of a guest to one among them; the daughter in law⁵² of the village. While confirming to the fieldworker's ethnographic knowledge that becomes embedded in his/her own daily

⁵² Married daughters are considered as the guests in the village and they do not have to cover their face in their native village.

routines, for s/he acquires many of the habits and concerns of the local people and s/he 'internalizes' significant aspects of behaviour (Malinowski cf Pelto 1970: 91) and a personal ethical engagement towards the endeavour of partial identification (Mies 1983) with them, I was afraid, my just one action of refusal to imitate their cultural practice put the entire process in reverse order. The fact that by making a value judgment of the action/practice of my respondents and refusing to imitate the cultural practice of the community women, and thereby 'grounding'/situating the self as well just like any of the woman under study, I crossed the limits of the 'sacred' ethnographic distance⁵³ that is required to maintain for the development of 'objective' knowledge. This instance took me to the question of how is knowledge generated/positioned in a social science research as well as the route of my own research to proceed.

Perhaps, I can dismiss the dilemma that I was a resultant of my particular course of action, which caused hurt to my informants, either by consoling myself that this might not be my unique experience but many a field workers did face similar situations where the questions of one's role keep cropping up (Karlekar 2004: 378) or pushing such factors to the realm of individual conscience of the fieldworker (Beattie cf Pelto 1970) and thereby classifying my study as 'scientific objective'⁵⁴. But my perception that my ethical stand as a social product; a product of my socio-cultural and historical positioning and my realization that it wouldn't have been possible for me to take a stand other than the one I had taken⁵⁵ made me to think about the repercussions of my action which obviously deviated from the subjective methodology I supposed to follow at the beginning of my research. Moreover, with the very nature of science and scientific knowledge coming under increasing criticism (Wallerstein 2000) the whole series of questions raised by Kothari (2000: 116-126) makes one to rethink on the very 'objectivity' of the knowledge that one seeks to create.

⁵³ Crapanzano (1980) explains his experience of ethical dilemma in his research where he encountered non acceptable religious practices of one of his respondents, Tuhami. Tuhami was a fatalist, believed in submitting himself to Allah's will, and had visions of supernatural entities. Of all the Moroccans Crapanzano met during his fieldwork, Tuhami was one of interesting and likable character. As a consequence of the long interviews he carried out with Tuhami, Crapanzano often felt that he was not able to keep the ethnographic distance that is required to be observed between the ethnographer and his/her respondent for the development of *objective knowledge*.

⁵⁴ As per the western scientific standards.

⁵⁵ That was the point when I realized an artificial separation of my own personal self from my researcher self is impossible for any reason.

Experts find it is essential to discuss ethical issues in social science research for different reasons. For instance, Barnes (2004: 354) states “when a book or monograph appears reporting the results of an empirical inquiry in social science, the author often says little about how s/he collected the data and less still about the ethical problems that one had to face at the various stages of research. In those instances where such matters are discussed, the reader is in a better position to assess the report to interpret its retentions and omissions and to be alert to its likely biases⁵⁶”. I am discussing and reflecting on the ethical dilemma that I had in my research practice for a different reason; i.e. for exploring the research methodology that I adopted for this study. According to Heidegger, one always finds oneself encountering a world wherein one is aware of one’s existence in that world as self aware, that is, as having an orientation to and concern for one’s existence or “being-in-the world”. Thus, for him, an individual self is reflexive, a kind of being which is characterized by the capacity to question itself and relate itself to its own being. He describes non-reflexive self as a mere “idling”, the kind of herd like existence, or to be a nobody, to lack individuality and self determination, which for him is a degenerated form of existence. He argues that without the basic ability to self interpret, one cannot become anyone. A self interpretation is achieved when one forms an understanding of oneself that is historical, in which there is a chronological and conceptual continuity of one’s past, present and future (Heidegger 2005). In the light of this statements my attempt here is to reflect on my ethical dilemma; the causes for its occurrence and the reasons for my response.

When I reflect on my action I could see it was not just the result of my personal subjective ‘bias’ against one specific cultural practice, but one transcends much beyond. In the field, even before too, there had been instances of my personal subjective bias; the instances where I decided to forego my personal opinion just by pushing them into the realm of personal conscience. For instance, I obliged, when I was lovingly compelled by my respondents to have food, which I would have refused had it been any where else other than in the field of study. Looking from the same angle my response to the request of covering my face or put purda as my respondents term it, ‘under the same

⁵⁶ The word ‘bias’ probably is the most polite and sophisticated way of putting across the word ‘unscientific’.

circumstances', my response would have been the same had it been anywhere else also. Why I responded in a particular way or taken a particular stand or course of action could be due to my 'self awareness'⁵⁷ that I belong to the female gendered category and also my personal experiences of gender based discriminatory practices. The reasons such as my personal experiences of gender bias at various fronts of my life, my social background of belonging to a patriarchal family/society where gender biased practices are very rampant, my sensitivity to gender issues in the society at large, and my perception of purda⁵⁸ as symbolic of gender based discriminatory practice in a patriarchal society, and even more importantly that this happened in the context of my study which is around the theme of women's empowerment in the society, and my personal understanding of women's empowerment would have contributed in taking an ideological stand where I wanted to show my disgust against a particular gender discriminatory practice. Thus, my own gender and socio-cultural milieu of patriarchal background and my self realizing experiences of life as enslaved as a carrier of patriarchal ideology and my consequent yearning to break out of it; and the context of the study for which I am interacting with the community women, acted as a primary subtext within which I could understand the socio-cultural and historical milieu of the women and how they themselves articulate their milieu which are inscribed in them both physically and psychologically, through their own cultural practices and their body languages.

The very realization that my action as contextualized and socio-culturally and historically rooted did put me into the trouble of methodological dilemma as well. From the vantage point of my own understanding of my 'positioning', in fact, I was in a better position to understand the 'positioning' of the researched women and to interpret their action, which I realized, probably wouldn't be able to by taking a value position of complete restraint and/or even partial involvement. The very reflection of my one action in the field also made me to think about the other kinds of subjective bias that I had in the field such as about cleanliness and hygiene and so on (the matter of the fact is that

⁵⁷ Weber says it is essential for the investigator/researcher to have a self awareness that can lead to the self restraint and thereby taking value free judgments in the field. Here the contradiction is that my self awareness clearly formulated my ethical stand.

⁵⁸ The practice of covering of face is termed as purda by the community women.

they are unhygienic or unclean but their term of reference of hygienity and cleanliness is different from that of mine as both are positioned in their own socio-cultural and historical specificities). These, as I understand beyond the personal subjective bias, but are socio-culturally and historically contextualized. This was the point of revealing for me when I realized that in the field I cannot hold myself practically value neutral or 'apolitical' so far I imagined⁵⁹ I could follow and that a value rooted position would give me a better insight of the researched. My responsive action in the field is emanated from an understanding of an experience of the subjects of my study from their socio-cultural location with historical consciousness in relation to my own positioning in history, time and socio-cultural specificities. Thus, approach of the study as a whole is a hermeneutic investigation where the researcher not only absolves Archimedean point of objectivity but also for the reason that purpose of the research is neither to unearth subjective intentionality of social actors nor the meaning constructed inter subjectively but to understand the constant interaction between the inter-subjectivity and the socio-cultural historicity in their own making and remaking as the social reality. It is a process by which self/researcher becomes one among the other/researched; a total transcendence of the linear hierarchical duality of self and other taking it to a level of horizontal parity; making each reflexive of other.

Data collection method: a self-reflexive dialogical method

The present study is reflexive as well as dialectic or dialogic as knowledge is unearthed as embedded in an understanding of the reality where inter-subjectivity and historicity are in constant interaction with each other. An understanding generated from communication, dialogue and encounter between locally generated knowledge marked by its own openness and mutuality. In a self reflexive dialogic method the self of the researcher is engaged in a reciprocal contextualized enquiry of knowledge with both knower/own self as well as the known/the self of the subject of enquiry maintaining a very delicate balance, which in itself is mutually reinforcing/revealing. Here, both the subject (enquirer or knower) and object (enquired or known) have voices, views and

⁵⁹ I imagined so, and I imposed on myself that imagined approach artificially in order to avoid 'biases' in a scientific study. But my practical field experiences showed me it is not only possible to follow such imagined approaches, but, in fact, the knowledge generated under such imagined approaches are biased and for an actual realistic knowledge one needs to go the other way round.

dilemmas. The researcher is bonded through the ties of reciprocity to both one's own self as well as the selves of the people/object.

The techniques used for gathering information: i) Experiential reciprocal participation by engaging in dialogues with the community women, both individually and in groups, at places like their households, NGO office and the public places. Also engaging in dialogues with the NGO officials; ii) Observation: Here the observation of the subject of study is not, as done in a positivistic framework, a passive one looking for evidence. Instead observing for experiencing/participating what is communicated. If the physical and cultural environment are taken as texts then observation is done to understand what is communicated in the text in order to understand/experience the context. Observation is also done in order to understand the communication through the body languages of women.

Data interpretation and (re)presentation: beyond the binary opposites of fieldwork/text work

Ethnographers frequently draw on biographical narrative or life history approaches to gain further understating of the historical and cultural experiences that shape personal and interpersonal relationships in diverse communities. While maintaining the scientific objectivity, the classic ethnography seeks to translate field experience into text, rather taking them as evidence. In their representation of the field experience, the 'field' and fieldwork figure prominently within the text's framework making them positioned themselves at dichotomous ends; at a distance from each other, a process that makes the 'othering' of the subjects under study, making a distinction between 'here', the academy/home, and 'there', the native or community/field. Nonetheless, the ethnographical writing apart from being contextual, institutional and generic (Clifford and Marcuss 1984: 6) is also not only just political which means the authority to represent realities in unequally shared and at times contested but historical as well where the space is given to challenge the very politics of ethnographic writing as well as the positioning (colonial/classic ethnography and) of ethnographer as a sympathetic and authoritative observer. Thus the feminist ethnography opened up theoretical discussions around practice, politics and accountability inherent in the

production of classic anthropological ethnographic texts. In somewhat contrasting this position, the feminist ethnography instead of upholding the 'western male' gaze of exotic subjects, made an attempt to overcome the epistemic distancing of the knower and the known, making herself accountable for her own 'privileged' position of the knower, yet within the paradigmatic parameters of scientific objectivity which put herself in the paradox of working within as well as beyond normative dualism.

In a self-reflexive dialogic method, the one which is followed in the present study, the attempt is a total transcendence of the dichotomous dualities of I/self as already created in the territories of western patriarchal mind and thought (Gellner 1987) and they/other the one searched for in a research process. When I myself belong to the conceptual 'field' (third world) under study, my engagement with home as field or vice versa, and the dialogic approach adopted for the study leave with definite implications of representation of the data. Going beyond the binary opposition of home and field⁶⁰, and by considering one as the reflection of the other in the case of the present study, the data presentation too goes beyond the oppositions of fieldwork and textwork with each as a reflective of and in interaction with the other. Here, instead of taking the information given by the informants as evidence, they are not only contextualized within the socio-cultural historicity of the informants, but also reflected against the theoretical paradigms. Thus, rather than moving with "the practices of thinking and writing ... that convert what people experience directly in their everyday/night world into forms of knowledge in which people as subjects disappear and in which their perspectives on their own experience are transposed and subdued by the magisterial forms of objectifying discourse"⁶¹, nor representing the experience of subjects as "confessional modes of self representation"⁶², the attempt here in this study is to bring out a self reflexive researcher in interaction/dialogue with informants both of whom are contextualized in their 'tradition' within the larger context of the study. Instead of making a much boring and self indulgent self reflexivity (Chatterjee 2002: 246) about

⁶⁰ Instead of home and field as well as home as field, in both of which where home and field are held as binary opposites, in the present study it is considered home as field which means one is reflexive of the other.

⁶¹ (Smith Dorothy 1990: 4) criticizes the conventional fieldwork presentation like this.

⁶² Representation using the first person point of view and centering one's own experiences as a basis for knowledge claims.

the anthropological location of the ethnographer in an attempt to 'diminish' the distance between the knower and the known while both doing the field work in its representation as text work, the attempt here is to develop a creative self reflexivity⁶³ in order to overcome the very distance and distinction between the knower and the known taking them to the same terrain of power/powerlessness.

The information or the knowledge generated during the research is primarily examined to see how a colonial patriarchal community level organization like ShG operate in a politically post-colonial (yet, ideologically neo-colonial) urban context and how women themselves articulate the effects of these inscriptions on their bodies/behaviours, families and communities through their daily practices and talks both in terms of consent and resistance. The information shared by the informants is shared on the backdrop of their own socio-cultural historicity as well as the theoretical discourses of the developmental practices of the State and civil society organizations.

VII. Structure of the Thesis

The entire thesis is presented in six chapters. The present CHAPTER I INTRODUCTION: ON CONCEPTS, LOCATION AND METHODS intends to explain the basic concepts of the present study; problematize the theme of the study within the sociological discourses; position the study within the larger arena of intellectual thoughts on the topic, and finally explores the modes of knowledge production. This chapter is followed by CHAPTER II: SELF HELP GROUPS AND THEIR OPERATIONAL DYNAMICS where the operation of ShGs in the urban center of Delhi would be examined to expose the underlying contradictions/paradoxes in what is propagated and what is practiced. ShGs are often projected as homogenous as well as endogenous groups of women came together on the basis of credit and thrift, for their economic advantage working on peer pressure and collective conscience and function democratically. But the reality is found to contradict what is read and heard as ideal practice. The chapter opens wider discussions about conceptual foundations of those

⁶³ Here the reflexivity of the self is called for situating the self socio-culturally and historically just as in the case of 'other', a process of transformation of westernized self or pseudo self into the actual or real self that is contextualized in a world other than West.

contradictions in achieving the said goals of the mission – the poverty alleviation and empowerment of women.

The CHAPTER III: UNDERSTANDING POVERTY: STATE, MARKET, AND SOCIETY attempts to examine the State discourses of development and poverty in relation to people's actual experiences of the same. It examines the basis of contradictory/paradoxical experiences in both the conceptual discourses and the empirical practices of the State. The Chapter prepares a fore ground for examining people's experiences of poverty alleviation, the main goal of ShGs - the State development project, and also one which emerged as a saviour when the State consolidated its perspectives on the very question of people's development (and definitely its own also). The CHAPTER (IV) that followed: SHGs, POVERTY ALLEVIATION AND HIDDEN VOICES bring out more explicitly the paradoxes in the theory and practice of the development mission of the State – the ShGs making one to wonder whether the stated mission of it is poverty alleviation or poverty reinstating. The matter of the fact is that when poverty is conceptualized within a specific paradigm; its remediation too would fall within the framework rather than challenging it. And the implications of such initiatives would be far from realizable goals set to achieve. Yet another goal of ShGs is women's empowerment and that becomes the theme of CHAPTER V: SHGs AND WOMEN: NEED TO RETHINK EMPOWERMENT. When the very concept of empowerment is conceived in a disempowering manner, the chapter exposes, achieving very goal of women's empowerment is as good as its non-achievement if that contributes to the recreation of the same exploitative structure which is the bedrock of women's disempowerment. And thus it raises the point for the need to rethink on the very perception of empowerment; the need to understand the concept contextually. Here the discussion is taken to the last CHAPTER (VI): CONCLUSION: SOCIAL FUNCTIONS OF SHGs: TOWARDS A CRITICAL EVALUATION, where the engagement is not only limited to summarizing the entire thesis and highlighting the major findings but also an attempt is made to look forward listing the possible suggestions emanating from an intensive and in-depth study like this.

Chapter II

ShGs and their Operational Dynamics

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The emergence of the idea of Self help Groups (ShGs) as people's initiative in the official development discourses might have a recent history only. It got widespread recognition and large scale promotion apparently focusing exclusively on local communities when the global nations began explicitly adhering to specific macro economic policies and corresponding economic and social measures for the restructuring of economy. In the process, ShGs have often projected as an initiative of people friendly or humane development. This very projection of ShGs became reason for its celebration as a tool for 'alternative development', 'bottom up development' and so on which means alternative to the mainstream or the economic development paradigm. The mainstream or the economic development having its universal and individualistic approach which is also often insensitive to the structural fabric of the society critiqued as disadvantageous to certain sections of the population. ShGs on the other hand rooted in the specificities of the society claim not only contributing to the economic advancement of the population but also enhances social democracy of the community and empowerment of women by promoting non-patriarchal ideas and ways of functioning. The greatest advantage and the very foundation of such initiatives are said to be mutual trust and influence of the community members on each other which is borne out of the homogeneity of the people involved.

But fact of the matter being that in a place like Delhi where homogeneity hardly goes beyond the neighbourhood proximity, the working dynamics of ShGs among people of heterogeneous origin is a matter of investigation. While the very idea is emerged and promoted in the backdrop of the policies of economic liberalization and privatization, it is paradoxical to claim to have an 'alternative' discourse with its ground level practical reflection. The question arises what is the underlying politics of claiming an offshoot of neo liberalism as 'alternative'? The present chapter is an interrogation into some of these predilections and predicaments.

I. A Note on ShGs

To put it in the simplest way, in the contemporary period, not just within the country but across the globe, the Self help Group (ShG) is understood in the context of group based informal delivery of credits to the economically weaker sections in the society. The domain of the credit here is that they are 'micro' credit, which is distinct from the other regular credit. Not only that the credit amount is small and clientele is poor, but also credit is provided with group based collateral substitute instead of traditional collateral such as the physical collateral like any immovable property. The micro credit is quite often combined with non-financial services like capacity building, skill development training and so on for increasing the productivity of credit (Dasgupta 2005). In India, women's savings and credit groups are known as Self help Groups, though it is understood variedly by different agencies. Inadequacies in rural access to formal finance and the seemingly extortionate terms of informal finance for the people provide a strong need and ample space for innovative approaches to serve the financial needs of India's rural poor. Over the last decade, government, financial institutions, and NGOs made efforts, often in partnership, to develop new financial delivery approaches combining the safety and reliability of the formal finance with the convenience and flexibility that are typically associated with informal finance. These micro finance approaches typically involve providing thrift, credit and other financial services and products of very small amounts to the poor, with the aim to raise income levels and improve living standards (Basu and Srivastava 2005).

In civil society circle (Fernandez 2007) it might be understood as civil society institutions of poor and have the potential to implement interrelated and intertwined policies that claim to promote financial, social and economic inclusion of the poor; whereas for the State they are the instruments for mass poverty alleviation and empowerment of women as the targets are mostly women from poor households. For Harper (Malcolm 2005) ShGs are cooperatives⁶⁴ in all aspects, but name and legal

⁶⁴ For the definition of cooperatives he goes by the one given by the International Cooperative Alliance (ICA) as an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. The broad principles that govern cooperative practice are stated to be voluntary and open membership, democratic member control, member's economic participation, autonomy and independence, education, training and information, cooperation among cooperatives and concern for community.

status. They elect their leaders democratically from among themselves. Nonetheless, ShGs are universally comprehended and explained in terms of: the basic characteristics of the group formation; the operating principles; the primary objectives that they stand for; the advantages of the group formation both for the beneficiaries as well as the promoting agencies.

ShGs mainly are neighbourhood based groups that encourage members to make small and regular savings circulated as 'low'⁶⁵ interest loans and that tap into peer pressure and community control to generate high repayment rates (Kalpana 2005). The joint liability, peer monitoring and peer pressure that are built into the organizational structure are identified as the key features addressing the critical problems of screening (of potential defaulters), incentive (including borrowers to repay) and enforcement (compelling repayment) at reduced transactions costs to the lenders (ibid). The distribution of repayment responsibilities over smaller, more frequent installments, more easily manageable to the borrower, has constituted innovation in lending technologies that claimed to facilitate timely repayment. The convenience of the micro credit programmes to the poor has been further enhanced by streamlined disbursal mechanisms and simpler documentation requirements and the group generated joint liability dynamic by which members co-guarantee each other's loans, obviating the need to pledge physical collateral (Ledgerwood 1999). Moreover, ShGs are said to be autonomous organizations capitalized through members savings; and democratic as they give more scope for the members to participate in the decision making processes as they collectively decide on the savings, interest rates, the allocation of loans, distributing surpluses and other policies and systems.

Rather than spontaneous groupings of people, ShGs are organized by an intermediary or promoting agency mostly an NGO⁶⁶ and the task of social capital quite often needs to be built into the Group, which sometimes referred to as social

⁶⁵ It is contagious to put it as low as many critique it as (much) higher than what banks charge. However, they are lower than what informal money lenders charge one of the main sources of rural credit.

⁶⁶ There are also other agencies that act as promoting agencies. This aspect would be elaborated more on a later section.

intermediation⁶⁷ (Fisher and Sriram 2002: 104). The aim of the State in promoting ShGs is for reaching financial resources with the aim to raise income levels and improve living standards to the millions of unbanked, who mainly depend on the informal yet exploitative systems for their financial contingencies. Although began as informal, promoted by the NGOs, ShGs are increasingly mainstreamed by the agencies like the State and the banks. In terms of delivery of loans, the functioning of ShGs is considered as paradigm shift (Deshmukh 2002) in disbursement of micro loans. For instance, the micro finance initiative involves several features⁶⁸ such as simple procedures for approving loan applications; delivery of credit and related services at commercial rates of interest in a convenient and user friendly way; quick disbursement of small and short term loans; clear recovery procedures and strategies; maintenance of high repayment rates; incentives for access to larger loans immediately following successful repayment of previous loan; organizational culture, structure, capacity and operating systems that can support and sustain delivery to a significant and growing number of poor clients and encouraging and accepting savings in concert with lending programmes (Ibid). In this way ShGs are idealized as a system of financial delivery that is less exploitative and more accessible for the economically weaker sections where both the advantages of formal institutional lending which are less exploitative yet less accessible to the poor; and as well as the informal lending by money lenders which are more exploitative and more accessible, are combined.

II. Goals and Objectives of ShGs

The purpose of promoting ShGs for different agencies involved may be different. For the poor ShGs may be a platform for collectively addressing their common problems. For NGOs it might be a means to combine the social and economic agenda and use it as a core forum for development; banks view it as a cost effective means of reaching the poor, saving interaction costs and efficiently recovering loans

⁶⁷ For individuals whose social and economic disadvantages place them beyond the frontier of formal finance ... successful financial intermediation is often accompanied by social intermediation. Perhaps more than any other economic transaction, financial intermediation depends on social capital, because it depends on trust between the borrower and the lender. Where neither traditional systems nor modern institutions provide a basis for trust, financial intermediation systems are difficult to establish. Social intermediation can thus be understood as the process of building the human and social capital required for sustainable financial intermediation with the poor (Ledgerwood 1999: 76-77).

⁶⁸ These are depicted in relation to operational and structural limitations/constraints of formal institutionally based credit disbursements to the economically weaker sections.

and the government began perceiving it as an excellent means to route social programmes. Many lent their support as a potential means for women's empowerment (Sharma 2004). Despite the arguments about the flaws of the micro credit programmes such as the extreme poor will not benefit from access to financial services unless they are designed with their (the poor's) needs and constraints in mind (Hulme and Mosley 1996, Robinson 2001); many times individual and programme related reasons lead to the exit⁶⁹ of members from the programmes (Todd 2001), ShGs are claimed to have many a universal objectives and potentials. Micro credit supposedly meet many objectives of good financial services that require "products that suit the capacity of the poor to save and their needs for lump sums so that they can save (or repay) in small sums, of varied values, as frequently as possible; access the lump sums (through withdrawals or through loans) when they need them: in the short term for consumption and emergency needs, in the medium term for investment opportunities and some recurrent life cycle needs, and in the longer term for other life cycle and insurance needs like marriage, health care, education and old age" (Rutherford 2000). Ledgerwood (1998) points out four broad categories of services that micro finance may provide. They are: i. financial intermediation: is the provision of financial products and services such as savings, credit, insurance, credit cards and payment systems. Financial intermediation should not require ongoing subsidies. ii. Social intermediation: is the process of building the human and social capital required by sustainable financial intermediation for the poor. Social intermediation may require subsidies for longer financial intermediation, but eventually subsidies should be eliminated. iii. Enterprise development services: are non-financial services that assist micro entrepreneurs, they include business training, marketing and technology services, skills development and sub sector analysis. And iv. Social services: are non-financial services that focus on improving well being of micro entrepreneurs. They include health, nutrition, education, and literacy training.

⁶⁹ The reasons for exit of the members from the groups included the amount of time spent at weekly meetings, the requirement of having to guarantee each other's loans, expulsion for falling behind on repayment, failure of their businesses, and in some cases the displeasure that people from all castes are permitted to join the group.

In micro finance while the debate exists between financial sustainability that aims at more outreach to the poor, and poverty paradigm, which might turn out to be financially unsustainable, good micro finance practice combines both outreach and sustainability. Such practice is perhaps most clearly embodied in the micro finance bank, which marries the best of the formal financial sector in terms of sustainability with the outreach to poor clients of the development NGO (Fisher and Sriram 2002: 20). In other words, micro credit appears to deliver the holy trinity of “outreach, impact and sustainability”. While stressing micro-financial services on their own are clearly not going to solve poverty, but can only serve as a complementary tool within a broader strategy to reduce poverty, they insist on expanding micro credit provisions rather than limiting to techno-managerial programmes to include micro financial services, that include savings, consumption loans and insurance, so as to go beyond poverty alleviation to meet more developmental purposes such as livelihood promotion, developing the local economy, empowerment, building democratic people’s organizations and changing wider systems and institutions within society.

Many believe (Narendranath 2001) “ShG women to gain increased access to and control over the economic resources of their families...the ShG has bigger role besides financial intermediation...a powerful process that enables growth and progress in a community. ... the ShGs is also a forum for solidarity⁷⁰ and empowerment of women, providing them the space and voice to negotiate and participate as equals both within the family and in society in general. Therefore ShGs plays three roles simultaneously. It provides mutual help and internal financial mediation. It facilitates external financial mediation and it empowers women to make demands on the external world”. Women are encouraged to meet on a routine basis with others who share their experience of marginalization and to gain access to knowledge about the world beyond the confines of their immediate experience. Such strategies could, in principle, serve to empower them both individually and collectively (Kabeer 2005). Increasing evidence of the centrality of gender equality to poverty reduction and women’s higher credit repayment rates led to a general consensus on the desirability of targeting women. This in turn lead to micro

⁷⁰ The solidarity principle in ShGs means that groups are in fact a small collective organization which guards against individual economic and societal risks and for promoting economic ventures individually and jointly (Kropp and Suran 2002).

financing gain the recognition that they are potentially very significant contributors to gender equality and women's empowerment, as well as pro-poor development and civil society strengthening.

III. Evolution of ShGs: A Historical Trajectory

As said earlier ShGs mostly functioning outside the formal⁷¹ channels of credit delivery as a mechanism for credit disbursement witnessed massive expansion in the recent decades across the globe. India is one of the largest global markets for this endeavour. The poverty eradication through the instrumentality of ShGs added with their potential for addressing other developmental concerns of the concerned community made them around the globe cause for celebrations with the remarks such as panacea, and silver/magic bullet for poverty alleviation, subaltern way of providing finance to the less privileged (Khandelwal 2007), as instruments of social design⁷² (Kropp and Suran 2002) and social reengineering (Hashemi and Morshed 1997), reaching at the bottom of development pyramid (Nair 2005), an institution of social banking and mass banking, development banking (Lalitha 1997) and so on. The sudden glorification that the concept received in the past 2-3 decades gives enough reason to dig out the historicity of the concept. It makes me to wonder whether this is a new concept or a reincarnation of an old concept which has a socio-cultural history to talk about, if that is so what is the reason and the context that it has come to the limelight in the recent times. There are people (Vijayakumar 2009) who believe that ShGs need to be seen as the natural evolution of the development strategies of participation that was built up on the practices of chit funds among the rural poor within affinity group. Yet, one needs to gauge whether the concept has a pre-modern origin with its basic understanding as an affinity group.

The socio-cultural history: evidences from anthropological/sociological studies

They are quite a number of anthropological studies (Firth 1959) that show exchange of credit or consumption lending (though non monetary and in most

⁷¹ The most prevalent ShG model in India – the ShG bank linkage model, is peculiar in the sense that they are outside the formal institutional channels yet they are directly linked to them through the intermediary agency or NGO.

⁷² Where the claim is that people participate by making themselves socially and economically accountable to each other.

rudimentary form) was rampant in the kinship based primitive/traditional societies. Despite the flourishing of productive credits as time advanced, both in the institutional and otherwise with the emergence of idea of economic growth, the community based exchange of consumption credits in its various forms thrived uninterrupted. Generally, these arrangements were done on the basis of mutual trust at times even under religious cover in feudal societies of West (Ibid: 15).

Far from being only a technical answer to the inadequacies of formal financial markets, informal finance is in fact strongly embedded in the socio-cultural, economic and political contexts in which it is used. While people, perhaps more conspicuously in countries in the South (the underdeveloped world), are embedded in a web of community and family duties from which they cannot extricate themselves (Sen 1985), a fulfillment of these duties serves to secure one's basic survival rights, as well as meeting the requirements of a community life. Explicit or otherwise many a times these are viewed as obligations such as expectations to support the relatives and fulfill their requests, participating and giving away gifts/financial support during the life cycle ceremonies, and so on and acts which are more often reciprocal as well as relative to one's social and financial status. In such myriad of community obligations and rules of reciprocity, some have (Guerin 2006) traced also as having a direct impact on business management making it at one and the same time symbolic of socio-cultural ties among people and also having the value of money. By re-injecting the cash income into the community as an investment, which can be withdrawn at a time of pressing need, also helps to maintain a community network. Invoking family and community ties at times of contingencies like marriage, death and so on to pool in financial resources is common in traditional societies as well (Aiyappan 1965). Thus, practice of informal finances interlinked with the socio-cultural community ties is nothing new for the modern world. However, the attached value is what is at stake in the modern societies compared to the traditional ones. In the traditional societies the informal finances were more instrumental in holding the community ties whereas in its modern incarnation, perhaps, it is the vice versa.

The institutional history

Institutionally as well extending credits to the poor has a noticeable history in the country⁷³. The institutional history of ShG as a mechanism of credit disbursal to the rural poor may be traced to the formal credit disbursal efforts of the State, especially in the modern period. Government policies of many developing countries are built around the premise that by increasing the flow of agricultural credit, rural regeneration is possible and thereby addressing the issues of underdevelopment and poverty. Providing loans to agricultural activities has an early history as this was a somewhat concern of the centralized authorities. In India too the situation was not different starting from pre independence days. The rise of cooperative movement has its roots in those government initiatives. The cooperative movement was started first in Western Europe, later it spread to North America and Asia in the mid 19th century. They were private self-help organizations. These organizations put together people and their means for the fulfillment of social ends, otherwise unattainable individually. Cooperation refers to an institutional framework to organize self help among those who participate in it. In general, such an organization consists of people of small means. The global experience in promotion of rural cooperatives in developing countries has been mixed. The most generally recognized successes on a national scale are those of Egypt, Taiwan and South Korea. In all these countries cooperatives came up as a result of strong and sustained government promotion efforts, conditioned by land reforms. Credit unions or savings and credit cooperatives are base level financial institutions that provide savings and credit services to their individual members. As cooperatives they are organized and operated according to basic cooperative principles. Membership eligibility in a credit union has traditionally been restricted to groups of people who have some natural affiliation to and a common bond with each other. Restricting membership to persons of a group known to one another reduces credit risks and provided peer pressure to meet loan payment obligations. The band may be based on the membership in the same company or members of a church etc. Credit unions in the developing countries tend to serve low income and lower middle income segments of the population. Savings and relatively short term installment credit are the two principal financial services offered by credit unions which followed minimalist approach.

⁷³ Fisher and Sriram give a detailed chronological development in this area.

During the colonial period in India, the dependence on usurious money lenders and the operation of deeply exploitative grid of interlocked, imperfect markets afflicted rural poor. The poor found it difficult to come out of the vicious cycle of debts (Shah 2007) who were forced to give away their lone livelihood options to money lenders. The taccavi loans for providing agricultural credit at low interest rates started as early as late 18th century. The colonial administration enacted the Deccan Agricultural Debtor's Relief Act in 1879 to rein the situation of debt and tenancy. They had also taken steps to put in place mortgage banks so as to get loans for poor at a lower interest rate. Though it was not so successful in making a utility impact, Land Improvement Loans Act was passed in the country in 1883. Although towards the end of 19th century itself there are records of operationalisation of earliest cooperative society, only in early 20th century (Cooperative Credit Societies Act, 1904) a legislative framework was put in place for the purpose. Stressing thrift and mutual help, this Act encouraged small cooperative societies to meet the short term credit needs of the farmers (Karmakar 1998: 46). Various committees too were constituted from time to time⁷⁴ to study the problems of agricultural credit. The Royal commission on agriculture (1928) and the Central Banking Enquiry Committee had emphasized that cooperatives would have to be the mainstay of rural credit. Although the presence of cooperative sector in extending credit to the poor was noticeable, the presence of formal institutional agencies like the commercial banks was negligible. Yet, the lion share of rural credit was from informal sources⁷⁵; a whopping 70% as shown by the All India Rural Credit Survey conducted by the post independent Indian State.

In the post independence India the Rural Banking Enquiry Committee in 1949, All India Rural Credit Survey (Gorwala) 1954, and the Committee on Cooperative Rural Credit (Mehta) in all looked into the cooperative infrastructure and recommended improvements into the existing system for better delivery and so on. Since then various committees and reports have recommended various steps to improve the cooperative movement in the country as well as involving commercial banks in providing rural

⁷⁴ Earliest being Committee on Cooperatives (Maclagan) (1915)

⁷⁵ The structural hurdles of socio-economic divisions in the society was attributed as one of the main reasons for the failure of cooperativism (Royal Commission on Agriculture Report 1929).

credit⁷⁶. Nevertheless, the way forward was seen to lie in cooperative credit societies, which gave further impetus to cooperative movement and thus resulted in a rise to cross 20% of the rural credits. But the share of informal credit continued to be a major share. This was further reestablished by All India Debt and Investment Survey held in 1971. During the same period the share of the formal banking system in rural credit continued to be negligible. In order to boost the banking system to reach the rural poor RBI initiated many steps like directives to nationalized banks to open branches in less served regions and so on. In 1972, the definition of priority sector too was formalized, which included agriculture and allied activities and small-scale and cottage industries. The RBI also directed the banks to reserve certain percentage⁷⁷ of lending to the priority sector. In 1975, the concept of Regional Rural Banks (RRB) was put forward to overcome the failures of cooperatives. During 1980-81, the government set up the IRDP to route subsidized loans to poor self employed people through the banking sector. In the following year the government established the scheme on Development of Women and Children in Rural Areas (DWCRA) as a sub theme of IRDP to enable poor women to take up income generating activity by giving revolving fund to groups of 15-20 women. Another major impetus to rural credit was provided by the establishment of the National Bank for Agriculture and Rural Development (NABARD) through an Act of Parliament in 1982. NABARD was set up as an apex development bank with the mandate for facilitating credit flow for agriculture, rural industries and all other economic activities in rural areas.

At the level of NGOs, ShGs began to be practiced much before the official/State's interest in facilitating ShG as a group activity for meeting the credit needs of the poor. The organizations like MYRADA (Mysore Resettlement and Development Agency) as well as PRADAN (Professional Assistance for Development Action) began their community level activities in Karnataka and Andhra Pradesh respectively. The formal sector took the initiative to develop a supplementary credit delivery mechanism by encouraging institutional arrangements outside the financial system, like ShGs, with non-governmental organizations acting as facilitators or

⁷⁶ For more details refer Karmakar G 1998.

⁷⁷ In 1975 the target was 33%, in 1979 it was 40%, in 1980 there were sub targets of 16% to agriculture and 10% to the weaker sections. Shah, Mihir⁷⁷ 2007.

intermediaries. The beginning was made with NABARD's pilot project in Karnataka of linking ShGs with formal banks mediating through NGOs. The project known as ShG bank linkage project was expected to be advantageous to the banking sector from both angles of fulfillment of social goals as reaching out to the poor and achieving operational efficiency by externalizing part of their transaction costs mainly by transferring some banking responsibilities such as bank appraisal, follow up, recovery etc. to the poor themselves. This arrangement had also the benefit of overcoming the problems of collateral, excessive documentation, and physical access. In the initial period in 1992-93 just 255 ShGs were linked to banks. The ShGs bank linkage⁷⁸ programme got consolidated on the expanding ShG movement by the NGO sector in the country.

Extending credit socio-culturally or institutionally was very much a practice within the country and outside from historical times and such were survival mechanisms for the poorer sections of the society. However, micro credit based ShGs practiced as (in)formal institutional mechanisms in the contemporary society, for meeting the financial needs of the poor emerged in an institutional vacuum⁷⁹ created by the structural adjustment programme and financial liberalization and privatization policies in the world over. Their emergence was on the backdrop of the failure of the formal institutional framework in providing credits to the rural poor due to their 'supply'⁸⁰ lead systems and their inability of reaching the credit to the poor due to the various structural, operational and cultural hurdles⁸¹ leading to high level of defaults in loan repayment⁸².

⁷⁸ According to NABARD, ShG – banking programme is one that helps promote financial transactions between the formal rural banking system in India comprising of public and private sector commercial banks, regional rural banks and cooperative banks with the informal self help groups as clients. The principle behind this is the belief that providing the poor, access to saving and credit services may stimulate their self help capacity and can be one essential entry road to overcome poverty that may address some of their crucial social concerns (Kropp and Suran 2002).

⁷⁹ This would be discussed in detail later.

⁸⁰ In supply lead initiatives the preferences and convenience of the disbursing agency is the main considering factor where as in demand lead initiatives the loan disbursement is based on the preferences of loanees.

⁸¹ Structural hurdles are that the banks having supply lead strategies make their own rule and regulations for loan disbursement which often do not match with the financial requirements and repay convenience of the loanees. Operational hurdle include the huge gap between the number of loans a bank branch can offer and the actual need for loans in a particular locality. Cultural hurdle involve people's differences in perception about availing the traditional forms of loan and loan from a bank or government. The cultural

The present day institutional reincarnation – the Grameen bank

In the modern period, the institutionally supported group based micro credit disbursal received wide spread national and international attention with the innovative initiatives of the Grameen Bank, a non-governmental organization in Bangladesh⁸³. The Grameen Bank was evolved from an experiment project launched in 1976 by Prof. Muhammad Yunus, to target credit to the poor, organized into joint liability groups, without demanding physical collateral. In 1976, Yunus experimented his ideas of micro credit in the Jobra village along with some other villages. When the project became successful with the government support, it was expanded to other districts in the country. For its initiatives, in the early years, the Grameen bank received the support of the Central Bank of Bangladesh and subsequently the Grameen project was established as a bank to work exclusively with the poor with its own charter in 1983. As of December 2006 the bank had 2,319 branches providing support to 74462 villages, covering more than 89% of the total villages in Bangladesh. It has 6.91 million borrowers, 97% of whom are women. The system is the basis for micro credit and ShG system. Grameen showed a shift not in its approach, but the products since 2001 from 'classic' Grameen to 'Grameen II', from that of a narrow range of standardized products to one such as flexi loans with flexible and easier repayment terms and more savings options like pension savings and so on. This was primarily done in response to the clientele demands and the stagnation in the financial dealings caused from the frustration among the takers of the facility. Bangladesh Rural Advancement Committee (BRAC)⁸⁴ following the line of Grameen bank started the micro credit programmes in mid 1980s and provided assistance with marketing and technical skills, in addition to credit access.

values attributed to the two situations are different and hence the situations arose by making default in repayment too need differential treatment which the bank officials are not sensitive about. All these three types become enough reason for the poor to distance themselves from banking institutions and as a result all such facilities meant for poor are availed by relatively better off sections in the society.

⁸² Fernandez 1995, Satish 2005, Swaminathan 2007.

⁸³ Although, Grameen Bank is what made the micro credit disbursals increasingly popular in more 'formal' sectors of State and other national and international institutions, the idea was in practice much before at local levels in some of the developing countries. For more details refer Khandelwal 2007.

⁸⁴ BRAC was established in 1972 as a charitable organization to help resettle the 1971 war victims and expanded its operations from relief to integrated community development.

The international attention to the idea

The initiatives of Grameen Bank and BARC received further impetus as the international donor agencies like World Bank, USAID, IFAD, UNDP made ShGs as an important component of their developmental interventions. The multilateral and bilateral donor agencies as well as the global nations were keen in promoting micro finance programmes as a means of inserting poverty alleviation and empowerment objective of market-led growth (Mayoux 2001). A multi-donor consortium, the Consultative Group to Assist the Poorest (CGAP)⁸⁵ was constituted in 1995 to provide financial and technical support to micro credit programmes worldwide. In the same year, the World Bank opened its doors for micro credit initiatives by pledging approximately US\$200 million to micro finance programmes for the poorest groups in low income countries, particularly women (World Bank 1996). In 1994, in the Jakarta Declaration for Advancement of Women in Asia and Pacific, one of the actions to be taken for the vulnerable groups was to lift the credit constraint on self employed women by promoting women's ShGs, credit networks based on group lending and other similar innovative ventures to ensure that women without access to bankable collateral have adequate access to fixed and working capital (UN 1994: 4). As a mark of wider recognition of micro credit as a panacea for tackling the problems of poverty and underdevelopment (Micro Credit Summit 1997), a consensus was reached at the Micro Credit Summit held in 1997 to extend credit assistance to 100 million of the world's poorest families by the year 2005. That was the first step of a decade long campaign to reach the world's poorest families especially women. During this period, across the world micro finance/credit was coming out of the closets of international aid agencies. In the Summit the World Bank, USAID, Inter-American Development Bank, the UNDP and Citibank among others announced their special fund for micro credit. In 1998, a tripartite meeting on micro finance took place in Lyon, France, a forum in which the significance of 'finance industry' hidden in the micro credit sector got highlighted.

⁸⁵ Consultative group to assist the poorest is a major international collaborative initiative arising from the 1993 international conference on actions to reduce global hunger and was formally constituted in 1995. The nine founding members are Canada, France, Netherlands, US, African development bank, Asian Development Bank, International Fund for Agricultural Development, UNDP, WB, and later followed by the entry of many more nations and agencies.

In 2004, the G8 confirmed the importance of microfinance as a development tool against poverty, putting at the forefront, the strategies described in the action plan of June 2004⁸⁶. Clearly, micro finance services were considered as a key development tool, particularly for women who are the target of most micro finance programmes. UN named the year 2005 as the international year of micro finance⁸⁷. The second Micro Credit summit was held in 2006, which continued to receive support from the global corporate groups. The attention for micro finance and its role in reducing poverty was further increased when in the year 2006 Md Yunus and the Grameen bank together bagged the Nobel peace prize. This was an international recognition to both the individual and the institution and therefore the idea that they jointly represented – that access to micro credit is one of the means by which large population break out of poverty, which in turn is seen as an important pre requisite to establish long lasting peace.

The national scenario- the role of the State

The Asian and Pacific Regional Agricultural Credit Association (APRACA) presented a platform for policy dialogues to target new banking concepts in the early 1980s. Their basic concern was that traditional banking cannot any longer ignore the creative human potential of the poor in Asia. They should not remain wasted as they are potential motor for grassroot level development (Kropp and Suran). This thesis became the entry point of ShG banking; providing them access to saving and credit services may stimulate their self help capacity and can be one essential entry road to overcome poverty and address some of their crucial social concerns. The APRACA with special programme support by German technical assistance played the role of a lead agency in promoting ShG-banking in Asia and the Pacific. APRACA is an association of central banks, rural development banks and rural commercial banks established in 1977 with support of FAO and a mandate to promote innovations in rural finance. It was in the

⁸⁶ (http://www.g8usa.gov/d_060904a.htm)

⁸⁷ Five key objectives for the year were designed to unite member states, UN agencies and micro finance partners in their shared interest to build sustainable and inclusive financial sectors and achieve the millennium development goals. The objectives were: assess and promote the contribution of micro finance and micro credit to MDGs; increase public awareness and understanding of micro finance and micro credit as vital parts of the development equation; promote inclusive financial sectors; support sustainable access to financial services; and encourage innovation and new partnerships by promoting and supporting strategic partnerships to build and expand the outreach and success of micro credit and micro finance.

fifth general assembly of APRACA in Bangkok in 1984 and subsequently in Kathmandu in 1986 that solutions on how to improve the access of large majority of rural poor and micro entrepreneurs to cost effective financial intermediation system were discussed. Special attention was given to the existence and quality of the informal financial Self help Groups providing a very cost effective and valuable service to rural people by mobilizing their savings and operating a functioning credit portfolio with their members. In 1986, an agreement was signed in order to undertake national level studies on existing ShGs of the rural poor and initiate project activities on 'promotion of linkages between banking institutions and ShGs in rural savings mobilization and credit delivery to rural poor'. It was recommended, each member country would form a task force to conduct a survey of ShGs and to formulate suitable national level ShG banking programmes in cases of identified potential. In response to that in India too the task force was set up lead by NABARD and presented the preliminary report in 1987 and subsequently started national level pilot project linking banks and ShGs in 1992. It was argued that self-sustainability alone cannot improve the process of delivery of micro finance and other attendant measures are required to ensure creation of dynamic and new paradigm of micro finance. It is, accordingly, proposed to deal with the extent of micro finance markets in India, look at the status and capability of formal and non-formal modes of micro finance delivery and sketch a possible framework for mainstreaming new micro finance into the existing institutions on the dimensions of design features, structures and governance in the light of financial sector reforms.

At this juncture, the Narasimham committee set up by the RBI in 1991, in its report that has been drafted within the broader process of liberalization of the Indian economy, wanted to move towards a vibrant and competitive financial system to sustain the ongoing reform in the structural aspects of the real economy. It took a clear view against using the credit system for redistributive objectives and argued that directed credit programmes should be phased out. It wanted the branch licensing policy to be revoked and interest rates to be deregulated. Future branch expansion was to depend on need, business potential and financial viability of the location (Shah 2007). Encouraged by the positive outcome of the pilot project, the RBI advised banks in 1996 to

mainstream the ShG bank linkage programme. The programme acquired national priority from 1999 onwards with successive union budget pronouncements.

There had been many significant State initiatives at the institutional and policy level in the country since 1990s to promote ShG/micro credit activities. The mainstreaming of micro finance is evident by on-lending and funding mechanisms put in place by a number of State organizations like Rashtriya Mahila Kosh (RMK), SIDBI with its SIDBI foundation for micro credit, HUDCO, HDFC, FWWB. Since the year 2000, the mainstreaming was evident by the participation of the private banks like ICICI, HDFC etc. in the ShG bank linkage and other micro finance programmes. RMK was set up by the national government to refinance activities of NGOs and the establishment of SIDBI foundation for micro credit. On the policy front, the RBI has come out with directives on various aspects of micro finance provision. Significant among them are the ones that classify lending to ShGs as a part of priority sector targets and exempt non-profit companies engaged in micro finance business from registering as non-banking financial companies. As a result, commercial banks (mainly in public sector), regional rural banks and cooperative banks have emerged as important channels of micro finance provision. There had been fiscal initiatives too. Assistance under central development schemes like SGSY and Swa Shakti are routed through ShG⁸⁸ (Sriram 2005). The role of NABARD in the growth of micro finance model has been multidimensional in various ways such as i) policy formulation, ii) financial innovations iii) technological interventions, and iv) institutional strengthening. NABARD was instrumental in promoting a conducive environment for promoting the ShG bank linkage by formulating guidelines for the mainstreaming of the programme (Karmakar 2009).

The Second Narasimham Committee (1998) and the Raghuram G Rajan high power committee in 2008 recommended in the same voice the scaling up of micro finance initiatives in the country. They opined due to various reasons their credit needs

⁸⁸ Some of the strategic policy initiatives in the area of micro finance taken by the government and the regulatory bodies are Working group on credit to the poor through ShGs, NGOs, and NABARD in 1995, the National micro finance task force in 1999, Working group on financial flows to the informal sector, 2002, Micro finance development and equity funds, NABBARD in 2005, Working group on financing NBFC by banks.

of the poor can be effectively met through such micro credit initiatives linked to banks as the formal banking networks is still unreachable to the poor. National budget in the year 2001 constituted a special micro finance fund with Rs. 400 million contributed each from RBI and NABARD. RBI through its all inclusive banking initiative to reach the areas where banking facilities are not available encouraged to have business correspondents to the commercial banks, which they in turn transferred to MFIs.

ShG – the operational models

Micro finance organizations serve to address the dual phenomenon of institutional exclusion, on the one hand, and adverse incorporation on the other. However, they vary considerably in their philosophy, their vision and their strategies (Kabeer 2005). At the market end of the spectrum are those who perceive the problem to be one of failure in financial markets because of asymmetrical information and who therefore seek to provide market-like alternatives to excluded groups. These are closer to the financial systems approach and exemplified in the South Asian context by ASA or SHARE in India. At the other end of the spectrum are organizations which perceive the problem of financial exclusion to be symptomatic of deep rooted structural inequalities which not only curtail access to formal financial provision but also the capacity to participate in other aspects of social life. Their vision and organizational strategies seek to address these inequalities. They are closer to the poverty lenders approach (e.g. CYSD). Accordingly, they vary in whether they are concerned primarily with economic goals or whether they have a broader social mission as well. They vary between those like SHARE, which offer a minimalist credit-centered programme, and those, which link financial services with other forms of provision. Some, like PRADAN, offer primarily livelihood based services while others like BRAC may also offer social and legal services. Most MFOs in the south Asian context, regardless of where they are on this continuum, deal primarily with women and take a group based approach to service provision. However, they vary in their approach to group formation. Some have adopted the Grameen bank model to the group, e.g., SHARE, others promote Self-help Groups (PRADAN, CYSD) and still others work with a cooperative structure (SEWA, CDF). Though, theoretically one attempts to categorize the micro finance initiatives according to the philosophy and mission and vision of the institutions

involved in their promotion, quite often, a clear cut distinction is difficult, as they tempt to overlap, giving away different impression and thereby options for a different interpretation. For instance, Christen and Derake (2000) identify two approaches to micro finance: the commercial model (Latin American model) and the South Asian or Grameen bank model. The main distinction between the two is that in the former such groupings are allied with formal financial system where the thrust is on enterprise creation and growth with a focus more on men and in the south Asian model, the thrust is on social and community development along with financial sustainability with the focus on poor marginalized women.

Satish (2005), classifies the global operationalisation of micro finance into five.

- i) Grameen and solidarity approach: Groups of three to eight are extended credit on the condition of social collateral. Lending and repayment is directly to and from the individuals but with the guarantee of the other group members. e.g. Grameen bank in Bangladesh, Banco Sol in Bolivia;
- ii) Group approach: The entire financial processes are delegated to the group. Savings, loans, and loan repayments are taken care of at the group level. These groups are in turn linked to financial or micro finance institutions for sourcing of additional funds as well as depositing their savings. e.g. ShGs bank linkage programme in India, the PHBK project in Indonesia and the Chikola groups of KREP in Kenya;
- iii) Individual credit: credit given directly to the individuals also forms a part of the micro finance technology. Many institutions have adopted the individual credit route for micro finance where loan appraisal, loan disbursements and loan repayments as well as saving collections are all done in an individual basis. e.g. BRI-Unit Desa in Indonesia as well as priority sector in India;
- iv) Community banking: this model is to an extent an expansion of the group approach where the basic financial necessities of the especially the women are met through the community banking system. The community or the village banks are organized with 30-50 members. These banks in turn borrow from the programme implementing institution and on-lend to the members. e.g. Village bank of FINCA in Latin America, which had been replicated in Africa and central Asia;
- v) Credit unions and cooperatives: these are member owned organizations providing credit and other financial services to their members. The apex bodies provide technical and

financial support to the federating units. SANASA of Sri Lanka is a successful example of rural credit cooperative as micro finance service provider.

In India, the industry has grown under two different patronages. The ShG bank linkage programme anchored by NABBARD has the patronage of State and other formal banking institutions. Also there is a system promoted by the non-State agencies depending exclusively on subsidized external grants. In both, the target predominantly are poor and women (Sinha 2005). One of the most successful programmes supported by the State is the bank linkage programme. By far, the largest component of micro finance in India, in terms of scale, geographical coverage and outreach is the ShG bank linkage model. Other models such as Grameen type, and independent micro finance institutions are relatively minuscule in comparison. The ShG bank linkage model⁸⁹ is somewhat unique to India, particularly given its preponderance in the country's micro finance landscape. As per the NABARD (2010) records including 53.10 lakhs women ShGs, there are a total of 69.55 lakh ShGs having invested Rs. 6,198,77 crore are operational in the country. They have availed loans to the tune of Rs 14,453.30 crore. About 9.7 crore households are benefited. During the five year period of 2005-9 there is an increase of 83% growth in micro credit. The programme is operational in 20 states in India and is actively channeling credit to the poorer sections of the society for mainly non-farm activities. Thus, roping in the banking network in the country, India has developed an indigenous method of 'financial service delivery' might not be for the reason as some⁹⁰ (Sayantan 2008, Vijayakumar 2009) perceive, but for the reason that ShG bank linkage is unique of the country where informal and formal sectors combine together.

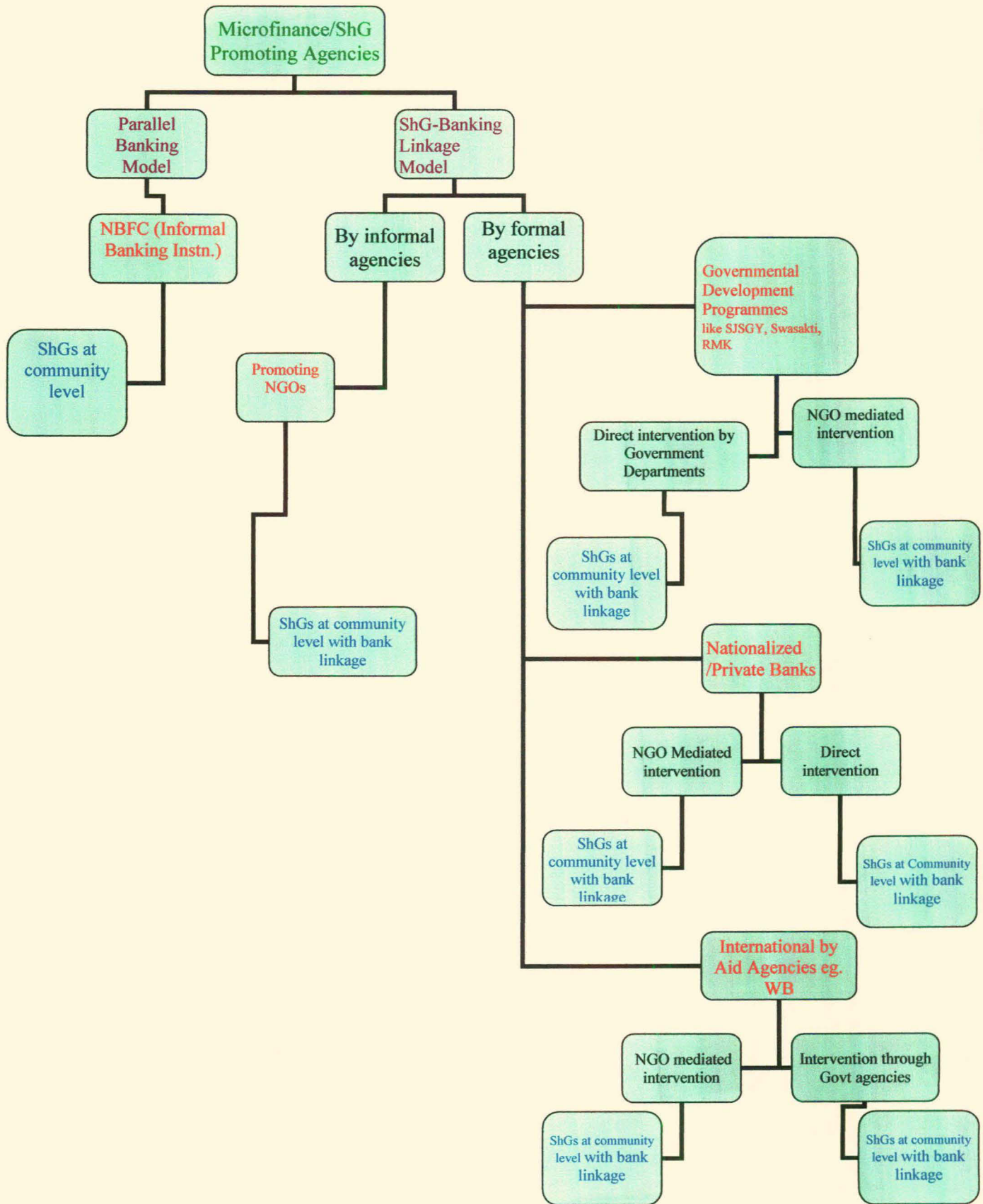
There is a diversity of approaches to micro finance in India, involving banks, government agencies, and NGOs. In most of these approaches, groups are used as intermediaries for financial transactions, though there are different ways of working

⁸⁹ The ShG bank linkage today involves having the group to save, and then linking it to a bank. Banks typically provide the group a loan amounting three to four times the group's savings but, as the group matures, and based on the group's track record, banks are ready to lend more. Borrowed and saved funds are rotated through lending within the group using flexible repayment schedules (usually monthly repayment); ShGs thus save, borrow and repay (Basu and Srivastava 2005).

⁹⁰ For some authors (Bera Sayantan 2008, Vijayakumar 2009) it is an indigenous method as they are built on traditional social ties in the society like affinity groups, caste and ethnicity.

with the groups. On the basis of these differences, the models of micro finance delivery may be broadly classified as the Self-help Group model (ShGs) where the groups are believed to function more democratically, and the Grameen replication (Grameen model) where the groups function under the strict supervision of the promoting agency. In both these models, the group is expected to assume joint liability for loans taken by its clients, but there are significant differences in service delivery. A small number of micro finance institutions also follow the individual banking approach. The ShGs as relatively autonomous, clients organize their own meetings, take decisions on financial transactions, and circulate their savings as internal loans and group leaders/office bearers guided by the MFI staff play a significant role. In the Grameen MFIs staff plays a main role in the weekly meetings and transactions, focusing on a regular annual cycle of credits. Another, but essential difference between these ShG bank linkage programmes and micro finance institutions (MFI) model is that in the ShG model, the loan is a single loan to the group as a whole, whereas the MFI tracks loans in the name of individual borrows. The MFIs uses group mechanism mainly to make the recovery of loans easier and hence they are not groups in the real sense of the term. In the ShG model it is group that decides whom to give the loan, for which purpose, on what terms and at what schedule of recovery. It not only provides credit to the members but also develops the member's skills to manage finance (Fernandez 2007). Although ShG bank linkage model is the most practiced model, the operation of the micro finance/credit in the country is diagrammatically represented below. All these models are practiced in Delhi as well.

Diagram on Indian ShG Model



IV. The Reasons for the Emergence of ShGs in the Contemporary Period

The overt reasons for encouragement – the dominant discourses

The restricted reach of the formal institutional finance to the poor is drawn as the main reason for the evolving of micro credit through various delivery systems. In early 1990s the share of the formal financial sector in total rural credit was 56.6 % compared to the informal finance at 39.6 % and unspecified sources at 3.8% (Satish 2005: 1731). In official statements the move to hand over banking functions (through micro credit) in rural areas to NGOs is motivated by the weakness in the banking system itself, most notably ‘the twin problems of non-viability and poor recovery performance’ of existing rural credit institutions (Rangarajan 1996: 68). The failures of financial institutions to deal with income-poor borrowers in an imaginative and sustainable way and the inaccessibility of these institutions to the poor are stated to be major disadvantages of the existing system. Thus, micro credit became the favoured alternative to the present system because first, it is assumed that the transaction costs⁹¹ of banks and other financial institutions can be lowered significantly if these costs are passed on to NGOs or ShGs, and second, because NGOs are expected to perform better than formal sector credit institutions in respect of recovery of loans (Swaminathan 2007). A number of studies have shown the positive economic impact of ShGs on indicators such as average value of assets per household, employment and borrowing for income generation activities (Puhazhendi and Satyasai 2000, Puhazhendi and Badatya 2002, Harper et al 1998) and so on. It has been shown that ShGs help inculcating banking habit in rural women (Verman 2005). The running of ShG is also a great lesson in governance. They also believed to teach the values of discipline, both procedural and financial. Well-run ShGs are also subject to external audits that enforce prudence. It broadens the horizons and expands the capabilities of its members who have to interact with the outside world, including banks, government departments and NGOs. Since most ShGs are women’s groups, the potential for women’s empowerment is huge. There is overwhelming evidence that women run ShGs are the best managed with women showing much greater sense of responsibility as also a commitment to

⁹¹ Including the costs of information collection, screening of borrowers and projects by means of project evaluation, monitoring and supervision, coordination and finally, the enforcement contracts and collection of dues.

human development objectives such as health and education of their families (Pitt and Khandker 1998).

The hidden agenda

There are also some other reasons besides these apparent economic, social and developmental advantages for large scale promotion of ShGs in the present day society. The focus of credit has been part of the neo-liberal framework that sees the provisioning of the input of credit and the related promotion of micro finance as an effective means to address the problem of development. This in turn needs to be located within the large credit based model of development within the dependency theory or the central-periphery framework. The large-scale promotion of ShG models of micro credit can be attributed to their organizational functioning in consonance with the general national policy environment of the market led economic policies as clearly put by Mohammed Yunus of Bangladesh Grameen Bank as “micro credit is viewed as a way of promoting market led growth or privatizing economy”⁹². In Indian context it is particularly found advantageous to the Indian banking sector as it becomes a way of ‘outsourcing’ banking services to NGOs and thereby forcing the poor to bear (Hossain 1993) the hidden charges⁹³ (like the transaction costs)⁹⁴. Thus within the policy environment of the internationally directed liberalization move across the national economies, micro credit based ShGs found more encouraging space as a double edged weapon. In the changed atmosphere the national and international agencies alike found the idea of micro credit advantageous for both the reasons that as the poor are found enterprising with the ‘discovery’ that poor are not only bankable but banking with the poor as profitable as well (Mayoux 1998). It was also because the idea of ShGs went well in consonance

⁹² Youns Mohammed addressing World Summit on Micro credit, 1997. Available at www.microcreditsummit.org/declaration. This is reinstated by the then World Bank president in his summit talk. He said “micro credit programmes have brought the vibrancy of the market economy to the poorest villages and peoples of the world”.

⁹³ Chavan and Ramkumar shows the final interest rate charged from the community women includes the margin charged by each particular link in the credit chain. For eg. NABARD provides refinance to commercial banks at 7.5%, banks on lend to NGOs at 10-15%, NGOs lend to ShG at 12-24%, and the groups lend to the individual members at 24-36%. (Chavan and Ramkumar 2002). Also Ramachandran and Swaminathan (ed) 2002.

⁹⁴ This is clearly evident from the statement of the then RBI governor in 1996 that “the main advantage to the banks of their links with the ShGs and NGOs is the externalism of a part of the work items of the credit cycle viz. assessment of the credit needs, appraisal, disbursal, supervision and repayment, reduction in formal paper work involved and the consequent reduction in the transaction costs”. Interestingly this transaction costs are transferred to the ShG members. For example Swaminathan 2007.

with the changed approach of the State towards the management of poverty from that of welfare to one of facilitation. When capitalism experienced increased financialisation with the heightened pace of globalization in the contemporary period, and its inherent contradiction in the polarity of majority poor and minority rich, safety net programmes like micro credit were viewed as the best way out by including in the market oriented activities the majority world population, which was so far excluded and thereby created deep tensions within the system itself. This also happens to be a way out for the capital to get a vast virgin market, which remained so far untapped⁹⁵ by linking this huge population with the market led activities. Thus poor became new pastures of market economy at their own cause.

While the NGOs began toying with the idea of micro credit in the 1970s, the initial tendency was to work with a clear commitment to address social issues like inequality, health care, mobilizing the poor to stand against exploitation, deprivation and dominant power structure. There was a shift in these discourses towards more of commercialization of NGO micro credit programmes after the 1990s. These programmes not only had the blessings of the global capitalist centers (Kalpana 2005) but it was also an inner necessity of the finance capital (Muhammad 2009); moreover there was a shift to the imperatives of cost-recovery and financial sustainability which drove the financial systems approach that clearly resonate with neo-liberal orientation to market principles (Kabeer 2005). This perhaps is the underlying reason for micro credit to assume a hegemonic position in international development thinking as a tool for poverty reduction. Besides, financial systems approach makes fewer demands on donor funds or government subsidies. However, integrated with the poverty lending approach, it is by no means self-evident that micro finance is more effective in achieving poverty reduction or women's empowerment as is in the case of financial systems approach although that is the purposes for which micro credit claim to stand for (ibid). The deep

⁹⁵ In 1998, on the eve of the tripartite meeting on micro finance in Lyon, France, UNCTAD announced: the micro credit phenomenon has revealed the existence of a huge potential market, profitable yet largely untapped. An estimated 500 million micro entrepreneurs and their families are largely excluded from the financial systems. These 500 million micro enterprises represent a potential credit market of \$100 billion and even larger market for savings and insurance (cf Chowdhury Farooque (ed) 2007).

interest of the global capitalist interests on the issues is quite evident from their response to the very recent Bangladesh crisis⁹⁶.

It is to be noted that the growing intensity of concerns about poverty in the wake of the implementation of neo-liberal economic reforms in several regions of Latin America, Africa, and Asia and the consequent re-articulation of 'New Poverty Agenda' for the 1990s by important institutional actors such as World Bank and UNDP constitute the context within which the phenomenal growth of the micro credit programmes has been taking place. Researchers have argued that the strategic embedding of micro credit in the global economy of poverty reduction serves as a political safety net by containing resistance to neo-liberal economic policies (Weber 2001). Moreover, there is a significant phenomena of a significant presence of micro credit and micro enterprise projects in relief packages, especially the emergency social funds designed by the World Bank to contain popular agitations in third world countries undergoing structural reform. For instance, micro finance was promoted in Africa as the grass root dimension of the human face of structural adjustment policies, which had created widespread unemployment and pushed up the costs of basic amenities (Myoux 2002). Critics of the new poverty agenda of the 1990s have argued that it entails soft pedaling the role of the State and is marked by the conspicuous absence of the agenda of redistribution of economic resources and asset ownership (Gershman and Irwin 2000). Micro credit programmes do not entail structural redistribution of non-renewable resources as land reform programmes would. The micro credit programmes provide instrumental and strategic leverage to the powerful global development actors who need to manage economic restructuring related political and social tensions in developing economies (Kalpana 2005).

In clear resonance to the global trend, Indian State also is withdrawing from its commitment towards financing the investment needs of weaker section borrowers and

⁹⁶ In March 2011 the Nobel laureate and the founding head of the Grameen Bank of Bangladesh Prof. Yunus Muhammad was ordered by the apex court of the country to be removed from the post, though apparently not due to technical reasons but for the corruption allegation levelled against him. And the main opponents of the move rather than an upsurge from the grassroots beneficiaries of the programme was from countries like USA and other capitalist nations trying to negotiate with the Bangladesh State for a amicable solution for reinstating him.

the financial and banking sector reforms undertaken as a component of macro economic reforms have in effect eroded the agenda of banking with the rural poor (Ramachandran and Swaminathan 2003). The proliferation of ShGs is an attempt of the State to fill this vacuum with massive expansion of micro credit services. It is evident from the major policy changes in the sphere of rural banking since the initiation of liberalization in 1991. Specifically, the policy of social and development banking which sought to extend banking to the unbanked rural areas for unreached activities, and disadvantaged groups has been jettisoned in favour of commercially-oriented banking. The declining share of rural bank branches, a fall in the rural to the total bank credit, an adverse movement in the rural credit deposit ratio, a decline in lending to small borrowers and informal sectors, the worsening of inter-regional disparities and falling share of credit to agriculture and small scale industries within the priority sector have been identified as the key indices that reflect increasingly skewed distribution of bank credit (EPWRF 2005 cf Kalpana K 2005: 5407). The financial sector reforms began in 1990s undoubtedly increased bank profitability, whereas their impact on availability of affordable rural credit to the poor and India's backward regions has become extremely adverse⁹⁷ (Shah 2007). Moreover, the ShG bank linkage programme flourished on the background of the policy environment for financial sector reforms within the country (Satish 2005) and through the mechanism of NGO control over disbursement and determination of the terms and conditions attached to each loan, micro credit has become a means for privatization (Swaminathan 2007). In the face of widespread agrarian crisis the State declared its policy measures to increase flow of rural credit the intention of which was to fill the gap left by the formal credit sector in the country side, by establishing micro credit projects in the rural India (ibid).

By claiming to bring them into the market system where the poor and marginalized are included disadvantageously by their lack of assets, poor protection through regulation and low bargaining power have operated to make their material condition worse (Ghosh and Chandrashekar 2003). In the present scenario, group based

⁹⁷ And it is clearly evident from the reduction in RRBs from 35,000 in 1993 to 30000 in 2006; correspondingly the period also shows a drastic decline in the loan accounts and formal institutional credits to the poor sections of the society. At the same time, the profitability of the public sector banks (and also private banks) showed an increase and an improvement in their performance (for more details see Shah, Mihir et al 2007 EPW)

credit system, leaving all the responsibility on the poor for mending themselves, emerged as a most 'popular' solution, which, though, claims to be emancipating goes well within the fold of the dominant system. Not but the least, quite often it is the larger macro economic issues like poor infrastructure and development issues that contribute towards the poor people's persistent need for finance and their reliance of informal financial practices (Guerin 2006: 564); the ShGs are emerged, banking upon such informal financial practices. Instead of meeting the development needs of the poor, it becomes a solution to compensate the public expenditure decrease with the onslaught of structural adjustment programmes. Thus, NGO model becomes an obvious choice for poverty alleviation or reduction, because it makes it convenient to avoid dealing with the structural causes of poverty (Muhammad 2009) apparently exposing NGOs no more acting as non State organization instead became an integral part of major policy making processes and also resource and service delivery system of the peripheral State, as required by global capitalist nations and aid agencies.

V. ShGs under Study: The Operational Dynamics

ShGs promoted by four NGOs – Chetanalaya, Deepalaya, GRC/MRYDO and Katha, operating at different parts of the NCR are taken for the study. All the four organizations follow different variants of ShG bank linkage model. The purpose of selecting four NGOs was to get an overview of the operation of ShGs in the area making the assumption that the strategies used by different agencies would be different based on varying contingencies. And my assumption proved to be true during the fieldwork, as in the words of one of the officer in charge of the ShG operations at Mukundpur about handling of a single ShG: *“twenty members of a group belong to twenty different households and hence twenty different cultural contexts and each of them need to be dealt with distinctly and differently placing them in their own contexts”*. When the case is so with a single group one can imagine the myriad of ways of dealing with multiple groups at multiple localities by multiple agencies. And my attempt here is not to draw a uniform 'best practices' sort but to highlight the contradictions in what is said and what is done and the underlying politics of such a practice.

One common factor cutting across the differences is the acceptance of the definition of ShGs given by NGOs. Whether it is for Himanshu of Chetanalaya, or Sri Om of MRYDO or Duttaram of Deepalaya, ShGs stand for the voluntary union of 20 women on the basis of credit and thrift for engaging in economic activities. Only a further interrogation would reveal this is a definition that they are taught to say and less practiced. In practice the concept of group and its name are absolute and the actual members come and go mostly 'voluntarily', i.e. women come voluntarily with the permission of their husbands or family if they find possible to make any economic advantage⁹⁸ and they leave the group voluntarily with the consent of their family if the group prove to be non-beneficial economically at that juncture. All the organizations maintain (in paper) the same rules for the group functioning; the rule drawn by NABARD. But whether those rules are meant to be practiced is a question needs to be answered from one's own experience. One of the field staff, Savitri was saying: *"In the training programmes the trainers brief us about the rules and best practices. But they are the people whose experience is limited to the lecture halls and we are the ones to do the job at the ground level. We are dealing with humans and we only know how difficult to deal with each one of them. If we strictly go by the rules and regulations that they demonstrate we wouldn't even be able to organize a single group in the community"*. She continued: *"With our personal experience we develop our own strategy in dealing with the community women and for the satisfaction of authorities we would show things go as per rules"*. Thus the rules many a times limited to the paper and the group functioning is manufactured many a times to fit into the rules⁹⁹.

What I am trying to say here is that each organization draws their own strategy suitable for the locality, and population that they are dealing with and also depending on the convenience of the field staff and the officials of the organization. And at this juncture it would be more practical and sensible to deal with the organizations separately instead of giving a universal coverage to understand the operational dynamics of each of them.

⁹⁸ The aspects such as whose advantage and what and so on would be discussed in the subsequent chapters.

⁹⁹ But at the same time there are times when rules are evoked and used as a weapon for disciplining the group. This aspect would be discussed later.

Chetanalaya

Chetanalaya is a charitable society formally registered in 1994, though functioning since late 1960s. They got into the community activism with the rehabilitation of the slum dwellers in Delhi. They concentrate in the welfare and development activities in low income areas of NCR, and some of north Indian states. The mission of the organization is to empower the underprivileged, marginalized and vulnerable sections of the society towards self reliance and human dignity. ShG and micro finance initiatives are one among many areas of their developmental activism¹⁰⁰. The main aim of promoting ShG is to reach the poor who are excluded from the mainstream financial institutions and hence helplessly depended on the exploitative informal resources. According to Chetanalaya, the foundation of ShGs are homogeneity, proximity and frequent interaction of the community women. The outcome of micro finance initiatives, they claim as: formation and growth of ShG movement, emergence of people driven and people centered development strategy, its development as a viable alternative to address socio-economic issues, and creation of favourable conditions for socio-economic dynamism. They also claimed to reach the poor with development interventions on ShG platform like construction of low cost housing for slum dwellers, construction of toilets under rural sanitation programme, and green shopper movement of manufacturing of jute bags by ShG members.

Chetanalaya follows the ShG bank linkage model, which is akin to the Grameen bank where the ShGs operate under the strict supervision as well as the financial disciplining of the NGO officials. The main credit linkage of Chetanalaya ShG initiatives are RMK, NMDFC, PNB, SBI, Indian bank, Union Bank, United Bank, and South Indian Bank. And NABARD is the funding¹⁰¹ source. The set target of Chetanalaya for their ShG initiatives are : develop ShG federations and making them self sustainable; developing the capacity of about 300 ShGs enabling them to possess control on ShG processes and resources; provide entrepreneurship training and

¹⁰⁰ Chetanalaya is involved with the development activities on issues such as child labours, human trafficking, gender mainstreaming, rag pickers, HIV/AIDs awareness, rehabilitation of disabled as well as other displaced population, vocational training, community health, youth development, non-formal education and so on.

¹⁰¹ Funds are mainly provided for training the field staff and for the initial investment required for the beginning of ShG initiatives in an area.

consultancy to all ShG members as to engage more than 50% of women in income generation activities ensuring sustainable livelihood for 2500 families; computerization of accounts, and creation of software that can be easily operated by the members. Yet at the same time they recognize the crucial challenges of: dependency where more than 95% of the ShG members are dependent on the field staff for its day today activities; lack of leadership where most women do not like to take leadership due to complex management and accounting responsibilities for reasons such as lack of skills, lack of time and absence of easy processes; benefit not reaching all as only 20% only are able to utilize loans for income generation for the reasons of lack of entrepreneurial skills, lack of group enterprise; and finally lack of entrepreneurial avenues and vocational skills. Chetanalaya although claims to operate ShGs beyond financial sustainability model to incorporate social development activities as well, they do not have explicitly formulated any action plan in this regard.

Chetanalaya is said to be a pioneer in organizing the poor and the marginalized in the resettlement colonies of Delhi. They have organized over one thousand ShGs in and around the NCR. Not only it is one organization under study which mobilized largest number of women ShGs, it is one among the leading ShG mobilizing organizing NGOs in entire NCR. They operate mostly in urban villages and resettlement colonies, although to a limited extent in the urban slums as well. The low income urban villages are situated in the outskirts of Delhi. These are illegal colonies mostly having pucca houses occupied by relatively higher income groups among the poor. Mukundpur is one such urban village. The initiatives of the NGO could get Punjab national Bank opened in the locality and they happen to be the main bank linked to the ShGs. The bank releases one time loan to the group to be divided among the group. An EMI would be fixed by the bank and the group is supposed to repay the required amount every month in the bank. A group starts functioning with a fixed amount of saving in every month. Intra group and inter group loaning is done for making available the required loans to the members. As far as the bank is concerned the fixed EMI for each group in each month shall reach the bank. And once the entire amount is repaid again lump sum loan would be sanctioned for the group the amount of which would be three times of the total savings of the group accounted in the register.

The practice of Chetanalaya ShGs:

The group characteristics and operational dynamics: During the period under study there are about 235 groups operate at Mukundpur under Chetanalaya. Each of the group has a membership of anything between 13 – 20. Almost all the members are married women who are either housewives or those work on piecemeal¹⁰² from home. Although the NGO claims (annual report, 2009) that the role of NGO is that of a facilitator or guide only, beginning with the selection of members for each group the group operation is the exclusive responsibility of the organization. Generally, the women of the same street are kept in one group as per the requirement of the organization (NGO literature). And the NGO follow this rule at the initial stages of a group formation. Deepa says: *“when we started the ShG activities in this locality it was very difficult to convince the women. We had to offer many freebies to attract them. We never charged anything from them for the stationeries such as pass book, account book and so on. At that stage we approached women from the same street to become the members of the group mainly to reduce the risks involved and also to gain the confidence of the women that their money is not going anywhere but rotated there only. Now the organization has established in this financial activity. We do not need to follow the same pattern. We prefer the members to be from the same street so that meeting can be convened as per their convenience. But it is not essential that all belong to the same street. Some times women only ask to be a member of a distant group for their own reasons like the member may not go well with her neighbours or one of her relative may be in the other group and so on”*.

Thus, although the neighbourhood proximity is opted for the convenience of the organization, many a times even when the members are from the neighbourhood the members hardly know each and every member might not know the where about of the co-members in the group and that is the least that they want to know about. As one of

¹⁰² This is something like contract work of products from whichever factory is there in the nearby. The middlemen comes and delivers work and take away finished products on weekly basis. The payment would be made on fortnightly or monthly basis for the amount of work that each have done. The works done in different localities are different. At Govindpuri it is embroidery work, at Mukundpur there were both bangle work and also that of electronic items. These works require very precise and often hard work which sometimes even gives the women physical health problems such as back pain, eye ache and so on. And the pay is very meager. One of the women said: *it is our dire necessity for money that we take up work like this. This is not only exploitative but also would give us severe health problem in the later life.*

the member remarks, *“it is the responsibility of the organization to know whereabouts of the group members. They are the one who select members for the group. How do we (the other group members) know the repayment capacity of the other members? Being so it is the organization’s risk of knowing them, giving them the loan and getting back the money”*.

I asked, *“don’t you have any responsibility of getting back the money? Don’t you need to ensure the timely payment of the co-members of the group? Don’t you have to stand for the guarantee of the loan taken by other members?”* Seema continues, *“We know how we run our own households. How can I guarantee the money taken by others? Whether they pay it or not all depends on the contingencies that they have in their households. We do not generally interfere with the payment issues of the other members. That would lead to unnecessary frictions between the people living in the same locality. Women would divide into two groups and start argument. In a place like this, we cannot live without the cooperation of the women of the locality. And money matter is such a thing that can lead to fights in no time. We say this in advance to Didi (ShG mobilizer) that we can’t interfere with the payment of the other members. When they asked me to become the president of the group, I obliged on the agreement that I would have to do the mandatory signatures and so on and the rest is the responsibility of the organization. It is not that we do not ask them about repayment; when one member asks for the loan then too we do not take any side as that would land into complication. It is the prerogative of Didi to give or not to give. Sometimes she personally asks me about the conduct of some members and then I would tell her about my personal experience. That’s all”*.

Sunita says *“I am a member of their group when they started their activities in the beginning. That time people were very reluctant to join and they offered many freebies. These days they do not do that because women are after them asking them to take into the groups. Initially they (the mobilizers) too were skeptical and would ask us to take the guarantee of other members. I refused at the outright. We cannot run our families just with our meager income. We depend a lot on the community network for the day today running of the household. And it was that community network that they were asking to risk in the name of the group. And I refused. Deepa Didi then assured*

that they would take the responsibility. That is one reason why they visit and meet the women of the group at their place of living. No one would run away from home overnight, No? So if they do any misdeeds Didi can come and catch them at their households. That is also one of the reasons why they do not make tenants as members of the group”.

I: Aren't there any tenants in the groups.

Sunita: Very rare. That is the unwritten rule. They sometimes take tenants as members of the group only when the house owners guarantee.

Joint liability is a word to be cherished rather than practiced even for the organizers. As in the words of Himanshu, the head of the ShG wing of Chetanalaya in Mukundpur: “the needs of the different members are different and the reasons why they are making the timely payment too would be different. According to him, the groups would dissolve in no time if we ask the rest of the group to make the payment of a defaulting member. Groups cannot function in that way. How do a poor can pay back the money of another poor? It is not the joint liability that the group functions; we have evolved our own strategies. But at the same time the concept of group and the group meetings put some covert pressure on the women to make the timely repayment. Because they consider it is a shame as per our cultural practices of not paying the money. When the women are told again and again that the group functions with the cooperation of all the members and each member is responsible to the group and if anything happens it is the misbehavior of one or other member, they tend to believe that taking it for granted. And this works to a large extend”.

It is often depicted as the peer pressure or a hidden pressure from the group members and the organization is what takes the group forward. While the group members hold more sympathy for each other and blames their own helplessness and at times about the misconduct of family members for their pathetic financial situation, the question arises where does the peer pressure come from. Moreover, many a times the members of the groups do not even know each other well. Whereas peer pressure is mostly put in place by the organization through discourses invoking the cultural practices, the peer pressure is an attribute when the group is formed voluntarily and function democratically both of which are contrary to the ground reality. The groups are

hardly voluntarily formed as Sunita says: *I wouldn't recommend any woman from the locality to join the group. In either way it would put me into unnecessary trouble. If I get the woman to join the group and if Didi does not sanction her loan she would make a complaint to me saying that it is because of me she joined the group and she is not given a loan. And on the other hand if she takes a loan and does not make the repayment then Didi would ask me to compel. In either way I can't take the responsibility. Also I have seen if a member is recommended by another and if one of them takes a loan and the other wouldn't be sanctioned the loan on the pretext that her friend has taken and she would get after it is fully repaid. Everyone is joining the group for one's own benefit of getting loans and if that is denied what is the whole point of joining the group*".

The organization always maintains an upper hand in the formation of a group, on deciding on who are to be the members of the group, and the monthly saving amount (and at a later stage who are to get the loan and what amount and so on). As Urmila one of the animator puts it: *"it is absolutely necessary that the organization has to be the deciding authority for the smooth functioning of the group. At the beginning I was told let it be democratic and let make the people take the decision and we simply endorse their decisions. Haven't you seen the community women? They are very clever. They would do anything to misappropriate money. If I leave things to their decision they would leave me lunatic and I would be held responsible by the organization for the money they availed. I also have grown smarter after working among these women so long. Now I take the decisions for the group and make the women feel that is their decision*".

Organizing strategies: All the activities for the day today functioning of the group starting with the monthly meetings, collection of money, depositing that in the bank, disbursement of the loan, ensuring its timely repayment, safe custody of the required documents and so on, are undertaken by the NGO. At Mukundpur all the groups meet once in a month. The time and place of meetings are pre fixed by the animators. The entire groups are divided among animators with each animator has 10-15 groups under

her supervision. The animators undertake the monthly meetings of the group 1-2 meetings per day starting from about 7th of the month upto 23rd or 24th of the month.

The monthly meetings are the place where all the members deposit their savings plus monthly repayment of loan if any. It is also the forum that the demand for the loan is also made (formally). At many instances the members in advance itself would have told the animators about their loan demand and the animator would have come to an understanding about whom to give the loan in that particular month and what amount. Since it is mandatory for the members to fill the loan requisition form they do it at the time of meeting and also get the signatures of two of the group members. Guaranteeing for a fellow member's loan is just mandatory formality, as Shashi says: *"we sign the papers as it makes only a formality. Putting down our sign does not bind us to any specific responsibility. Didi would ask any of us to sign on that form. When I was asked initially, I refused to sign for the fear that it would be my responsibility if the member does not pay. Moreover I do not know her personally as well. Then Didi told me, it is reciprocal and if I do not sign on the papers of others when I require a loan and ask others to sign on the form they may refuse. She said it is just a signature for fulfilling the formality and no other implications whatsoever"*.

I asked: *Do you feel the fear when others take huge loans of fifty thousand and all?*

Shashi: *Didi would assess the capacity of the member and then only would sanction the loan. They even take the property papers of the members if that is a loan of Rs. 15000 and above. They have different criteria for giving loans to different members. If the member is from poor background they would sanction a loan of three times of their saving only. It is least a botheration for us about the loans taken by other members. If they have taken, they will have to repay on the terms and conditions put forward by the organization.*

The only priority of the organization in organizing the ShGs is the timely (re)payment of the money and how they make sure this is by maintaining particular operational/group dynamics. In the words of Himanshu: *"while selecting the members of the group we make sure certain things. That all financial categories of the people are there in the group: better off, moderate and poor. This specifically done to overcome*

the monopoly and the dominance of the group over the organization. So also we can't keep the same criteria for sanctioning money to all. To better off, we sanction larger sum. Yes, we do keep the property papers for any loan amount bigger than Rs.15,000. This is just to give women a fear and because of that it would be ensured that they do not default. Otherwise, this is an illegal colony and no formal organization like a bank would take those papers on pledge and give them money. But we tell them that we keep their papers in the bank and hence if they do not repay the bank would auction their property. Since they are not very qualified, they think that is factual. And in that pretext we get our money back. If they do not repay who would pay it back. We can't pay from our pocket. In the beginning we gave away money on their own guarantee and some of them did not repay. When it was felt that ShG formation would be affected by such acts that we evolved this strategy of taking their property papers. Also we ensure that there is no unity in the group so that the hegemony is always with the animators and they get a dominant place in taking the decision. These are supposedly working on democratic values, however, if there is a unity among the group and if all the members united to take decision, they would sabotage our decisions. It is we who are running the programme and we only know how to take it forward. A lot of money is involved and we are answerable to the bank which in turn disburses the money on our responsibility. It is necessary for the successful functioning of the group that there are divisions in the group and people with different interest are there".

Thus the organization always makes sure that the operational group dynamics works in their favour for the successful financial dealings as financial dealings is the primary or perhaps the only priority of the organization as they put as one of the prime objective of promotion of ShG in one of their literature as "*is to make available financial resources and to reach at the poor who are excluded from the mainstream financial institutions and thereby exposed to the exploitative informal financial resources which recreate their poverty situation.*". More interestingly what they follow is just the opposite of what they advocate to be followed in their literature. It goes: *the ShGs have only poor as their members and the group should be homogenous so that the members should know each other very well. The authority which has sponsored the group should therefore ascertain by their personal visit to the house of beneficiary or*

personal enquiry whether the member is poor or marginally above that (in contradictory this is done in practice to ensure that they are relatively well off and have repayment capacity. Also to follow up with the members in case of a default)... it is necessary that the group should be homogenous i.e. from the same village/block or area or within a radius of .2 to .3 km.

The objectives: The ShG movement of Chetanalaya began as a means of empowering women through the provision of micro credit. The said aim is beyond empowering women to take it to the empowerment of the community itself through the empowered individuals helping them to take the mantle of leadership. And ShGs are self managed groups where the poor women are capacitated through trainings and exposure programmes to manage accounts, reports, and bank transactions on their own. But, interestingly empowerment of women is exclusively viewed as women accessing financial resources. It is not only that the underlying belief that economic access would automatically lead to women's empowerment but that empowerment is perceived as a bonus of financial sustainability. This is evidently shown in the guidelines for repressive punitive measures to be followed by the ShG mobilizers¹⁰³ to ensure the participation of women in the monthly meetings and on how to improve the attendance of members in the meeting, viz. members should be told clearly that those who do not attend meetings regularly will not be eligible for sanction of any loan; absentee members should be told clearly that in the absence of any notice in 'writing' for their absence in three consecutive meetings, their membership may be removed from ShG; it is expected that the dividend payable to such members may be withheld for some time... as they are not regular in attending the meetings. People's experience of gaining admission to ShGs is exclusively to get loans to meet the emergency contingencies at family. For some it is also a safe abode to save money. As Saroj says: *I have three daughters. And I opened three accounts with Chetanalaya with the purpose of withdrawing lumpsum amounts at some occasion like marriage. But I closed all the accounts. Why should we remain in the group if I do not get money on time of need*".

¹⁰³ The terminologies such as mobilize, animator, field official, field staff are used to represent the ground level staff of the NGO who actually go to the community for ShG mobilization and Shg related routine activities.

I: do you go for any women's programme or any other exposure trips or so on organized by the organization?

Saroj: No. a couple of times they asked us to go for women's day celebrations. But we are not interested in all that.

Deepalaya

Deepalaya is an NGO established in 1979 operates in NCR and other north Indian states. They work with economically and socially deprived, the physically and mentally challenged, especially children. Their said aim is to build legitimate rights, equity, justice, honesty, social sensitivity and a culture of service in which all people are self reliant. With a pro-poor rights based approach Deepalaya started with education for the under privileged and later on expanding to other areas affecting them. They also do have community health programme, gender equity programme, differently-abled programme and inclusion, institutional care programme, training and capacity building of NGOs and advocacy networking with NGOs. Under the gender equity programme they claim to enable women to take crucial decisions that affect them and their families. They promoted ShG programme under gender equity programme, which includes women empowerment programme, with the emphasis of livelihood through income generation practices, micro enterprises, thrift and savings. The claim is that these groups have facilitated in governance and have become instruments of social change and development. Deepalaya organized over 700 ShGs in and around Delhi.

The initiative of Deepalaya in the sector of micro finance began sometime in late 1980s when they started promoting thrift and credit societies and income generation programmes in south and west Delhi with a novel scheme of 'save a rupee a day'. In order to encourage families to save regularly Deepalaya introduced a system of incentives whereby each group was given a matching grant to the extent of the amount that they saved every month. In 2004, with the help of a corporate fund from Dewan Foundation, Deepalaya extended manifold their ShG programme to enhance livelihood opportunities among women ShG members through the provision of micro finance. Their emphasis was on: savings as a habit; livelihood/business orientation; continuous capitalization; and social transformation. For Deepalaya, ShG is a group made of and

formed by individuals who are economically poor, like minded and belonging to the same or similar social milieu for helping themselves and mutually. And they consider the primary activity of the members to save and lend among themselves. The loan disbursement criteria put forth by Deepalaya are regularity in savings; regularity in attendance at mandated meetings; feasibility of the enterprise or the urgency and genuineness of the purpose for which loan is sought. The micro finance support to the group is based on the guiding criteria provided by the bank and this is done based on 26 measurable indicators some of which are savings, meetings, loan repayments, resolutions, accounts, records, registers, documentation and so on. Yet, the said aim of the programme is economic empowerment and self reliance of the women members.

Deepalaya operates on ShG bank linkage model but having the ShG members responsible for the loan that they have taken from the bank. A women's collectivity come forward to form the group with the intervention of the organization and after getting the initial orientation from the field staff begin the group activities by making fixed savings. Once the organization is convinced with the group and its running, introduce the group to the bank and get the account opened. The individual members would get the loans on the basis of fixed EMI. The repayment would be made to the field staff and they in turn would keep the accounting and do bank dealings on behalf of the members. Here the ledger and other documents are kept under the personal custody of the elected members of the group, and the members having their membership card/passbook. The entries in the ledger are normally made by the mobilizer. Deepalaya has its ShG activities at two localities in Delhi, Uttam Nagar and Madanpur Kaddar and the fieldwork was undertaken at both the places. In both places the group meetings are held mostly in the community in the presence of field staff. Interestingly, at Madanpur Kaddar both the field staff and the officer in charge are males, which they found advantageous for the organization. Duttaram said: *"being male is more advantageous. These are financial matters and it is always better to have a male authority so that women feel respect. Moreover, women in this locality are more cleverer than men and one needs to be dealt very carefully. Earlier I had a female field worker. Later I felt it is good to have a male for more efficient job. I am like a family member for the community women. I could organize more groups here than any woman could have done"*.

Group characteristics and operational dynamics: There are about 100 odd groups formed at Uttam Nagar and around 200 at Madanpur Kaddar. Most of the groups are having bank linkages. Each group have between 10-20 members. Generally women from the neighbourhood are promoted to be part of each group though it is not the practical rule as existing members leaving and new members joining the group is rampant here. There are written rules about who can be the members in the group or not but unwritten rules are very much in vogue. As Bhadradas, the officer in charge of ShG activities says: *“In Delhi it is difficult to have ShG activities among the floating population like those who live in slum settlements. Permanent residence is one criterion for providing loans. In other case where would we go searching them? All those claims of having ShGs in slums are limited to papers only. It is almost impossible to operate ShGs among the slum dwellers not only for us but by any other organization. No one wants to run into risk”*. Dutta Ram, in charge of the field office is clearer on whom to sanction the loans and how much: *“regular earning of the male members of the family is a pre requisite for the woman to get entry to a group. Generally the members are women who are the housewives and the earning capacity of the males in the family is the judging criteria for sanctioning the loans”*.

Although the strict supervision of the organization is in place, some amount of flexibility is given to the group as well, as Anita, the field staff said: *“I wouldn't be going to the field everyday although there are group meetings on almost all the days. The women would conduct the meeting themselves and I would go and check the register and take the money collected to deposit in the bank”*. But at the same time the collection of the monthly payment is the exclusive responsibility of the organization with the cashier of the group having the attitude that if the rest of the members give the money, it is well and good, if not the organization shall take the responsibility. *In one of the meetings Anita, the field staff asked the cashier of the group: How many of the members did give you the money?*

Asha: three of them.

Anita: your meeting date is already over and only three of the members did give the money so far.

Asha: they might come now. I have sent the word around that madam has come. Now they would come. It doesn't look good that I am asking for the money again and again. All of them shall know they have to give the money and they should come on their own to give us the money. It is their individual responsibility.

Each group has to elect¹⁰⁴ Cashier and President from among the members of the group. And even if all the members do not familiar to each other, the minimum all of them are known to the group's cashier. Because in some of the groups the members hand over the monthly payment to the cashier of the group and then the cashier in turn to the organization or field staff. Every group has a meeting day in every month, a process that the field staff find very difficult to organize. The concept of 'meeting' itself has a different connotations. Not only in this site, in other sites too I witnessed the same. By meeting what is exclusively meant is making the monthly payment. And the date of meeting means the last day to make the payment. One can make their payment on or before that date. This is the understanding that the members and the officials also have. It is not that their understanding is the same on all the occasions. When I just flipped through the register I could see that it has been recorded that these many members came for the meeting and participated. Also the signatures of all the members came for the meeting also could be found in the register. The practice is that whenever the member comes they get the signatures at one go on all the places. More interestingly, many a times the women might not even be aware of the name of their own groups.

I had a friendly chat with Manya, a group member at the NGO office at Madanpur Kaddar. I asked her about the details of group function. To my question whether she is a member of any group, she responded.

Manya: Yes.

I: Which group?

Manya: I do not know the name of the group?

I: How many members are there in your group?

¹⁰⁴ Many times it is the organization which suggests who would be the cashier and the president of the group.

Manya: I think 14.

I: Aren't you supposed to know the name of the group, the number of the members in your group, and also know them personally.

Manya: We just come and make the payment. I do know most of my group members by their face. I have no idea regarding their residence and other details.

I: if you do not know all the members of your group then how would you get a loan?

Manya: When we require a loan we do inform the cashier or Sirji¹⁰⁵ some time in advance. And the loans would be disbursed on first cum first served. If there is more than one need the loan it would be given to the one who need the most. But that is upto them to decide. The others would wait till next month. Most of the time the members take money for some activities planned in advance. So they are willing to wait and they are aware in advance which month they are going to get the money.

Organizing strategy: The groups operate as Sita said: *on or before the meeting date the members do come and pay the money to Rajwanthi (the cashier). Then the elected members do go to the office with the collected money to make entries in the register and to make the payment to the bank. We do go to the bank. But generally we give the money in the office to make the payment in the bank. The loan is paid in cheque. For the withdrawal the member herself would have to go to the bank. Other than that we hardly go to the bank. Or if there is any necessity Sirji would tell us and then we would go. Who has the time to go there"? The women always take it for granted that ensuring the repayment of the loan amount is the responsibility of either the organization or the bank. Although time and again the staff tell the group members about their role and responsibility of ensuring the timely payment of the fellow members both the staff and the community women knows that it is more said than practiced. In most of the group three to four woman would be knowing to each other and the rest of the members remain unknown to them. The approach of the woman is that they can't tell those unknown to them about the repayment and to their friends knowing their compulsions they can least be told about. The only accountability they feel is in the cases of putting signatures and that too they hardly take seriously. As one among them was saying: *they**

¹⁰⁵ The community women refer to Duttaram, the officer in charge of ShG initiatives of Deepalaya at Madanpur Kaddar, as Sirji.

say I am going to be elected as the cashier. I do not have the fear of signing on the paper. It is the responsibility of those who take the loan to repay that. The loan is passed against the individual members in the group. Each would repay their respective installment. All the documents are given to the bank. In the case of default they would catch the individual member; not me. The signatures of the elected members are just a formality. I do not need to feel scared about that". She added: They are from different states, though mostly from UP and Bihar. In the group there are people from different religions also. Our only concern is money. Nothing else. There wouldn't be no kind of division on any other grounds.

On the whole the ground reality of community women was a contrary of what an impact analysis of the micro finance initiatives of Deeplaya which claims: *it has facilitated women's empowerment both financially and socio-culturally. Financially they improved women's involvement in the management of finances in the family and also their increased capacity in dealing with the financial institutions like banks and to leverage credit and financial transactions. Also there was an increase in the personal hygiene and nutrition and taking advantage of health care facilities and increased consciousness about health and its awareness. There was a promotion of well being within the community and increased sense of mutual help, sensitivity in collectively addressing the issues of family violence and alcoholism; increased literacy rates and citizenship among women.*

GRC – SK (MRYDO)

Another field site selected for study was ShG initiatives of Delhi State government aiming at women's empowerment at Jaivihar, Najafgarh. These are rooted through Gender Resource Centers (GRC), which are coordinated at the district and the State level. The GRCs are operated at the community level by community based NGO which is active in that locality. The government's women empowerment programmes are a part of its larger welfare initiatives all that are streamlined under one centralized yet autonomous authority called Mission convergence. It is an initiative that is systematically trying to identify its most vulnerable citizens, and find ways to reach to them and to guarantee them their basic rights of food, education, health care and social

security. The Mission in coordination with the community based NGO opened Suvidha Kendras (SK) at the community level for reaching out to the people with its welfare programmes including women empowerment programmes. For the Mission, the ShG initiative is only one among many interlinked initiatives for women's empowerment; there are also other programmes such as, vocational training, legal awareness generation, medical camps, non-formal education, and nutritional awareness. They mobilize the community to form ShGs to carry out savings and credit activities within the group.

As said, micro finance/ShG formation is done with the partnership of a grassroots level NGO and at Jaivihar, Najafgarh the NGO involved is MRYDO (Model Rural Youth Development Organization). MRYDO established in 1986, is a registered non-profit, philanthropic organization having its operational area in Delhi, Haryana and Punjab working among the marginalized sections of the society. They had been working on social development issues including socio-economic research, training and capacity building, economic development and political empowerment of urban poor, youth, women and children and other marginalized communities with a people centered approach to bring about a positive change in the lives of targeted communities.

MRYDO has over a decade's experience in ShG initiatives having mobilized about 200 ShG groups centered mainly at the low income areas of Najafgarh in Delhi-Haryana boarder and as well as in some of the rural villages of Haryana¹⁰⁶. Their micro credit initiatives at Jaivihar in collaboration with the Delhi state government is quite recent. They had about 15 groups organized so far in the Jaivihar area and are intensively engaged in community mobilization encouraging women to come forward to form groups. As practiced in other places, ShG bank linkage is the model followed in making way for the individuals to get the loan from the bank with the group guarantee. The members make the monthly payment to the cashier of the group or the field staff on or before the 'meeting' day.

¹⁰⁶ For the fieldwork, although GRC, Jaivihar was my concentration, it was extended to other localities of their ShG operation.

Group characteristics and operational dynamics: As indicated, at Jaivihar ShG mobilization is in the formative stage and the field staff are struggling to organize groups in the locality. As Kamalesh the field staff said *“building the initial trust in the community is the biggest task. Once that is done then it starts moving automatically. Money is the only interest for the women to group together. That is the sole reason why they are distracted at the initial stage and the very mobilization gets impetus at a later stage. We on our part try to attract women telling about the monetary advantage they are going to make by grouping together”*. But at the same time Deepamala, the officer in charge of the mother NGO¹⁰⁷ finds it so difficult to get a stable group: *“The groups made of women are so vulnerable that break up at any time. With leg pulling and gossiping work lazy women never stick together even for a reasonably decent time”*. Also *“In Delhi people are from different regions and groups. It is very difficult to develop a unity among them. So long as there is no unity and trust among them it is not possible to initiate any group activity like this”*.

The organizers claim the groups are formed of 20 members, but in reality, it is difficult to find groups with full 20 members; there might be anything between ten to twenty members. Sometimes the distant relatives of the some of the members who might even be in the native villages of Bihar or UP are entered as members of the group. There was one group in Jaivihar, constituted by four women, who are neighbours and having their kins as the rest of the members of the group. One of them collect the money and hand over to the field staff for accounting and dealing with the banks. Also at Jaivihar there is one group having all hailing from Garwal region. Savitri, the field staff said: *The groups formed of family and kin group or that of ethnic groups are relatively stable and they develop mutual trust fast. But if you make ethnicity or kinship as the basis of group formation, how many groups can you operate?*

For each group there is an assigned day for monthly meeting and meetings are done at the office. Savitri finds it is inconvenient for the staff to go to the locality to

¹⁰⁷ The state government reaches at the community based NGO through a mother NGO and in Delhi they coordinate the ShG works through two mother NGO. From the Mission Convergence, where I approached for permission for fieldwork at one GRC, I was introduced to the mother NGO named SOSVA and they in turn to the community based NGO.

conduct the meeting for the reason: *that all the settlement here is not thickly populated¹⁰⁸ and it is difficult to call all the members to one place. Also one of the members should be willing to have the meeting at her residence or we shall find a convenient place near the street. Both found to be not feasible. The members too, never come and make their payment on the same day. All the groups have a fixed day and time in a month for meeting and make their payment. Hardly anyone bother to do as per rules. They do not make the payment even after a few days of the stipulated date but the staff goes to their places and collects the money. The staff keeps the collected money with them and once all the members give the money they give the amount to those who have asked for the loan. The members demand the loan from the NGO staff and not to the group directly. And mostly the money is given on first come first served basis. At times it is given on emergency needs*". Vidya, a ShG member says: *"it is not necessary that we have money on us on the stipulated day for meeting. Hence, we give them the money whenever we have. That may be in advance or a few days after the meeting day. That doesn't make any difference. People rarely take loans on emergency. We take for some planned activities, like the marriage of a relative, going to native place and so on, that we know in advance and thus we make advance booking"*.

I asked Vidya: *Then how would you know who has taken the loan and whether she is repaying the loan regularly?*

Vidya: *That is the headache of the office staff. What are they getting their salary for? They are deducting money from our resources also. They have to distribute the dividend which they haven't done so far. But I am sure they would deduct all their costs and the rest only they would distribute. We are hardly bothered about the repayment of others. But of course, at times when the staff asks us to remind some of the members regarding their payment we oblige. But we do not have the power to compel anyone for that matter"*.

Many a times the staff does not even bother to ask the purpose of loan. Savitri was saying: *"there is no need to ask them the purpose of the loan they are taking. We need a 'purpose of loan' to fill the relevant column of the register and our concern is*

¹⁰⁸ Jaivihar is a illegal colony and many plots are left vacant. The houses themselves are distantly placed. Plus very few are only came forward to become the members of the group.

exclusively on the timely repayment. If they are asking for a big amount, certainly we would enquire about the repaying capacity of their family members”.

Organizing strategy: At Jaivihar (the case is the same in other places too, but sometimes with varying degrees) many a times the members know nothing beyond that they are a member of a “bachat (saving)” group, and the amount of their monthly payment, and the loan amount that have taken or needed and the monthly repayment of the same and that they hold a card or pass book that has the entry of all the payments that they made/make. And the women too are hardly concerned about anything else. That is one reason why the women are reluctant to open bank account, which require the signatures of all the members of the group besides the guarantee of the elected members. The field staff try to boost the confidence among the women: *“you get two members from your group who are ready to be the president and cashier who possess the required documents and open the account and then you can have the loan. They just need to go to the bank once only. After that we would do all the requirements. They do not even have to handle the money. We are here to do all that work for you”.* Nand Sundari, an ShG member voices the dilemma of the community women: *“taking loans from the bank is a risky business. There you would have to make the repayment without default. Here if you do not have enough money to repay in a particular month you can skip paying the installment. One needs to pay interest only. Not only that no one is willing to take the responsibility of bank dealings. Who would guarantee for the loan of another”.* Uma explained the cause of the fear: *“their fear is that account is opened in their name and if one of them take a loan and do not repay they would be caught. Also the rest of the members of the group are feared that their money would be deducted for the non-repayment of a fellow member. Who would be ready for that”.* Kusum: *“people do not have the trust among each other. In such a condition, how can they be willing? If one default, every one would have to make the repayment combined, that is what they say. No one would agree to that”.*

But, Kamalesh, the official in charge finds the fear of the community women uncalled for because: *“it is bank’s mandatory requirement that the members of the group compulsorily sign on the loan papers. But no bank would release a loan even if*

50 of them sign together. In fact, all the loan papers would go to the bank with the stamp of the organisation and the personal guarantee of the head of the organization. That only carries the weight and the loan is sanctioned on the basis of guarantee and the undertaking given by the organization. But the women fear it is their sole responsibility. In a way it is that belief that holds them accountable for their timely repayment”.

Katha

Katha is a registered nonprofit organization started in 1988 working with and for children and adults through story and storytelling. Katha serves in the literacy to literature continuum, in both education and publishing. In 1990, Katha Khazana, a “deschool” was begun in Govindpuri, one of the largest slum clusters in Delhi. That was soon followed income-generation activities for the women. Katha promotes gender equality through the participation of women in their own development. They aim through the liberal education of girls and boys, ingrain in them the idea of an equitable society. They stand to promote the whole community, work towards making equity a reality and help girls and young adults empower themselves, and work towards breaking social, cultural and gender stereotypes. Katha’s Women’s Cooperative, an arrangement for women’s income-generation activities for women, was started in 1990. It also aimed to bring children and keep them in school. By training about 100 women every year since 1990, Katha, today supports self help groups and income generation activities.

Govindpuri is a resettlement colony mostly occupied by people displaced from other slum locations during and after Emergency period. Most of the early settlers continue to own the one room house. Men of the locality are mostly daily wage labourers and women are maid servants in the nearby residential areas like CR Park, Kalkaji and so on. Govindpuri slum cluster spreads over a vast area which is divided into different camps namely Bumiheen, Navjeevan, and Nehru Camp. Katha runs a community school and other community based activities from its office called Katha Khazana (KK) in Govindpuri. Katha has mobilized around 60 groups in this locality.

So far Katha's ShG activities limited to this locality and of late they are spreading to other JJ colonies within Delhi.

Their activism of economic resurgence of women is called SHE square¹⁰⁹, which is one among their community activities. Although their ShG mobilization is running for many years, it is not handled in a professional manner as done by the other organizations¹¹⁰. The members are given the membership cards and the register for making entries are kept with the cashier. The staff makes monthly or bimonthly visits to cross check the records. Although they claim to be running ShG bank linkage model and the attempt is done to open bank accounts for the groups, there is not a single group that got bank loan. The groups do inter-lending regularly from the saved amount.

Group characteristics and operational dynamics: Most of the groups function as a saving group somewhat like the chit groups, commonly operate among the community women with some functional differences. Rajbala, the field staff was explaining to the women about the working of a ShG: *"the one who is literate among you would become the cashier. The amount saved would be handled by the cashier who would be one from the group and we the organization is not going to take away your money. You people should understand the advantage of such group formation, it is the money saved by you people and handled by one among you. After three months of formation, you can start taking loans at the rate of 2% interest per month. At the end of the year, the accumulated interest would be equally distributed amongst you and one share would go to the cashier. So cashier has this advantage. If the children of any of you are educated, you can take their help and you be the cashier. The only condition is that only one who owns the house can be a member and the group can be formed with a minimum of ten members and a maximum of 20 members"*. But then it is not that easy going for the women in the community. Girija suggested: *"let the staff of the organization be the*

¹⁰⁹ SHE square stands for safe water, sanitation; health and hygiene, housing; education and economic resurgence.

¹¹⁰ This may be due to lack of funds as a top level official of Katha said: We do not have funds to pay the field staff, their salaries are diverted from other funds for community activities. When the Ministry for women and child development facilitated this programme, we started, and they funded only for three years. And this is a programme that one has to continue once started otherwise the trust of the community on organization would erode. Funding agencies feel, in a few years time the groups would start running on their own but on the contrary when the organization withdraws they disperse and hence this is an ongoing process.

caretaker of the accounts, I have no faith in others and I am not ready to take the responsibility of any other members". Same was the response from others who were willing to be the members. In Girija's words: *"how can I give away my money to anyone whom I do not have trust in. I have trust in the organization and hence let the organization have that responsibility. I cannot also guarantee the monthly saving amount of other members of the group also. I would suggest others who can be members of the group but you will have to go and talk to them. I do not want to take any responsibility. While arranging my own saving per month is a hassle for me, I cannot be involved with or reminding them of their saving would be an unnecessary trouble for me which I do not want to do. I can only guarantee my own monthly payment nothing else"*. On one occasion I heard them saying: *"we are becoming members with the understanding that you people (organization) would take the full responsibility and I cannot take the responsibility of anyone else"* making one to believe mutual trust is far from to be seen as the binding force of the group, although the lip service is very much there having the members of the group saying: *"yeh sab ek dusarae pe viswas ke uper chaltha hai"* (these all run on the trust on each other).

For women mostly this is grouping with economic interests which rather never traverse to other realms of their life. One of the ShG members was telling Rajbala when she was trying to attract some other women in the neighbouring houses to join the group: *"she is like that she won't even talk to us; still you can try"* clearly showing that she doesn't mind who becomes the group member or not their only interest is that their money is safe and they get loan on time and organization take that responsibility. Striking at the minimum number required for the group formation too is staff's necessity and not that of community women. Other than lack of mutual trust, at times, other factors too work against group formation. As Rajbala was telling me: *"It is really difficult to convince the ladies to form groups; the infight among them is so much many of the groups in the recent past dispersed due to the mistrust among the group members or cheating by cashier or any other member of the group. When the organization asks us to form new groups and give us a target number to meet we will have to do so. In fact what happened in the recent past is that some of the other organizations operating in the same locality and initiated ShG formation are not running the groups properly; like,*

for example, the organization itself is keeping all the money and account with themselves, which leads to the erosion of the trust of the ladies in our organization (Katha) as well". From what they said, it is very clear, though apparently it appears that the rules that all the organization follow for the formation of ShGs is same, in reality, the actual strategy as well as operating practice differ from organization to organization. When more than one organization operates in one locality and follow different pattern for the functioning of the group, it leaves some amount of confusion in the minds of the people. It appears each of the organization is attempting to show the ShGs in numbers rather than the actual benefit for the target group.

Concluding remarks

The chapter opens discussion by airing the skepticism and the contradiction that may emerge from the coexistence of neo liberal economic approach and people friendly alternative development which is represented by ShG initiatives, which itself is projected as a representation of a combination of individualistic and communitarian values. In an attempt of unraveling the factual basis of an (un)holy relation of two opposing forces the chapter begins its journey in understanding the very concept of ShG and its so called practical strengths in holding together people for their self fathomed advancements in their own life and thereby the society as a whole. Their goals and objectives are depicted as sacred and most respected. A socio-cultural trajectory of the evolution of the concept also shows its origin as embedded in the community historically, making one to trust in its potential. However, the paradox begins when one gauges into its contemporary institutional appropriation as a tool for taking forward the ideologies of neo liberal capitalism as its 'humane' face. And a humane face definitely requires softness and mildness of representation (the politics of representation) for a wider acceptance as 'people friendly'. Its exclusive agenda of extreme competition and structural bias needs to be hidden behind people's face and this is made possible through propagating rather than practicing. Both the conceptual and empirical foundations of these paradoxes and contradictions would be scrutinized further in the subsequent chapters making it clearer as the thesis unfolds itself.

Chapter III

Understanding Poverty: State, Market and Society

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Estimating the number of people living in poverty at any point of time is based upon how the concept is defined and operationalised i.e. how it is measured (Butler and Watt 2007) by the authorities/State. While lack of employment or economic resources as a result of unemployment, sickness, or disability and equally important, low pay, increases the risk of being poor, the very occurrence of poverty due to joblessness or why they are in low paid jobs could be due to socio-cultural and historical reasons. Poverty is often self perpetuating (Burgess and Propper 2002¹¹¹) since people who experience poverty once are more likely than not to be in poverty in future. The same is true with low pay and unemployment (Stewart 2004). Frequently, the poor are pushed¹¹² to cluster together, geographically, at some locations, which have some infrastructural, social and cultural characteristics¹¹³ of its own. The chances of poor living in 'poor neighbourhood' to remain poor are very high as there can be an adverse impact of the residential area itself on people's life chances i.e 'place poverty' (Powell et al 2001). According to Ghetto under-class debate, the situations of poverty can reinforce and are in turn reinforced by the spatial concentration of deprived people living in certain locales - what Wacquant (1999) has referred to as a new regime of urban marginality. Also they increasingly isolated from the mainstream lifestyles, values and aspirations. Thus, poverty and social inequality are irreducibly interlinked, mutually complimenting and reinforcing each other. Social inequality, the major cause for the persistence of poverty, while physically manifests itself in different spheres of human life viz. economic, political, socio-cultural, institutional, physical location and so on, is perpetuated (many a times inter-generational also) through various socio-cultural individual attributes like low self esteem and self dignity, passivity and non-reflexivity of human agencies, low levels of self confidence and individual capabilities and so on.

¹¹¹ They show this with reference to UK and USA where it is the liberal welfare regimes.

¹¹² For instance the poor cannot afford to live in high class locality where the consumerable items such as land etc. are beyond their reach. The 'invisible hand' of the market gets into action in demarcating geographical locations into the realm of social status and associated costs.

¹¹³ Infrastructural characteristics such as poor physical environment, inadequate private and public services, etc, social characteristics such as high and persistent levels of poverty and joblessness, stigma attached to the place, high levels of social mistrust and social disorder (like crime rates) and so on, and cultural features like the inhabitants belong to specific cultural or ethnic group.

The reality being that, the State's policies for poverty alleviation focusing on generating paid work as the main route to get out of poverty, thus, might face multiple limitations in meeting the ends (McKnight 2002¹¹⁴). Especially on instances when the very perception and the definition given to poverty by the State make it irreducibly equal to class or deprivation exclusively in economic terms. Such approaches may conveniently undermine the dynamic, processual¹¹⁵ and cumulative nature of human deprivation. Quite often poverty focuses on narrow social groups and thus it downplays the social inequalities (Savage 2003) which in turn would undermine the wider impacts associated with processes such as globalization¹¹⁶. Against this backdrop, the present chapter is an attempt to examine how income generation through ShGs - the poverty eradication programme of the State, addresses multidimensional issues of social inequality, the root cause of poverty. This would be examined against the very approach/perception of the State towards the whole issue of existence of poverty in the society and its eradication.

I. Poverty: Towards a Multidimensional Approach

A UN study of 2000 (Narayan 2000: 43) shows poverty is multi dimensional, the persistence of poverty is linked to its interlocking multidimensionality; it is dynamic, complex, institutionally embedded and a gender and a location specific phenomena. While poverty is manifested as socially inherited, intergenerational¹¹⁷, sectoral (gender/racial/ethnic specific); class specific¹¹⁸; locale/spatial specific; fragmented (specific to vulnerable groups like elderly, sick, disabled and so on), an

¹¹⁴ McKnight summarizes while worklessness virtually guarantees poverty, work is now less likely to lift a household out of poverty.

¹¹⁵ Poverty at many instances is not only a state of being and outcomes but is also a state of becoming in which persons or groups can lose their links to others and society as a whole over time. Its processual and multidimensional nature can produce cumulative effects over time.

¹¹⁶ In his study *Poverty and Social Exclusion in Britain* Gordon et al (2000) concludes that a combination of economic restructuring allied to the neo-liberal welfare and economic policies pursued by the (British) state from 1979-97 had been largely responsible for the increase in poverty and inequality having characteristic features such as an increase in the proportion of workless households, a dramatic widening in the dispersion of earnings between low skilled and high skilled workers, changes in taxation which have favoured better off, and changes in welfare benefits have reduced their relative value.

¹¹⁷ For instance like "if you are born to a poor father, he cannot educate you and cannot give you any land or very little land of poor quality; every generations gets poorer".

¹¹⁸ "Education has become the privilege of the rich people. If you do not have money, you can rot in your house. Despite the fact that the poor do well in the primary school they seldom make it to the secondary school because of school fees (report from Kenya in Deepa Narayan 2000: 122).

attempt is made here to understand the multi dimensionality of the phenomenon of poverty voiced from the present study field.

Voices from the field

Poverty is exclusionary: Neelam, a resident of Madanpur Kaddar and member of the ShG named 'Nai Disha' (means new path) says: *Look at this surroundings, how unhygienic. People have no other facilities to throw away their wastes, there is no sewage system to drain the waste water from washing utensils and cloths, and they just use a pipeline and drain it out of the house. We need to keep the surrounding places too, cleanly if we need to have a healthy life. You go inside any of these houses you can see them how beautifully they have arranged whatever little things they do have in the limited space. We are poor and we struggle to make our daily life. It is the duty of the authorities to give us the proper infrastructure so as to lead a healthy life. Many houses do not have toilets and people use the open spaces for relieving themselves. The unhygienic surroundings are what make many of us ill most of the time. How would people go for work and earn a living if they fall sick often? The authorities do the least because this is a location of poor people and they know we do not have the money and power to do anything. Would do they do the same in other localities where rich people live? Don't they provide them all the infrastructural facilities?*

Poverty is stigmatizing: Shakuntala a resident of Govindpuri who is an ShG member who doesn't remember the name of her group, is a house-maid and has to take care of her daughter-in-law and two grandchildren. Shakuntala says: *my brothers are well off. It is only me and my family live in poverty and in a place like this. I love to go to the marriages and other functions in the house of my brothers but we seldom go. They are rich people and when we go there his family members look us at with much of contempt. They might not like our dress and feel awkward to introduce to the guests. They take our visit as if we had gone there to get something from them. They do not understand our joy of meeting the family members. Because of their attitude I prefer not to go there, even if my own house is small and we need to live in poverty I prefer to live with self*

dignity. For poor like us it is difficult to safeguard our self dignity in the outside society. Very rarely I even go out of the house other than for the job.

Poverty is prejudicing: Maya a resident of Dwaraka feels sad when she talks about the amount of loan that she couldn't avail for the reason that she doesn't own a house. She says: *in Delhi life is very costly and it is very expensive to think of owning a house. Afterall, we are here because now we are healthy and we can do some job and make a livelihood. We would have to go back to our native place one day. Hence we thought of constructing a house back in our village. We somehow managed to buy a small plot over there. Now we need money to construct the house. We thought of taking it from the 'Samooch'. But they wouldn't give more than thrice of my saved amount and that too with the guarantee of my house-owner. They think since I am a tenant, I would run away with the money. Perhaps I am one among the members in our group who do not make any default. That is not a consideration for them. They give huge amounts of over lakhs to people who own house. I ask for only Rs 20,000. That they do not sanction. How do I prove my honesty other than through my 'vyavahar' (mannerisms)?*

Indian poverty – the multidimensional manifestations

At the dawn of the 21st century only a quarter of Indian population lived in poverty. Whether the impressive advancement in poverty situation is attributed to methodological tools for collecting data or not (Deaton and Kozel 2005), it shows some definite structural characteristics. Although over the decades since the independence the statistical records show a decline in the percentage of poverty, it is remarkably significant that poverty is getting increasingly concentrated in a few geographical locations¹¹⁹ and among specific social groups. Also poverty rates in the nation are disproportionately high among SCs and STs¹²⁰ (Radhakrishna and Ray 2002: xxiii). And even among the tribal communities the advancement in the poverty situation has spatial distinctions; for instance the STs in the northeastern states of India have shown an improvement over the rest of their brethren in the country. Another significant factor

¹¹⁹ For example in the states like Bihar, Orissa, MP and UP the share in all India rural poor has increased from 53% in 1993-94 to 61% in 1999-2000.

¹²⁰ Among the social groups SCs, STs and backward castes accounted for 81% of the rural poor in 1999-2000.

is with regard to the profiles of the poor. While the composition of the poor changed over the decades, there is a definite trend that the rural poverty is increasingly concentrated in the agricultural labour and artisan households while the urban poverty in casual labour households. The share of agricultural labour households which accounted for 41% of the rural poor in 1993-4 increased to 47% in 1999-2000. Among the urban poor, there was an increase in the casual labour households living in poverty¹²¹ from a 25% in 1993-4 to 32% in 1999-2000 while the overall trend for the entire country was one of poverty reduction. Also there is an increase in the population of STs living in poverty in the rural areas growing fast (14.8% in 1993-94 to 17.5% in 1999-2000 at all India level).

There is as well an angle of geographical landscape of rural poverty. Among the percentage of all India population living in poverty, the percentage share of the backward states such as Bihar, Orissa, MP, and UP, saw a rise in the percentage of rural poor from 53% in 1993-4 to 61% in 1999. And incidentally these are the states which have highest proportion of SCs and STs among their population. Some of the better off states (Gujarat, West Bengal and Maharashtra) though showed a higher rate of economic growth, also showed an increase in the rate of rural poverty which in turn is attributed to the high proportions of social groups like STs in their population and their slow rate of poverty reduction. Also there is a cross cutting influences of terrain, social groups and economic opportunities which together contribute substantially to the higher rate of rural poverty in these states (Radhakrishna and Ray 2002: 14).

Multidimensionality of poverty - the State perceptions

In the Directive Principles of State Policy enunciated in Articles 36-51 of the Constitution of India there is the specific direction that the operation of economic system should not result in the concentration of wealth and the means of production in the hands of a few to the common detriment. These provisions in the Indian Constitution prove a strong egalitarian and redistributive thrust and the welfare of the masses. India's Constitution enjoins the State to strive to secure a social order in which

¹²¹ One of the reasons for this is given as (Radhakrishna and Ray 2005) the growing dependence of rural and urban casual labor market exposes the poor to market risks and tends to increase the transient poverty, whereby households move in and out of poverty due to fluctuations in the market.

justice, social, economic and political shall inform all the institutions of national life and to minimize inequality in income, status, facilities and opportunities amongst individuals and groups (Article 38). It further directs the State to ensure that the ownership and control of the material resources of the community are so distributed as best to subscribe the common good; that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment (Article 39). And it seeks to make effective provision for securing right to work, to education and to public assistance for those afflicted by unemployment, disability or illness (Article 41) (cf Parikh and Srinivasan 1993). During the first decade of development planning itself, an official committee was constituted by the Government to study the trends in distribution of income and levels of living in India. The fifteen year Development Plan was prepared by the Planning Commission in 1962 to assure a minimum level of living for the entire Indian population (Srinivasan and Bardhan 1974), defined a poverty line for the first time and this was largely formed the basis of many subsequent poverty studies in India. According to that the minimum level of living included not only a bundle of goods and services expected to be purchased by households from their own resources, the cost which constituted poverty line but also expenditure on health and education both of which were expected to be provided by the State. The Plan explicitly recognized that certain segments of the poor such as old, the infirm, and the disabled that are weakly linked to the income generating process would not benefit from the growth and would have to be provided income transfers or redistribution.

The Indian State that formed after the independence, thus, clearly recognized the multidimensionality of occurrence of poverty and its structural manifestations in the Indian situation. For instance it recognized, 'the poorest sections belong to the families of landless labour, small and marginal farmers, rural artisans, scheduled castes, scheduled tribes, and socially and economically backward classes'. The State in its national development plans underlined the need for overcoming these structural manifestations in order to tackle poverty. The Planned development envisaged economic development as the panacea for attaining social and economic equality. However, the major hurdle in achieving this, as perceived in the Plans, was the

existence of inequalities in the social structure, which are historically moulded. The Plan stated, “in the present day the distinctive features of thousands of years of history of Indian culture and Indian civilization covered up by widespread and appalling poverty which is the result of a traditional society and a static economy in the past petrified to some extent by the colonial rule. Before the process of economic development gathers momentum for the larger part inequalities arise from long established features of a traditional society, such as feudal rights and tenures, or privileges and handicaps associated with social structure. The essential features of this traditional society are in fact a set of moral and ethical values, which have governed Indian life for ages past. It reiterates that these vestiges of the past are first to fall. Planned development has to hasten this process so as to enable the economy to move forward with less hindrance from within (III Plan: 16).

The more important problem, as it identified, was to combat the curse of poverty, with all the ills that it produces, and it was recognized that this can only be done by social and economic advance, so as to build up a technologically mature society and a social order which offers equal opportunities to all citizens. This involves basic social and economic changes and the replacing of the old traditional order by a dynamic society. The objective was very clear from the very first Plan of independent India where it stated “while in the initial stages the accent of the (planning) endeavour must be on increased production – because without this no advance is possible at all – our planning even in the initial stages should not be confined to stimulating economic activity within the (existing) social and economic framework. The problem therefore, is not one of merely re-channeling economic activity within the existing socio-economic framework; that framework itself has to be remolded so as to enable it to accommodate progressively these fundamental urges which express in the demands for the right to work, the right to adequate income, the right to education, and to a measure of insurance against old age, sickness and other disabilities” (I Plan : 8). It involves not only the acceptance of the temper and application of science and modern technology, but also far reaching changes in the social customs and institutions. In such a scheme the basic criterion in determining social policies and the lines of economic advancement must

necessarily be the interest of the community as a whole and especially of its weaker sections (III Plan: 8).

When it is recognized that the poverty is a resultant of systemic flaws and structural deficiencies, it is the structure, not the individuals, that has to be held faulty for the existence of poverty in the society. For instance, a poor is poor because she/he happened to be born in the artisan who lives in a remote village and one who is a member of tribal community having no economic asset. And the social policies for promoting creation of economic assets of the artisan would be planned accordingly. The structural explanation of poverty, thus, do not see the behaviour patterns of the poor as pathological or as being as internally derived as the products of a unique value system. Rather, they are seen as normal results of situations where the dominant social structure is unfavourably disposed toward and restricts the options of less privileged in the society. It is precisely because the poor do share in the dominant values of the social and cultural system that they turn to behave which becomes labeled as deviant or pathological. The basic problem is not one of internally determining cultural values but rather of externally determining situational factors caused by the disproportionately restrictive social structure. Thus, a change in the situations of poverty requires not a change in the poor themselves, but rather changing their situation by correcting the restrictive social structure. Having been that what is the role of ShGs in quelling the poverty?

Accentuating poverty multidimensionally: the practice of ShGs

While being the fact that ShGs are primarily promoted by the State as a poverty eradication programme, the practice of it at the ground level makes one to believe that they rarely perceive poverty beyond economic terms and mostly individualistic i.e. individuals are held responsible for their condition of poverty and it is their responsibility to come out of poverty with the limited economic support that the State provide them. Structural disadvantages, it seems, never to reckon with when it comes to the question of getting out of poverty by the individuals. The poor are often taken as people who were looked down upon with contempt and hatred. In such approaches, they maintain the stereotypical attitude that the poor are unintelligent, ignorant, and

incapable of judging and taking decisions for themselves, the people who want to live at the mercy of others. What is more evident as in the words of one of ShG organizers who was lamenting about how ShG members do not make use of the opportunities extended to them in the form of ShG and other supportive institutional activities: *“We only can show you the ways (of progress) and provide limited support. It is you who have to make advantage of the opportunities. The people of this locality are very bad. They are absolutely stupid. They do not want to make use of opportunities. There are so many opportunities with our (GRC) center itself and how many of you making advantage. There is no point working with these brainless people. Ien logom ka dhimag guttan mei hotha hei (they have their brains on their knees)”*. The organizers often hold the views about the members, such as *“they do not hold mutual trust”, “they are ignorant and illiterate and hence it is not possible to give them responsibility”, “they are not trust worthy and we always need to keep an eye on them”* and so on. Duttaram of Deepalaya even put it: *“let the government give them whatever benefits, these people are never going to get out of poverty. They are basically lazy and easy going people. I used to wonder would there be day a girl from this slum go for and come back from work driving own car. That would always remain as a dream only”*. It is not only understood that it is only economic assistance is required for the individuals to get out of poverty but also he maintains a stereotypical mind set about the character of poor as if they are human beings of different making; the individuals as independent of their context – historical, social or cultural. The ShG organizers rarely make an attempt to understand what is that keep the community women poor, what is that make them to lead a life of their specificities, are the reasons purely individual specific or something beyond and so on. Kamallesh, the ShG mobilizer puts it: *“we can only show you the path. The one who has to walk through it is you yourself”, and it is implied to say that the poor are ignorant and incapable of taking decisions for themselves, and as an act of benevolence, the more intelligent and capable people the organizers of the programme show them the way to proceed for their prosperity and what the poor are supposed to do is to unwittingly follow that path.*

When the poor are taken as responsible for their condition and stereotypical attitude resulting from that towards poverty as well as poor also results in institutional

apathy and callous behaviour of the powerful towards poor making them feel as if they are unworthy of leading a decent life. The finest example is the often indifferent and many times arrogant behaviour of the bank officials and the dealing hands at the bank counters towards the ShG members. The ShG bank linkage programmes are primarily promoted aiming for the poor to get institutional support for their upward mobility which is so far denied to them. Often the ShG members remain at the receiving end of the tough behaviour of the bank officials as they maintain the prejudice that the poor are ignorant and incapable lot. People at power also make the poor feel that they are at their mercy. Such acts completely erodes the self dignity and the self confidence of the poor leading to make them believe that they are the lot of people who have to live at the mercy of the more privileged ones in the society because the society is meant for those people only.

Just for instance one of the bank officials was telling one of the ShG mobilizers: *“If you people want to continue with the bank loaning facilities for the members of the group please do ward off those ignorant ladies away from us and you can come and do the dealings with us directly, that too may be after lunch when we are free from other customers”*. I asked Neetu, the ShG mobilizer: when the bank gets some good amount as deposits from the saving account of the ShG members why they do not deal with them directly? Neetu replied: *from the group members they might get a few lakhs, an amount that they would get from one single rich customer. Then they do not need to do so much of paper work also which they have to do in dealing with each of the members. You can make out the difference in their attitude to their customers. When their rich customers are there they would offer him a chair and drinks also. When the ShG members are there for their bank dealings (who go there leaving all their daily chores back at home incomplete) the bank officials wouldn't even turn their head towards them. Many times they would simply return the ladies pointing out some or other defects in the form. These ladies who do not know reading wouldn't even able to make out what is the defect and they would come to us. Again once they go there with corrections, after making them to wait for a long time the bank official would point out some other defects. Why can't they tell all the defects at one go. They wouldn't do that. Also in the process they would misplace some or other documents. Finally, a work which would*

have been done in five minutes they would take six months. By then the ladies would have demoralized completely and they would even refuse to enter the bank at all". Deepthi the person in charge of ShG activities added: *bank officials treat the women as if they are untouchables. They even showing aggressive and indifferent body languages would ask the women to stand at a distance from the counter.* Himanshu the in charge of ShGs at another organization has a different story: *here I intervene every now and then. That's why there is no problem. It is our staff who goes to the bank to deposit money, not the members themselves. Our accountant also goes. Once he collects money from everyone and go there, I start making phone calls to the bank manager asking them to do the work on the same day or the next day. Also, I see to that I go occasionally to the bank and have a tea with the manager and I maintain good relations with him. And it is through constant persuasion that we do our work trouble free.*

It is not that bank officials only show this indifferent behaviour to the women. Quite often the women have to face the same treatment from the staff of the promoting agencies as well. Their behaviour often gives out the impression that the poor women are punishable lot as they are poor because of their irresponsible behaviour. That is what the ShG in charge Deepa's behaviour also shows. When one of the members came to make her monthly saving at the office initially Deepa looked for the receipt book and when she could not find it she asked the lady to come again after 4.00 pm. The woman said it is not possible for her to come again saying that: *"My kids would be back from the school and I am not residing very close to the office"*. Deepa asked her to make the payment next month without making any entry anywhere. Next month means she would have to pay the fine of 10 rupees. Or she would have to come again today itself. Or if she has to save herself from the penalty she will have to argue with the animator during the meeting. And it is upto the animator to decide whether to charge the fine or not. If the animator decides to charge 10 rupees she would have to come to the office to remind Deepa of the request she made now and to condone the fine. It is a hassle for her in some way or other.

When poverty is looked down upon with contempt and poor no better than unintelligent brainless animals, the institutions/people who are engaged in eradication

of such pathetic state of affairs find themselves as authorities to take decisions for the unintelligent lot. They become authorities to take decision from a view point that they think as correct and useful for the people. They think the experiences of people and their socio-cultural specificities, which are rooted in traditions, only dysfunctional for their onward mobility. Such authoritative and autocratic mentalities often lead to the undemocratic and non participatory functioning of the programmes. These in turn lead to the passivity of the people and making them passive recipient of whatever they get as charities. They become unaware of about their basic human rights and which ultimately lead to their self alienation. This kills their striving for a better life. They become objects to receive the charity of the rest of the society who live on the treasures built on the lives of the poor. The undemocratic and non participatory way of functioning of such programmes operate against the spirit of social democracy, something which should aimed at making them feel instead of slave, a dignified human being who has every right to live like any other individual in the society.

I asked Sunita the president of one of the groups about the 10 rupee penalty that whether she and other group members find as a big amount.

Sunita: what can we do? They say that is the rule. You also heard Didi saying 'rules are rules and everyone has to go by that'.

I: but that would be divided among you only at the end. You have other benefits also. You get the dividend.

Sunita: We are supposed to get more. But, actually, we get very less. We are small people. We don't understand their calculations. We have to simply listen to them. Haven't you seen today? Actually she was to give me three rupees and she was arguing that it is me who has to pay. I had to argue fiercely. Even one rupee also matters a lot for us. Many times not wanting to argue I keep quite and think let the money go off but not to compromise on self respect. Every time I can't argue with them for a rupee and two. It is a matter of self respect; I also have self respect.

I: why don't you tell them that the rules shall be made for the convenience of the members not for the organization?

Sunita: badae log choate logom ko sunthat hai (do big people listen to small ones)? Agar bol diya tho bhi kya hota hai (even if I talk what would happen)? Haven't you

seen the argument in the meeting? That member went on arguing with madam not respecting that it is madam, a higher authority. And the madam also was not realizing the problems of the member. She would have applied the gum of the bangles¹²². Then she can't leave and come for the meeting leaving it behind. Madam also told she saw her doing the bangle work. And she too knows if that lady leaves the bangles with the gum over there what would be her lose. Still she is not willing to accept. Agar pyar se bath bathaya tho samachch jathaa hai (if she speaks caringly one understands). Lekin madam bhi aisae unchain avas mai bath kar rahi hai (but madam too was shouting). Member bhi apani galthi manane ko thaiyar hai (member was ready to acknowledge her fault). Mehaman ke samnae aisae bath karma nahim chahiyae, voh bhi nahi sochae (it is not good manners to talk like that in front of the guest, but no one was concerned about that). Such are the things that happen if you start talking about your rights¹²³.

Here I tried to wok out the matters. The ten rupees charged as penalty for defaulting the monthly saving is not shown anywhere in the account of the organization. Even members do not know about what the organization does with this amount. *I asked Gita one of the elected members of a group. She was ignorant about what they do with the penalty. Her response was that: mei tho puchethae nahi. Na koyi our member. (I do not ask about that or any other member). Mei tho vaisae bhi jyadha kitch kitch kartahe nahim (as it is I am not an irritable character). Un log kahthae hogae. Mughae nahi patha (they might be doing that, I am not aware). I asked: Don't you want to know about it. She said: No. I don't default. I pay them on the day of the meeting. Why should I bother about that? Those who pay the penalty shall ask about it. Yes I do feel 10 rupees is too big an amount for a poor woman. But if no one else is talking about it in the meeting why should I do that. I do not want to antagonize madam by asking money matters. That might be their rule. Aapnae suna nahi, jo bhi poochethae hai madam*

¹²² Decorating the bangles is one piece rate work many of the community women in locality engaged in. They get plain bangles and other accessories like gum and decorating materials from the middleman. This wok needs good amount of precision as they have to handle with minute objects. They first apply gum on the bangle, 4-5 of them, at a time. Before the gum dries up they systematically paste the ornamental particles on it. In case the gum dries up before finishing the job, the women will have to do the double work of cleaning it first in putting the bangles in boiling water. Then again repeating the process.

¹²³ Sunita was indicating here the conversations in the meeting of the previous day where I too attended and how the mobilizer behaved. When the mobilizer charged a penalty to one of the embers for the reason of late coming for the meeting, things were taken to a heated argument. Initially the member refused to pay the penalty, but eventually she paid.

kahathae hai ki vahi hai rule aur rule nahi thod sakthae hai.(whenever there is a difference of opinion madam would say that is the rule and rules can't be broken.

It is not just an exceptional case. Most of them are made to feel what they get is just a charity and what they all need to do is to accept it without questioning. Meena has a similar story to say about the meeting and its proceedings.

Meena: The meetings are held in the house at that corner. We do go for the meeting regularly. If not possible, by any chance, we send across the money. If we fail to do that they charge a penalty of 10 rupees. The animator Anju is very strict and she doesn't even take the money a day later. 10 rupees penalty is a very high amount. 5 rupees is okay. 10 rupees per month is too high for people like us.

I: Why don't you tell this point in the group meeting?

Meena: if others are also ready to say then only I can say. I know only two people in our group. If others are not ready to raise the issue we cannot do it alone. The matter is that it affects us but might not be others. As it is, anything madam says, everybody quietly agree to that. None questions or dare to question their decision. The moment, anyone does that, she would say you can settle the account and get out of the group. It is our compulsion to be in the group for the fact that we can get loans at a lower interest rate and without much hassle. So we are left to oblige as well as listen to whatever they say/dictate. I have taken this loan just last month. And this month, I am supposed to give 100 rupees as monthly saving, 150 rupees as interest, 1000 rupees as loan installment and 100 rupees as loan charges. I have to pay the entire amount. I don't understand why I have to pay this 100 rupees as loan charges. How do I tell them. They would say that is the rule and everyone pay this. Others may be affording to pay that. For me 100 rupees is a big amount.

The non transparent, undemocratic and non-participatory functioning of ShGs often contributes to nothing but accentuating both material and non-material poverty. Saroj, a resident of Mukundpur and a member of ShG for the last four years expresses her frustration with the changing rules of the organization.

Saroj: They keep bringing in new rules. And the rules are told about in the meeting. No one questions about the rule. No one asks for clarifications of the accounts that they

show. Like, for example, earlier there was no need of property papers for sanctioning loans. There was no auditing charge on loans. The loan used to be given as cash not as cheques. They keep changing the rules according to their convenience. Who are we, after all, to question their authority?

I: What is the trouble in giving cheques? That would give you an opportunity to visit the bank and get an exposure of the outside world.

Saroj: You please tell me what is the whole point you go to the bank just once or twice in your life time. Moreover, you should know how to sign for crediting the cheque given by the ShG. I am illiterate and I can give thump impression only. Hence they ask for someone who can make signature so that they can issue the cheque in their name. And we have to depend on someone to get the cash from the bank. Isn't that a trouble? The only advantage is that we can get loans at lower interest rate than the market rate. And it is only for that purpose that we remain as members of the group.

While the members express their disgust in the undemocratic and non-participatory functioning of the activities privately but they rarely show the courage to take up the issue vehemently with the organizers for the fear that they would be humiliated and ousted from the groups. Sharmila of Jaivihar was one such victim.

I: So you wouldn't even know who is getting loan of what amount and in which month.

Sharmila: Nothing. I asked Seema madam (she is talking about the ShG mobilizer) about this many times. She would say 'come and sit in this office (the NGO office) and then you would get to know who are coming and making the payment'. This is the way she answers. Don't I have any other work? She gets salary for sitting there and what I would get. I have small kids and who would take care of them and the house.

I: Can't you tell her along with all other members together?

Sharmila: If they do not even conduct a monthly meeting how would we even get to see each other?

I: Are you an elected member?

Sharmila: Yes. That is why she came to me for signatures and I denied her to give the signatures.

I: What signatures?

Sharmila: Seema came to me to sign the bank form to take the loan. It was having the signatures of all the other members of my group. I am the president of the group and

without telling me what exactly it is they asked me to give the signature. I asked why. If anyone does not make the payment then I would be caught. Why should I make the payment of someone else? Had they written something on the stamp paper¹²⁴ I would have joined the group. She was ensuring me I wouldn't be caught. Don't I need to know how much amount that they are going to take as loan from the bank and which are the members who are going to avail loans? Don't I have the right to enquire whether they have the repayment capacity? If they do not inform me all those details I wouldn't give my signature. If any one else is ready to become the president or cashier, let them be and get the bank loan. My husband has a bank account and I know the bank dealings well. Bank matters are strict. How is it possible to sign on an empty stamp paper? They can fill anything on that.

I: Yes, you are right in that. Anyone else in your position too would have done the same. But how come all other members signed on the loan form?

Sharmila: They got their signature saying something else. She asked me not to tell the members that this is to take loan. This makes one more suspicious. She hasn't told the members that this is to take loan and at the same time she says that once the money is sanctioned she would distribute among the members. How can I believe her words? That is the reason I refused to sign the papers.

There were other members who expressed their mental agony caused due to the very functioning of ShGs.

Rema was saying: Ideally we would be getting the annual dividend. But it never happened in our group. It is over two years old now. And the members are asking them to distribute interest. Seema madam is refusing to do that. She says the group is not mature enough. The interest for distribution would be a meager amount and that would be no use for the members. Some of the members asked for accounts and they haven't even disclosed that too.

Another member Sarita was saying: It seems they are going for a bank loan now. I also signed the paper. Earlier too the group has taken the bank loan. That one was taken by seema madam. This time I also asked for loan of 10000 rupees. I do not know whether I would get that. She said the bank loan would have to be distributed among the

¹²⁴ In fact the mobilizer was getting the signatures of all the members of the group on an empty stamp paper.

members. And she also said there are more people who asked for loan. It is she and Usha madam (who is the president of the group) who decide whom to give the loan. I do not know what is the whole purpose of being the member of the group if they can't give me the loan when in need.

II. Poverty Alleviation and Equality: State and Planning – Perception, Strategy and Approach

As evident from the above discussion, there is an inherent contradiction in the spirit of people's development as understood and visualized by the State for the development and how it is operationalised at the ground level. Where do we locate this contradiction? Is this a result of how people's development is planned over the decades or is it due to something else? The fact of the matter is that the very process of Planning for people's development is an overall representation of different aspects like the very perception about causes and prospects about people's underdevelopment/development, visualizing and adopting strategies accordingly and finally formulating developmental approaches based on those perceptions and strategies.

While in any society there exists a system of rules, customs and activities or to say the style of living (that are socially and culturally borne) which has a determining role in deciding who are eligible to occupy labour force roles and what kinds of roles; it is the forces that govern the distribution of income and other resources, in terms of (official) construction of differential wage and salary system and the complementary social security benefit system that decides whether and how to satisfy or fall short of the socio-culturally prescribed style of living. Although these two are mutually reinforcing many times, both social policy and the indivisibility of social policy and economic management have become of central importance in explaining poverty in any society (Giddens 1973), as the governments institutionalize standards of need in legislations, regulations and modes of administration¹²⁵. Essentially an economic plan of a country is

¹²⁵ For instance, a poverty standard that a national government adopted represents a conception of what people need in that society as well as it has implications in the policy making. A poverty standard which produces a figure of 3% poor has very different implications from one which produces a figure of 20% poor. Again, a standard which assumes that the income needs of an adolescent dependent child in the home are only half those of an adult has very different implications from one which assumes that their income needs are the same.

a political programme for that it consists as a matter of fact, in a coordinated system of political decisions.... and no work even on details in the (national) Plan can proceed successfully except on the basis of a continually taken political decision (Myrdal 1958). The post independent Indian State decided to follow the path of socialist democratic in adopting planned development for the advancement of the society to get rid of “want, ignorance and disease” and to raise the standard of living of the people and as well to open to them opportunities for a richer and more varied life.

In India, the National Planning was aimed to achieve increasing the production output by resource mobilization of both human and material that were available to the community, and also at reducing inequalities of income, wealth and opportunity¹²⁶. The aim was to build up, by democratic means, a rapidly expanding and technologically progressive economy and a social order, based on justice and offering equal opportunity to every citizen. The basic objective was to achieve ‘socialist pattern’¹²⁷ of society’ which means that the basic criterion for determining lines of advancement must not be private profit, but social gain, and that the pattern of development and the structure of socio-economic relations should be so planned that they result not only in appreciable increases in national income and employment but also in greater equality in incomes and wealth. And what is required for this is to create a milieu in which poor man who has so far had little opportunity of perceiving and participating in the immense possibilities of growth through organized effort is enabled to put in his best in the interests of the higher standard of life for himself and increases prosperity for the country. The emphasis on spreading the impetus and benefits of the economic growth to

¹²⁶ It states, “a programme aimed only at raising output might result in most of the increased wealth flowing into the hands of a few, leaving the mass of the people in their present state of poverty failing to achieve the wider social objective. On the other hand, a mere redistribution of existing wealth would impair the well being of the certain sections of the society without sensibly improving the lot of the rest. The two have to be considered together; only a simultaneous advance along both these lines can create conditions in which the community can put forth its best efforts for promoting development. Thus in selecting her path of development India adopted neither exclusively liberal nor socialist; rather a mid way path of mixed economy”.

¹²⁷ A socialist pattern essentially means that the primary criterion for determining the lines of advancement must not be private profit, but social gain and that the pattern of development and the structure of socio-economic relations should be so planned that they result not only in appreciable increase in national income and employment but also in greater equality in incomes and wealth. The benefits of economic development must accrue more and more to the relatively underprivileged classes of the society, and a milieu should be created in which the *small* man has chances of rising in life (emphasis added). (Planning Commission 1956: 9).

weaker sections was taken as vital in the interest of equality as well as growth. The Plan envisaged that the economic activity is to be so organized that the tests of production and growth and those of equitable distribution are equally met so that it leads to a socialist social order which is absolutely essential in the case of India where a vast majority of the people live in the verge of poverty. However, it believed that a high rate of economic growth¹²⁸ sustained over a long period is essential condition for achieving a rising level of living for all citizens, and especially for those in low income groups or those lacking the opportunity to work.

The Plan continued, “increase in agricultural production, the growth of modern industry and of transport and power, and the development of the public and cooperative sectors in the economy will create conditions which will make it possible to advance towards socialism and to improve living standards. These will gain greater social significance in the measure in which socialism develops at the level of community and enlists widespread local effort. As the values of socialism and democracy become more pervasive, influencing everyday attitudes and behaviour, wider opportunities will open up for all sections in the community and especially for the under privileged” (III Plan : 12).

Thus, rapid economic development which is oriented towards establishing social justice supposed to involve refashioning of socio-economic institutions, where social objectives would be the end result of economic development. At the same time it was recognized that in a large measure their realization would depend on how the course of development is charted and to what extent an appropriate structure of socio-economic institutions is evolved and operated. And this refashioning was expected to strengthen the democracy both in its social and economic aspects along with polity. While the State at one and the same time recognized the existence of hierarchical social inequalities in the society and their perhaps strong ability in impairing the economic

¹²⁸ At the same time it recognizes that the increase in population and the need for investment in basic productive capacities and in economic and social overheads, which yield their benefits after a considerable period, place large burdens on a developing economy. On the other hand, they limit the extent to which over the short period, living standards can be raised. On the other, to be borne at all, their burdens must be shared widely, calling for sacrifice, according to capacity, by every section of the community.

advancement of the society, the State took a mid path in order to take both economic growth and removing structural inequality amicably. It recognized, any measure, too far and too fast would ruin the social fabric leading to social tensions¹²⁹. Addressing the Parliament of India Gunnar Myrdal (1958: 3) stated “I have a great admiration for the earnest devotion Indians have given to spelling out the basic human values and principles upon which its planning is founded, the broader social aims that the nation wants to reach”. Nonetheless, despite the good intentions Myrdal found what India plans is capital intensive development and one which depend the developed economies, which might prove to be detrimental for a developing economy¹³⁰. “India is still very far away from a socialistic pattern of society – much farther away from the countries in the west who do not pretend to be socialistic”. The reasons for which among others¹³¹, he found in India with its very wide income spans, its existing gulfs of social distance between people in different strata, and its rigidity of class and caste and in-egalitarian ways keeps at bay the equality of opportunity, which is a mark of socialist richer countries (ibid: 28-29).

However, the State recognized the need to have specific policy measures meant not only to influence the composition of the output in favour of mass consumption of the goods but also to ensure a more even regional and class distribution of output, paying more attention to stimulating growth, addressing issues of social inequality. Purposive State intervention within the framework of national planning and in harmony with its overall aims was what the State intended. The State believed that the reduction

¹²⁹ The first Plan (p 17) stated: there are risks in trying to go too far and too fast, but there are also risks in standing still and condoning the existence or accentuation of sectional privileges. A middle way has to be sought which, while avoiding a violent overturning of society will, nevertheless, enable the state to promote rapid changes in the social structure. These are consistent with the premises of democratic planning, namely that society can develop and adapt itself to changing conditions as an integral whole and that the position occupied by particular classes at a given time can be altered peacefully by democratic methods through these very classes appreciating the need for change and respecting the democratic system.

¹³⁰ Myrdal puts it “there is a danger that in our endeavours to produce the machines and the tools, and to build the factories and the dams and to find the money to finance it all, we become too materialistic and forget the human factor, the people, whose bodies and minds must be the chief depository of a developing nation’s savings and investments’.

¹³¹ The other reasons are i) the public sector in India is relatively small (in relation to richer north countries of Western Europe), ii) a very rigid (or even more rigid than) bureaucracy inherited from the colonial masters who developed it in order to rule the colonized natives.

of inequalities along with economic growth can follow only from a totality¹³² of measures and institutional changes undertaken as a part of the development plan. It is the essence of the planned approach that these measures should be so harmonized as to result in an enlargement of incomes and opportunities at the lower end and a reduction in the concentration of wealth and privilege at the upper end (II Plan: 15).

Thus, planned approach to development in terms of objectives and priorities on which the plan is based i.e. refashioning of oppressive traditional order and hierarchical social structure towards a more egalitarian and equalitarian social system necessitated an integration of economic and social policies. Nonetheless, these policies largely deal with facilitating effective State intervention to promote the individuals/communities to fight the structural inequality at their own level and overcome it in order to make possible their upward mobility in the social as well as economic ladder. It stated “ nothing is more destructive of hope and more inhibitive of effort than a feeling that the accident of birth of a poor start in life is likely to come in the way of a capable person rising in life in terms of economic and social status...”. Here the state’s effort would be helping a capable person to aid in fighting the structural inequalities to overcome poverty rather than removing the structural inequalities in the first place to facilitate the upward mobility of poor as a whole.

The Plan further stated “On account of rigidities of the caste system as well as economic differences, India’s social structure presents numerous inherent conflicts and barriers to economic advance.... In turn, these are reflected in modes of living, social behaviour and a general increase in the spirit of acquisitiveness. It is the aim of the public policy to check undesirable tendencies and to ensure that these do not come in the way of building up of a society which is fundamentally integrated from within and derives its strength from common values and sense of shared citizenship” (III Plan:10). The purposive State intervention, intended to check concentration of economic power

¹³² The holistic Plan included the pattern of investment proposed in the plan, the direction of economic activity by the state action, fiscal devices used for mobilizing the resources needed for the plan, expansion of social services, and institutional changes in the sphere of land ownership and management, the functioning of joint stock companies and the managing agency system and the growth of the cooperative sector under state sponsorship, all these determine the point at which new incomes will be generated and the manner of their distribution.

and the growth of monopoly, strengthen the bonds of cultural and economic integration and assure every citizen of India, the right to work, to equal opportunity and to a minimum level of living, was planned at three levels, i) public policy to check concentration of economic power, ii) redistribution of the surplus of the high income group and iii) targeted community development/welfare programmes.

Public policy to check concentration of economic power: The State recognized the dilemma¹³³ that arises out of the situation of economic growth so envisaged that the largest corporate group/private parties are advantageously placed to make more benefits of economic growth and development and in the process there is an inevitable increase in the concentration of economic power. In order to check this the State planned, by formulating new licensing policy, to control and regulate the private sector to control the concentration of economic power. It was perceived that such an aim is attainable by the State taking a heavy responsibility by itself; by a rapid expansion of the public sector. It meant that the private enterprise has to play its part within the framework of an overall plan. It argued that in a growing economy there is a scope both for the public and private sectors to expand simultaneously, but if the development is to proceed at the pace envisaged and is to contribute effectively to the larger social ends in view, it is inevitable that the public sector must grow not only absolutely but also relatively to the private sector. Such a pattern of development was believed to be the socialist pattern of society, the accent of which is on the attainment of positive goals; the rising of living standards, the enlargement of opportunities for all, the promotion of enterprise among the disadvantaged classes and the creation of a sense of partnership among all sections

¹³³ A review of the previous Plans stated, "available information does not indicate any trend towards reduction in the concentration of income and wealth. Nor is there any indication that there has been any lessening of disparity in the standards of living of various classes. ..even in institutions like the cooperatives which were fashioned to promote socio-economic democracy, the propertied class and rich dominate. Problems of low income, unemployment and under-employment remain sizable. Regional imbalances in development have attracted attention" (Plan IV: 12). And the reasons perceived for this continuation of the social situations are in the pattern of economic development that followed. The reasons cited among others (IV Plan: 12) "more important, the concern for achieving the desired increase in short run, often necessitates the concentration of efforts in areas and on classes of people who already have the capability to respond to growth opportunities. This consideration shaped the strategy of intensive development of irrigated agriculture. Output increases more rapidly in areas which have the basic infrastructure. The operation of programmes of assistance related to size of production tends to benefit the larger producers in the private sector. A small number of business houses with experience and resources have been able to take greater advantage of expansion of opportunities for profitable investment".

of the community (II Plan: 10). “A progressive widening of the public sector and progressive enlargement of the State’s direction and control of the private sector to meet the needs of a planned economy is required. The fact is that the concept of private enterprise is undergoing rapid change and the view that it can function only on the basis of unregulated profit is an anachronism. The enlargement of the State’s direction and control is a process which will continue and gather speed. It is evident that with the expansion of the public sector and the growing regulation of the private sector, there will be no place for large inequalities of wealth and income, and it will become increasingly easier to reduce these without danger to economic progress and social stability” (Planning Commission 1952: 18-19).

Redistribution of the surplus of the high income group: The special measures taken for reducing the economic inequalities were by redistributive measures of i) regulating land tenures and ii) fiscal measures. Land redistribution and ceiling of the land holding were thought as measures to reach at more equitable distribution in the society. The programme of land reform, with its stress on the abolition of intermediary rights, security and rents reduction for tenants and enforcement of ceilings on agricultural holdings was calculated to release the productive forces of the rural economy. The tax collected from the rich by the national government can be use in generating more productive endeavours which would benefit the overall development of the people. It stressed that in a society in which labour is plentiful in relation to capital, it has to develop the art of using labour intensive modes of production rigorously. The perceivable aim was to embark a development model which combines development with reductions in economic and social inequality. “The process of reducing inequalities is a two fold one. It must raise incomes at the lowest levels; simultaneously it must reduce incomes at the top” (II Plan: 15). In a developing economy taxation is one of the main instruments of social policy, and in accordance with the needs of the plan; it not only prevents concentration of economic interests but also accounts the money for redistributive social service measures. Social services have also helped to bring about a measure of redistribution of income and provide basic amenities for the masses. Thus, “social services such as the provision of scholarships and other facilities in the field of training and education and the beginnings of social security along with intensive

economic development should go some distance in providing more equitable opportunities to different sections of the community”.

Community development/welfare programmes: The objectives of the poverty eradication programmes aimed at specified target groups of the population is to improve the productivity and, therefore, the income of the poor and also to ensure that the employment opportunities are enlarged at a faster pace. The poverty alleviation programmes operate mainly by way of transferring assets and skills and in providing employment in the slack season of the year.

Therefore, what we can conclude from the ongoing discussion is that since independence the constitution and the planned development discourses in the country maintained a very contextualized and socio-culturally and historically rooted vision about the development of our people. Accordingly, the country had drawn its strategies for achieving a people friendly development. However, the approach for the development of the country remain founded on the ‘imported’¹³⁴ idea of ‘economic development’. While the fault was in the very approach appropriated by the State for the advancement of the society, instead of shifting the approach suitable for the specific context of the country, it witnessed in the liberalization era a shift in the ‘strategy’ making it suitable for the ‘imported approach’.

Shifting strategy – from purposive intervention to facilitation

In the foreword to the 7th Plan the then prime minister and chairperson of planning commission of India, late Mr. Rajiv Gandhi, stated: “development is not just about factories, dams and roads. Development is basically about people. The goal is the people’s material, cultural and spiritual fulfillment. The human factor, human context, is of supreme value. We must pay much greater attention to these questions in future. The 7th Plan proposes bold initiatives in these areas..... policies and programmes in education, health and welfare must also be *restructured* to provide a fuller life for our people” (emphasis added) (7th Plan: vi). Thus VII Plan, which was set within a 15 year

¹³⁴ Once again let me repeat the very idea of economic development or modernization as the accepted path for development is emerged in the West at some point of time in the history.

perspective, witnessed a basic shift in the strategies for people's welfare so far followed for planned development in the country apparently to achieve the goal of a more 'humane' development. The aim of the Plan was to create by the year 2000 "the conditions necessary for self sustaining growth and to provide the "basic material requisites" of well being for all people, which means sustained and accelerated momentum of economic growth" (ibid), which was proposed to attain by the structural transformation of the economy. The economic growth was considered as the panacea "to virtually eliminate poverty and illiteracy, achieve near full employment, secure satisfaction of the basic needs of food, clothing and shelter and provide health for all ... the standard of living is a matter of increased productivity and there are no short cuts" (VII Plan: xi – xiv). And the fault was with the development strategy so far adopted. It continues "systems of control and regulation, developed for good reasons in the past have outlived their utility and some positively stand in the way of further progress. Such dysfunctional systems¹³⁵ have to be overhauled in the light of emerging realities" (VIII Plan).

It also observed that vested interests act in appropriating the benefits of a regulatory system of industrial development¹³⁶. Thus, it was observed that though the

¹³⁵ It was noticed that during the sixth Plan period the economy till then could not grow on an industrial growth path in which production steadily increased from year to year ... also there is a buoyancy that was evident in the rapid growth of the private capital market (VII Plan: 1) that was essential for a faster economic growth and a better 'balance of payment' situation of the country. Along with it, there was a downward trend of the public sector both in terms of savings and investment. And a much sought for socialist social order as well was much short of desired level.

¹³⁶ Being said so, the reason implied for this is in the specific approach so far followed in planned development (mixed economy) and not due to the specific socio-cultural structure that existed in the society. The government recognized the same sort of dilemma in lessening the income disparities in the society. It stated, income disparities can be lessened by the redistribution of the surplus of the high income group, but in a growing economy the surplus income is required for reinvestment in the economy which in turn would lead to the concentration of income in a few hands. Notwithstanding such a contradiction, it stated, "we have to reach the social and economic objectives through more rapid growth of the economy, greater diffusion of enterprises and of the ownership of the means of production, increasing productivity of the weaker units and widening opportunities of productive work and employment to the common man and particularly the less privileged sections of the society. And reaching out these sections of the population, like rural poor, weaker producers, scheduled tribes and castes, landless labour and so on, who require special consideration for their economic and social advancement the state plan was to reach out through measures of individual welfare. In addition to that, the equity in development was proposed to achieve by charting the course of industrial development so as to bring about dispersal of industrial activity and enterprise. Through regional and local planning generating immediate and future employment potential for smaller and weaker producers adopting monopoly legislation and appropriate fiscal policy to reduce the concentration of economic power. The state stressed that for the attainment of the objectives of the equality and social justice it requires more comprehensive

sixth Plan helped the country to make progress towards the national Planning objectives of growth, self reliance and social justice, “there are, however, certain crucial weakness in the development effort which need to be corrected” (VII Plan: 5). And the corrective measures were in bringing about some important changes in policies and performance¹³⁷. “To perform its historic task, the public sector has to undergo basic structural changes¹³⁸ to conform to the Plan priorities of efficiency and productivity which entices the resource mobilization of both financial and human resources” (Ibid). Thus there was a newly conceived recognition that planning strategies in a market economy which is becoming increasingly integrated with the world is bound to be different from what it used to be in earlier years. Much of what used to be done by governments, including especially the establishment of production units producing manufactured goods and commercial services, is now being done by the private sector. However, this does not mean that the role of the government must shrink. On the contrary, the government must play a much larger role in some areas even while shifting out of others (IX Plan).

The changes were well in tune with the changing worldview about economic development around the world. It perceived that in this turbulent world, the policies

planning and greater command of government over resources than has been attempted so far (IV Plan: 14) for that it feared the absence of purposive state intervention may lead to greater concentration of wealth and income.

¹³⁷ “There must be significant changes and improvement in the pattern of resource mobilisation for the public sector; the requisite policy-changes in the fields of industry, agriculture and technology should be brought about to raise productivity and efficiency and for promoting exports; basic structural reforms should be effected in rural administration; and there must be shift in emphasis towards improvement in quality and greater effectiveness in education, health care and family welfare programmes” .

¹³⁸ The structural changes meant a transformation of the economy in response to appropriate stimuli would enable Indian industry to readjust, re-equip and retool for accelerated growth. With the changing economic and industrial scene in India and abroad a new phase of industrialization has now commenced, a phase which is marked by greater emphasis on technical progress and productive efficiency. The protection from international competition of the earlier semi-insular phase has given rise to high-cost manufacturing, which is inhibiting both the expansion of the domestic market and more rapid development of exports. Manifestly, an appropriate environment has to be created so as to encourage and promote greater efficiency, higher productivity and faster industrial growth in desired directions through a well co-coordinated system of incentives and in consonance with the objective of self-reliance. Accelerated growth of manufacturing, accompanied by radical restructuring and induction of 'sunrise' industries within a suitably modified policy frame would bring about a significant transformation of India's industrial economy. To facilitate this process, industry will have to upgrade technology and management, attain economies of scale, pursue greater value-adding activities and selectively launch an export drive. Small-scale industry will remain an integral segment of manufacturing; and policy re-orientation combined with development programmes will ensure steady growth of small-scale and village industries. State intervention will undergo a qualitative change that will emphasize its developmental role, greater interaction with industry and forge closer links between industry trade and finance.

must, besides the domestic situation, also deal with changing realities¹³⁹ i.e. centralised economies are opening up to free market forces and competition. At the heart of the neo-liberal or market economy philosophy is a commitment to individualism and a belief that State intervention in the operation of the market is damaging its free and effective operation. While the welfare State embodies the interventionist and the egalitarian preferences of the social democratic ideology as represented by the Keynes-Beveridge¹⁴⁰ settlement, the very concept of welfare State become a point of contention for the State that adopted neo-liberal ideology. Notwithstanding the fact that the social assistance schemes are inevitably forged in particular social and economic climates and (hence) are continually subject to remodeling (Walker 1984: 59). The 'golden age' of welfare State almost cease to exist since beginning 1970s (Veen 2009) and in reaction to the pressures towards economic reform and retrenchment a new welfarism was born which is monetarist and post-Fordist¹⁴¹. Since full employment, redistribution and expensive universal services are no longer seen feasible; the new welfarism could only justify social spending as investment in human capital and the establishment of individual opportunities. Welfare States were all driven in the same direction by the imperatives of international competition. Nonetheless, the new welfarism may suggest a certain convergence between different welfare regimes; albeit the convergence may be limited to the overall philosophy of welfarism might not be in different policy fields (Taylor-Goody).

Welfarism had also undergone a change in the perspective of the Indian Government. It reinstated that in many areas of activity, development can best be ensured by freeing the economy of unnecessary controls and regulations and

¹³⁹ "The Eighth Plan is being launched at a time which marks a turning point in both international and domestic economic environment. All over the world centralised economies are disintegrating. On the other hand, economies of several regions are getting integrated under a common philosophy of growth, guided by the market forces and liberal policies. The emphasis is on autonomy and efficiency induced by competition. We cannot remain untouched by these trends" (VIII Plan: 11).

¹⁴⁰ William H Beveridge was the chief architect of welfare state in the English speaking world.

¹⁴¹ Allan Walker puts down the British government's neo-liberal inspired strategy towards the welfare state or the strategy of inequality as consists of five interwoven strands. First cutting expenditure on welfare-state. Second state-subsidized privatization and marketisation within the welfare state. Third replacing universal benefits and services such as unemployment benefits) with selective or targeted ones. Fourth reducing taxation to provide incentives to encourage the growth of alternative forms of private and voluntary welfare. Fifth centralization of resource control and decentralization of responsibility for operations and thereby reducing the public pressure to increase public expenditure on welfare.

withdrawing State intervention. But at the same time it justified the need for national economic planning for the growth and development of the country, which cannot be left entirely to the market mechanism. A post-Fordist welfare State that focuses on investment in human capital and the enhancement of individual opportunities is often called as a 'social investment State' (Giddens 1998; Esping-Anderson 2001). Antony Giddens perceives a social investment State as a welfare State, but as a welfare State in which public responsibility has changed from protective to preventive, in which public policies are directed at empowering people and communities and in which notions of 'positive welfare'¹⁴² prevail. For Gilbert, N (2002) this, instead, is an enabling State¹⁴³ with a silent surrender of public responsibility. However, Veen (2009) views it as a combination of social investment and enabling State, where next to a certain reduction in the public responsibility, a displacement and reinforcement of the public responsibility can be observed. At the same time by combining public responsibility with a certain liberalization, or combining social investment with individual responsibility.

The new welfarism of the Indian State took a different turn altogether from the perception that it held earlier. While "planning is essential for macro-economic management, for taking care of the poor and the downtrodden, who are mostly outside the market system and have little asset endowment, it is not a choice between the market mechanism and planning; the challenge is to effectively dovetail the two so that they are complementary to each other" (VIII Plan). And the State intended to achieve this not by adopting purposive intervention where the State makes direct intervention to assure an equitable distribution of the fruits of economic growth. But acting as a facilitator for achieving a faster rate of economic growth and this required major shifts in the formulation of policies and programmes. The propounded goal of planning been human development and for achieving this, it accorded priority to the generation of adequate employment opportunities, building up of people's institutions, control of

¹⁴² By 'positive welfare' Giddens means welfare which is functional for wealth creation and that represents investments in human capital wherever possible rather than the direct provision of economic maintenance or the protection against want, disease, ignorance, squalor and idleness.

¹⁴³ Gilbert characterizes the transformation towards an enabling State as a shift from the ideal Scandinavian model of social welfare to a market oriented version, which is identified with an Anglo-American approach.

population growth, and among other social sector goals as universalisation of elementary education, provision of safe drinking water and primary health facilities to all, growth and diversification of agriculture and so on. However, the view was that, for achieving these goals it needs to provide greater competitive stimulus to Indian industry by providing much greater emphasis on private initiative in industrial development. For an increased investment in the social sector it requires an accelerated economic growth which is in turn possible by the expansion of private sector production.

Thus from 7th Plan onwards there was a progressive rolling back¹⁴⁴ of the public sector investment from those sectors of the economy where the private sector can move in. The State would rather facilitate the growth and expansion of private sector. And the shift of the State from the role of one of 'safeguarding' to that of 'facilitator/mediator' is also to be extended to the social sector investment that would enable the masses to fight against the social structural inequality making their upward mobility possible. Thus it states "*there is, however, one danger which we must recognize and guard against in the 'opening up' process. This could lead to wider disparities within the society. To meet this situation, it needs to enable the under-privileged sections to derive the benefit of the new opportunities*¹⁴⁵. This process would naturally need some time to fructify. Until that happens, there has to be a by-pass arrangement whereby benefits

¹⁴⁴ The rolling back reforms involve a major re-orientation of the role of the State. Instead of being a pervasive controller of private sector activity, and also a direct producer in many areas through majority owned public sector enterprises (as in the past), the State play a different role. The development strategy is oriented to enable the broad based and varied private sector to reach its full potential for raising production, creating jobs and raising income levels in society. A vigorous private sector, operating under the discipline of competition and free markets, expected to encourage efficient use of scarce resources and ensure rapid growth at least cost. The policies thus supposed to create an environment which encourages this outcome.

¹⁴⁵ It was recognized by the state that shifts in emphasis towards private initiative and reliance on the entrepreneurial spirit of the people essentially seeks to create the conditions for rapid and sustained growth. Nevertheless there are aspects of growth which can be labour-displacing and impoverishing. These arise essentially out of unequal initial endowments of physical resources, human capital and information, which prevent segments of the society, particularly women and other socially and economically disadvantaged groups like the Scheduled Castes, Scheduled Tribes, Minorities, Other Backward Classes, disabled etc. from taking advantage of the opportunities that become available or from protecting their interests in an adequate manner. Much of these disadvantages have their roots in historical circumstances and are perpetuated through social and political factors. Market forces left to themselves may not correct these disparities, and indeed may accentuate them since there would very likely be a tendency to exploit the weak and the disadvantaged by economic alignments of the socially and politically advantaged. Public action will be necessary to reduce and eventually eliminate these schisms through a focus on removal of the initial handicaps and stringent protection of the rights of the disadvantaged (IX Plan).

reach the lowest rungs of the social pyramid directly from the State” (VIII Plan). On the face of this planned development has become a transition from centrally planned economy to market-led economy without tearing our socio-cultural fabric.

Thus, the very process of planning in the country has undergone a redefinition. The role of planning becomes an integrative role in developing a holistic approach to the policy formulation in crucial and inter-sectoral areas of human and economic development. Instead of resource allocation it decided to play a mediatory and facilitating role for creating a culture of high productivity, cost efficiency and sound financial discipline. It addressed the question of equitable social order and mobilizing human resources by creating and making accessible to all the social infrastructure like schools, hospitals, institutions of excellence and scientific research for human development. It was also aimed to achieve by creation of a social security net through employment generation, improved health care and provision of extensive education facilities throughout the country. By way of poverty alleviation programmes, planning was considered as necessary to take care of the poor and the downtrodden who have little asset endowments to benefit from the natural growth of economic activities. And the programmes thereon planned were those which encourage people’s participation by connecting them to market economy in making possible their own development. The commencement and promotion of ShG programmes was one such attempt. However, the State by strategizing the course of development in a specified path makes a very significant assumption, that our society is egalitarian where every individual has equal accessibility to attempt for one’s own development as well as retrieve the benefits of development! An assumption which is most unrealistic even in an ideal situation.

People’s participation in development

As the planned development advanced over the decades since independence, it began to be observed that though the planning process in India argued to have pursued development within the framework of a functioning, vibrant and pluralistic democracy, the degree of democratisation that has been achieved in the political sphere is, however, not matched by its progress on the economic front. And the State attributed the reasons for this to the too many controls and restrictions on individual initiatives, and also

because many of developmental institutions exhibit paternalistic behaviour, which has become anachronistic. There was a newly found realization that for the country to attain its full economic potential, and for the poorest and weakest to shape their destiny according to their own desires, it requires a comprehensive reappraisal not only of the development strategy, but also of the institutional structures that guide the development process. The development process must therefore be viewed in terms of the efficiency with which it uses an economy's productive capacities, involving both physical and human resources, to attain the desired economic and social ends (and not just material attainment)¹⁴⁶. To this end, it is absolutely essential to build up the economy's productive potential through high rates of growth. However, while this is a necessary condition, it is not sufficient in itself. It becomes imperative, therefore, to pursue a development strategy that builds on a policy focus for exploiting synergies between economic growth, desirable social attainments and growing opportunities for all. Such a strategy must have, as the State argued, at its heart a commitment to widen and deepen the participation of people in all decisions governing economic and social development (X Plan).

On an overall stock taking at the threshold of the Eighth Plan, there was a high backlog in the provision of social consumption needs of the people, particularly the rural people and the poor. There is a reduced, but still unacceptably high level of poverty and hunger in the country, with high concentration in some regions. Illiteracy, particularly among women, found to be very high. There was high incidence of infant mortality. It showed the widening gap between growth of labour force and growth of employment, assuming serious proportions. The State's view was that imperatives of growth, in the face of these challenges, require an innovative approach to development which is based on a reexamination and reorientation of the role of the Government, the harnessing of the latent energies of the people through people's involvement in the process of nation building; a process of planning, involving people in the developmental task and social evolution and the creation of an environment which encourages and builds up people's initiative rather than their dependence on the Government and which

¹⁴⁶ The assumption here is that the economic participation as well as political participation through decentralization of institutional arrangements and extension of social infrastructure would automatically lead to the social development of people, especially weaker sections of the society.

sets free the forces of growth and modernization. The State decided to play more of a facilitating role and has to concentrate on protecting the interests of the poor and the underprivileged. The implementation strategy, therefore, found to be relying on building and strengthening people's institutions and making people active participants. And the primary role of the Government would be to create opportunities for the process of people's involvement¹⁴⁷ in developmental activities.

From equitable growth to inclusive growth

Thus the shift in the State's strategy and perception about tackling poor and poverty as individualistic and individual responsibility has come out very sharply and explicitly during the later planned periods, or specifically after liberalization and privatization of the economy. For the State, the market became a very neutral place that universally and uniformly facilitate any individual who is enterprising and entrepreneuring. And what the poor require is the initial capital for entering the market. This becomes more apparent in the 11th Plan.

The 11th Plan stressed that growth is not the only measure of development; the ultimate objective is to achieve broad based improvement in the living standards of all our people. Rapid growth is essential for this outcome because it provides the basis for expanding incomes and employment and also provides the resources needed to finance programmes for social uplift. However, it is not by itself sufficient so long as the benefits of the growth shall reach the historically and socio-culturally marginalized in the society. And the Plan perceives that for this to happen, the growth must be inclusive in the broadest sense. It must be spread across time and space, and across geographical locations. The Eleventh Plan recognizes that the rapid growth achieved in the past several years demonstrates that we have learnt how to bring about growth, but we have yet to achieve comparable success in inclusiveness and hence it addresses itself to the challenge of making growth both faster and more inclusive.

¹⁴⁷ The Eighth Plan recognized the essential need to involve people in the process of development. The attitude of passive observance and total dependence on the government for developmental activities has become all-pervasive. It has to be altered to a pro-active attitude of people taking initiative themselves. In the process of development, people must operate and the Government must cooperate. In this Plan, therefore, for the first time a new direction is being given to achieve these objectives by the adoption of institutional approach.

The 11th Plan found even after following the agenda of 'growth with social equity' the benefits of development have not reached many sections of the society. "Far too many of our people still lack the basic requirements for a decent living in terms of nutrition standards, access to education and basic health, and also to other public services such as water supply and sewerage. Disadvantaged groups, especially the Scheduled Castes and Scheduled Tribes and the minorities have benefited less than they should have. Gender inequality also remains a pervasive problem and some of the structural changes taking place have an adverse effect on women. Regional imbalances have emerged across and even within states" (XI Plan). These features suggest that while there are significant economic achievements that India can celebrate in its 60th year of Independence, it is still far from redeeming the pledge which Pandit Jawaharlal Nehru made on the eve of Independence: '[...] for ending of poverty, ignorance, disease and inequality of opportunity'. Hence the Eleventh Plan look for remedying these deficiencies by seeking to accelerate the pace of growth while making it more inclusive. The strategy for achieving faster growth with greater inclusiveness involved several interrelated components¹⁴⁸. Yet, it recognized "rapid growth of the economy is an essential requirement to achieve this outcome since it is an instrument for achieving a steady increase in employment and incomes for large numbers of our people". It reinstated that the vision of inclusiveness must go beyond the traditional objective of poverty alleviation to encompass equality of opportunity, as well as economic and social mobility for all sections of society, with affirmative action for SCs, STs, OBCs, minorities and women. There must be equality of opportunity to all with freedom and dignity, and without social or political obstacles. This must be accompanied by an improvement in the opportunities for economic and social advancement. In particular, individuals belonging to disadvantaged groups should be provided special opportunities to develop their skills and participate in the growth process.

¹⁴⁸ These are: (i) a continuation of the policies of economic reform which have created a buoyant and competitive private sector capable of benefiting from the opportunities provided by greater integration with the world, (ii) a revival in agricultural growth which is the most important single factor affecting rural prosperity, (iii) improved access to essential services in health and education (including skill development) especially for the poor, which is essential to ensure inclusiveness and also to support rapid growth, (iv) a special thrust on infrastructure development which is a critical area for accelerating growth, (v) environmental sustainability which is becoming increasingly important, (vi) special attention to the needs of disadvantaged groups, and (vii) good governance at all levels, Central, state, and local.

III. Philosophy of Poverty Line and Poverty Assessment in India

While it recognized (at least in principle¹⁴⁹) multi dimensionality of the poverty and its structural nature, the State's individualistic approach towards poverty and its eradication got consolidated over the decades since independence to the very recent period, especially after the 7th Plan onwards under the wrath of certain celebrated jargons. It shifted the responsibility of getting out of poverty entirely to the shoulders of the poor and the strategy it adopted was by linking them to the market led growth. The origin of the State's approach may be traced to the very philosophy of measurement of poverty in the modern era – the poverty line. The State followed the legacy of the colonial India that followed the 19th century Britain, in perceiving and defining the concept of poverty (Guha 1986; Strokes 1959)¹⁵⁰. For example the official explanation¹⁵¹ for the famines in the country was the faulty eating habits of the poor rather than the faults of authorities or unequal social structural reality which give people differential access to basic necessities. The poor were blamed for their situation of poverty and the reasons pointed out were their laziness, drunkenness, lack of regularity, ignorance and apathy.

While it is argued for, and proved time and again that in India poverty is not merely an economic phenomenon but also a social phenomenon (Radhakrishna and Ray 2002, Grusky and Kanbur 2006, Sen 1986) and poverty being an outcome of multiple deprivations, it requires to go much beyond income poverty. Nevertheless, in India, as in many other parts of the world, much of the literature on poverty relies on what may be referred to as the income poverty paradigm. "In this paradigm, poor people are defined by their standard of living expressed in some money metric, typically income or consumption expenditure per capita, falling short of an arbitrary predetermined level, 'the poverty line'. The extent of poverty thus measured by the proportion of people in the population below this line, possibly combined with the average distance they are

¹⁴⁹ To find an answer to whether this principle is practiced require an examination of the poverty eradication programmes, specially of the decades after the independence, which obviously is outside the purview of this thesis.

¹⁵⁰ The similarity can be noted between the statements in the *Report of the Royal Commission on Agriculture in India* published in 1928, and the one quoted from the House of Commons Inter departmental committee on Physical deterioration about the lack of entrepreneurship among the poor that the poor remain poor because of their lack of will power. (cf. Beck, 1994: 17).

¹⁵¹ Govt. of India 1928, 1945 and so on cf Beck 1994: 17.

from it and inequality among them. The goal of anti-poverty is therefore to reduce the extent of poverty so defined as much as possible". The anti-poverty strategies that the State has adopted so far looked at poverty reduction in minimalist terms of bringing the poor above the poverty line by focusing on their income improvement through employment programmes targeted at the individual. The basic premise of income poverty is that the differences in individual welfare or standard of living within a population may be summarized by differences in income or consumption expenditures. Implicitly, this assumption entails that all individuals transform (or uniformly capable of transforming) income into welfare. But the fact is that because of their second class status as poor this transformation cost them more (as they have to face more of economic, and socio-cultural hurdles to cross over) than the other sections in the society.

In the 19th century British tradition, measurement¹⁵² and the character of the poor were indivisibly connected. In the western scientific, objective and universal definition of poverty, the poor become invisible, characterless having no voice and cannot be seen. The poor were viewed as degenerate, as those who turned their back on progress or had been rejected by it; as those having limp in body and mind. The measurement of poor, attempted to delineate the poor as a set of statistics, ignoring all but their number, income levels and nutritional intake. In this approach, in fact what had happened is an overlapping of the moral divisions among poor with the scientific measurement. The poor were primarily viewed as passive and at, paradoxically, potentially dangerous if organized by external forces. Such conceptualizations necessarily feed into direct policy making, because even in the present day society the value judgments determine to a large extent how policy is made. If poverty studies argue that the poor are incapable and need to be lifted and raised above the poverty line, anti-poverty programmes become blunt instruments which aim to haul the poor to a given income and if the poverty studies argue that the poor are dangerous, anti-poverty programmes become instruments of social control (Beck: 1996).

¹⁵² Although quantitative inquiries into the 'state of poor' have been made in Britain since the late 18th century, and on a firmer statistical base in industrializing countries since 1830s, no definition of a 'poverty line' or survey of the citizens normally living below it that would be regarded as acceptable today occurred before the late 19th century, nor did any comprehensive public collection of unemployment statistics (International Encyclopedia of Social Sciences p 401¹⁵²).

In India, much of the debate, literature and policy making had been done using the macro-level statistics on income and nutrition to set a poverty line and calculate the numbers below it. Here the poverty lines are based on poverty line norms as defined by the Task Force on poverty (1973-74) based on monthly per capita total expenditure of Rs. 49.09 for rural areas and Rs. 56.64 for urban areas at 1973-74 prices. The recommended consumption basket ¹⁵³, although based on all India consumer expenditure data separately for rural and urban areas, was common to all the states. The consumption basket identified separately for rural and urban areas were evaluated at State specific prices to arrive at state specific poverty lines in the base year 1973-74.

In developing the poverty line the assumption is that given the poverty related level of income, the poor can afford normative consumption basket (minimum needs), which yields the calorie norm. However, due to changing tastes and preferences the poor may not choose to buy the same consumption basket, even if compensated for inflation. Although the committee recommended periodic revision of the consumption basket, it has not been implemented so far¹⁵⁴. The demarcation of poverty line is very significant not only that the number of poor in the country are assessed on the basis of that line but also because it is based on the data that the State claim the success or failure of its poverty eradication programmes. This is also the guiding principles to formulate government policies. The central concern in the assessment of the poverty line is in the accuracy of the statistics and statistical techniques used for calculating that. And the poverty line is drawn based on absolute or income poverty.

The absolute or material poverty perspective emanated from the works of Booth and Rowntree is based on a society dominated by bourgeois where the poverty was viewed primarily as personal vice and the poor as improvident, unthrift, ignorant,

¹⁵³ The suggested rural food basket contained 2400 kcal per capita per day in rural areas and the urban food basket had 2000kcal per capita per day in 1973-4. the task force arrived at the per capita calorie allowances recommended by the nutritional expert committee.

¹⁵⁴ There had been an array of criticisms raised against the official conception of poverty line viz. since the base year there occurred numerous change in the consumption pattern of the people, the nature of the aging population and so on and poverty line is not revised incorporating all these changes; the present methodology for calculating the poverty line does not take cognizance of non-food items like the health and education of the people; it perceives the poor as homogenous monobloc and adopted the same kind of measurement cutting across geographical, social and other differences.

irresponsible, lazy. The material/income/subsistence definition of poverty derived from the formulations about poverty by Seebohm Rowntree in his studies of York in the year 1899 and thereafter in 1936 and 1950. The main elements in this definition were income and food consumption. A family would be considered in poverty, if its total earnings are insufficient to obtain the minimum necessities for the maintenance of merely physical efficiency (Rowntree 1901: 68 cf Mac Gregor 1981:66). In this 'basket of goods' view, nutritional requirements are translated into quantities of food to which a cash value is attributed and the rent paid and minimum amounts of clothing and sundries are then added. This should provide the baseline to judge the poverty in the society. Rowntree, following the 19th century tradition, makes a distinction between primary and secondary poverty. Primary poverty¹⁵⁵, where minimal nutritional standards were not met because of an insufficiency of resources, was caused by inadequate income. Secondary poverty occurs where resources, in themselves sufficient, were not utilized rationally. Here, the cause poverty lay in the irrational behaviour of the poor, their unwise spending patterns. His calculations were based on the judgments of the nutritionists of what was required to provide an adequate diet and on the views of other experts on basic clothing and other necessities.

Absolute or income poverty, however, do not acknowledge that ideas of need as well as the circumstances, in which sections of any population find themselves, are socially conditioned. If people lack or denied resources to obtain access to diets, amenities, standards, services and activities which are common and customary in the society, or to meet the obligations expected of them or imposed upon them in their social roles and relationships and so fulfill membership of the society, they may be said to be in poverty (Townsend 1979). This approach is built upon a conceptualization of 'relative deprivation' as opposed to subsistence. Deprivation can arise in any or all of the major spheres of life – at work, where the means largely determining one's position in other spheres are earned; at home, in neighbourhood and family, in travel; and in a range of social and individual activities outside work and home or the immediate vicinity of the home. In principle, there could be extreme divergences in the experiences

¹⁵⁵ The number of primary poverty was decided on a head count basis. These were the respectable or moral poor of 19th century tradition, poor through no fault of their own (Beck 1994:11).

of different kinds of deprivation. In practice, there is a systematic relationship between multiple deprivation and level of resources. Empirical observation also suggests there is a threshold of income, or command of total resources, below which forms of deprivation multiply disproportionately to falling income. As income diminishes it seems that people strive to play their expected roles and conform with the customs of a society, but when their resources are low they tend to withdraw from the participation in relationships and customs – though this can sometimes mean concentrating on certain restricted roles or activities at the expense of others.

In the colonial India poverty line was first introduced by the Bombay Labour Enquiry Committee in 1937-40. In the independent India the first generally followed use of poverty line based on income was formulated in 1961 by the perspective planning division of the Planning Commission. The committee found¹⁵⁶ eradication of poverty is quite essential on humanitarian grounds as well as for the functioning of secure and stable democratic government. A clear cut indication had given out that it is essential to eradicate poverty for the peaceful life and meeting the amenities of the better off in the society. And whatever is done towards the poverty eradication is out of the magnanimity and the charity of the rest of the society and the institutions that they represent. Following the trend, most of the studies conducted thereafter too viewed poverty largely as individualistic and proposed its alleviation through social control measures. Also they raised the fear that the poor would resort to revolution if their minimum legitimate needs are not attended to. There were proposals (Dandekar and Rath 1971), following British traditions, in our country too for the formations of work camps where the poor can be shipped around the country for the purpose of getting work.

¹⁵⁶ Report states (Pant 1974 cf Beck 1994:18) 'widespread poverty must be eradicated both on humanitarian grounds and as an essential condition for orderly progress. No programme or policy which fails to alleviate the conditions of the poor appreciably can hope for the necessary measure of public cooperation and political support in a mature democracy'.

IV. ShGs – a Manifestation of the Paradox of the State’s Poverty Alleviation Mechanism

Within the nation, thus, the perception of instances of poverty highly depended on how absolute human need is defined and what is the economic measurement of meeting that need and how such a measurement is reached. The formulations of national social policies are depended on such definitions. The national attempts for alleviating poverty were based on those definitions. When the definitions and calculations of poverty become far from the empirical reality, the very question of poverty alleviation stands at stake. Needless to say, in these absolute needs approaches the human beings are primarily viewed as physical beings rather than social beings and it is perceived that if some of their basic needs such as food, shelter, and clothing are met the society has no further obligation towards them and those were the only requirements that they need to have. It fails to reflect that the physical needs of humans are socially filtered (for instance the definitions of food, shelter and clothing vary according to social definition or convention), the obligations, both social and cultural, of human as members of the society are varied and the responsibilities so arise are part of minimum requirements and having financial implications¹⁵⁷. The impression is conveyed that if need is so defined, can be fulfilled from the income that people receive, while the fact is that by representing or purporting to represent, a standard or physical subsistence, people’s real or full needs in their capacity as members of society, that is, in performing the roles and fulfilling the relationships imposed upon them or expected of them, are ignored or depreciated¹⁵⁸. For instance, many times the members of ShGs take loans for fulfilling their social obligations as daughter in law of the family or wife or mother of the family. Mostly, the group members do avail the loan for purposes like meeting the expenses for fulfilling social obligations and or consumption requirements, the requirements that often make the poor possible to extend the poverty to a longer period so that the

¹⁵⁷ Such a view is the basis for the definition of relative approach of poverty. Here human and social needs are said to originate in social organization and relationships. Ideas of need as well as the circumstances, in which sections of any population find themselves, are socially conditioned. If people lack or denied resources to obtain access to diets, amenities, standards, services and activities which are common and customary in the society, or to meet the obligations expected of them or imposed upon them in their social roles and relationships and so fulfill membership of the society, they may be said to be in poverty (Townsend 1979)

¹⁵⁸ By contrast the social definition will take more account of the needs of the membership of society and the forms of deprivation that arise when people lack the resources to fulfill their roles and obligations as members of the society (Townsend 1979).

intensity of the poverty is not felt at one go or in other words what it does is the lowering of the intensity of poverty at any particular point of time. That they require money for such instances which may otherwise can be causal for pushing them into a yet lower economic status. Neena (of Dwaraka) has availed a loan of 20000 rupees for taking her parents-in-law to Haridwar. She says: *as the daughter-in-law of the family, it is my duty to fulfill the wishes of my parents in laws. Had I been an ideal daughter in law I would be staying with them and do their seva (service). But since they live in the village and we live here I cannot do that. Now they communicated their wish to visit Haridwar. It would require us some money and we do not have it and hence I borrowed it from the group. Had I not got that, I would have to take it from other sources at a higher interest rate or sell of some valuables at home to meet the expenses. If I exhaust such sources, in the case of any contingency like an emergency hospital expenses, where would I go. In this kind of arrangement, I can slowly repay the money and save myself from debt burden.* Similar is in other cases too; members take loan from the group to visit the native places; to buy gifts for the relatives for marriages and similar occasions; to meet the expenses of death of close relatives in the native villages and so on which they find are unavoidable as members of family and larger community. But interestingly such loan utilities very rarely recorded officially because they would be interpreted as misutilisation of loans. Savitri of MRYDO finds: *these are normal with the members and they need money basically for such purposes and we cannot deny that. But as per the rules and general understanding we would give them loans for income generation and financially profitable purposes. And that is why their actual use of money is rarely recorded.* Thus for income poverty approach, individuals are physical beings whose basic needs include nothing other than primary consumption requirements.

This would be more clear when one examines the actual utilization of the loan amount among the community women. In one of my interactions with Sunita an ShG member from Govindpuri, as she was watching the TV while talking to me. I asked her when she bought the TV. She said *“we bought it last year. The kids go to the neighbouring houses to watch TV which I do not like. So we decided to buy for ourselves. We took the loan from the group. The cost was 7000/- plus. That is the*

advantage of being the member of the group. Instead of shelling out the money at one go we got the breathing space to repay the amount slowly may be at our convenience too”.

Another member Sayami says: most of the time the members take loans for purposes like to meet the expenses for going to the native place, giving gifts to the relatives on the occasions of marriage and such that. Another ShG leader puts it: And they take the loan for meeting their family contingency like, to meet the household expenses, to go to their native place, to buy some consumer items, to build or renovate their houses etc. What is the purpose of taking the loan is not a matter at all for me. They give some or other reason to make an entry in the register. After all I am not going to their house and personally check what they have used the money for. It is their money and they can use whatever they want for. My only concern is timely repayment.

Shashi a girl of 19 years planning to take a loan of 20000 for the marriage of her elder sister. She is taking the money at the behest of her family hoping her father and brother together would return the money. For Shabeena, a mother of five children, any amount of money is less to meet the day today expenses. “buying dresses for all the kids itself is a big expense. Twice I have taken loan of 20,000 each. First was to renovate the house and the second was to meet the expenses of the marriage of my daughter. I require loan again. I don’t know how the money is spend at the household. For Meena, the loan was to repay the loan that her family had taken from other sources. The loan was availed to meet the medical and household expenses when her husband has infected Dengue and gone jobless for almost one month.

Sumita of Najafgarh explains her experience: that didi came and told me about it. My husband also agreed. We were in need of some money too then. I got a loan of Rs. 2500 in the third month itself. Now we are having some difficult time and not being able to repay regularly. We were staying near to his workplace. Then we bought a plot here. The rent, the expenses of children’s education all we could not afford. We didn’t have enough money to build a house in the plot. So we sold the plot and bought this one, with house already built in that. The plot was of about 70 gajj and this is 50 gajj. We just did some renovation and started staying here. Now his work place is a little far off. The bus fare itself would be a good amount in a month. We saved the rent but are

spending on commutation fare. His salary is 7000 rupees and what all we do with that? I am thinking of learning tailoring and do some other job. But if I do that I should get some business to recover my investment. For the fear of not running successful I am not doing that. Also my son is young. If I go to attend the tailoring classes who would take care of him.

A dialogic interaction with a group of community women at Madanpur Kaddar revealed more on different perceptions of women about the loans and how they use it. I asked Renu: *as per the rules of the samooh you are eligible for a bigger loan. Would you be availing the facility?*

Renu: *no. what would I do by taking a big loan? I can take only whatever is possible for repayment. I have taken loans of Rs. 5000, 7000 and 20000. The last loan is under repayment. Only after we pay the previous loan we would get a second loan. Last one was for constricting a room upstairs. Others were for household expenditures and once for visiting the village for someone's marriage.*

I: *what would you used to do for taking loan before you became member of the group?*

Renu: *thab tho hum jithna tha uthnae mei gusara karthae thei (we used to live with whatever little we had). We thought of asking loans when there was a way for it. Before I too was working as a labourer and used to go for work with my husband. I came to Delhi from Rajasthan after marriage. Now I do not go out for work. I am healthy enough to go for work even now. But for this elder girl I am sitting at home. She is 14 years old and I can't leave her in the care of someone else. She is a grown up girl afterall. With only one earning member we cannot think of anything other than the daily consumption needs. It is because of the group we could think of constructing one more room upstairs. In that sense the group is a great relief.*

I: *So, you wouldn't be taking the bank loan?*

Renu: *Not now. The loans are for making repayment. We cannot afford to do that. There are other members who are in need of big amounts for various purposes. They would take.*

I: *are there many who need money?*

Sunita: *Yes. I asked for Rs. 30000. My daughter is getting married in March. Pointing at another of their group member she said 'she too needs Rs. 30000. Her son is getting married in March. Also there are other members who need 50 or 60 thousand.*

Thus ShG women take loans for multiple reasons, but the official records would show the reasons as something related to production activities.

State, welfare and categorization of poor

Since independence, as already discussed, poverty measurement in India depended exclusively on quantifying the poor at the macro level by use of head count poverty measure, using single indicator of poverty. In planning documents and the literature on poverty measurement, poverty line is visualized as a physical line which separates poor from non-poor. The aim of the policy is to push poor people above the line, or help them rise above it. The physical nature of their language is determined by the methodology involved in setting the poverty line. It was viewed as the existence of underdeveloped and poverty stricken nations or peoples are itself an abiding danger to the maintenance of peace.

This universalistic perception of poor and the process of their 'othering' is evident in the languages of the official documents dealing with poor and poverty; such as, poor as the weaker sections of the society who are socially and economically backward, whose social and economic status must be raised (GOI 1985), the poor could be pushed above the poverty line by the resource flows (Sundaram and Tendulkar 1983); those vulnerable sections who through special or specific beneficiary oriented assistance could be brought above the poverty line (GOI 1981); poor as who suffer special disadvantages due to lack of access to both education and health services and whose isolation severely limits appropriate delivery services for human development (Bussink 1980), etc. Such languages exhibit the bureaucratic authority of social control in containing poverty. Moreover, the very philosophy of measuring poverty remains the same as that of the founding fathers of poverty line beginning the 20th century which itself is a follow up of the perceptions about poverty in the previous centuries¹⁵⁹ where poor were characterized as apathetic, ignorant or lazy, and they were responsible for their own poverty. Through the approaches to poverty, the State makes a clear distinction between deserving and undeserving poor. This becomes more clear when

¹⁵⁹ The mention is here about the Poor Laws of Europe formulated and modified from time to time since early 16th century.

one looks into the primary eligibility to become the members of the ShGs, which normally is the ownership of house, or if the women are unemployed, having a male earning member in the family, and so on.

Membership is denied to the community women on various grounds. Deepa was explaining one case: *“There is another case where we denied membership. There was one lady who was very poor and has lot of hardship in her household. Still she wanted to be group member. We allowed her but after few months she could not find ways to make her monthly savings. After 6 or 7 months we settled her account and returned her saving. When we started the group afresh the next year again she came for membership but we denied. She wasn’t like those who have money and do not pay but is very poor. Both the case is same for us; if anyone defaulted the entire group would be suffered”*.

The attitude of the community women too wasn’t different. Sudami said, *“we have most of the members houseowners. To have rented people as members is risk. There is one lady who is a tenant as member of the group. I was ready to keep her as member of the group only when other group members who is the house owner and related to her was willing to guarantee for her. That way you can ensure that they would make the payment. If there is no one to take the guarantee I am not willing to keep tenants in the group”*. Hazra Begum said *“any one who is willing to give us money without default are allowed to be a member of the group. We do not entertain tenants. But there are very few tenants here. We are house owners and staying here for years now. And that is the basis of our acquaintanceship. Tenants are newcomers and we do not know much about them and hence we are not ready to involve them in the committee. We can entertain tenants if the person is a relative of one of the members because if the tenant defaults we can get hold of the other member. In our groups we have only house owners as members of the group.”* Deepa said *“how do you think things would work otherwise. If they disappear from the meetings and default on payment we have to go to their houses and how can we do that if we do not know their houses. We also assess the repayment capacity of each member after having a look at their house and their earning and other responsibilities. We cannot go ahead disbursing loans without having any idea about who people are”*.

The much celebrated mutual trust remains to the paper while deciding who is eligible for group membership as well as loans. Sukanya remarked: *“who would give their (the tenants’) guarantee. They ask for the identity card or ration card. Where do the tenants have all these? Members too do not make tenants as the group. Even if they are the members they wouldn’t get loans more than their saved amount”*. Asha says: *“if we have a feeling that a particular member would not repay on time we wouldn’t sanction the loan. We all live in the same locality. Hence, we can judge about the repaying capacity of each and every one. What is the family earning, what all the ways they spend the money; what is the requirement of their money and such things. Only if we are convinced about their repayment capability we do provide the money”*. She continued: *“we would sanction money only to those on whom we have full faith that they would return the money. No tenants are there as group members. Even if one or two of them become members we do not give them (the tenants) loans more than their saving amount. Only house owners are allowed to be members. And overnight no one is going to disappear. We also live there. Wouldn’t we get to know if they do so? And if they are living here only they would have to make the payment. They might make a delay in making the payment but ultimately they have to make the payment”*.

Sometimes one whole locality is excluded from or become ineligible from the reach of ShG initiatives. One of the organizers was reasoning why they did not open ShG activities at one specific locality: *“it is not possible to run ShGs in those localities. When people do not have a steady income how would they be able to make monthly payment? They would take the loan and would never repay. You can’t even go there asking for the money. Men there are that bad. The days of my field work were scary. We select certain locality for operation of ShGs. We can’t begin it anywhere and everywhere. If most of the men in one area has the habit of drinking and also involved in domestic violence, we opt out of the area for ShG operation. ShG can work in the areas where people have working habit and they can make some saving. Family stability is a primary requisite for this”*.

Concluding remarks

It is an undisputable fact that poverty, more than individualistic, is structural, especially in the context of Indian society, which is marred with deep rooted social inequality, based on divisions such as caste, class, ethnicity, gender and so on. Besides, it has multi dimensional manifestations too. Deprivation on any one account is interlinked and overlapped with deprivations at many other levels making a holistic impact on the individual/community leading to their compounded impoverisation, tackling of which in turn requires not only a multi dimensional and holistic but also a structurally contextualized approach. While at one and the same time the State acknowledges the multiple dimensions and the structural embeddedness of poverty, its origin and perpetuation, by adopting a decontextualised strategy and approach for its eradication, it makes a mockery of its own much exulted attempts of poverty eradication when translating it into ground reality in the form of practice of ShGs. Here the poor and poverty are perceived and measured as universal monolithic bloc. The foundation of this paradox is rooted in its approach for poverty eradication in the universal, objective philosophical underpinning of the concept of poverty and its measurement as originated in the western society of modern era and the corroboratory eradication approach based on the perception of market, which is said to be neutral and universal, as the one and the only solution. The empirical manifestations of these paradoxes in the day-to-day lives of community women would be examined in more detail in the following chapter.

Chapter IV

ShGs, Poverty Alleviation and Hidden Voices

Chapter IV

ShGs, Poverty Alleviation and Hidden Voices

Self help Groups (ShGs) emerged as poverty alleviation programme of the State at a time when the State was consolidating its larger policy framework within a neo-liberal paradigmatic structure. The State's assessment and measurement of poverty, the one which forms the basis for its policy formulations for poverty alleviation, too were conceived historically largely within the very same liberalist framework. Despite the widely applauded lip service largely in vogue that ShGs stand to break the mainstream developmental approach innovatively to call it as an 'alternative', the ongoing discussions (in the previous chapters) irrefutably prove that the practice of ShGs at the ground level neatly falls within a framework which cannot be marked as an 'alternative'. In a way, the practice of ShGs becomes an offshoot of larger liberalist perception maintained by the developed countries (and mainstream international funding agencies) about the causes for underdevelopment as indigenous factors inside the low income countries¹⁶⁰ (Lissner 1977). It is least acknowledged that it is the policies of the developed countries that have caused or aggravated the poverty in the under developed world by or advocating path of development of the developed world as the ideal and to be followed by the rest of the world and creating (and recreating) the entire systemic dispositions either or both empirically or ideologically, a process whereby they perpetuate the particular system that is advantageous to them (Heatley 1979). And they argue that 'aid' is what is all required for the poorer countries to fall into the path of development.

Similarly when ShGs are conceived as a problem solver for the poverty, which is a result of the inherent problems of the poor themselves, and not least by the exploitative structure where the poor remain poor as they have to spare more fighting against the exploitation of the system, the system is in fact struggling for its own recreation through a bloodless war. It is argued mind control (or controlling the mental dispositions) is more subtle than physical force and probably more important. The

¹⁶⁰ They attribute the third world poverty either to hostile forces of nature beyond human control, or giving no causes of poverty or suggest the vicious cycle of poverty. And hence what the poor countries need is aid which can take them to the development path of the developed world.

ruling elite exert its power over people's minds through a host of institutions: education, politics, religion, advertising, media, and so on and so forth. Its aim is to legitimize the existing political and economic system by giving people a set of values which make the system seem natural, inevitable and right. To the extent that mind control is effective, it makes physical force unnecessary. When ShGs become a weapon for social control, what it ultimately aims is to imbibe within the population a set of values and practices, the foundation blocks of the dominant and accepted social order. The present chapter is an attempt to understand from the community women the dominant values and practices of the poverty eradication programme of ShGs on its translation at ground level.

I. ShGs and the Approach to Poverty and its Eradication

Poverty as individualistic, fragmented

The measurement of inequality and poverty has long been individualistic in the sense that the objective is to measure difference between individuals and to aggregate, putting these differences in a single digit. In the mathematical measurement of poverty and inequality every individual is treated as an island. They lack or rule out any comparative perspective and fail to notice the structural cause for poverty. The mathematical calculations and the economic perspectives and individualistic approaches for its remediation fail to appreciate that inequality is institutionalized in ways that give rise to socially meaningful groups that take on a life of their own. In such approaches income is taken as a major indicator of well being and has accordingly treated income enhancing policies as the centerpiece of any strategy to reduce poverty and inequality. Moreover, the onus of recovering from poverty becomes the exclusive responsibility of the individuals and never system is held responsible for their shortcomings. Let me cite some reflections from the field to adduce it. For Surbi, the NGO official, why the groups cannot be successfully linked to the banks is the fault with the community women. *“The infight among the women itself are so much, in many cases, they do not even reach up to the stage of opening a bank account. There is so much of mistrust among them that there is no point doing any development work for them. They need to learn from their faults”*. I just aired my apprehension: *“May be because they are so poor and they do not want to part with whatever wealth they have and that is what might be manifesting itself as mistrust. It is the organization which needs to help them in*

developing the trust.” My observation was a result of one of my interaction with a ShG member Anita. She was saying: “the people out here are living under such compulsive circumstances that any amount of their earning would be quite less to meet their contingencies. We try to save even a single rupee after shrinking the expenditure. Also we get cheated many times. That’s why we go suspicious of anything to deal with money”.

Many times, it is the larger policy atmosphere that pushes people into poverty or deepens the poverty situation of the poor and they are compelled to resort to survival mechanisms like ShGs to escape from immediate poverty. Often the market competition and related social policy shifts can lead to lesser working hours, mass redundancies and abrupt changes of jobs. For many workers there has been a loss, not just a job, but trade or skill as well, and many have been forced to sell their labour-power as unskilled or partly skilled workers and for lower wages. Instead of correcting the system when the State opts for short term relief like ShG it leads to the persistence of the existing system instead of its reformation. *Leelavati’s is a case where the family was pushed to poverty when her husband, the only earning member of the family, lost job when the state government has decided to shift the factories to the suburbs of the city without rehabilitating the labourers. Leelavati: “he used to work in a factory nearby. When all the factories were moved out of this place he lost his job, ever since he sells daniaya mirch in the market as a vendor”.*

Sunita, an ShG member from Madanpur Kaddar took loans for constructing the house. I was curious and asked her: *All of you have got allotted this place some eight years back. But many of you have started construction of the houses in the last two to three years. Sunita: “When they displaced us from our place of living and brought to this new place there was no job opportunity at all. Even now, the men have to go to far away places for jobs. It took really long for us to settle. We never got the money in lump sum so that we can think about constructing home. If we go to the moneylenders, they charge high interest rate and we would end up paying the interest, only not the principle. And finally we would have to leave our home itself. Once they started the group, there came the opening and that is why you find many of them are constructing the houses now”.*

Sunita of Jaivihar has another story to tell. *“My husband is a driver of a senior employee in an industrial unit. Once that unit was shifted to Narela he went jobless. It was not possible for him to travel to that place from where we stayed. When the situation has gone really worse we decided to shift to this place so that he can make it to Narela for his job. Luckily they were ready to take him. But it is too expensive to live somewhere near there. Now the bus fare has doubled. He has to spare more on bus fare. His salary would remain the same. We would have to run the house with lesser resources. Now I am depending on the loan from the group to run the household”*.

Thus, people operate in society, expressing preferences as structured by and through existing societal institutions. Mostly their choices are made in social relations that reflect long-standing cultural and social arrangements and dominant ideologies and hence the beliefs about the appropriateness of such arrangements function at an unconscious and therefore unexamined level. Our notions of what are natural behaviours, channel our beliefs and feelings about what are considered appropriate institutional arrangements. When individuals act according to the scripts culturally crafted for these roles consistent with prevailing ideology and institutional arrangements it is often depicted that they have chosen their own path. Here, choice is problematic because ideology and beliefs limit and shape what are perceived as available and viable options for all individuals in a society. Nonetheless, the role of the social structure is often ignored to put it as ‘an individual choice’ and this allow us to ignore arguments about our general responsibilities. And this categorization of ‘individual choice’ justifies maintenance of the status quo. It is ignored that choice occurs within the constraints of social conditions, including history and tradition. Such conditions funnel individual decision making into prescribed channels, often operating along practical and symbolic lines to limit and close down options.

More often, the oppressed/marginalized are not passive victims of the system. They are, often faced with overwhelming force, struggling against exploitation and repression. The process of economic development itself creates the conditions for an intensification of the struggle. As a result of non-recognition of the systemic flaws, often, for the poor to overcome the hurdles created by the system they are forced to

struggle doubly harder. For example, one of the ShG members was talking about the difficulties in availing the benefits of ladli yojana¹⁶¹, one of the welfare programme of the state government. She was talking about how difficult it is to procure one of the required documents for the purpose, a birth certificate of her daughter. *“My daughter is in 12th and we could not avail ladli yojana because she doesn’t have the birth certificate. We never realized the importance of having a birth certificate. I heard even now one can make it from the court, but will have to pay for that”*. Niyasmin, the ShG mobilizer clarified *“there is no charges for that except the five rupee charge for the form”*. Rukmini, the most active in the group said *“you are talking about the legal situation. But nothing can got done without giving them bribe. My nephew got it done for his daughter and he had to pay Rs. 2500/- for that. They say you pay this much and you don’t need to know anything about it; you will get the certificate. We are poor and we know there are many programmes for our welfare but we do not get the benefit of any unless we pay bribes to the middlemen”*. Many a times the highly valued social goods become unaffordable for them in the face of sheer poverty. Shabanam was saying: *“I have three children two daughterless, eldest is the daughter, she is 15 years and the youngest is son. I am separated from my husband and he is married again and living somewhere nearby. I am staying with my in-laws. I and mother in law stay together and also my brother in law. Father in law stays in the other room; he is a drunkard and we do not talk to him. But we have to feed him. I work as a home maid and my mother in law also does the same job. I joined the group when Vasantiji came to my mother in law asking to join the group. We joined together. I took loans for home expenses; I have to support my children. I stopped the studies of my elder daughter because of financial reasons. She is good at studies and wants to continue, but I can’t afford to support the studies of three. We get loans only after repaying the earlier loan fully”*.

The very individualistic perception of poverty objectifies human beings to such an extent that they become mere pieces for showcasing. Explaining one of her

¹⁶¹ Ladli yojana is one of the development programmes of the State meant for quelling discrimination against girls. The girls who reached the 12th class would get an amount from the government. There are certain documents that you have to produce in order to get these benefits. Ladli yojana is delivered by the government in collaboration with schools.

experiences with the organization Niyasmin, the ShG mobilizer said *“it is very difficult to work among the community. In all weathers we are out in the community and the staff of the organization sitting in comforts of office rooms would never understand our difficulties. They would ask us to go to the community and make so many groups and the rest is our duty. They do not want to know how we do it. We are working among humans; not stones or vegetables so that we can put them together manually without facing any objection. Also whenever they have to show to visitors from outside, may be people from funding agencies or other agencies, they just ask me to go and get as many group members from the community. But the women would come if they desire so. I cannot use force to get them. If they do not come the blame would be on me. What can I do if they want to show so many members? The community women would be having their own wishes and convenience. They would have to come keeping aside their household works. The organization would never realize that”*. For the organization the community women are some inanimate objects who need to dance as per their needs and rules; people who have no (or do not deserve to have) wishes of their own. It is not uncommon for the organization to recruit new staff as and when they require for ShG initiatives. Interestingly, if the new recruits are for some other ongoing project of the organization they would be very careful in assessing their skills and abilities before recruiting. But their botheration is much less on selecting or shifting the staffs dealing with community activities like ShGs. At Katha, Jameela was the resource person who started ShG mobilization among the community women. When the activities started off moving, the organization required her services in some other project. Jameela handed over her ShG mobilization duty to Neetu. What all she did was taking Neetu around the community women and telling them that now onwards their ShG activities would be taken care of by the new staff. Now Neetu is handing over some of her workload to Niyasmin. I raised my skepticism: *wouldn't it take some time for the women to accept Niyasmin once they have already developed their confidence in Neetu*. Neetu agreed to that. She said *“when I took over from Jameela didi, initially people would ask for her instead. The same would happen here as well. The women are very sensitive; once you become familiar to them they talk many intimate things as well. When all on a sudden the person changes, they show reluctance in accepting them. It is not their fault, they*

are human beings. But what to do, this is organization's decision. They have to accept it".

When poverty is individualistic no system or institution is accountable to poor. Katha decided to close down one of the income generation group for the reason as put by one of the official: *"we never had taken any tekka(contract)for supporting them permanently. We gave them the necessary training. Now it is their responsibility to make a living of their own. It is high time they become self sustainable. We wouldn't get any funding for a self sustained unit. We exhausted all the funds and how can we provide them space and other infrastructure for their use? Kamala, one of the agitated members who is going to lose her livelihood due to the dispersal of the group said: "where would we go? We are working here for the last 18 years. We made earning out of our hard work. We never depended on anyone. We also contributed to its growth. Now we are asked to leave the place. We want to know for what reason. What is the wrong that we did? We want Geetaji to come and settle the issue. A tree would not be cut off just like that. Not an employee of an organization would be asked to leave like that without any compensation. This is injustice. We want Geetaji to listen to us. We won't leave the place. The other day a labourer came and told us to vacate so that they can get the room whitewashed. We are not going to vacate. We got the eviction notice from the head office not showing any reason. Neither anyone ever asked us whether we want to close it down or how do they rehabilitate us. None of us asked ever about this. Geetaji is like the goddess for us and we give her full respect and we also want her to give us some respect. We continue to occupy the space and sell items to school kids. Had we worked somewhere else we could have got some compensation. Now we reached our old age, we cannot even look for another job". Another ShG member who was a member of another income generating group, the bakery group, remembered: "I was a member in the bakery group. Our bakery group was running very well and we were making good profit. When the orders from outside became low we had to close it down. In fact the staff of the organization used to go around the place and get the order for our products. They stopped doing that saying they helped us as a beginning and we ourselves shall do it now. None of us are capable of doing that, not just because we are illiterate and we had the skepticism that how people around us accept it or not. We are*

all from rural background and it is not in our cultural practice that women go out and we were very shy to do that. The organization finally closed down our group”.

While the system might not be accountable to the poor people, it certainly doesn't mean that the poor are not accountable to the system. On the contrary they are all the more answerable to the society because of their specific location which raises doubts about their integrity and worthiness. When one of the ShG members who was the cashier of the group, out of her frustration wanted to close down the group. But had to face strong opposition from the organization staff. Neetu, the ShG mobilizer was saying: *“Vasanti is the one who lives in the neighbouring lane and she is running three groups. She told me that she is going to close the groups. She has some difficulty in getting done the bank work and she asked me to do that. I also ran around several times. I have ten other works and can't be at her disposal all the time she asks me to do so. She thinks I should be there always. She wants to close down the group because there is no one in the group to take the responsibility. Is that a simple thing? If she does anything of that kind she would be proving herself untrustworthy. She would be cheating both the organization and the community women alike. Can she do it that simply”?* But Vasanti was talking about what she experiences: *“the bank officials behave so rudely as if we have no self respect. In front of so many other customers they humiliated me. I do not want to go to the bank again. The staff says, it is my responsibility. And the bank officials say, I am illiterate and so get the organization staff along each time I go there. And every time I go to the bank keeping aside my household chores. No one understands my trauma”.* In another instance one of the ShG members, Sunita was explaining: *“recently it happened so one of the members did not make the payment of the interest of the loan she had taken. And she assured me that she would pay later and I can make an entry in the register. But ultimately she didn't make the payment I had to make the payment from my pocket. Once it is entered in the register I am explainable to other members and they wouldn't believe that what I am saying is the truth. In order to escape from their blame I made the payment myself. But, later a portion of it I recovered from the member in the form of penalty for late payment. She was delayed in making the monthly installment and then I charged her 5 rupees per day. And I didn't show it in the register. When that came to the notice of the*

staff, they blamed I am misrepresenting". In yet another instance, when one of the new groups that the staff were trying hard to organize reached the verge of dispersal, the staff of the organization was so annoyed. Neetu said *"I told you need to keep the money only for the time being. And we would get other members for your group. And your group would start functioning within a month. Haven't we done so much of efforts to begin a new group? If you return the money and break the group all our efforts would go waste. Please do have some respect for our efforts. Please do understand that. And please don't do that. You take back the money from others and we would make your group moving"*.

When poverty is taken as individualistic and poor are held responsible for their condition, it is taken for granted that a strict vigil is to be maintained for keeping them under control as they were taken as irresponsible and incapable of taking care of themselves. This is what is evident from the monthly meeting of the ShGs which are held religiously only for the purpose of financial disciplining. At Chetanalaya, all the members of one particular group are supposed to come for the monthly meeting. The monthly meeting is held in every month at particular time and day, in most of the cases in the community itself. If anyone doesn't come for the meeting then they would have to go to the organization's office to make the payment. If not, then next month with a fine of ten rupees. To avoid that women try to come for the monthly meeting and if they do not they make arrangement to send the money across either through someone in home (a male family member) or through other group members. The loans are formally sanctioned in this monthly meetings only. Dispersal of loans in between the monthly meetings are not encouraged. It appears to an outsider that strict financial discipline is followed in dealing with the group activities. This mechanism is followed where ShG activities are organized in a more professional way.

Let me explain here a meeting scene. As I was sitting in the office of the organization, women for the meeting started pouring in. There were two meetings to take place at the organization's office. People for first meeting gathered and Deepa was to conduct the meeting. As the members were getting late to reach the spot Deepa was

nagging those who already sitting there. She asked: *Don't you know that the meeting is at 11.00 and not even half of you are here. Haven't you informed other members*”?

One of the members said: *“everyone knows the timing for the meeting and it is their responsibility to be here on time. Why should we take the blame? We are here; now you please start the meeting with the available members. We too have other works to do after finishing this off. Please do it fast”*.

Deepa: *I will have to wait for more to come. Don't you know the rule? All the members are to be there for the meeting. Next time onwards, I would charge fine from latecomers. You are all irresponsible lot. You have no value of time. We have a lot of other work to do. Our work is not like your housework, you do it at your leisure. This is office work and needs punctuality.*

Finally by 11.30 Deepa decided to start the meeting. The members were sitting on the floor on *chattai* (mat) and Deepa dropped (literally threw) the register into the group and asked those present to sign in it. They were asked to sing the bhajan. And then Deepa went and sat with them to make the entries in the register and give them the receipt. As the meeting progressed more women joined the group. And to each of them she was asking: *“Don't you know the timing of the meeting. Do you people need an invitation every time? Some of the members come on right time and you are wasting their time as well as ours. We are doing this for your convenience; to unburden you. I would cut the receipts in the order of your coming only”*.

Often the community women imbibe the attitude of the organizers and express the untrustworthiness of their own fellow women. Once, when the staff asked one of the ShG members to take the responsibility to keep the register and to be the cashier of the group, her response was *“I can take the responsibility for the payment of my own only. Also I am illiterate and there is no point giving me the register”*. Neetu asked her to suggest some women to join the group. For that also she said *“that it is the responsibility of Neetu and she is not willing to take any responsibility”*. The women maintain the attitude that poor illiterate women are incapable of taking care of their requisites and depend on others for their work and hence are destined to live in poverty. In one of my interactions with a ShG cashier I asked her to introduce me to other members of the group, so that I can go to them. She said: *only Sita and Rekha – another mother daughter pair would be there at their home at that time of the day and they*

would not be able to talk to you. I surprisingly asked why not? Her response was: they are illiterate and from village and you wouldn't get any information from them. They know nothing about how a group functions and all. They give me the money on monthly basis, and their information would be limited to that only"

At Govindpuri, some of the groups are run on strict disciplinary code and the members claim that is the secret of successful running of their groups while some of other groups got dispersed. Neelam, cashier of an ShG was explaining: *The groups may disperse because of the irresponsible behaviour of one or two of the members. If one or two members take loan and do not repay then too there would be trouble leading to the dispersal of the group. In our group, these things do not happen. First of all those in the group who wishes to know about the accounts can check the register and also three of us always aware of what happens in the group. The loan amount to a member is limited to her saved amount so that at the end of the year, at the time of settling the accounts if anyone has not repaid the loan, the amount would be deducted from her total saving so that no one is affected. We do give, at times, loans more than the saved amount of the member if anyone in the group guarantees for her. Once it so happened that one guaranteed for another member and at the time of settling the one who has taken the loan did not make the full repayment and we deducted the amount from the guarantor. She didn't make fuss out of that because she committed that she would take the responsibility. Later she can take the money from the other member personally. We are not bothered about how they make the adjustment. We also do give loans to those who are not members of the group at an interest rate of 5% (for members it is 2%) if there is a guarantor from the group. But we do not do it now because one of the non-member did not repay it on time and the settling of the accounts was delayed by another three months affecting all the members of the group."*

But at the same time there are those who maintain a lot of respect for their fellow community members. Rajwanthi was saying, supported by Sunita, another member of her group: *"we may be poor, but we are not those who would sit on another's earning. The money we take as the loan is the hard earned money of the community women. All of us are aware of that. None of us would default on our monthly*

repayment having money on us. I am such a person who wouldn't get sleep if I owe some one. Hum imandar log hai (we are honest people). But the outside world always look at us with skepticism. Some might have done some misdeeds out of their compulsion. But the tag comes to the entire community. We are poor and hence they know we do not have the power to protest".

Differentiating productive/non productive labour

While it is difficult to draw the boundaries of productive work in practice, the parameters are clearly spelt out in the official State discourses. This might have an impact on that labour especially that of women contributed towards maintaining the household above the poverty level. Women engaged in household duties often recorded¹⁶² as outside the labour force despite the fact that many of their activities provide economic benefits to the household. Because of such biased approaches in defining what is labour itself. Often there is no value, neither economic nor social, attached to the household chores of women which are many times so crucial in sustaining the poor household. As observed by one of the ShG members when asked for the reason why she is not willing to go around and market the jute bags produced/procured by the organization: *"Who would take care of my kids. I need to attend to the needs of my husband and parents in laws. I need to collect the provisions from the low price shop which may require me to stand in the queue for hours together. I need to fetch water and do other household chores. I cannot afford to keep a maid servant at home and go out for work. I can think about doing something to earn only during the couple of hours that I can spare from the daily chores. I do the bangle work during that time and at the most I can earn 5-10 rupees from that".*

The economic value of the labour of the 'housewives', which happen to be the main occupation of the majority of the ShG members, are least recognized in the practice of ShGs as well. This actually is one of the reason why housewives are preferred members of ShGs. In the words of Sakun, the field staff: *"the working women normally do not come out to join as the members of the group. It would be difficult for them to find time to come for the group meetings and whenever there is a need. The*

¹⁶² For instance NSS data.

housewives are sitting at home, doing no specific job and they can easily make it for the ShG activities on behalf of their husbands. In that sense we too prefer those women as members of the group. We do not have the time for running after the working women to get the monthly payment. It is difficult for the working women too to make it to the monthly meeting regularly. If a member does not come for the meeting three consecutive months we close their account”.

The attitude of the organizers attaching no value to the housework, leave with the impression that women can come for the meetings or any other activities very punctually and timely. In one of the group meetings I too was participating and when the ShG animator was getting impatient for the reason that only half of the members have reached so far for the meeting, to ease the situation I started talking to the women. In fact those who already reached were appealing to the animator to start the meeting (which means taking the payment from them) saying the rest of the women would pay as and when they come. I asked: *“It is only once in a month that you have to come for the meeting and still you people seem to be in a hurry. Most of you get late for the meeting too. Can’t you spare one hour at least in a month for the meeting”?* One of them, who actually was voicing the opinion of the rest of them, said: *“We have to do the household chores. Also, most of us do piece rate work. We all do bangle decorating work. The meeting is fixed for a particular day and time in every month. And we do not know what kind of contingency we are going to have on that day in a month in advance. Whatever happens we have to be here to pay money. Otherwise they would charge penalty from us. And the timing also is such that many have their children coming back from school and others may have to send their children. All these are problems in reaching on time for the meeting. Madam log are sitting here for the meeting and they do not need to bother about all these”.*

Some were in a hurry to deposit their money and leave the office. One of the members said: *“I haven’t even taken bath. And the rice is on the stove for cooking and it is time for the kids to be back form school. So please do it fast and let me leave”.*

I asked the group: *“what kind of obstacles or problems do you face in coming for the monthly meeting”.*

Neeraj, one from the group members explained: *“There are various reasons. Sometimes the meeting dates are changed according to the convenience of the animators and on the changed dates we wouldn’t have the convenience. But our convenience is never counted. Also on any day we have to do the daily household responsibilities and we are making the arrangement to come for the meeting by making alternative arrangements to take care of the children and other activities. Two hours is the minimum time taken for the meeting. And it really means a lot of time for us. The timing of the meeting also is set based on the convenience of the animators. Sometimes, it so happens that the PDS ration is distributed on that particular day. What is more important collecting the ration or to come for the monthly meeting”*.

Another member added *“if we get some guest on the day of meeting we have to leave them unattended and come here for the meeting. Such actions might be interpreted as bad manners. Having all these difficulties we are still attached to the groups because “bachat karna se humko hi fayada hai. Ghar pae hum uthanae bhi nahi kar sakthae hai (it is advantageous for us to make the savings. We wouldn’t be able to do any savings on our own). Besides we can also get some loans to meet our contingency”*.

One thing is clear, the organizers hardly try to understand the kind of problems that the women may be having for attending the monthly meeting and what could be an alternative for that. They do not even ready to admit that the women might be having difficulties on coming for the monthly meeting. They haven’t even thought what is the whole purpose of the monthly meetings are, and whose purposes or convenience is served by the monthly meetings?

Anita, an animator with Deepalaya was a little agitated with the members as most of them could not make it for the monthly meeting on time. She was saying: *“I told you many times. Every time I have to come and wait for the members to come and give the money. This is very bad. I also have many other works in the office. This is not the only work that I have. Why didn’t you come for the last training? I told you specifically that you have to be there. Can’t you leave your work even for few hours. It is not office work that you all are doing. House work you can do some other time also. It is not that important. You never listen to me”*.

II. The Values of Dependence and the Practice of ShGs

Promoting passivity

As per the ruling discourses, the society looks up to autonomous, independent and self sufficient individual as the ideal with the assumption that anyone can cultivate these characteristics, consistent with the belief in the inherent equality of all members of the society. And the society stigmatizes those who do not have the ideals of independence and self sufficiency. Invoking autonomy, cultural and political practices are created and perpetuated that stigmatize and punish those who are dependents and the poor are often marked as dependents. A poor marginalized may be unemployed and trapped within poverty, and may require subsidies in order to undertake caretaking responsibilities; and such people are often stigmatized with the label, dependent. Their circumstances are considered as their own making; unworthy of a bailout and must become self sufficient – that is assume responsibility for oneself perhaps by taking up low-waged work. Those who need the government subsidies of welfare payments of other programmes are considered as those simply who do not take responsibility for themselves, a premise exemplified by the current political rhetoric about poor (Fineman 2006).

Nonetheless, inclusive growth in the Eleventh Plan envisages respecting the differential needs of women and providing them with equal access to opportunities; to break open the stigmatized state of dependency as a poor woman. One way of making it happen is when women are recognized as agents of socio-economic growth. However, as evident in the practice of ShGs, recognition of the individual agency¹⁶³ is accorded within the liberalist paradigm where the agency is embedded in accepting the so called modernist discourses. This is more evident in the very criteria put forward for selecting members for ShGs from among the house owners. One of the basic eligibility for becoming a member of the group is the socio-cultural personal attribute of uncriticality. Generally, the tendencies for questioning the authority of the dominant are not entertained. As, Geetu, one of the elected members of the group making a comment on why certain people are not allowed to be in her group said: “*What is the point that they come here, in front of my house and fight for money*” to which the ShG mobilizer

¹⁶³ The ‘agency’ perhaps defined within a modernist paradigm.

Rajbala agrees that: *anyone who is fussy over giving their monthly dues shall not be part of the group. There are some women who wants clarifications about the loans taken by other members of the group. They too shall be avoided.* The same is the opinion of Manorama, an ShG leader. She says *“my basic criterion on selecting the members for the group is each others’ trust; I am living in this colony for over twenty years and I know, by now, who are the people trustworthy. The other criterion is to ensure that they are not fussy”*. I asked her to explain what is meant by being ‘fussy’. She explained *“Some members would ask very silly questions like, how much interest has accumulated in each month, what is the loan amount given to other members and for what purpose, how much amount is left in the account and so on. I am not a computer to tell them everything without looking at the register. I have only one solution to any one who does that; I settle their account and remove from the group membership. I remember 5 or 6 cases where I done so. Their inquisitiveness is irritating and it shows their lack of trust in me. If they do not have trust in me why should I have trust in them”*? She even, at times, makes use of the rules to maintain the members under control. She was asked how often she goes by rule and her reply was: *“it depends. Now all the members are older members and I know each one of them very well. So I relax the rules for them or I would say I don’t even look at the rules. The only condition is that they pay the interest without any default. I even give them a second or third loan even if they already have an outstanding one. Afterall, it is their money and if they pay that would go back to them only. At times, I go strictly by rules, especially, if I am not happy with one particular member and I want to oust her from the group. These things happened in the beginning. Now I am very careful about choosing the members. If someone comes to me whom I do not want to make a member, I would say the group is already running and I would inform them when the new group starts. And I never tell them when a new group starts. They are not going to know about that if I don’t tell them”*.

For Vasanti it is like: *“We are very choosy in making the members; we don’t take people who are fussy (nakkara) about giving the monthly saving. We do not want to know for what reasons they are not paying. If they do not pay it would affect the whole group. There are some people who having money with them too, would not pay on time*

and for whatever the payment they make, they ask lot of questions, like, what we do with their money etc. Hence, we do not keep them in our group. That is the only criterion for choosing the members for the group. At the beginning we do not know what kind of people they are and what are the associated troubles. Now we are aware and we try to avoid such people. The members may be both from Hindu and Muslim religion and belonging to different region; no one is concerned about that". For another elected member Sarita "Giving out more loan means advantage for all in terms of income as interests on loans. I have kept only selected people in the group. My priority is only those who wouldn't fight and question my decision. There were some ladies in the neighbourhood who came to me for membership in the group. They are known as fighting cocks. I never kept them in the group. I also discussed with my friends, who are members of the group whom to select as group members. I have taken the suggestion of my husband also".

For Deepa the official in charge of ShGs: *"members do come to join the group either through some other member or on their own. In either case, we include them in one of the convenient group. The convenience is that the members shall be from the neighbourhood so that they do not have to come a long way for attending the group meeting. If the women have come on their own, we would get to know her nature in a month or so. By then, if we feel that she is a trouble maker for herself and the group we would not let her continue in the group. We would settle her account and give back her saved amount. In such cases we do not give them the interest. Ownership of the house, mostly, is not the only criterion. The personal behavioural character of the group is equally important. We do not keep irritable characters in the group".*

While the passivity and non reflexivity is promoted through such programmes, it is not that the community women are passive by nature. For instance Shoba a ShG member and a *Balawadi* teacher started talking about the weather; lack of rains in Delhi and about floods in Mumbai and making an observation about the year's budget as *"there is nothing special for poor. They reduced TV price but who is going to take advantage of that, only high class. And at the same time they talk about eradicating poverty; how would poverty be eradicated if things go like this. The poor would die out*

of hunger and thus the number of poor would be reduced and like that poverty would be eradicated. That is the best way of eradication of poverty!". I could feel the amount of frustration in her voice. And her way of interpreting things too was interesting. I could understand that while they are as members of ShGs and also they are aware that these are for reducing poverty, at the same time they also feel that direct intervention of the government in terms of budgetary developmental programmes and welfare measures are quite essential for poverty reduction. They are aware of the double standard of the government in that they give peanuts to the poor and take away their treasures. One of other members exclaimed: *"What we are doing is like we poor pool in our money and get the work done. We do not need any organization or the government to do that. We know how to get our needs fulfilled otherwise"*.

Mamata, one of the ShG members from Jaivihar says: *"We are aware that the dividend needs to be equally distributed among the members. But, Neelam madam is not doing that. Our group is three years old. Now the interests would have accumulated to divide. Even a few hundreds of rupees matters a lot for us. We are aware this is done so in other places. But who has the courage to tell this to madam. If I ask her for the dividend she would say 'if you want you can close the account. We are running the groups as per rules. You do not need to teach me how to do that'. This is what she said to another member and she closed her account. They have the authority and they expect us just to oblige them unquestioning. It is our compulsion"*.

Jayanti, a member from Jaivihar was making complaints about the authoritative functioning of the field staff: *"I was interested to know who the other members of the group are. I have a general idea of who are all the members. That too because I wanted to and I made an effort to. When they do not conduct the monthly meeting how would we get to know who are the other members of the group."*

I: *Don't you have monthly group meeting?*

Jayanti: *"If so we do not have this problem. I am aware that is how it should be. In the other committee they have monthly meeting and it is there they used to sanction loans. So everyone get to know who has taken the loan. Here there is no such system"*.

I: *"So you wouldn't even know who is getting loan of what amount and in which month"*.

Jayanti: *“Nothing. I asked Seema madam about this many times. She would say come and sit in this office and then you would get to know who are coming and making the payment. This is the way she answers”*.

I: *Are you an elected member?*

Jayanti: *Yes. That is why she came to me for signatures and I denied her to give my signature.*

I: *What signatures?*

Jayanti: *“Seema came to me to sign the bank form to take the loan. It was having the signatures of all the members. I am the president of the group and without telling me what exactly it is she asked me to give the signature. I asked why. I was a little wary about the bank dealings. If anyone does not make the payment I would be caught. Why should I make the payment of someone else? Had they written some matter on the stamp paper I would have given my signature. The stamp paper was empty. She said I do not need to bother about that. Don't I need to know how much amount that they are going to take from the bank and which are the members who are going to avail loans? Don't I have the right to enquire whether they have the repayment capacity? If any one else is ready to become the president, let them be and get the bank loan. My husband has a bank account and I know the bank dealings well. Bank matters are strict. How is it possible to sign on an empty stamp paper? They can fill anything on that. She is asking, if everyone else can sign without making any question why can't I too sign. I refused to put my signature”*.

I: *“Yes, you are right in that. Anyone else in your position she too would do the same. But how come all other members signed on the loan form”?*

Jayanti: *“She got their signatures saying something else. She asked me not to tell the members that this is to take loan. This makes one more suspicious. She hasn't told the members that this is to take loan and at the same time she says that once the money is sanctioned she would distribute among the members. How can I believe her words? That is the reason why I refused to sign the papers. Now she is going to close my account”*.

When the society erects barriers against full justice for poor, people frequently exhibit adaptive preferences, preferences that have adjusted to their second class status.

And passivity is one such attribute well adapted by ShG members. This is what I could conclude from what Sunita, an ShG member from Dwaraka said: *“when a loan is passed they take a fixed amount. They say that is for the paper work. What paper work do they have in this regard? We bear all the photocopying and other expenses. Still they charge some amount. I never asked for explanations. When we join the group then too they charge from every member for the passbook and other stationery. The charges as penalty from the defaulting members are not accounted. Many of us are aware that these are extra charges we but we never ask them. We just think that might be used for some purpose”*.

Stigma of poverty

For that reason, with the focus on ‘Growth with Social Justice and Equity’, the principal task of the Ninth Plan was said to be to usher in a new era of growth with social justice and participation in which not only the Governments at the Centre and the States, but the people at large, particularly the poor, can become effective instruments of a participatory planning process. In such a process, the participation of both public and private sectors and all tiers of government were considered as vital for ensuring growth with justice and equity. The State’s stand was on the basis that “the process of elimination of historical disadvantages such as gender, caste and other types of social and economic inequalities should not be based on increasing dependency of these segments of the people on the government. Sustainability of the growth process demands that they should be viewed as active participants, and indeed as partners, in the process of development and not as passive beneficiaries¹⁶⁴ of public largesse. The need therefore is to create the conditions by which the disadvantaged are not only empowered to take advantage of the opportunities created by the growth process but also to contribute actively in the process of creation of wealth and well-being. For this purpose, the individual capabilities of the people have to be enhanced through education, information and access to appropriate technology. Amelioration of the immediate deprivation through anti-poverty programmes should be viewed only as a

¹⁶⁴ It is already been demonstrated how poverty alleviation programmes which are in tune with such planned development visions demand the passivity of the people as a condition for availing the benefits.

transitional arrangement, and every effort directed towards ensuring that these can be phased out at the earliest” (xi plan).

It further avowed “empowerment of the historically disadvantaged will require more than provision of the basic capabilities for integrating them into the growth process. Appropriate institutional structures will need to be created and encouraged in order to allow full play to their productive and entrepreneurial energies”. But at the same time successful implementation of such programmes with the visualized aim require to uphold the high spirits of the individuals motivating their agency. A process that lead to the inclusion of the people instead of ‘othering’. The notion of poor as ‘other’ is used to signify the many ways in which the poor are treated as different from the rest of the society. And this notion of othering is not an inherent state but an ongoing process animated by the non-poor (Lister 2004: 101). It is a dualistic process of differentiation and demarcation, by which the line is drawn between the more and less powerful and through which social distance is established and maintained (Riggins 1997). It is not a neutral line because it is imbued with negative value judgments that construct ‘the poor’ variously as a mark of moral contamination, a threat, and undeserving economic burden, an object of pity or even as an exotic species (Lister 2004). It is a process that takes place at different levels and different forms in everyday social relations (Schram 1995).

‘Othering’ is closely associated with, and reinforced by, a number of related social processes such as stereotyping, stigmatization, and the more natural categorization. Stereotyping is a discriminatory form of labelling, which attains a taken for granted quality and serves to portray particular social groups as homogenous. It is a discursive strategy that magnifies and distorts difference. They operate as socially exorcist rituals in maintaining the boundaries of normality and legitimacy (Michael 2001). The stereotyping attempts to translate cultural differences into otherness in the interests of order, power and control. In the case of the poor stereotyping functions to create cultural difference and thereby the ‘other’, which are in turn reinforced by the social, political and the other institutions in the society. Moreover, othering and the associated processes such as the stigmatization deprive the poor or the marginalized of

their social and cultural identities by diminishing them to their stereotyped characteristics and by casting them as silent objects (Pickering, 200, Oliver 2001). In doing so, it denies them their complex humanity and subjectivity. 'Othering' operates as a 'strategy of symbolic exclusion', which makes it easier for people to blame the 'other' for their own and society's problems. The othering also acts as a warning to the rest of the society; and poverty represents a specter – a socially constituted object of wholesome horror (Dean and Melrose 1999: 48). It legitimates the privilege of the non-poor or wealthy, rooted in their superiority and the exploitation and oppression of the poor, rooted in their inferiority together with the socio-economic inequalities that underlie poverty (Riggins 1997, Young 1999). Othering, thus, can be understood as a discursive practice, which shapes how the non-poor¹⁶⁵ think, talk about and act towards the poor at both an interpersonal and an institutional level. The welfare policy and administration can themselves be understood as a discursive and symbolic practice, which constructs the poor and the nature of the problem of poverty in various ways (Saraceno 2002)¹⁶⁶.

Thus the process of othering manifests itself by holding stigma against the poor, like the poor illiterate women are cheats; they are incapable of handling money and so on. Among the ShG members of Govindpuri, a few of the women appear to be more influential, and not only that they are members of more than two groups¹⁶⁷ but also remain as the cashiers of all those groups. I asked Manorama: *You are the cashier of Buniyad. How come you can be the cashier of Adarsh also?* She said: *I am president of Adarsh group. I am maintaining the group's register because the cashier of the group is not efficient to do so*". She continued: *"recently there was an incident. Aren't you aware of that? In one of the groups the cashier was an illiterate lady. On some pretext she didn't give loan to the rest of the members and kept all the money with her. Later*

¹⁶⁵ Here the non poor doesn't stand for those who are economically well off but the better off sections among the poor themselves.

¹⁶⁶ Foucault talks about at this angle. Also refer Bourdieu. 1999.

¹⁶⁷ Although as per the rules one woman cannot be a member of more than one group. So in the case of these women the membership might be in some other name (benami) and in actuality they do their roles. This is an adjustment done with the knowledge of the organizers. At Govindpuri the groups are not yet bank linked and hence this kind of arrangements would be possible. Things are a little more strict when banks are involved. The field staff in their efforts to show more number of groups complies to 'irregularities' like this. This was one reason I had to face lot of resistance from the field staff on my fieldwork for the fear that I will find out the actualities.

when other members insisted for the accounts she said she spent all the money and there is no money left on her. Now they are looking for ways of recovering the money from her. If illiterate, or that types of women are made cashier, this only would happen. I am living in this locality for quite some time and people have trust in me and hence I remain as the cashier of all the groups”.

Most often the organizers prefer literate women only to become office bearers of the groups. Illiteracy is quite often seen associated with rural background and their inability to handle financial matters. This in turn makes the women themselves to view lowly and incapable. Many times, I heard the community women remarking: I am unknowledgeable/ignorant person because I am illiterate. But at the same time, when I start asking them the price of the vegetables in the market, or how much flour is required for the family in a week, or how to manage the dinner that evening with a single tomato, they give very precise answers which, probably, not even a highly qualified chef be able to answer. But quite often they forget or the society make them to forego, that it is their sheer capability that their household is kept out of poverty and the unfortunate fact is that they never consider the wealth of knowledge that they have as ‘knowledge’. For them knowledge means a school education, something which might not aid them in any way running their families and managing their day today affairs.

The social practice of ShGs help to add to the stigma, like about many other factors, about poverty as well. In one of the cases, Sunanda, a ShG member who has three accounts in one of the groups approached the mobilizers for a loan. Savitri and Kamallesh, the mobilizers, said in one voice that *this lady has a bad reputation of taking loans and not giving it back*. They added: *“Her own group members told us about this. They said there is no problem in giving her membership but do not give her loan. They have three memberships. Even the saving of all the three accounts would come to equal to the loan she asked for, and that is why we gave her loan. She wouldn’t be given any more loan. We need to take into account such things as well before sanctioning any loan”*. Later I had a talk with Sunanda. I asked her why she needed the loan. She said: *my son is running a small welding outlet that was in the front portion of our house only. His father also used to do that job and my son is trained to do that*

work. Now the authorities say that he can't do it at our residence since it is not allowed in a residential area. If that is so, he should be given another place to run his work. He was asked to stop the activities immediately. How would we eat if he stops earning? I needed some money to take a place for rent and run it for the time being. That is why I required the loan". I asked: Haven't you told this to madam? She continued: "they are not ready to listen to me. They bluntly denied me the loan". When the stigma of bad reputation is tagged to her, how the staff would ever listen to her genuine reasons.

In yet another instance, Vidya a member came to the office and made a request for a bigger loan. The group was not having a bank account and bigger amounts of loan can be availed from the banks only. The group hasn't yet started the bank account for the reason that none of the members have come forward to take the responsibility of elected members. The mobilizer told her that she would get the loan from the bank and for that it is required for her to become an elected member. Once Vidya left the office, Kamallesh, the mobilizer told me that she wouldn't be given the loan and the reason she said was: *can't you make out that she is very cunning. She wouldn't give the money to her husband. I even doubt her character also. We are not going to give her big loans also. At this point opening bank account is more important. Giving loans is something that we would think later. Uper se dhabav hai (there is pressure from above). We have to meet the target number of group formation. Offering them big amounts as loans is the only way to attract these women. Once they hear about money they would gather like honey bees. We wouldn't give loans to anyone and everyone. They need to show us their proper documents; their credit worthiness depends on that".*

The bifurcation of the poor into 'deserving' and the 'undeserving', each with their associated stereotypes has had a profound impact on their treatment by the welfare State and other societal agencies. The label of 'undeserving' poor has often been negatively charged by the process of stigmatization¹⁶⁸, which historically and in the present day too, has had implications for how society sees the poor, how they see

¹⁶⁸ Erving Goffman referred stigma as an attribute that is deeply discrediting and to the belief that the person with the stigma is not quite human. Some of the stigmatized moral judgments associated with poverty is that poor have no morality i.e. they steal, mug or loose sexually; are lazy, don't want to get education and improve themselves, and so on.

themselves and how they are treated by welfare institutions. Such attitudes demoralize people of their confidence.

I happened to meet a lady near the house of an ShG member I asked whether she is a member of any group.

The lady who identified herself as Phoolkumari said: *No. But I long to be the member of the group and I even approached your¹⁶⁹ office people but they refused to take me.*

I: *When did you approach?*

Phoolkumari: *Just two months back.*

I: *How long you are staying in this place?*

Phoolkumari: *I am born and brought up here.*

I: *In that case why didn't you try for a membership earlier?*

Phoolkumari: *I wanted but they never entertained me. All my sisters in law are members of one or other group. None of them is in talking terms with me. Perhaps they would have asked the organizers not to take me.*

I: *Where do you stay?*

She pointed out to nearby house.

I: *Is that your own house?*

Phoolkumari: *No*

I: *What does your husband do?*

Phoolkumari: *I am a widow.*

I: *What is the reason they say for not taking you in the group.*

Phoolkumari: *They say my bolchal teek nahi hai (behaviour is not right). I am a talkative. They think I am a ladaku. I argue with people and that is why they don't take me. Would you talk to them recommending me? Please ask them to take me. I am going to get some money next week and I want to join the group then. Please ask them to take me.*

And I could very well see the helplessness and desperation in her eyes.

Community sharing of poverty

In the national development, the equity objective was sought to be pursued through redistribution of assets. But, land reforms could not be implemented effectively.

¹⁶⁹ She took me to be part of the organization.

The problem of poverty could not be tackled through growth, which itself was slow over a long period of time. Hence, direct intervention through poverty alleviation programmes became necessary. Self-employment and wage-employment programmes were taken up in the Government component of the public sector plan” (VIII plan). It argued, however, this has to go hand in hand with the reforms for a faster economic growth. Thus the State holds the view that “a narrow view of resource mobilization, limiting it to the financial sphere, fails to do justice to the complexity of the development process in which the human factor plays the most significant part. Without adequate development of human resources in its widest sense, set-backs to the process of development itself cannot be avoided. The productive forces of the economy can be strengthened only by releasing, the creative energies of all strata of society. Education, in all its aspects, and people's participation in development programmes through their own organizations hold the key to rapid and sustained social and economic advance”. But in practice people’s organization and their participation in development is invoked for relieving the State and other agencies of their responsibilities and making the poor responsible for their own development.

For example, when a bank loan is sanctioned for a group, the bank fixes a monthly EMI. And from the next month of the release of the loan onwards, the bank deducts the monthly EMI. The entire amount with decreasing interest is divided into 25 installments and the bank start automatically deducting the amount from the group account in the bank at a rate of a fixed interest rate. If the amount has not reached the bank on time they start charging compound interest. So, if a loanee doesn’t make the monthly installment in a month and the group account does not have the required amount to deduct as monthly installment, the compound interest charged is taken from the group’s account which means the money of all the members are deducted towards the interest for the money taken and defaulted by a particular member. Here the bank is taking advantage of social collateral of the group. If a particular individual/member is not being able to pay the monthly due, the amount can be extracted from the neighbours or community people. So the bank is not losing anything. The group formation ensures that the bank does not need to run into loss because of the nonpayment of any particular member, instead the group knowingly or unknowingly bears the expenses. Moreover, a

good number of people making use of this arrangement as a system for making regular savings only. They too are at a disadvantage on many counts.

Legitimizing social inequality

Class inequality (both economic class and social class)

The class models of analyzing poverty were distinctively sociological reaction to the individualism of both the income paradigm as well as other uni-dimensional approaches to measuring inequality. Class, not often understood as in economic terms. Social indicators like life chances, type of livelihood, leisure time, consumption pattern and so on become part of class definitions. In that sense, social classes quite often turn out to be causal factor for social isolation, an aspect that perpetuates poverty. The social classes are pre packaged bundles of structural conditions (eg levels of education, income, health) that tend to cohere. In contrary to the high quality corroborate endowments of the better offs in the society, the poor may comprise lowly valued endowments and outcomes; a package of minimal educational investments, intermittent labour force participation and low income, no opportunities for authority or autonomy on the job, relatively poor health, and much social denigration and social exclusion. Often, it is argued, that such groupings become socially closed groupings in which distinctive cultures emerge. This might not be developed as per the desire of the closed or excluded groups, instead an outcome of their attempt or adaptation to develop their survival strategy in relation to the larger system. For instance, it is not that the poor doesn't want to get good quality education, but the very attempt would take them down the economic ladder as they have lesser economic resources to spare for the purpose. They even show a withdrawal from the mainstream pursuits which they found tailor made for the other classes in the society but least suitable for their needs and requirements, an acceptance of a system would lead to their further isolation and impoverisation.

The practice of ShGs heighten the demarcation of class distinction and thereby the isolation of particular groups. *Most of the time the promoting institutions sanction the loan on the basis of some tangible guarantee like the property papers. At Mukundpur for any amount of loan of more than Rs. 15000/-, the members are required*

to deposit their property papers to the organization office. What amount is to be loaned out is often a decision taken by the organization. The ShG mobilizer should have a personal familiarity with the place of the member's residence and she makes a judgment about the financial condition of the member from the kind of making of the residence and the kind of furniture she has at home and so on. The loan can go upto even a few lakhs if the member has a relatively sound financial background. Within the geographical locality that the organization functions with its ShG activities there are distinctions of relatively well off lanes near to the market place and well constructed houses with multi stories and also relatively poorer localities as well as slum like settlement patterns. Any individual who may own a house¹⁷⁰ can be a member of the group. But not all the members are eligible for the equal amount of loan. That means the equality we enjoy within political democracy of our country of one member one vote in the group is not extended to the social democracy; it is not one member equal amount of loan. The amount of loan sanctioned to the member depends on many factors. Such as the nature of the construction of the house, its locale (based on which the market value of the house would be assessed), the nature of job and earning of the head of the family, the kind of household stability that husband and wife and the family in general shares, the kind of relationship that the members maintains with the fellow members in the community as well as the staff of the organization, and so on all become deciding factors in reaching at the decision on what amount a member can avail. Although these are the decisions of the organization, to the general public it is made to look as if it is the 'natural' decision of the group.

The request for the loan is often made in the group while the particular member generally would have made the request to the mobilizer well in advance and the mobilizer in turn decides on whether to sanction the amount or not. In the group meeting, the member put forward the loan demand and the mobilizer supports the request and asks the members whether they have any objection. If any of the members came out with any objection, they would be told their loan demand too would be objected or else they can keep quite. If any member support a higher loan demand than

¹⁷⁰ While women are members of the group, the ownership of the house is generally with their husbands. So when it means the ownership it does mean that ownership in the name of the men in the family. And for taking a loan more than the signature of the women the signature of the men is mandatory.

what the mobilizer has sanctioned, she would be told that she would have to take the responsibility of making the repayment in case of the member defaults. That again becomes good enough reason for the member to keep quite. The overall result is the members generally do not interfere with the matters of 'group decision' (read the mobilizer's decision) for the fear of compromising their own. It is often taken for granted that the well off in the group would get higher amount as loan or to say as much amount as they wish, and the not so well off ones would get the medium kind of amount and the poorer members of the group would get the amount equal to their saving or at the most the amount that equals to three times of their savings.

Here are two incidents where the contrasting behaviour of the official of the organization shows the legitimization of unequal class relations in the society. One of the slum dwellers who is a member of a group approached the organization for a loan. She said she wants a loan of Rs. 10,000 for constructing a toilet. She said: *now we have to do it in public places. I have a grown up daughter also. We have to wait till the evening or before dawn. The male miscreants create trouble for us. It has become a lot of difficult for us and that is why we decided to construct the toilet. You promised me to sanction the amount and that is why I deposited my property paper as well.*

Deepa: *"Why don't you understand? We can't give you any amount more than your saving. Your saving would be around 4000 rupees and you can take that amount as loan. Or if you want you can get your account closed. We can't do anything more than that. I would return your property papers. Unless and until we get some confirmation from the authorities that the slums are not going to be demolished we cannot sanction any loan to anyone from your area".* Saying this she got up from her seat and opened the locker and got the paper and (literally) threw at her. The woman continued to argue for sanctioning loan. The member was pleading like anything and all the women sitting there, looking the incident, talking among themselves and no one was willing to talk in her favour. Finally she left the office with tears rolling down her eyes".

On another occasion while I was sitting there, getting ready to go to the community, one lady came asking for Sirji (Himanshu, the officer in charge of the field office). One of them said he is not there in the office and she can come the next day. The lady went back. I asked the animators whether she is a member. They said "she would be;

otherwise she wouldn't come here". I asked "then why did she want to meet Sirji instead of the animator? They said "she might need a bigger loan".

I: how much bigger loan so as to meet Sirji and not to the animator and in the group meeting?

Ekta: She might need a really big loan like Rs.60 or 70 thousand. That Sirji only sanctions. She would have to get the permission of Sirji. If he doesn't agree, there is no point in approaching anyone else.

I: how do Sirji decide whether she can be given the loan or not?

Ekta: He would be having his own judgments. He would judge her repayment capacity and then decide whether to give or not.

Ekta, one of the ShG mobilizers explains about the procedure for sanctioning loans: "We take property papers for loans above Rs. 15,000/-. That is because we have experiences of people running away with the loan amount and we have no way to recover it. Hence we have decided to take the surety from the loanee. If the loanee is a tenant we take the guarantee from someone willing in the group who owns a house. These things we settle in the group meeting itself so that who is the loanee and who is the guarantor is known to everyone. In such cases we do not give loan to the guarantor and only three times of the saving of the member is given as the loan with the guarantee of two people. So that the amount of loan would come to be gross saving of the three members. This way we ensure that even if the member defaults it can be recovered from other members. And such an arrangement would have a watchful eye always on the member and she will ensure timely repayment".

Leelavati, one of the ShG members, recollected the bad experience she had from the organization. She said: Recently I took 15,000 rupees for buying a plot. At present it is my second coming to the group. In the past too, I was a member of the group but because of a bad experience with the organization I left the group. I had three accounts in the group; one in my own name and the other two in the names of my daughters. My elder daughter was an employee of the organization too. She fell down from the terrace and she had fractured. She was admitted to the hospital and I was in need of money. I requested the animator and she refused to give me the loan saying there is not that much amount in the account. I have seen them giving loans to tenants also. I am a

house owner. Am I going to run away with the money? I told Deepa. Still she didn't give the money. They must have thought since my daughter would not be able to earn, probably, we wouldn't be able to repay. Out of frustration and necessity I asked them to close and settle my account and return the money. I closed all the accounts. And I got 15,000 rupees. While they were having 15000 of my money with them they refused to give me loan. What am I saving the money for? It is to meet the exigencies and if they do not understand that I said I am not going to join with them. After a few months a new animator joined their office and she came to me and asked me to join again. When she pleaded like that I decided to open the account. I again opened the account in mine as well as daughter's name. It is not just me, there were others too who left the group, frustrated due to their discriminatory practices”.

Power inequality and social exclusion

Social exclusion is a framework for describing and analyzing the multiple ways that the various dimensions of inequality impact negatively upon the increasingly complex web of groups who find themselves economically marginalized, socially disadvantaged, and politically powerless in contemporary society. The ground level operation of the ShGs often leads to the institutionalization of power inequality as well. For example at Govindpuri, the cashier gets an additional share during the annual distribution of dividends. For that reason, often the educated and the smarter ones get elected as the cashiers of the group and they are paid for their service. The message communicated is that educated and smart ones are capable of making more money and thence forth encouraged in their upward mobility.

I asked field staff about the one portion of the annual interest partition to the cashier. Rajbala explained how it is done. *The cashier gets two shares one of her own and one for doing the work of cashier. They started discussing among themselves that it is necessary to distribute one extra part to the cashier because she should get some incentive for her extra work like maintaining the register, to make sure that the members make timely payment and so on. “Who else would be ready to be the cashier and take this extra burden if there is no incentive?”* It sometimes leads to a coterie that appropriates the advantages of these programmes. The *Balawadi* teachers are relatively

educated and get to know about these programmes and they take the lead. In running the ShGs their interest is the cashier's share of dividend. Here the group is functioning as a profit making mechanism; although the claim is that it is non-profit making. And interestingly the cashier of the group who is responsible for disbursing and collecting money is more interested in getting interest paid on time rather than the money. More interest from the members means more dividends which mean more money in cashier's share or salary of the cashier. They told me that this is one of the good groups (by good performance they mean, I believe, no defaulting in making the payment and interest and an efficient cashier in dealing the cash dealings and not much of complaints about group functioning reaching the organization). There was a proposal to institute prizes for the cashiers of best performing groups.

The non-transparent way of the functioning of the group activities also lead to the frustration of the members and make them feel that they are denied their right on the ground that they are poor and ignorant. In one of the group meetings that I attended at Mukundpur, I asked the members about the financial benefits of joining the group activities. *One of the members interrupted and said: We should be getting more benefits based on the way we save our money; paying interest for the loans and repaying the loans. On that count, I feel we get very less. I don't know how and where does the organization do the manipulation. But I am sure they are doing the manipulation.* Reena who joined for the meeting a little late agreed to this point saying: *"different animators also do the manipulations. There was one animator who swindles a lot of our money"*. By then the animator asked the members to leave the place and they silently left. The powerful attitude of the animator was once again clear at this point in the meeting when she asked them to leave if they have made with their payment. She didn't want the members criticizing the authoritative activities of the organization and their staff.

Most of the time, the group meetings are the occasions to witness the display of power disparity between the animators and the group members. In another meeting which I attended, one of the members came and while giving her payment, Deepmala, the animator asked to pay ten rupees more as penalty. The member said: *when you do*

not come for the meeting we do not ask you to pay the penalty; then why do you take penalty from us. I am not going to pay anything extra. This meeting was to be conducted on Saturday and I came here on Saturday for meeting, but you were not there and the meeting was cancelled.

Deepamala said: I agree this meeting was due on Saturday for the meeting. I was on leave on that day. And I informed Babli aunty that I wouldn't come and the meeting is to be there for today. Had I not informed you can blame me.

Member: In any case you didn't come. If we also do not come, we inform you about that. Is that okay with you?

Deepmala: I had some compulsions at home. That's why I couldn't come. You can't give such excuses. Are other members are mad? All of them give penalty on default. You are not distinct.

Member: compulsions can be everyone's its not that you only have compulsions. I had compulsions; that's why I couldn't come on time. Would you agree to that?

Deepmala: none of your argument is acceptable. You would have to make the payment. I am writing on your pass book. Next month you would have to give this. Or else I would close your account.

III. Re-institutionalizing Oppressive Social Order

What the Plans visualized is refashioning of traditional social institutions and oppressive social relations but what is practiced through its social programmes is institutionalizing oppressive social relations and social structure. The traditional oppressive social order is said to be marked by a constraining/restraining social structure undermining the individual agency holding the passivity of the individual as a virtue to be upheld, and it legitimizes the unequal and hierarchical social order as a given. The traditional Indian social order often kept the oppressed passive; never allowed them to talk for their rights. They make the poor to believe that they are destined to be poor because of their individualistic virtues. However, what is practiced in modernist programmes too are not so different.

In the practice of ShGs what is often popularly called and glorified as peer pressure is found to manifest itself at the ground level as repressive social control. I

could encounter various such instances during the fieldwork. In one of the instances at Govindpuri it was found that the cashier of the group took 52,000 rupees and now she is not giving the money to the members. The members wanted to close down the group and get everyone's share settled. And this issue was going on for few days and the members were taking guidelines from the organization staff on how to go about it. The staff instructed them to go to the house of the cashier and even if it means giving a tough fight, take the money back forcefully. Some of the members who went to the house of the cashier appraised the incident. *"the cashier says that she would give the money of all of us in six months time in installments"*. But the organizers felt six months period means a long time; not all might be willing to wait till then. *"We will have to get the money back using any hook or crook. The responsibility of that is only yours and you people only can do that. It is not possible for the staff to get directly involved in that. We, of course can come with you, when all of you go there, in group"*. She suggested that on 10th of that month the organization has arranged a cleanliness campaign in the community. *"And all the senior staff would be there. Then we would go there to her house in group and demand money from her"*. The ladies also felt that it is a good idea. But one among them said what would we do if she doesn't have the money. The other suggested we can take household consumer goods from her house. *"Whatever we get we would take away and we would humiliate her maximum. Then she would get money from somewhere and pay all of us. All agreed to the idea and then dispersed"*. I said: she would be having pressing compulsions. Maya, a group member said: *"We all have pressing needs. But we do not grab the money of any. She should have thought this is the combined money of the community women. Had that been so much of desperation, she shouldn't have taken this money"*.

Neelam, one of the member explained citing a recent experience how does the repayment is ensured: *"If someone in the group does not repay the loan we together or one or the other would go to her house again and again so that we force her to repay the money if not in one go in two or three installments. If they take a bigger loan and they do not repay what else we can do. We have one experience here. That lady in that house (she points to a neighbouring house. In fact, we were sitting on the upstairs room. In this slum locality, it is one room and most of them have built a room above also. She*

took me to upstairs for the talk) took loan and did not repay. It seems her husband gave her the money to repay and she spent that. And she was giving us some or other excuse and also asked us not to tell her husband about the default. At the time of yearly settling of the account, all of us together went to her house asking for the money. Then her husband also got to know about it and he asked her why she didn't pay the money. But she said he never gave the money and it is on his behest that she took the loan. There was argument and fight between husband and wife. Finally in two or three installments she paid the money. How wouldn't she make the repayment? All her neighbouring houses also got to know that she has taken money and hasn't repaid the money. It is a very embarrassing situation for anyone and no one would like to face a situation like that, No? We did that and she agreed to repay the amount and she did also. Fearing a situation like this, members even take loans at a higher interest rate from other sources to make the payment in the group”

Hazra Baegum, the cashier of a group said: *“fortunately I never had any difficulties in getting back the loans from the members. I have heard that other groups had problems. But in our case the members are such that they send me their due amount before 10th of every month, the last date kept for making the payment. And if any member of the group defaults in making the payment, we know what to do. We in group would go to the house of particular member and ask for the money. Under such circumstances, the member would get the money to pay from somewhere. This is the procedure done in other cases. As the members know it would happen so they wouldn't wait for a situation of public humiliation. And in most cases they give the money before time”.*

In another case in Dwaraka, one of the members who was a guarantor for the loan taken by her niece, is made to pay the amount for her niece as she defaulted and left the place without making the repayment.

I asked her: *why do you have to make the repayment? What would the organization do if you don't make the payment?* With a little bit of reluctance she said: *“baeizathi karega. Ghar sae TV or kuch saman udakae le aayengae (they will humiliate me; they would take away household gadgets like TV). The members of this group wouldn't let me live peacefully if I don't make the payment. If I make the full payment, they would give me*

whatever is left in her saving. Still I would be at a loss. Lekin izzat tho bach jayeji (however, honour will be saved)”.

There were tears in her eyes when she was saying this. I asked who gives her the money to make this payment. She said: *mera aadmi. Do char bathe kartahe hai phir bhi dae dethae hai (my husband. He grumbles, still he gives).*

I asked one of the animator: *“What do you do if they do not make the repayment”?* Kanchan, the animator said: *“They mostly make the payment even if delayed. Only thing is that at times one has to make several rounds. They are also too conscious of the consequences. They do not even want to talk about that outside their home. When I go there they would ask me to go inside the house. They do not want their neighbours to know that I am there to ask about their defaults. I would also think if they are willing to give in that manner why should we go public. I respect their feeling. Only as the second or third step of action we go public. Today, I went to meet two of the members at their household. Both of them were defaulting for the last two months. In the both cases, they promised me to make the payment next month. Now I would have to wait and see”.*

Another, often used tactics for restraining members from taking loans and making the repayment on time is humiliating the members who defaults, in front of the members of other group. The members who make delay in making the payment even for a day are called to the office for a nice scolding so that they do not repeat in the next month. Deepa, once dealing with a member asking for loan. She was telling loudly to an animator sitting next to her that it is very difficult to convince this lady and another one from their area. Deepa was saying: *How many times I told them that it is not possible to give them money and see the way she is pleading shamelessly. You only please ask her to leave this place or I would go mad.* Baby, the animator, now turned to the lady and said *why don't you understand what madam says. She is not telling her desires, but the organization's rules and we have to stick to the rules. If the organization takes the decision not to give money to anyone from your area we cannot do anything. You may leave now and wait for another month or so. When the decision is reverted, we would give you money.* Once the member left, Deepa told the animators in general: *once you get a feeling that a particular member would not make timely repayment you should give them good lecture so that they wouldn't come again asking for the loans.*

Women take it too much of a humiliation when the organizers make public about their non repayment of monthly installment. They do dread about any such condition. Once when I was walking with the mobilizer to the ShG office at Jaivihar, a lady came running. From her dressing it is clear that she is coming after work, probably a housemaid. She told Savitri, the mobilizer, that she came to deposit money. She has got 1000 rupees. Savitri asked her to go with her to the office. The member continued: *“You shouldn't have humiliated my daughter in front of our neighbours. Even if you had to say her something, you could have told her gently. It was due to our domestic compulsions that I could not give the money for the last two months. We are staying in our own house. For around 3000 rupees I am not going to run away form this place”*. Savitri said: *this is the money of the group members and when one is not making the installments we have to enquire about it.*

At another occasion I asked one of the members at Dwaraka: *what would happen if they do not repay?*

Sitadevi: *they would confiscate some of the gadgets from the house of the member and they would get the money back by selling it. That has happened here. There was a member of our group who has taken Rs. 20,000 to buy a sewing machine. She could not develop the business as the way she expected. And she could not make the repayment. The organization people took away the machine. We do not know whether it is with her permission or not. I had seen the machine at their office. These days it is not seen there. They would have sold it and compensated the money.* Saroj, another member added: *“no one wants to eat over others money. When they troubled her for money, she would have told them to take away the machine and sell it”*.

IV. Perpetuation of Capitalist Ideology

Commercialisation of ShGs

While the welfare State under capitalism merely shifts resources around in the middle range of the class structure while not fundamentally challenging the basic source of poverty that is capitalism itself (Westergaard and Resler 1976), it as well perpetuates the capitalist ideology by integrating to the market ideology. While introducing the financial mechanism of ShGs to a community which depended to a large extent on the

family and community relations to meet the family contingency, the people began thinking and calculating in terms of profit and increased consumption.

Janaki of Mukundpur who is not a member of ShG found that: *“earlier most of the time when I needed a hundred or two rupees at periods of difficulty, I could have borrowed from my friends in the neighbourhood. They too meet their emergencies in the similar way. These days it is much more difficult. First of all they might not have any money on them as they put their saved money in the group. And now they expect to get interest for the money borrowed from them. They cannot be blamed for that because in the group they get interest for the money, if someone takes the loan. Then it is normal for them to think, why shouldn't they get the interest, if they give it to someone else. I could not join the group. With whatever earning we have we run our family; we can't make regular saving and that is why I haven't joined in any group. This 'samooch' facility would be available only for those who make regular saving”*. Chandravati of Govindpuri says: *“many times what we get as loan from the group might not be enough to meet the contingency. Hence we would have to look for other sources for money. We do turn to friends and relatives and then to the money lenders. These days friends and relatives too expect to get interest for their money”*.

When the transaction costs of the banks are reduced due to less paper work, those charges are shifted to the community women themselves with the added cost of paying the organization for the services they provide. And the whole process put them into so much of frustration that now they want to see everything in terms of commercial services and profits. Gyna of Madanpur Kaddar, an elected member of the group said: *mostly not even fifty percent of the members too wouldn't pay their due on or before meeting day. Sirji would ask me to go to each of them and ask them to pay the money. Why should I do it? For every work that the organization does, they charge from us. They charge from us every expense they incur on us, starting from the stationery and as well for all the services they do for us like going to the bank. While it is being so, why should I give free service for them?* Duttaram, the Sirji, in the presence of whom she was making this comment, said: *But you are serving your group; in a way your own bahane (sisters). You all are making the advantage of the group activity.*

Gyna: *But when you are making a profit out of it why can't I too talk about in terms of profit. Mei yehi pooch rahi hai meri fayeda kya hai? (what I am asking is what is my advantage out of this?).* Looking at his face, she continued in a softer tone: *There are some members who would make the payment only if we ask them. Bolnae ka humko kya jaroorath hai (why should I ask). They have taken the loan and it is their responsibility to make the payment. As it is the community women who wouldn't listen to me. You only have the power to demand. Sirji, please you may go and ask them.* In Dwaraka when Asha was told to go to the house of the defaulting members and force them to make the payment, Asha said: *who would pay me for my services. Anita, the mobilizer told Asha the group member; you can charge from the members for your service. Asha: then pay me first for the services that I had done in the last three years.*

With the availability of relatively easy loan, the consumption of the community women too increased. *Where do you get the money from before you joined the ShG,* I asked Devkali an ShG member from Govindpuri. She said: *That time our needs were very limited. Mostly our own savings would be enough to meet our requisites. At times we also borrow from friends and relatives. Gita from Mukunpur said: "Sudden ailments are what take us to unexpected expenses. For that we make arrangements from relatives or money lenders. We generally avoid other consumption expenses. No relative would lend you money to spend on consumer items like TV or furniture. We could buy this small TV taking the loan from the bachat (saving) group".* Radha who lives in a kachha house which is very shabby has a colour TV in her house. She said: *I have five children and they go to the neighbouring house to watch TV. When loan availability from the group was possible they insisted for the loan to buy the TV. I was not so happy. Initially I made many excuses, but later conceded to their demand.*

Commoditization of social networks in the market economy

While poor rely on the informal organizations/networks amongst themselves for their day today survival, it is already seen how ShGs weakened people's networks. In the process the community women often become insensitive to the needs of their own community women. In one of the group meetings, once the animator charged penalty

for defaulting in the previous month, the member refused to make the payment and entered in an argumentative conversation with the animator. She finally left after making the payment for two months without paying the penalty. None of the other members interfered all the while. When they saw her leaving without paying the penalty, they asked Deepmala, the animator: *“See she is gone without making the payment. How is that acceptable? All defaulters have to make the payment. And you haven’t taken from her. If all other members pay penalty for the delays she too would have to pay”*. Once the meeting was over and Deepmala left, I remained there for having conversation with the women. I asked Guddu, in front of whose house the meeting was conducted, and also the cashier of the group: *“Why did that member defaulted; do you have any idea”*? Guddu: *“I know she had some family compulsions at home and that might be the reason why she couldn’t make it to the meeting. But we cannot take that into account. The rule is applicable to all uniformly”*. Later, on my way back, I had a talk with that particular member. She said: *“you were there, no? And you saw, no one came for my support though some of them are aware of my compulsions. Let it be their chance next. I too would keep quite. This generally happens since these are money dealings, none is cared about human relations”*.

Sometimes the relationships are maintained on calculating the profit one would gain out of it, probably something that was unknown among the community women. Babli of Mukundpur has taken the loan from the group to help her friend who was in need of money. Babli: *“I gave her the loan taken from the group. Now every month she would give me the repayment amount and I would pay them”*.

I remarked: *“You are really broad minded and kind. Have anyone joined the group on your recommendation”*.

Babli: *“In the new group a few members joined on my suggestion. But that ends there. If anyone comes to me and say, Didi loan dilvado, thab mei nahi bolthi hum (I do not interfere when they ask me to recommend them to grant loan). The organization would have their own reasons for not granting loan. I never recommend to give them loan. If I say so, the madam would ask whether I am willing to take the guarantee. And if the member does not repay, it would become my responsibility to repay. I never take such risks”*.

I: *“But you got loan for your friend”?*

Babli: *“That is because I know her very well and I consider her as a sister. Now I helped her in future if I need any help she would do that. This is the way how you get the confidence of the people. That kind of risks one always has to take”.*

Sita is the cashier of her group. She runs a small stationery shop converting the veranda of her house. She was offered by the organisation a payment of 40 rupees per month for collecting monthly due from all the members of the group and handing over to the animator. But she refused to accept the offer for the fear of ruining her personal relations with the women in her neighbourhood. She said: *“When madam asks for the members to come for the meeting, they do not come on time. Who would listen to me when I ask them to come for the meeting? I do not have the power to do that. If they do not come that means I would have to go to their houses to collect the money. As it is, I am not aware of the houses of most of the members. If any one is not making the repayment of loans, then too I would be held responsible. It is matter of self respect for those who are defaulting to make the regular payment once madam goes to them. Those who are going to their houses asking them to make the payment too have self respect. It is an awkward situation to go to someone’s house asking for money although that is due on their part. Besides, all these members of the group are living in the neighbourhood; if not of the same street, of the neighbouring street. It would be a matter of friction between the families if I go there asking for money. Madam, in that way an outsider, is a neutral person. They not only listen to madam, but also her instructions. They would not take it in a wrong way. If I go there, they would take it as personal and that might even affect the business of my shop. I do not want that to happen even if they offer me 100 rupees”.*

Usha, the cashier of ShG at Jaivihar was very skeptical about the fellow community women taking loan on her guarantee. Usha said: *“Seema madam assured me that nothing would happen even if I put down my signature. That is why I was willing to sign the bank papers. But I wouldn’t sign the loans unless and until I know who the person taking money is. For instance, if Babita takes, I have no problem. She is my neighbour and she has a house of her own. Her husband is in the government service. I*

am sure she would repay the money. Similar is the case of Sapana. Other than these two, I cannot take the guarantee of anyone else”.

I: *“Can you give them any loan if you get some concrete guarantee from them”?*

Usha: *“Like what? Their property paper? If they deposit their property paper that is a guarantee. True, all of them belong to this community only, but when it comes to the matter of money I cannot take them for granted. They would have to give the property paper in my custody. Seema, after all, is not staying in this locality. Her residence is somewhere near Najafgarh. It is me who live in the community. I am answerable to the people as well. If Seema madam disappears with the papers? I cannot trust her office too. So they would have to give the paper in my custody. Then only I would sign the loans”.*

In another incidence, I was listening to the conversation of Savitri, the mobilizer and Sunita, a member of Group at Jaivihar ShG office.

Savitri: *“Where is your neighbour. You could have got her also”.*

Sunita replied: *“She took a fight with me for offering tea to you while you came to ask for the repayment of the money. And now we are not in talking terms. I wouldn’t tell her also. Has she returned the money”?*

They were talking about another member who defaulted on her repayment.

Savitri: *“I have given time till 15th. Let us wait till then”.*

When Sunita left for home after making the payment I also went with her to her residence. On the way I asked about the conversation and about the defaulting member who happen to be her next door neighbour.

Sunita explained: *“I was in good relation with my neighbour. They have a little daughter and she spends most of the time at my home. We are in the same ShG group. She defaulted the payment for about five months and Savitri madam came there to ask her for the money. Her husband lost job due to some problem at the place of his work and that may be the probable reason for defaulting the loan repayment. When Savitri madam came, I offered her tea at my home and that is why they are angry with me. It is my habit of offering, minimum, a glass of water to whoever comes to my house. When madam came to my neighbourhood, I invited her home and offered a cup of tea. Whether madam has come for asking to pay the money is not a matter of my concern. I did only simple manners of inviting her home and offered her a cup of tea. That is all*

the fault I did. After madam left they started shouting at me, saying why I did that. Their view is that I should not have offered tea to someone who came to take a fight with them. They stopped talking to me thereafter”.

I: *“Did you ask your neighbour to make the payment”?*

Sunita: *“Savitri madam asked me to do that. What can I do if she hasn't repaid the loan. I cannot take the responsibility for that. There are so many types of people and many of them would be members of the group. Why should I take unnecessary tensions”?*

On our way to Sunita's home, we also met four women standing on the corner of the street and chatting. Sunita introduced me to them. Two of them were the members of the same group that of Sunita's and the other two of them are in other two groups.

Anita, who was the president of Sunita's group, was saying about the defaulting member: *“Getting dues from her is their head ache. Her mother is a member in another group and she too did the same thing. When her case was there, why did they make her daughter a member of the group, in the first place? And after that, they gave her a loan too. Galat bathe hai na (isn't that wrong)? They are also to be blamed for this mess. They are Bengalis. Savitri madam came here the other day to ask for the money. The lady took out a fight with her. Madam came to me and asked me to go and talk to her as I am the president of the group and also a Bengali”.*

I: *did you talk to her?*

Anita: *“I did talk to her very politely. She didn't argue with me. I told her that this is the money of other people and it should be paid back. She said she would. What can we do if she doesn't”?*

Hemalata, another member added: *“How can we go and ask anyone to pay back the money. It is not that we give them the loan. It is the organization that gives the loan. And if we go and ask them they would say, why do we want to interfere? It is matter between them and the organization. They too are right. Why should we get into unnecessary shuffle with our neighbours. We have to live here peacefully. Madam asked us also to go and talk to her. But we refused. She talked probably because they would have thought Bengali-Bengali relation would work”.*

I: *“Instead she decided to quit the president ship of the group”?* (during the talks she told me she wants to quit the presidentship on account of these types of hassles)

Anita: *"I do not want to get into hassles"*.

In another instance at Dwaraka, Asha, the ShG member was cautioning the animator against giving a loan to one of her group member.

Ahsa: *"Sunita is asking for a loan of Rs. 20000. You shall not give her the loan. I am sure she wouldn't be able to make the repayment. As it is, she is defaulting on her saving"*.

Anita: *"Why don't you tell her that"?*

Asha: *"You please refuse to give her the loan. If I say she would take it in the bad sense. That would unnecessarily create a tiff. We are all living in the same locality. Why should we involve in tiff with others unnecessary? I might be cashier. But that is only for practical purpose. No one approves my authority. But that is not the case with you. If I say something they would think, what is my right to interfere? That would even lead to the break up the group. So it is better if you tell her. I would send someone and call her here"*.

At Madanpur Kaddar, a few of the ShG members came to the ShG office to meet Duttaram the officer-in-charge. They said: *"three of the members want to settle their account and hence you have to do that as well"*.

Duttaram: *"Why do they want to leave the group?"*

The lady: *"It is we who want to close their account. pointing at one of the other lady and said two of them are her relatives. They do not make the payment on time and so the other members do not want to keep them in the group. But we cannot tell them that the members do not want them to have in the group. So we are going to take your name for that. We would tell them that Sirji want them to leave the group. If we tell them they would take in the bad sense and that would be enough reason for them to fight with us"*.

It is not just that commoditization of social networks in itself is inherent in the practice of ShGs, the organization quite often take very explicit initiatives that contribute towards this end. In one of the capacity building training sessions of an NGO some of the resolutions that had been reached were very interesting. Before concluding this chapter let me briefly take a note of them. One of the resolutions was 'training should be given to cashiers to make them more efficient. It is also proposed to give gifts to the cashiers as a part of incentive to them. That was supported by another one saying 'the

best cashier shall be identified and honoured'. The proposal was to encourage the cashiers by giving gifts and other incentives for most efficiently collecting money without leading to any default. It was also proposed to honour those ShGs which are more regular in their activities, where regular means, the members making the payment despite the hardship that they may be facing at the home front. At Najafgarh the head of the organization was instructing the mobilizer, "your goal is not in making more and more number of ShGs but encouraging the group members to take more and more loans; the groups are seldom for saving purposes alone". Afterall, there is nothing wrong if one imagines what the groups stand for is to make profits rather than addressing poverty issues. Or, the priority is saving, accessing loans and making regular repayments, and not meeting other contingencies. And the approach is that the adeptness of the mobilizers, cashiers and/or other members needs to be honoured for making this venture success.

Concluding remarks

The voices of the oppressed often get subsumed within those which claim themselves as their custodians. Given a chance of self expression, they take us to the myriad of colourful expressions carrying tales of pain and occasionally the moments of joy and self pride. A dialogic understanding and deeper examination of the people's inner feelings and emotions as naïve as possible splits open yet another dimension of the practice of development programme of ShGs. The 'aid' programme of ShGs are introduced to those people who are often unaware of the exploitative system, and are already in a survival mode by the creative use of the limited and feeble resources that they have at their disposal. In the process of making people to adapt to the new developmental mode, they dismantle the existing resources of the people replacing them with those values and practices which would facilitate a relatively more submissive survival of the people, but more importantly, one which would never challenge the existence and survival of a dominant, yet exploitative, system itself.

Chapter V

ShGs and Women: Need to Rethink Empowerment

Chapter V

ShGs and Women: Need to Rethink Empowerment

In the recent decades, the term 'empowerment' has become the buzz word for the developmental agencies both at the national and international level, also by the State and civil society alike in addressing the issues of economically backward social groups. Across the globe the very general outlook about the concept of empowerment was developed as the gaining of power by the vulnerable. The term has become popular since the mid 1980s in the field of development, especially with reference to women and other disadvantaged groups. In grassroots programmes and policy debates alike, empowerment has virtually replaced terms such as welfare, upliftment, community participation, and poverty alleviation to describe the goal of development and intervention (Batliwala 1994), making it become a largely unquestioned 'good' aspired to by diverse and contradictory institutions. Though, initially, the term was most commonly associated with 'alternative' approaches to development, with their concern for local grassroots community based movements and initiatives, and their growing disenchantment with mainstream top-down approaches to development (Parpart 2002), it became as well an accepted term for the mainstream development agencies. This was because the term empowerment was conceptualized as more people friendly to represent both the economic as well as the social advancement of the target group having a romantic equation between empowerment, inclusion and voice.

Empowerment had, thus, become a motherhood term, comfortable and unquestionable, something institutions and practitioners seem to be able to unequivocally agree on. Yet, just like different schools of thought in 'development', used different words for their conflicting understanding of desirable change, such as growth, modernization, dependency, and underdevelopment, the concept of empowerment too has been used in differing contexts making it appear as a universal and objective¹⁷¹ concept, ahistorical in its origin and a neutral term having no embedded

¹⁷¹ For instance in ICDP women's empowerment means the ability to overcome the unequal power relations. It is stated in Chapter 4 of the programme of action of the ICDP (1994) that it is the unequal power relations which impede women's attainment of healthy and fulfilling lives and it also specifies a number of actions (legal, political, economic and cultural) both preventive and promotive that the

politics¹⁷² in it on the one hand and on the other as one having no contextual application. The main objective of this chapter is to critically examine, in terms of the practical implications of empowerment in the lives of women, the theoretical context/s within which the concept is operationalised at the ground level against the historical, and socio-cultural context and the politics of the emergence of the term in the development literature.

I. ShGs – the Empowering Machine of the State

In the first few decades of Planned development era of the Indian State, women were accorded position among the welfare sections and it saw very few women specific development programmes. With a shift in the perception of women and development at the international scenario and its reverberations in India, especially, from Seventh Plan onwards, women were promoted to become part of development initiatives. From 9th Plan period onwards, efforts had been intensified and empowerment of women was enshrined as a specific goal to be pursued in the advancement of nation. Though, empowerment approaches are mostly embedded in institutional structures (Parpart 2002) certain development practices and issues have, more than others, become associated with the empowerment approach, such as education, micro credit, grassroots participatory approaches, land rights and representation. Bringing women closer to the economy was the one main agenda for women's empowerment and for this, among others, making available micro credits through ShGs was considered as a main empowerment mechanism especially since early 1990s. The State's Self help Group movement has been supported through schemes of a large number of governmental departments including the Women and Child Development, Social Justice and

government and others need to take in order to help women to overcome these relations towards their empowerment.

¹⁷² While studying women and health issues, Ashish Bose (2004), defines empowerment as the ability of women to face alone a family crisis such as desertion by husband, divorce or separation. And the capacity to run the household with her own earnings. Though, not universal application for him, a crucial indicator of women's empowerment is her ability to fend for herself. The ability to stand on one's own feet in a crisis situation is the essence of women's empowerment. Or for him, self empowerment is the only empowerment. NGOs can certainly create an enabling environment through capacity building but individuals have to empower themselves. Here the thrust for Ashish Bose is the primary role of a woman (and her health requirements) as a homemaker and empowerment is in the context of efficient display of her homemaker role.

Empowerment, Tribal Affairs, Rural Development, Urban Development, Handlooms and Handicrafts and so on both at the national and the regional level.

Grant and subsidy based poverty alleviation programmes were one of the main approaches of the State towards poverty alleviation since independence. The concept of micro credit for the poorest segment along with a new set of credit delivery technique was found by the State as a replacement for the earlier mechanisms of institutional credit delivery as most of them found to be failures and unsustainable due to various reasons. The celebration of focus of women in micro credits for its higher success rates and its 'empowerment' capability prompted the national government to promote them in large scale, for the reason of their so claimed multi dimensional impacts, besides poverty alleviation. As the jargons like participatory governance, sustainable and people friendly economic development, bottom up approach etc. became the trade marks of democratic governments in the period of heightened globalization, programmes/initiatives such as micro credit based self help groups were the short cut ways for the State to showcase its commitment towards deprived in the society, especially one of the most exploited social category - the women. Specific initiatives such as Rashtriya Mahila Kosh, Indira Mahila Yojana, Swawalamban, Swashakti are a few to name in this regard.

The aim of Rashtriya Mahila Kosh¹⁷³, one of an exclusively women empowerment 'tool'¹⁷⁴ of the State, is the delivery of micro credit through ShGs to poor women. The primary aim is to provide or promote the provision of micro credit to poor women for income generation activities or for asset creation by using the group concept and the provision of credit as an instrument of women's empowerment, socio-economic change and development. It considered itself as not just a financing system, but a tool for social change, especially for women. The reason that it sited for its concentration on poor women as "among the poor, the poor women are the most disadvantaged – they are

¹⁷³ National Credit Fund for women or Rashtriya Mahila Kosh was set up by the Government of India in 1993 as an independent registered society by the Department of Women and Child Development in government of India's Ministry of Human Resource Development with an initial corpus of Rs. 31 crore not to replace the banking sector but to fill the gap between what the banking sector offers and what the poor needs.

¹⁷⁴ RMK is referred as 'a tool for empowerment' (<http://rmk.nic.in/chap1.htm> page 2).

characterized by the lack of education and access to resources, both of which is required to help their way out ... for upward economic and social mobility. The problem is more acute in India ... due to their low status and lack of access to key resources". However, the tangible evidence of the success of such initiatives was recorded as "evidences show that groups of women are better customers than men, they are better managers of resources, benefits of loans are spread wider among the household if loans are routed through women ... male groups are worse". Thus, the empowerment capability of micro credits is closely linked with the patriarchal ideology that women are the better home makers although its primary aim is to help women to overcome the low status in the society caused due to the patriarchal bias against women.

The central concerns of the 10th Plan towards the empowerment of women are listed as: social empowerment, economic empowerment and gender justice. It envisaged the attainment of the social empowerment of women through creating an enabling environment through adopting various policies, and programmes. And one of the prominent was ShGs: The State followed the same policy in the 11th Plan as well where ShGs were considered as an important mechanism in attaining critical parameters of growth for different sections of the society. The national policy on women's empowerment too envisaged women's economic empowerment through the promotion of micro credit mechanisms. The civil society too, strongly held the same opinion.

II. Empowerment in the Gender Discourses on Development

ShGs happen to receive large scale promotion as empowering tools, primarily as a result of the policy shifts of the State during the consolidation of neo-liberal economy. The initiative partially was a reflection of the policy atmosphere of the international scene as well as the pressure from the women's movements nationally and internationally that argued women's lack of economic resources largely as the reason for their oppressed state. As both the theoretical and practical application of the concept of empowerment in the context of the development of women is closely linked to the advancement of development thoughts in general as well as the corresponding national/international policy interventions (Bailey 2000), specially in developing countries like India, it is essential at this juncture to take a brief overview of the

feminist developmental thoughts from a historical perspective in the backdrop of not only policy interventions but also the history of women's movement.

The discourses on development had come to the attention of the international community around 1940s onwards. The development planning for the underdeveloped countries were propounded during this period within modernization ideological framework. In the neo-classical economics, the needs of the disadvantaged in the society were addressed by redistributive justice or welfarist approach. The extension of liberal western ideologies of relief aid which was the dominant ideology that ruled globally, addressed itself to the needs of extremely vulnerable groups where it was natural that women become major clients. Thus, in its early years of UN, women's issues were seen primarily in the context of human rights and confined to the Commission of status of women which dealt with social and humanitarian matters¹⁷⁵ (Kabeer 1995: 2). Consequently the mainstream development efforts were targeted mainly at the male population, while women were relegated to the more marginal welfare sector¹⁷⁶. The idea was that by adopting modernization or the wholesale adoption of western technology, institutions and beliefs as desired paths of development, it would bring about the development of all gradually bringing all sections of the society including women into its fold. The image created about women, especially third world women as backward and tradition bound and dependents of the men-folk perfectly matched with this approach and provided a rationale for ignoring women during the first two development decades.

As the criticisms of the general development approach for its failure of the growth-oriented policies to have trickle down effects and the demand to address the redistributive aspects grown strong, since the 1970s the welfare approach has come under severe criticism in general and specifically among the women activists, for its paternalistic perpetuation of the existing gender roles and its dependence on the

¹⁷⁵ Here women were brought into development policy on very sex specific terms. For instance, while men entered the policy process as household heads and productive agents, women were viewed primarily in their capacity as housewives, mothers and at-risk reproducers.

¹⁷⁶ Such as programmes delivering in nutritional training, home economics, maternal and child health care and family planning. As long as economic growth was seen as the overriding objective of development, these welfare programmes were very much of a residual nature, offered only when the requirements of the mainstream planning had been met and dispensed within times of economic austerity.

patriarchal power of the State and the facility rather than individual autonomy. The failure of the development programmes to reduce the increasing economic disparities between the developed and developing economies spawned a growing reaction against the development establishment, its philosophical premises and its mode of operation (Nerfin 1977). In 1970, the UN development strategy for the decade, declared that the ultimate objective of development must be to bring about sustained improvement in the well being of the individual and bestow benefits on all. If undue privileges, extreme of wealth and social injustice persist, which was evidently becoming the outcome of economic growth model followed by the national governments, then, the UN opined, development fails in its essential purposes. This also was the historical period that women's groups began to raise the concern over the failure of the belief that the national freedom would automatically bring equal social position for women, so also the neglect of women in the overall development of the nations and the resultant deteriorating status of women in the society especially countries that are underdeveloped. When Ester Boserup¹⁷⁷ provided documentary evidence of the third world women's marginalization and lack of access to technology and resources, after a decade of development planning the development discourses began emerging addressing women's issues in development.

The feminist critique of mainstream liberal ideology of development found welfarism as well as approach towards the role of women in the process of development as an expression of sexist, sex role socialization, and of a stereotyping that defined women's nature as biologically wired to nurture rather than rational, aggressive and competitive. In the light of growing criticisms and outcry for alternative approaches, women development professionals in the US put pressure on their government to effect policy changes that would advance women's interests. Aid agencies and non-governmental organizations too made visible efforts to integrate women into sectoral

¹⁷⁷ In her book she argued various colonial and post colonial governments had systematically bypassed women in the diffusion of new technologies, extension of services and other productive inputs because of their (mis)conceptions of what women did. She provided examples of countries where despite women's critical roles in farming systems, planning had continually operated with stereotyped assumptions about female domesticity. Men had near exclusive access to economic and other resources. She concluded that the economic survival and development of the third world depend heavily on efforts to reverse this trend and to more fully integrate women into the development process.

planning and create programmes for improving women's livelihood. As a consequence, a new subfield of development, 'women in development', emerged.

Women in Development (WID) approach

WID emerged initially as a women's caucus within the Society for International Development (SID) to promote professional employment opportunities for women in development agencies, and to compile data which explored the intuition that development was having an adverse effect on impoverished third world women. The matrix that allowed for the emergence of WID is multifaceted, but the powerful currents were the broader institutionalized field of modernization and development and the feminist movement in the West in the 1970s. The WID advocates and scholars tried to shift the attention from welfare to equality for women in development process. The focus was on the productive labour of women, its invisibility and fundamental place in the world of development, supported an articulate, efficiency-based argument for the integration of women into development with access to training and resources. It enhanced the understanding of the development need of women, particularly the need to improve their work force participation and the need to provide them with more opportunities for education and employment. The idea was to integrate women into development more productively within the existing structure. In addition, they advocated legal rights and administrative intervention to combat gender discrimination from a liberal, modernizing perspective. WID approach emerged primarily from the earlier sociological assumptions about the neutrality of development agencies and the process of modernization where it was believed that these processes of development and modernization would relieve women of their traditional drudgery and lead to their equal status in the society (Lewis 1955).

The emphasis of equal opportunity for women in WID came, out of the liberal feminism. It represented a merging of modernization and liberal feminist theories. WID maintained that the dismantling of bureaucratic controls and greater reliance on free market forces to allocate national resources were the most efficient route to economic recovery (Colclough and Manor 1991). These became the main basis for the criticisms against WID and looking for alternative ideas. Wedded to the notions of modernization

and efficiency, the WID approach tended to preoccupy itself with women's roles as producers and to ignore their domestic labour. It rarely addressed fundamental questions about women's subordination. The WID approach generally ignored the impact of global inequalities on women in the third world and the importance of race and class in women's lives. For the WID advocates, women was a universal analytical category. More importantly, WID ignored the structural causes of women's oppression. It maintained the public-private dichotomy which devalues women's reproductive work while maintaining that women can gain equality by participating more in the public sphere of the State and formal production.

Women and Development (WAD) approach

Contesting and critiquing WID approach, a section of feminists following the line of argument of dependency theory¹⁷⁸ of development proposed another approach towards the development of women called Women and Development (WAD) approach. Developments in the dependency theory have in some ways paralleled those in radical-feminists thinking in the west, both of which emerged during a period of serious challenge to existing power structures, and both advocated a degree of separation from the sources of power and domination (Connelly 2000: 59). Drawing from Marxism, yet critiquing for its complete neglect of women's issues in its analysis, radical and revolutionary feminist politics transformed traditional conceptions of the political, which encompassed the State and public life, placing emphasis on areas beyond those traditionally seen as political. They focused on the 'personal', instead of 'public' as a key site for political action.

¹⁷⁸ Dependency theorists drew on the Marxist critique of western capitalism for its explanations of third world poverty. They turned modernisation upside down arguing that it was the cause of third world underdevelopment rather than a solution to their problems. Andre Gunder Frank, the advocate of dependency theory argued that the capitalist metro pole benefited from a dependent peripheral third world and capitalist system is designed to perpetuate this dependency. They called for a separation from the metro pole, a critical attitude toward western technology and a commitment to their world self reliance. Developments in dependency theory in some ways paralleled those in radical-feminist thinking in the west: both emerged during a period of serious challenge to existing power structures, both advocated a degree of separation from the sources of power and domination.

WAD claimed that women had been excluded from development, a justification for a programme of inclusion¹⁷⁹. The dependency theory which radical feminists take as a lead, refer inclusion and exclusion to the hierarchical spatialisation of the capitalist global economy (center-semiperiphery-periphery, urban rural, subsistence-capitalist sectors etc). Within these structural forms, the peripheral spaces are not outside development, but proper to development, part of the structural principle of its local and global formations. It is from this perspective that radical feminists claim that third world women have always been an integral part of an exploitative developmental process. WAD argued for a development approach to women that recognized the dangers of integrating women into the patriarchal world and they sought instead to create women-only projects, carefully constructed to protect women's interests from patriarchal domination. The WAD paradigm stressed the distinctiveness of women's knowledge, women's work and women's goals and responsibilities. It argued for recognition of this distinctiveness and for acknowledgement of the special roles that women have always played in the development process.

WAD was criticized for its non-recognition or inattention to gender relations, cross-gender alliances and divisions within classes. They charged with a privileging of class over gender, since gender inequities are framed in terms of the accumulation process of global capitalism, rather than patriarchal domination per se. Again, for WAD too, women was a universal category and failed to recognize the distinctive needs of women based on their differences like class, race, region and so on.

Gender and Development (GAD) approach

In the 1980s another approach towards the development of women came to be propounded, which was more than a replacement, claimed to address the weaknesses of the earlier two approaches. Gender and Development (GAD) came in the background of structural adjustment¹⁸⁰ campaign by the international agencies as a revival measure for

¹⁷⁹ The terms inclusion and exclusion differ in their meanings for a programme of inclusion meant by WID. WID approach asks for the inclusion of women in the existing patriarchal structure without challenging the very existence of it.

¹⁸⁰ Structural adjustment programmes were designed to reduce government expenditure and increase the power of market forces in their world economies, thereby increasing their productivity and efficiency.

the developing economies. The feminists' emphasis was on increasing women's economic contribution to increase overall economic efficiency and bring about equity for women (Moser 1989), but at the same time, they were speculative about the assumption that the economic benefits automatically reaches women. GAD, otherwise called as empowerment approach or gender aware planning, argued that the earlier approaches do not address the fundamental factors that structure and maintain gender inequalities in the society. This approach emerged from the grassroots organizational experiences and writings of third world feminists and has been most clearly articulated by a group called DAWN which was launched in 1985 at the Nairobi International NGO forum that was held parallel to the official Women's World Conference. They called for an approach to women's development that recognized the importance of global and gender inequities (Sen and Grown 1987). The DAWN group argued that feminism cannot be monolithic in its issues, goals and strategies since it constitutes the political expression of the concerns and interests of women from different regions, classes, nationalities and ethnic backgrounds (Sen and Grown 1985: 13). They proposed that it is from the vantage point of the most oppressed that the complexities of subordination can be best grasped and strategies devised for a more equitable development. They tried to point out that without a structural transformation of the lives of the poorest and most oppressed sections of all societies there can be neither development nor equity. The GAD advocates claimed that because of its 'bottom up' approach, it would lead to a reversal of hierarchy of knowledge (Kabeer 1994: 81). It is an approach concerned not simply with women's roles, but with the dynamics and structures of gender relations. In GAD, gender relations are seen as central to social processes and social organization and therefore to development (Rowlands 1998: 15). The focus on empowerment had been strengthened by the theoretical advance which enabled a distinction to be drawn between women's practical and gender interests (Molyneux 1985; Moser 1989).

Drawing from the socialist feminist perspective it argued that women's status in the society is deeply affected by their material conditions of life and by their position in

The assumptions of liberal development thinking dominated the SAPs, including the assumption that economic prosperity, which is an assumed outcome of SAP would benefit both men and women.

the national, regional and global economies. It also recognized that women are deeply affected by the nature of patriarchal power, which exists in the societies at the national, community and household levels. Moreover, women's material conditions and patriarchal authority are both defined and maintained by the accepted norms and values that define women's and men's roles and duties in a particular society (Sen and Grown 1987). Thus, GAD adopted two pronged approach to the study of women and development, investigating women's material conditions and class position, as well as the patriarchal structures and ideas that defined and maintained women's subordination. The focus was on relationships between men and women. Gender relations were seen as the key determinant of women's position in society, not as immutable reflections of the natural order but as socially constructed patterns of behaviour which can be changed if so desired. Whereas 'women' is a universal (biological) category, gender is contextualized. GAD made a distinction between women's interests and gender interests which can be either practical or strategic. Practical gender needs arose out of concrete conditions; these were immediate perceived needs, such as the need to provide food, shelter, education, and health care. Strategic gender needs arose out of an analysis of women's subordination and require changes in the structures of gender, class and race that define women's position in any given culture. The politicization of practical needs and their transformation into strategic interests constitute central aspects of GAD approach.

III. Empowerment in State Discourses: the Backdrop of ShG Practices

As discussed earlier, the Indian State's approach towards the question of women in the processes of development since independence, as evident from the Plan documents, was a perception of passive receivers or welfare beneficiaries¹⁸¹. From the Sixth Plan onwards there was a new consciousness of women as critical inputs for national development rather than as targets of welfare policies. This may be attributed to some noticeable antecedents like the submission of the report of the CSWI which undertook a comprehensive examination of the questions relating to the rights and status of women in the context of changing social and economic conditions in the country and

¹⁸¹ For example, the fifth Plan document recommends a programme of functional literacy to equip women with skills and knowledge to perform the functions of housewife (including child care, nutrition, health care, home economics etc).

problems relating to the advancement of women, also the changing perception towards women's role in the development at the international milieu. The national Plan of action that was consequent of Commission for Status of Women in India (CSWI) Report (1976) identified areas of health, family planning, nutrition, education, employment, legislation and social welfare for formulating and implementing action programmes for women and called for planned interventions to improve the conditions of women in India. However, family, rather than women, remained the basic unit of development programming (NPP: 14).

The Sixth Plan recognized the continued low status of women in the society as a result of inadequate opportunities of independent employment and income. It highlighted the need for participation of women in self employment opportunities. Schemes such as DWCRA (1982), and Women's Development Corporations were put in place to organize groups of women and pursue self employment activities. The Seventh Plan operationalised the concern for equity and empowerment where the emphasis was qualitative, focusing on inculcating confidence among women, generating awareness about their rights and privileges; and training them for their economic activity and employment. However, in tune with the 'women in development' approach that was in vogue in the international policy arena, the aim remained at integrating women into mainstream national development.

The National Policy on education which incorporated a section of education for women's equality where it stated "along with expanding women's access to all kinds of education, the system with all its institutions had to shoulder a major responsibility for genuine empowerment of women, by changing the social construction of gender" (GOI 1997). Similar was the approach in the National Perspective Plan for Women (1988-2000). The State, while recognized the causes of gender inequality as related to the social and the economic structure that is based on the informal and formal norms and practices¹⁸², believed empowerment of women can be achieved by taking some specific initiatives. The prime stated objective of the National Policy on Empowerment of Women was to mainstream gender by providing an equal access to social, political and

¹⁸² National Policy on Empowerment of Women, 2001.

economic life of the nation by creating an environment through positive economic and social policies. Thrust was on for developing an alternative strategy; the consorted proposed agenda was one that of 'creating additional space for women' giving prime importance for bringing women to market economy and providing institutional support in the form of various legislations so that women become more visible in the 'public' space.

The Eighth Plan (1992-1997), formulated in the background of economic reforms, considered that 'women must be enabled to function as equal partners and participants in development and not merely as beneficiaries of various schemes. Social, cultural and administrative constraints to the realization of women's full potential need to be removed and there has to be greater societal awareness of their contribution to national well being'. It was during this Plan period that organizing women into Self help Groups was perceived as an empowerment engine to improve the status of women in the society. Especially beginning Ninth Plan there was recognition of the State that in order to tackle the gender issues both practical and strategic needs to be addressed. The State realized appropriate institutional structures need to be created and encouraged in order to allow full play to their productive and entrepreneurial energies. National Policy on Empowerment of Women (2001) upheld a gender perspective for the advancement of women in the society. It envisaged the economic empowerment of women through addressing women's needs in poverty eradication programmes and strengthening micro-credit mechanisms to ensure easy credit to all women below poverty line. There had been efforts to achieve convergence¹⁸³ of programmes for economic empowerment of women. With its focus on women or gender, the State's attempt was to integrate them in the mainstream developmental process for achieving them a better position in the existing power structure of the society. While being so, the ground level practice of ShGs by the community based NGOs follow both WID or GAD or either of one. In the WID, the attempt is to link women to economic resources with the underlying presumption that this would automatically lead to their social and political

¹⁸³ For example, during the 10th Plan period, the integrated women's empowerment project based on the formation of ShGs re-cast the earlier Indira Mahila Yojana and merged it with Mahila Samridhi Yojana to achieve holistic empowerment of women through awareness generation, economic empowerment and convergence of various schemes.

empowerment and in the GAD, argument is based on the belief that economic resources in itself cannot bring about empowerment unless and until supported by other gender specific initiatives.

The practice of ShGs: view from the field

Out of the four organizations selected for the field research for the present study, two of them maintained more or less the perspectives of WID as their operational strategy, for the other two the focus was both on economic resurgence along with developing gender awareness and community mobilization. For Katha, promotion of ShG is a part of their community programme among women called as SHE square where S stands for safe water and sanitation, H for health and hygiene and E for education and economic resurgence. They believe that connecting women to the market and giving them an opportunity to earning a regular income leads to a better status for the women in the family and society; enable them to have a role in the decision making process related to their life beginning within their family and later extended to their enhanced role in the social situations. In such approaches the argument is that once women are within the income earning circle they would automatically be able to make things happen in their favour, a state of empowerment, as made clear in the following words of the director of the organization *“We are not actively involved in Govinpuri because we already mobilized 60 to 65 groups in Govindpuri and they are performing well. They are earning Rs. 40000/- per month and self sustaining. Many of them are also into income generation activities. They do not need our help any more and hence we are moving to other locations”*. Similarly, the official in charge of ShG mobilization said: *“We encourage women to other community mobilization activities like sanitation camps, medical camps and so on. Once they are already into ShG activities, it is easier to get them participated in such events”*. Here, the attempt of the organization is to get the groups linked to the banks so that a member of the group can get a bank loan of relatively higher amount than they get from the inter-loaning of the groups. The objective is to get maximum number of women into the group formations and avail loan as well as get maximum number of groups linked to the banks. And the pressure for this falls generally on the ShG community mobilizers like one of them says: *“the ShG programme leader asked me why I could open only one bank account in a month. I*

replied her that even if I could open one account that itself is a big achievement for me because I only know how difficult to get the bank account opened. The programme leader said I should have higher targets. She was saying for example I must show in my plan that I would open 10 accounts in a month. Her reason is that if I keep a higher number as target, then I would be able to improve my achievements also”.

The equation is very simple ‘more women into ShGs means more empowered women in the community. In approaches concentrating on income earning of the members the ‘rate of empowerment’ in an area is assessed on parameters such as in terms of the number of the groups formed, the approximate number of women involved, the number of groups having bank linkages, the amount dispersed as loans among the groups, and the repayment rate. For Himanshu, the empowerment of women in the area is so visible from the fact that of *having around 270 groups formed in the area as well as the crores of rupees that have been disbursed as ShG loans*. Quite often women are also encouraged to join the ShG activities for the reason that it *enhances family income and also enables the women to face and handle other social issues*.

The structural distinctiveness and the constraints borne from the structures have got recognition in the practice of ShGs promoted by some organizations, for instance, GRC where an integrated approach is adopted for the ‘empowerment’ of women. Here, along with the income programmes, opportunities such as capacity building, vocational training, legal and medical camps are also made available along with gender awareness programmes like ‘mahila mandal, and mahila panchayat’. The aim is not only to expose women the opportunities for income generation and helping them to link up with the market along with developing in them the habit of money saving, but also to develop in them a gender perspective about their own life and the world around them. It, thus, stressed along with economic resources, the need for gender awareness, skill enhancement and capacity building for making empowerment of women. MRYDO declares that ShGs need to aim at building in women the habit of regular savings and entering into income generation activities. For their overall empowerment, it is required to have community mobilization, gender awareness about health and legal rights, skill development, and providing legal assistance through Mahila Panchayat.

For Chetanalaya, ShGs shall go a step further than empowering the individuals, offer a stage for the empowered individuals to strive together for empowering the communities. The attempt is in building of a new society where equality, justice and peace are achieved. For them a main cause for the persistence of hunger and poverty in the country is subjugation, marginalization and disempowerment of women. They claim their gender development intervention has targeted at transforming women into change makers in their respective communities. This is achieved through gender awareness, gender mainstreaming, and their political mobilization, besides, micro credit initiatives. They believed the ShG initiatives help women to make an earning of their own and open the women the doors to the world of opportunities. For Deepalaya, the ShG movement meant the empowerment of downtrodden with a built in freedom to express and participate in all aspects of women's life.

At this point it becomes significant to investigate why there is perceptual difference about the very issue of empowerment of women and which of the two, WID or GAD, actually translates into an empowering situation at the ground level practice in terms of ideological construction and social practices. Let me begin with a brief theoretical understanding of the concept of empowerment.

IV. Empowerment: The Concept and its Meaning in Development Discourses

The word empowerment is used in many different empirical contexts and by many different organizations, though most commonly used in development discourse. Though, there are a variety of the understandings of the term empowerment,¹⁸⁴ in the present study the focus is on to understand the specific meaning attached to it in the context of development discourses related to women. Initially, the term was most commonly associated with 'alternative approaches' to development where it was proposed as a substitute to the mainstream top-down development approach with the claim that their prime focus is to challenge the existing power structure in the society. The alternative, especially empowerment approach to women, in the process of development offered a number of attractions for development agencies over other

¹⁸⁴ Literature about empowerment is found in the fields of education, social work, psychology, in radical politics, community development groups and so on.

approaches because of its bottom up characterization, which is supposedly more people friendly and more closer to the participatory forms of development. Also, the enthusiasm for bottom up development and for empowerment, from both advocates within development organizations and civil society activists, can be understood as a reaction to the frustrating experience of attempts to institutionalize gender in mainstream development policies and programmes (Razavi and Miller 1995). However, more recently, empowerment has been adopted by mainstream development agencies as well, albeit, more to improve productivity within the status quo than to foster social transformation. As the word empowerment gained currency in the mainstream development discourse, it began to be interpreted variedly fitting into the ideologies of the concerned institutions/agencies. With a more individualistic approach to empowerment, the concept fitted well with the liberalist ideas of entrepreneurial capitalism and market forces as the saviours of backward economies and ideas of neo liberalism (Young 1993) as much as within the alternative socialist structural approaches.

It is not only that the ‘uncritical¹⁸⁵’ use of the concept of empowerment is problematic (Jo Rowlands 1999: 141), but the context within which it is used and also the introduction of the term in specific literatures too is contested. As said earlier, the word empowerment is used in a multidisciplinary as well as cross sectional milieu; it is used by people representing a wide range of political and philosophical perspectives, from the World Bank to the feminists¹⁸⁶. Even in feminist development literature there is no unified agreement on when the term was first seem to be adopted as a goal to be achieved. Rowlands (ibid) finds it is in the Caroline Moser’s work (1989) on gender analysis that the term appears to come across for the development practitioners and policy makers. Kabeer (1994: 224) finds the first usage of the term in the American Black Radicalism of the 1960s where it had been used by the community development groups in the North as well as in the South. And the most popular claim is that it is

¹⁸⁵ Though rare, there were some scholars (Wanjiku and Wanjira 1994), especially from the third world countries who have considered the concept of empowerment simply another imprint of western imperialism.

¹⁸⁶ Feminisms, irrespective of whether liberal, socialist or post colonial is a critique of the mainstream of the dominant social thought whereas World Bank is the international institution that stand as the mouth piece of neo-liberal ideology.

associated with the literatures of DAWN. There was a remarkable shift in the approach towards the development of women which highlighted the role of culture as well as the socio-economic inequalities in maintaining women's subordination. They critiqued the development strategies and grassroots interventions that had failed to make any significant progress towards improving the status of women though not making much of a distinction between the practical (position) and the strategic (condition) needs¹⁸⁷ of women. It is from these roots that the notion of empowerment grew and it came to be most clearly articulated in 1985 by DAWN as empowerment approach (Sen and Grown 1985). Empowerment in this view, thus required a transformation of structures of subordination through radical changes in law, property rights and other institutions that reinforce and perpetuate male domination. The empowerment approach in development with roots in women's organization in south (DAWN) focused not on women as a strictly economic target but rather as a force for transforming social relations. Here women's subordination is understood to be the results of both at the individual and the structural realms.

The meaning of empowerment

As the multi-disciplinary and multi sectoral adoption/application of the term, its meaning too understood variedly, although quite often it is understood epistemologically than as a practical explanation¹⁸⁸ (Rowlands 1998: 11). Often the idea of empowerment expresses the interests of the disenfranchised groups of the society (Kabeer 1994: 223). It is identified as a key goal of feminist grassroots' organizations that want to move beyond the focus on formal equality with men. For many,

¹⁸⁷ Young (1998) defines 'condition' as the material state in which poor women live – low wages, poor nutrition, and lack of access to health care, education, and training. Position is the social and economic status of women as compared with that of men. Young argues that focusing on improving the daily conditions of women's existence curtailed women's awareness of and readiness to act against, the less visible but powerful underlying structures of subordination and inequality. Moyneux (1985) makes a similar distinction between women's practical and strategic interests. While women's practical needs – food, health, water, fuel, child care, education, improved technology and so forth, must be met, they cannot be an end in themselves. Organizing and mobilizing women to fulfill their long term strategic need is essential. This requires "analysis of women's subordination, and the formulation of an alternative, more satisfactory set of arrangements to those which exist such as the abolition of sexual division of labour, the alleviation of the burden of domestic labour and child care, the abolition of institutionalized forms of discrimination, the establishment of political equality, freedom of choice over child bearing and measures against male violence and control over women".

¹⁸⁸ Rowlands (1998) says, the users of the term empowerment, tend to assume that the appropriate meaning is understood without explaining it.

empowerment means the ability of the women to take part in the decision making processes on an equal footing with men, either within the household or in the society at large. According to Rowlands (1999: 142-3), in the context of the conventional definition of the term empowerment, it must be about bringing people who are outside the decision making process into it. This puts a strong emphasis on access to political structures and formal decision making and in the economic sphere; on access to markets and incomes that enable people to participate in economic decision making. Within the generative interpretation of power, empowerment also includes access to intangible decision making processes. It is concerned with the processes by which people become aware of their own interests and how they relate to those of others, in order to participate from a position of greater strength in decision making and actually influencing such decisions.

It is viewed as the ability of less powerful groups to participate in formal and informal decision making, and to exert influence, also involves the way that individuals or groups perceive themselves and their ability to act and influence the world around them. Women's empowerment and autonomy appear to converge as far as the objective is concerned: gaining control over their own lives vis-à-vis family, community, society and markets. Empowerment is, thus, more than simply opening up of access to decision making; it must also include the processes that lead people to perceive themselves as able and entitled to occupy that decision making space. Empowerment must involve undoing negative social constructions, so that the people affected come to see themselves as having a range of capacity and the right to act and have influence (Ibid). Empowerment is, above all, a slow and dynamic process of women's struggles to gain power (Lairap 2002). Also, there is a point of contention on whether empowerment conceptually is an end product or a process. For some empowerment is a process (Rowlands 1997: 129-30) and for some it is both a process as well as a goal to achieve (Batliwala 1994; Sen 1990, 1995; Staudt 2002: 97). While acknowledging the complexity and difficulties of empowerment as a concept and practice, Rowlands (1997: 129-30) opines, empowerment is a process, neither easily defined nor measured. At the same time 'there is a core to the empowerment process ... which consists of increases in self confidence and self esteem, a sense of agency and of self in a wider

context and a sense of 'dignidad' (being worthy of having a right to respect from others).

Thus although there is a larger consensus about the state of empowerment, the point of contestation is in how is it achieved. And this, I argue, strongly depends on the perception about 'power' the root concept in understanding the concept of empowerment.

V. The 'Power' Derivative in Empowerment

Putting it at the simplest way, the dictionary meaning of empowerment is 'bestowing with power'. The concept of empowerment is understood on the basis of varying interpretation of the notion of 'power'; especially, from two dimensions i.e. the power that is dominant in the social structure, or 'power over' dimension, as well as the power with which women or the disadvantaged groups encounter that dominant power to reach at a level of power equality or the power of resistance. Empowerment is perceived from four different 'power' angles: power over, power to, power with and power from within.

Different 'Power' perceptions in empowerment

Power Over

Conventionally power is defined in relation to obedience, or power over, since some people are seen to have control or influence over others. The dominant understanding of power is of power as 'power over' (Weber¹⁸⁹, Dahl 1961) where one person or group of people is able to control in some way the actions or options of another. Much of power over is oppressive, divisive and destructive. Women of Tapalehui identified (Townsend 1999: 131) three basic forms of power over. i) that exercised by the institutions over individuals ii) that exercised by individuals over others (over women), and iii) the power over to be found inside a single person. This power can be overt, such as through the use of physical coercion, or hidden as when

¹⁸⁹ Weber (1922) defines power as the probability that one actor within a social relationship will be in a position to carry out his own will despite resistance, regardless of the basis on which this probability rests.

psychological processes are influenced in such a way as to restrict the range of options perceived, or to lead someone to perceive the desired option as being their own desire. In dealing with the oppression of the women, the concept of empowerment, though concerns with overt, it mostly talks about the covert or subtle form of power over and the ways of gaining power to neutralize the power of dominance. In the subtle form of power over, often a group of people who are systematically denied power and influence in the dominant society internalize the messages it receive about its supposed roles and capacities, and come to believe the messages to be true. The internalized oppression is adopted as a survival mechanism, but becomes so well integrated that the effects are mistaken for reality. Thus for example, when an ShG member is told again and again and in a humiliating way that their opinion is not what is valued but the existing rules and regulations that govern the running of the group, they began to be take it for granted that the rules and regulations are a given and cannot be changed even if they are formulated for the convenience of the organization. They began to believe that the organization and the staff over there have superior knowledge and one has to follow them uncritically. Just the way Sunita expressed her feeling, though, with a little bit of frustration: *"they (the madams) are big (badae) people and we are small (chottae) people; who are going to appreciate what we have to say. We (helplessly) listen to what they have to say and regulate us"*. When control becomes internalized in this way, overt use of power over is no longer necessary.

For Srilatha Batliwala (1994: 129), the most conspicuous feature of the term empowerment is that it contains the word power, which may be broadly defined as control over material assets, intellectual resources and ideology. She argues, power is about control, not only over human bodies and physical and financial resources, but over the ideology which sets rules and ideals. The material assets over which control can be exercised may be physical, human and financial such as land, water, forests, people's bodies and labour, money and access to money. Intellectual resources include knowledge, information and ideas. Control over the ideology signifies the ability to generate, propagate, sustain and institutionalize specific sets of beliefs, values, attitudes and behaviour – virtually determining how people perceive and function within given socioeconomic and political environments. Power thus accrues to those who control or

are able to influence the distribution of material resources, knowledge and ideology that governs social relations in both public and private life. The extent of power held by particular individuals or groups corresponds to the number of kinds of resources they can control, and the extent to which they can shape prevailing ideologies, whether social, religious or political. This control in turn confers the power of decision making.

In discourses on empowerment where women's suppression is viewed as resulting from the power over them by the dominant forces (like the patriarchy), empowerment is perceived primarily in terms of women gaining power over their own life chances in order to rule over or equalize the dominant power. Here, the power as existed in the social structure is perceived as an absolute category, hierarchical with differential distribution among the dominant powerful and subordinate powerless groups. More importantly, in this view the operation of power relegates itself to the 'public' sphere only. Empowerment, used within the WID perspective on women, which has predominated within thinking on women and development since 1970s, is constructed on that 'power over' view of power. Here empowerment is a process of gaining power by the powerless so as to enable them to equalize or rule over the power of dominance. Accordingly, the view is that women should be brought into development process and become empowered to participate within the economic and political structures of the society. They should be given the chance to occupy positions of power in terms of political and economic decision-making. Here power is about having a say in decisions made in the public sphere (Wrong 1979). Getting access to power is a matter of participation in decision-making.

This view is consistent with the dictionary meaning of the term which focuses on delegation, i.e. on power as something which can be bestowed by one person upon another. The difficulty with this view of empowerment is that if it can be bestowed, it can just as easily be withdrawn; in other words, it does not involve a structural change in power relations. Most models of power over are apparently neutral, i.e. they make no mention of the dynamics of how power is actually distributed in society. There is no consideration of the power dynamics of gender or indeed of race or class where it is predominantly one group has power over another group. Power, in this power over

model, is in finite supply; if some people have more, others have less. If power is power over, then it is easy to see why it is that the notion of women becoming empowered could be seen as inherently threatening: the assumption will be that there will be some kind of reversal of relationships, and people currently in positions of power will face not only losing that power but also the possibility of having power wielded over them in turn.

The generative power: ‘power to’, ‘power with’ and ‘power from within’

There are however, other ways of understanding and conceptualizing power, which focus not just on a particular set of results but on the process. In empowerment, power can take other forms, variously described as ‘power to’, ‘power with’, and ‘power from within’ (which are the generative power in contrast to the power over which is the controlling power), all of which allow the construction of a very different meaning (or set of meanings) for empowerment. Empowerment, then, is not restricted to the achievement of the power over form of power, but can also involve the development of power to, power with and power from within. Such an approach arises with attempts to (John 2000: 162) qualify the power as whether it is absolute or relative power that ‘power over’ is concerned with. The questions put forward by feminists were “the difficulty with the perception of the term empowerment as gaining ‘control over’ is precisely that ... it does not limit or circumscribe the degree of the power sought. Is the goal to move from a patriarchal dominance to a matriarchal dominance, which is as just as undesirable; or to that of gender equity?”

Power To

Drawing on the writings of various women writers, Hartsock (1985: 223) contrasts obedience definition of power with what she calls an energy definition of power. This is power which does not involve the domination of power over, but is a power which is generative, for example, the power some people have of stimulating activity in others and raising their morale. A feminist model of power, drawing on the thinking of Foucault and incorporating a gender analysis of power relations, includes an understanding of how internalized oppression places internal barriers to women’s exercise of power, thereby contributing to the maintenance of inequality between men

and women. For Radtke and Stam (1994: 8) power is the capacity to have an impact or produce an effect so that power is both the source of oppression in its abuse and the source of emancipation in its use (this means power is both as a source of domination and a force for resistance). Whereas power over is controlling power, which may be responded to with compliance or resistance, which weakens the processes of victimization or manipulation; power to is generative or productive power (sometimes incorporating or manifesting as forms of resistance and/or manipulation), which creates new possibilities and actions without domination. It is a form of power which can persuade or open up new possibilities.

Empowerment that is based on 'power to' involves gaining access to a full range of human abilities and potential. The 'power to' is argued as creative and enabling as women construct and reinvent themselves. It is concerned with decision making on issues over which there is an observable conflict. It defines power as the capacity of an actor to affect the pattern of outcome against the wishes of other actors and ask the question who prevails in decision making? This notion of power as interpersonal decision making capacity underpins a great deal of the women in development literature¹⁹⁰ (Kabeer 1995: 224). Some argue (Bystydzienski 1992: 3) that feminists have used the term empowerment in preference to power for many reasons – its focus on the oppressed, rather than the oppressors, its emphasis on 'power to' rather than starting with 'power over' and its insistence upon power as enabling as competence rather than dominance. For Naila Kabeer (1994) and Magdalena Leon (1997), the 'power to' is the power to mobilize for change. It is the person's recognition of their power to do this or that.

Yet, there are others who perceive power to with other forms of so called generative power for attaining the empowerment. For instance, (Marta Mercado 1997 cf Townsend 1999: 33) "to be empowered is to rise above all the barriers, to do things you have never imagined. Above all, it is to overcome the fear of doing things. But this fear

¹⁹⁰ For instance, in attempts to measure the statistical frequency with which women and men make decisions in different areas of household activity and to demonstrate that women are likely to exercise greater decision making power in households where they have access to income. And the argument is that if women have more access to income resources they would have a better status in the households.

is defeated when you feel capable of doing things. For this, you need the power from within, that is to say you need a positive reinforcement and to realize that you really can do them, can learn, can take charge of yourself and can go forward. This is a dialectical process because you never get back to the same point, to where you started. To live empowerment is to go on changing yourself everyday and this is what happens in the women in the groups of which they speak". Although she talks about power with, and the power from within but her power to influence and mobilize for change replaces power over.

Power from Within

'Power from within' arises from a recognition that one is not helpless, not the source of one's own problems, that one is restricted in part by structures outside oneself. In the Oxfam Gender training manual, power from within is 'the spiritual strength and uniqueness that resides in each of us and makes us truly human. Its basis is self acceptance and self respect which extend, in turn to respect for and acceptance of others as equals' (Suzanne 1994: 233). The feminist advocates of power from within argue that this power is central to empowerment. The 'power from within' must be self generated and is the fundamental power on which women must build, the beginning of an answer to the powers of patriarchy and capitalism over them. Women have to realize both what they can do and what is holding them down and back. To be empowered is to discover when the problem is outside you. The multidimensional nature of power suggests that empowerment strategies for women must build on the power within as a necessary adjunct to improving their ability to control resources, to determine agendas and make decisions (Kabeer 1994: 229).

This kind of empowerment approach seeks to identify power, less in terms of domination over others and more in terms of capacity of women to increase their own self reliance and internal strength (Moser 1989). In the international literature the 'power from within' is grounded both in self esteem and in an awareness of external reality. It is a knowing of who one is, that you have a right to exist; it is self respect. It is self respect linked to the expectation of respect and the right to respect. A sense of agency is immensely important coupled to an awareness of some limitations on the

agency. Its basis is self acceptance and self respect which extend, in turn, to respect for and acceptance of others as equals. This power can be what enables the individual to hold to a position or activity in the face of overwhelming opposition, or to take a serious risk.

For Townsend et al (1999) the key to success in changing power relations is the perception that not anyone can empower another person or what they conceptualized as 'self empowerment'¹⁹¹. However, they argue it is possible to enable other people to do something, though not to empower them, not to give them power because if you give someone power you can take it away as well. Thus empowerment comes from no external agent, but is rather a process that begins within the person and enables her to value herself, change herself, grow and reach more autonomy. Professional advisors or facilitators in self empowerment seek to enable awareness and choice, but cannot control any outcomes because the choices rest with the people who must empower themselves (Batliwala 1993). For them self empowerment is a process and not a result. Self empowerment is therefore very difficult for an outsider to evaluate, especially in short term, and no measures of it are widely accepted.

Power With

Some analysts identify 'power with', which involves a sense of the whole being greater than the sum of the individuals, especially when a group tackles problems together or in a group. For instance, one person standing up against an unjust law is unlikely to achieve much on their own, many people working together, however, are more likely to provoke change. This is the capacity to achieve with others what one could not achieve alone. This is too often dismissed as an impractical specialist ideal in this competitive world. For Jo Rowlands (1977) it is not only a capacity but an awareness. The organization PAEM with whom Jo worked in Honduras had achieved a sense of group agency, so that 'there was an implicit assumption that the women had the

¹⁹¹ Janet Townsend (1999: 180) cites an instance of self empowerment as "The peasant women see themselves as being supported in personal empowerment by their longing to learn more and more, their acceptance of responsibility to themselves and to their community, their new value as women, their democratic, egalitarian groups, their joint decision making, their training as change agents, the opportunity to learn by shadowing range work of others and the capacity for self evaluation".

capacity to achieve great things and to take charge of their own empowerment processes’.

Some scholars view empowerment as enabling a combination of the power of the individual. For Mc Whirter (1991 cf Rowland 1999) empowerment is the process by which people, organizations or groups who are powerless a) become aware of the power dynamics at work in their life context, b) to develop the skills and capacity for gaining some reasonable control over their lives, c) exercise this control without infringing upon the rights of others and d) support the empowerment of others in the community. For her empowerment is a process, the outcome of which is the ‘situation of empowerment’ where all the four conditions that she mentions about is attained. The situation of empowerment is distinct from the empowering situation where one or more of the conditions only are in place or being developed.

VI. ShGs and Paradox of Empowerment: Empowering or Re-powering Patriarchy

Empowerment either perceived as gaining of power from above (power over) or power from below (in terms of generative power), the claim is that of emancipation of women enabling them to rise out of their state of subordination primarily by challenging the existing mode of power distribution in a patriarchal social structure leading to a power redistribution or reassignment in favour of women. The present section would examine in the practice of ShGs the dynamics of redistribution of power envisaged by the process of empowerment.

- **Strengthening the gender roles – a way of empowerment**

ShGs quite often work within the social structure taking it as a given. The promoting agencies encourage the community women to be the members of the groups with the knowledge of their men-folk for the reason that the organizers expect the women to make the regular payments from the earnings of men. Same is true in the case of loan where women are supposed to take the loans at the behest of their husband or son. It is already deliberated in the previous chapters, for the convenience and the feasibility of the organization in running the ShG programmes unemployed women or

housewives are the preferred to join the group activities. Duttaram the mobilizer at Madanpur Kaddar during a training session conducted for the women encouraging to form new ShG says: *“bahane (sisters), you shall try to join the group with the consent of your husbands as you people are not supposed to steal your husband’s money to make the saving nor lie to him which might lead to a family feud. As ideal wives, you should do activities to please him and get his permission to join the group. As a woman, you have to show your capabilities in getting his permission. I believe no man would turn to alcohol if he gets enough love and care from his wife. The women are to be held at fault for the fighting at your homes. Hence my advice to all of you is that you shall join the Group only with the consent of your husbands. You can make the savings from the day today expenses and that is one way of pleasing your husbands”*. In another occasion, to a group member who approached him for a loan, he asked: *“have you got the permission of your husband or son. Ask one of them to come over to the office, let me confirm from them before I think of sanctioning a loan for you”*. Meena’s (of Katha) advice to her client who wanted to take the permission of her husband to join the group was that *“do you get the permission of your husband for everything you do? 50 rupees might not be a big amount for you; that you can easily save without the knowledge of your husband. And the advantage is that when your husband needs, say 2000 rupees, you can take a loan from the group and give it to him and thus can get his appreciation”*. Though these are different ways of advising women the message gone out is clear that a woman’s interests shall be altruistic and be in the service of her husband and the family.

The vision of empowerment for the promoting agencies comes within the notion of patriarchal social structure. Sri Om finds women of the community empowered because *“the ladies who never had seen 10,000 rupees at one go began learning how to count money. One of the members was shivering when she handled the amount as she had to hold a large sum for the first time and the same member who is the cashier of the group now handles tens of thousands of rupees with so much of confidence. She efficiently handles the family budget, which takes off the burden from her husband. Isn’t that what is social empowerment? True, they might not have entered into men’s area of decision*

making but by performing their role as the women in the family aren't they getting more appreciation and respect from their husbands"?

The community women on their part feel that they need to get the consent of their husband or their mother in law for joining the group as a customary practice of getting the advice of the 'wiser' people. As handling finance is men's department, many women office bearers of the groups as well consider that it is essential to get their permission for doing anything to do with the money. One of the members who is a cashier of a group shares her experience, *"Once it so happened, one of the members did take a loan and did not repay. I settled her account when her loan amount equalled her saved amount. Her husband came asking for the details of the account and he even entered into argument with my husband. Somehow I settled that case. Thereafter I was very careful about taking the members for the group. Why should I take unnecessary beatings from my husband? If I take someone as member of the group and they come in front of my house and take a fight over the money issue, my husband would not tolerate and he would abuse me for taking such people as members. If he is against taking someone as member of the group I would not take. Many times I need to take his consent before making someone as the member of the group. If I take someone against his wishes and I land up in trouble, I will have to face trouble not only in the group but at home front also".* Another member was telling the mobilizer: *"I am illiterate; and if anything goes wrong I would be held responsible and that would be enough reason for my husband to abuse me. He won't let me keep the register in my house; without his permission I cannot do that also. As it is how we can take the responsibility of ensuring the other community women make the payment on time. I can guarantee my own payment and the rest is your responsibility".* Leelavati an ShG member has a good idea about who a good woman is, *"we don't need to do anything hiding from our men. Afterall it is their money we are saving and we take loans also for them only. Only men can handle financial matters. What we are doing is on their behalf. Those who join the groups without the permission of their husbands might not be of good character. Afterall, we get much respect from our men when we become source of some money when they are in dire need".* Ruksana said *"I didn't tell him about my membership in the group. This, for me, is a mechanism for saving only. Even when he gets to know*

about this he wouldn't oppose this. Afterall, I am saving the money for the family and children. He would approve that. I am planning to save the money for the marriage of my daughter. Since I joined the group without his permission, I can't take any loan. Because loans are bigger amount and repaying them by the women alone is not possible. Monthly saving I can do from the piece work and other savings from the household". Susheela says, "Let him not get my opinion in any other of his decisions related to the family or otherwise, at least for the loan from the group he has to beg to me; I really feel empowered with this arrangement. At least once in a lifetime he will have to plead to me and that makes me feel really proud".

Geeta was responding to my question on whether she would like to take a loan without her husband's knowledge and gift it to her parents at native village. *"We live here with our husbands and this is now our household whether you like it or not. And there is no point giving money to one's own pihir or doing something without the knowledge of our husbands. Also we have no earning of our own. For making the repayment of loan where will we go if we take the loan without their knowledge".* Maya who is not a member of the group said *"my husband wouldn't let me be the member of the group. I would like to be the member of the group. He doesn't like me doing anything like that. He says he is saving enough to run the house and that is enough. I cannot go against his wishes. I do not have the courage to join the group hiding from him".* I asked Hazra, *whether all the others have joined the group with the permission of their husbands.* Hazra Begam who is the cashier and the leader of the group said: *all of them have joined with the permission of their husbands except Ruksana. Her's is an exceptional case. Generally women join only with the permission of their husbands. That is the way we want. The organization too prefers that. Who would take the responsibility (of payment/nonpayment) otherwise?*

Rajmuni said *"I have two accounts in the group. One is in the name of my daughter in law. For that my son makes the payment. For my account my husband gives me the money. Yes, sometimes we would have to remind him to give the money. He will have to give it, if not, that affects adversely him only. Whenever I take loan it is his decision to get it. If we do not have the ShG facility, he will have to arrange money from elsewhere.*

So actually it is advantageous for him. I have taken loan for the marriage of my son and also for the construction of a room”.

About the status of the co members of the group one of the ShG members, Asha says: *“Some of them are housemaids like me. Most of them are not working”.*

I: *“How do they give the money to make the saving if they are not working?”*

Asha: *“Their husbands do give. Men also like this arrangement of getting loans for a low interest rate. It is advantageous for them also. But generally when the women join the group for saving they do not tell them. Because many of the men do not approve this initially. Once they need money the women would tell them about their group and possibility of getting loan. The men give them money for the payment. Women do not join at all without the approval of the men. I know some of the women who want to join the group and not being able to that because of their fear. Women always want to save some money. It is mainly for the saving purpose that they want to come in”.*

One thing I noticed at Mukundpur was that whenever the women has to make a payment or take a loan of big amount, to say, over Rs. 5000 or so, their husbands come to the office personally for the purpose. One of the ShG mobilizers justifies the reason why men/husbands of the members take the responsibility of taking the money *“yes, he has come to repay the loan that his wife has taken from the bank. Since it is big amount he has come to the office of the organization to repay it. When it is large amount the animators do not accept the money during the meetings due to safety reasons. The members have to come here to deposit the amount. It is his wife who is the member of the group and he is making the payment on her behalf. When the amount is big the women also restrain from carrying the money themselves to the office as they think they are not capable of doing that”.* Quite often, men in the community encourage ShG activities by permitting their women to join the groups as the group activities go well with the accepted norms of the community. The community women are not allowed to go out to work as one of the organizers put it with regard to the selling unit of jute bags made by the ShG women *“they make the bags as per the order they get and also some of the selected ShG members do go out from place to place to sell these bags as well. It is difficult to get women to go around for selling these bags. Only those who are really needy would go for this work. Generally, women of this place do not prefer to go out for*

doing jobs. They can do work from their home and not by venturing out of the homes. Men do not let them go out”.

Even after getting the skill training and the taking part in gender awareness programmes and community mobilizations, women remain restricted themselves to the households. When the women were asked to go to the bank to withdraw money, they remain clueless about why they are forced to do that. Many times the women plead to give the money in cash instead of cheques; and if given in cheques that should be in the name of their husbands. The reason for the organizers of giving the loan in cheques is to make the women get the exposure of the feel of the bank dealings. But the women on their part think as one of the member comments: *“I do not understand the whole purpose of making us to go to the banks. Do they think going to the bank once in life time of any use for us? If my day to day life practices have anything to do with the bank, it would be useful. Anything else would be a waste of time for the community women. Moreover, women has their everyday household works, going to the bank even for a day would cost half a day’s work; who would do the work for her? It is a hassle for the women going to the bank as the bank officials are so indifferent with the women and with some or other pretext they would make the women to make many rounds to the bank; they do not do the same with men. That is why the women insist on getting the cheque in their men’s name”.*

Many a times the women use the vocational training like stitching and making bags and so on as a opportunity for fine-tuning their capabilities for a better home making. Jamuna opines: *“We learn and make use of the vocational training for an earning because of their compulsion. When husband is earning enough to run the household, women would rather prefer to sit at home taking the responsibility of the household chores. My husband is earning and he wouldn’t let me go for a job. I have learnt tailoring and I stitch my own dresses”.* Same is what Babita has to say: *“I want to do anything from home only. So that I can take care of my family also”.*

One of the male organizers remarked about the advantage of being a male mobilizer: *Being a male is an advantageous. The community women listen to male*

supervisor than to a female. How many groups do Anita has there (at Dwaraka)? Not more than 30-35. I have around 100 groups here. In Haryana, one of the male supervisors has over 130 groups. Our experience is that no woman can achieve that target. Community women do not take a woman supervisor as seriously as a male. This is financial matters and one has to be alert and strict and honest. Also, we need to put pressure on the women on repayment issues. Jab hadkana padtha hai tho admi honae se fayada hai (when women needs to be terrorized (for making timely repayment) it is beneficial to be a man). Besides, the organizations, in their financial matters, invariably make it clear that financial transactions of relatively higher income can be handled by men only. The reason advanced by the mobilizers was that the community is not safe for the women to carry the money even from the office of the organization or bank to their home.

- **Empowered to overcome the patriarchal risks**

Examining the politics of domestic budgeting, Whitehead (1981) points out that the relative power of husbands and wives did not simply mirror their relative wages in the labour market, precisely because familial ideologies about roles and responsibilities intervened to differentiate how male and female earnings were translated into control over, and hence disposal of, these earnings. In particular, what she called ideologies of maternal altruism often led women to deny themselves the resources to satisfy their own needs and preferences in favour of other members of the family. However, she also noted that such altruism often contained a self interested dimension. In as much as women's fortunes were bound up with the fortunes of the household collectivity to a larger degree than those of male members in the context that she was studying, their longer term interests were likely to be better served through forms of altruistic behaviour which helped to preserve household solidarity and co-operation. Kandiyoti (1988) suggested that such contracts (between husband and wife) created very differing sets of gender interests in different social contexts and very different possibilities for pursuing those interests. She used the idea of 'patriarchal bargain' as a way of capturing the generalized state of play between the genders within particular social contexts and the specific combination of strategies that they embody. In contexts where women had some degree of independence in their access to resources and economic opportunities as

in parts of the sub Saharan Africa, the relationship between the spouses are likely to be characterized by an overt bargaining element. By contrast, the strategies adopted by women in the areas of strong patriarchy such as South Asia, appeared to be one of adhering as closely and as long as possible to cultural rules even where these rules served to express their own devalued status within society. Such strategies reflected the fundamental asymmetry in the contractual basis of gender relations, where by male authority over women within the family had a material base, but male responsibility was normatively controlled. Normative control while powerful, is nevertheless relatively flexible in the face of economic imperative.

This marked dependence on men for economic needs and social protection leaves women particularly vulnerable to what is termed as 'patriarchal risks' (Cain et al 1979), the likelihood of abrupt declines in their economic welfare and social status should take what they find themselves bereft of male guardianship. Just like, the women too play a role in colluding with their oppressors by accepting prevailing definitions of femininity and the female body which they translate into their own ideal femininity so that its oppressive nature remain hidden even to them (Tapan 1997: 189). Women in the community accept the patriarchal domination as normal and their own status as dependents. The risks and uncertainties attendant on women's dependent status within such systems paradoxically engender in them greater incentives to comply with, rather than challenge male dominance and to manipulate the norms of male obligation and protection to shore up their own position within their families. Maternal altruism takes a gender-discriminatory form in such contexts as it is in women's interests to have as many sons as possible, to assure their position within the marriage, and to win their son's loyalty and affection as a way of ensuring their own longer term security: in other words to buy into, rather than counter, norms of son preference prevalent in such societies. Or in other words upholding or adhering to the system of hierarchical social inequalities for one's own survival. Women may find it strategic to avoid or defuse potentially conflictual situations with men because they recognize that the rules of the game are loaded against them and the costs of confrontation are likely to be high. Or as Shklar suggests, they may learn helplessness in order to avoid facing the terrible implications of their disempowerment. It is this aspect of power that Sen is getting at

when he suggests that women are less likely to secure favourable outcomes for themselves in household decision-making processes because their longer term security lies in subordinating their personal well being to that of male authority figures. Thus, it may be a conscious strategy or it may reflect women's actual evaluation of their own self worth. The injustice of such a state of affairs will not be self evident if it is presented as the only, and the natural way to be (Kabeer 1995: 228).

The entry of community women into ShG activities is quite often as wives/daughters/sisters of a man. Their joining of the group is also often associated with the pride that they earn by getting the desired amount of money as loans for the use of the family. As Sri Om the head of the ShG activities of one of the organization puts it *“when they take loans for their husbands they feel they get a better position in the family. They always feel happy with the happiness of their family. That way they feel that they could do something for the family by getting loan for their husbands. That would also get better samman for the woman. Many feel happy to get loan for the family”*. It is not only that the women uphold their pride as a part of the patriarchal system but also most of the time they also act as the carriers of that system. Sri Om continues, *“Since women identify themselves with the family they are much concerned about the family pride than the men do. This is one reason for their high repayment rate. It is the peer pressure that compels women to make the payment even if after taking loan from some other sources”*.

Madhuri, an ShG member at Mukundpur was getting a loan for the family. In order to make her claim for the loan she came for the meeting much in advance. As the meeting started another member too made a claim for the loan which made it the chances of Madhuri getting required amount thin. She was almost in tears which made the animator to take a decision in favour of her though Madhuri had to do lot of argument. I asked her: *why do you need money so urgently?*

Madhuri: *“We bought a piece of land. Now by today afternoon the party would come and I have to give them money”*.

I: *“How much money do you need”?*

Madhuri: *“From here I am taking Rs. 10,000. I need a total of 20,000 rupees. I knew I am not going to get the entire amount from here. So I have arranged 10,000 from other sources”*.

I: *“Your husband would have arranged the money”*.

Madhuri: *“No. He wouldn't do that. I arranged the money by taking whatever amount possible by requesting my neighbors. How can my husband ask money to my neighbours. Uskae izat nahi hai (doesn't he has the self pride). It is matter of his self pride. He wouldn't ask anyone. Now I have to get the money from here and can make the payment”*.

The women feel themselves as the carriers of family pride. And they do not have a self pride separate from that of family's.

The pressure emerging out of a system where males were seen as the earners are so much that at times the community women (for eg Santhosh in Govindpuri) to question the very logic of all women ShG Groups *“We have no problem in making males as the members of the group. After all, it is males of the family who give us the money to pay the monthly saving amount and we take the loans on their behest. Then why not males too can be members of the group. That in fact would minimize our hassles”*. Here Sayani too joined and said *“That is very true. Males should also be allowed to be members of these groups. In that case I do not have to have accounts in the name of my daughter in laws but could have had it in the name of the sons. It is they who are making the payments”*.

Women of the community hold definite opinion about giving a loan to any woman who has joined the group without the knowledge of their men notwithstanding the fact that whether they make an earning of their own or not. Rajwanthi one of the senior members of an ShG at Govindpuri says: *“Most of the women in the group are not working. Everyone has so much of work at home itself. There are some ladies who work as house maids. The husbands would give them the money for the Group. Women join the group with the approval of their men. It is on the behest of their men that women take the loans. Even if the woman is making an earning of her own generally loan is given to only those women who have joined the group with the approval of the men. Why do women need a loan separately; they need it for the family only, then it should be*

with the knowledge of their husband. If the woman takes the loan secretly, we do not know what she is going to use the loan for and if that is the case how would we ensure the repayment. In such cases women should be allowed to make savings and they can take their saved money”.

About having an account without the knowledge of her husband another member Sunita says: *“what for shall I or any woman have an account without the knowledge of men. Even if I don’t take loan, at least at the end of the term I would get my saved amount accumulated. What I would tell him when he asks for the source of the money. Even if I buy something he would ask me the source. He might even suspect my character if I don’t give him a satisfactory answer. Suspicion is something very bad. That is an inherent (bad) quality of men. Men are of the same folk whether they are of Bihar or Bengal, white or black their sochvichar (thinking) is the same. Men can have money and no one would ask them for the source; but if a woman has it she has to give explanation about the source of it”.*

- **Valued paid productive labour and devalued unpaid reproductive labour**

In patriarchal societies not only that even women’s productive labour is viewed as supplementary to the household income, but often their paid household income does not get any recognition leave aside the reproductive labour. The ShG meetings are held once in a month and often the practice is that meeting for every month is fixed in advance generally at the convenience of the organization. The meetings are held in the day time and all the members of the group are supposed to attend the meeting. As one of the organizers put it, the purpose of this monthly meetings is *“we kept the day for meeting and it is up to them whether they want to attend it or not. The meetings are kept mainly for bringing their monthly saving and to get to know about who has taken the loan, what amount and so on. If they are not interested to know they wouldn’t come and they send across the monthly saving amount through someone. And we hardly bother to tell them about the meeting proceedings afterwards. We don’t discuss anything else in the meetings. Who has the time for that; everybody is busy with their own works”.*

The organizers feel that the meeting of the group is conducted only once in a month and that too fixed in advance but even that Deepa says, *“That these women find so difficult to attend. These community women are that irresponsible. The meetings are held after all for their good only. They are benefiting from these activities in terms of monetary benefits. How can they make any kind of advance in their life if this is their whole approach?”* But what the community women has to say is something different. Kanak an elderly woman who was asked to make a penalty for not attending the group meeting the previous month had a conversation with Deepa the ShG official. Deepa asked: *your meeting was yesterday and why didn't you come for the meeting yesterday?* The woman retorted *“I had guest in the house”*. Deepa continued: *“Do you get guest at home every month on the day of meeting”?* Kanak: *“Deepa, you shall not say that. How many meetings I missed? I always come for the meeting or else send across the money. Yesterday I could not come. Take the money now”*. Deepa: *“I am not going to take the money. Either you give it in the next month with the penalty or close your account”*. The lady stayed for some more time and Deepa refused to take the money and she left disappointed. Deepa commented that *“She came to buy the ration and together she thought she would pay the money as well”*. Kanak says in response to this: *“true the meeting is fixed in advance. But we are housewives and we have to attend the household chores. It is our duty to attend the unexpected guests in the family, to collect the monthly ration from the fair price shop and lot of other chores other than the daily routines of taking care of children, husband and other family members. How do you know in advance what kind of contingency is going to happen on the day and time when the meeting is to be held. It is not always possible to prioritize the group meeting over my duties of a housewife. Last month I unexpectedly got some guests at the time of the meeting and I had to attend my guests. The organizers never find such emergencies as significant. How many times it happens so that they are not able to come on time and the meeting is postponed and our time is wasted. Also there are times when they get late and we keep waiting for them leaving our work. When they are into some emergency we are supposed to excuse that because they are working in an organization and they only can get into urgent office duties. Our work is just so non consequential for them and we the poor women have to make a payment for our default”*.

Yet another conversation between the ShG mobilizer and the member gives the idea about the perception of the organizers about members. That was a monthly meeting held in the community. None of the women were there on time for the meeting. Kanchan the animator went around calling the members for the meeting. The meeting started as some of them came for the meeting. Towards the end of the meeting, one member came running and Kanchan told her *'you are very late for the meeting'*. The member also retorted: *but I came; why don't you count that.*

Kanchan said: *"But you would have to be here on time. I came to your house to call you. Why did you still get this late? If you do so I would ask you to go to Deepa madam to make the payment"*.

Seema: *"What are you trying to say by taking Deepa madam's name? I am not scared of her. Many times you people also do not come. Pareshani sabko hotae hai (everyone get into problems). When it happens with you, no one should have any complaint. And when it happens with us you have problem"*.

Kanchan: *"When I don't come on time, I inform you in advance. I came to your house to call you and still you made this late. You were making bangles. When you know there is meeting, why do you have to sit for that work at that time itself"*.

Seema: *"It is not that. There are small children at home and until I get someone to take care of them, how can I come for the meeting. You people never understand our problem"*.

Kanchan: *"If you feel so you can get your account closed. I am not going to take money from you today. You can go to the office or pay it next month with a fine of 10 rupees"*.

Seema: *"Take 10 rupees from me now. You don't have to shout at me like this"*.

When the argument started getting heated up the other members who were quite till then started consoling Seema asking her to keep quite. They said: *afterall she is madam and you have to listen to her.*

Once Seema left, Kanchan remarked: *"She was making bangles; she didn't want to leave that incomplete that is why she got late"*.

Sunita another member gave a reasoning: *"If she leaves the work in between the gum would go dry and all the work that she started would go waste. She gets hardly two hours in a day for the bangle work and if one hour's work is lost she is going to loss her*

earning for the day. That might be why she thought of coming after completing the work”.

Kanchan’s reaction was that: *“Why did she ever start the bangle work when she knows that there is a meeting at this time?!”* Perhaps for the organizers, the monthly meeting is more important than the earning that a woman can make in a day to support her family. Spending time in the name of ShG is difficult for the women who find roughly two hours that they get to earn from piece rate works. Most of the time the women would be in a hurry to deposit their money and leave the office or meeting place. A member who is running a small tea shop in front room of her house, when saw me passing her household called at me to tell: *“Didi see I have lots of work at home. They didn’t believe that. See I have closed the shop and came to do the work at home. My sales are getting affected. Every time I have to do so when I have to go for the meeting. I am losing money. They wouldn’t believe”.* Earlier in the meeting she was in a hurry to return back after making the payment. But the mobilizer was scolding her for her hurriedness.

Yet, the same organization running men’s ShGs hold an entirely different perception about how to run the group. About the running of one of the men’s ShGs Urmila remarks: *I advised them to close the group. As it is, these groups are not running okay. The men are interested to take the loan. And thereafter, repaying is not done regularly. The problem is that of monthly meeting. The repayment comes in the monthly meeting. The timing for the meeting for men’s group is kept after office hours since all of the male members are working people and evenings is the only time that suits them. But that wouldn’t suit for us. If the meetings are not held they wouldn’t make the repayment of the loans. Some of them send it through their wives if they are members of some other group. The rest wouldn’t do that too. Now, organization decided to close these groups before the groups go in to loss. What we plan is to start groups with the women of those men members. In some cases we already transferred the loans to the wives’ accounts who are members in other groups. Now, in the new group having members of the wives of those men, the account would begin with the loans in the name of the respective women. The male members have agreed to this arrangement. This would be convenient for them too in terms of making the repayment”.*

Thus, for the organization the paid work of the men only is considered as work and women's paid household or unpaid reproductive work is not to be counted as work.

- **Gender segregation of labour and empowerment of women**

ShGs work around male centered credit disbursal and strategies of poverty eradication that continue to have faith in 'trickle down' of the resources in patriarchal family – a belief established by capitalist through discourse rather than practice. Women's primary arena is domestic household and thereby de-commoditized. Their role in getting the loan is an extension of their domestic work where the efforts the women has to put forward for getting a loan and their efforts for its repayment is not seen in terms of economic value.

For sanctioning of loans, the promoting organizations insist the consent of the male (earning) members of the family. Quite often the cheques are also issued in their name. But repayment is the responsibility of the women. The women are supposed to remind their men about the repayments and see to that their men give them required amount every month. At Mukundpur while I was in the office of the organization, Ekta, the ShG mobilizer, gave the forms to a member to be signed for availing the loan. And she was specifically asked to get the signature of her husband on one of the forms. I asked why so, why is it required for the men to sign on the papers while it is essentially women's group and loan is given to them. The staff replied: *"the lady might be responsible for taking the loan but it is the men who are going to make the repayment. They are the earning members and for any amount bigger than Rs. 15000/-, we take an undertaking from the men. These women are housewives. They take the money for the men and we need to get an assurance from them"*. It is not only that one of the judging criteria for sanctioning of loans is the earning capacity of the men or the husbands of the women. Although, the claim is, the loan is passed in the meeting with the agreement of all the members of the group, it is often an arrangement between the person and organization and then the members are let known about that. In the earlier meetings also I noticed that this happens. It is the organization (animator) who decides whom to give the loan and what amount. (In this regard, the animator follows the instructions of the organization). Whenever a loan demand comes, they discuss it with the animator not

with the fellow members. And they reach in a prior understanding before they disclose in the meeting.

While availing loans on behalf of their men and timely repayment of it is translated in terms of empowerment both by the organization and the members themselves; there are instances when some of them at least take it as a burden. I was asking about this to Sunita, a very friendly ShG member from Mukundpur.

I: *“Have you taken any loan”?*

Sunita: *“Yes, of 10000 rupees. Now I have two more installments to go”.*

I: *“What have you taken the loan for”?*

Sunita: *“That was for the business of my husband. We had gone to native place for some reason and spend all the money. The business was also dull. We thought we would put more money and buy more and sell. It is a kind of whole sale purchasing and then you sell them for retail value. We had taken money to invest in his business. Earlier also I had taken a loan to go to village when my mother-in-law passed away. Going to village itself means expenses”.*

I: *“Who makes the repayment of the loan? Do you earn enough to make the repayment”?*

Sunita: *“Not at all. Perhaps, monthly saving I can get out of my earning. But not the loan installment. That he gives me or we pool in together. After all he has taken money to run the family. And on his insistence I had taken the money, so wouldn't he give me the money? It is hassle; sometimes I think of closing the account”.*

I: *“You got money whenever you needed. Would you get loan form any other sources like this? Then why do you find it a hassle”?*

Sunita: *“If he needs money he should get the money from some sources. Why should I take the trouble? I have taken the loan. And it is my headache every month to put together the money to repay them. Isn't that a paresani (trouble)? Kyon ladies ko sarae parashani udana padtha hai (why the ladies have to bear all the troubles)? If I could not make the repayment, I would have to go and tell in the meeting about the reason. I have to take the embarrassment in front of all others. If I don't pay for two consecutive months I would have to listen to what madam says. Hum tho gamv ka log hai (we belong to villages). Hum bahut sharminda log hai (we are very shy by nature). Hum*

ghar se bahar bhi kam nikalthe hai (we rarely go out of home). And we have to listen to what others say for the reason of making any delay in the payment. Thinking about the payment is a continuous tension for me. If he takes loan from his other committee system it is his head ache to face the music. Then he would be strict on making the repayment. Here, he knows that he doesn't have to face people. And so I have to gather the money to make the repayment. Making 500 rupees extra in a month is not a small thing. I always make the payment here only. I never had to go to their office for making the payment”.

Another member shared her experience. *I am not a member of any group right now. I was in her group initially and after a few months I closed the account. The reason she said: I have seven children and I am not working. If I join the group my husband has to give me the money to put in. And he is not that good. He is smart in taking the money and not giving back. I knew he would ask me to take loan and then he wouldn't repay. Why should I take the risk? I joined the group upon his agreement. When he asked me to take the loan I refused. Moreover I am a tenant. Who would take my guarantee? People around know my financial position. Then he asked me to close the account. If money is saved it would be of use for him only. If he doesn't want that is his wish”.*

- **Enhanced status of women through traditional institutions (subsidized dowry)**

The gifts, cash or kind, given to the girl at the time of marriage or what is called as dowry has become the husband's rightful property. In the contemporary period it has not only become a status symbol both for the parties of giver and receiver, but also to a large extent it decides the status of the women in the family of marriage. It has become so much natural part of the system so that men can rightfully expect to receive the dowry and it is the duty of the woman to get it. On many accounts, the ShG loans take the role of a dowry so that it is rightful for the husband to get it whenever he perceives there is a family need and it is the duty of the woman to get it for him.

Devkali, of Govindpuri was talking about the working of ShGs: *“My husband agreed me to join the group. He gives me the money to deposit. I have taken loan*

several times. I repaid the amount as and when I get the amount. The monthly installment and the interest I pay regularly. I never had any problem in getting the loan. I just need to inform her a day or two in advance". Her response about the ways of repayment was "I took a loan of Rs. 5000/- for the marriage of the daughter of my husband's first marriage. He asked me to get the loan and I did that. He is repaying the money. I also earn as a house maid. When he doesn't give me the repayment amount I give the amount from what I earn. He is giving money to put in the group and I get the loan also upon his request. It generally is a joint decision. Yes, he may take decision on other matters on his own but in this case he has to get my consent as well. Because I only can get the loan from the group. But that doesn't mean I have any control over him. If he asks I have to get the loan". Whether as wives or mothers the members generally take loans on the behest of the men in the family. Sayami says: "I have taken a loan of Rs. 15,000/-, Rs. 5000 each on one card. They were taken by my sons. One of my sons was making a one room house near Gaziabad. So he was in need of money. Whenever they are in need of money they ask me to get the loan and I do get that for them. When they ask to get the loan I can't give them any pretext because they know it is possible to get money from the group".

While obtaining loans, women gain added status in the family, the instances as well are there when they could not get a loan, they attract violence against them. Once I was standing in the ShG office at Mukundpur, one lady looking very distressed came in a hurry. I didn't understand the reason why one of the members, Reena, apparently looked much stressed. She came with the property paper and other required documents and pleading to Deepa for the cheque to be sanctioned that day itself. Though with a little bit of reluctance Deepa sanctioned it. Deepa asked her to contact her group's animator Urmila who was away at that time. When Urmila arrived office, she asked Deepa about Reena: "*did that woman come who was asking for a loan of Rs. 50,000/-. It seems her husband beat her up asking why she does not get the loan while everyone else get. She was crying and telling me and I said we can give her the loan. The money is for investing in her husband's business".*

- **Empowering women to be better household managers of poverty**

Women are always sanctified as better managers of poverty. A reason which has become much to celebrate about women's ideal role, especially in Indian context. The practice of ShGs, many times appears, banking upon the women's exalted ability to manage poverty. Let me give the example of Leelavati of Govindpuri. She is an illiterate and always find her busy with household chores. I asked Leelavati, how is she going to make the payment? Would her husband give her the money? She said "*I would have to save from the money from whatever he gives to run the house*". Leelavati continued: "*my husband feels I am not adept in handling financial matters. But I know it is my efficiency that I run the family with the limited amount he gives me. Men need money for several things. They do not know how to manage the household with the limited income they have. That women only can do. They are spared in a way. He gives me a fixed amount every month and I have to run the household with that. They do not even need to bother how family is run. That is women's headache*". For Shoba too things go similarly: "*Here in our community mostly the men give some amount to the ladies to run the house. Then it is in the hands of the women how to spend it. The fact is that mostly it is very difficult to run the house with the amount that the men give. Still we manage to do that. And also at times able to make some small saving for the group. That we do with the aim of having something in store for emergencies at home. Many times that too we have to arrange*". Kamalesh, the mobilizer at Jaivihar was explaining about the running of ShGs: "*Women can always save some amount from what they get for monthly expenses. As women we all have a special knack of doing that*". Although it was not very sure from her conversation whether this special knack is putting in herself some extra labour to save money!

Sameera does patchwork at free time to make an earning. I asked her about how she spends her earning. "*I will have to spend for the family every penny I earn. How do men think the women run the family of five or six or even more with the meager resources that they provide. At times my husband checks the accounts and ask, you got so much money and what you have done with that? I would reply everything is spent at home only. The kids need something or other always. And they ask their mother only. And it is my responsibility to meet their needs*". Quite often the ShG mobilizers encourage

women to join the ShGs by way of saving from their daily household expenses glorifying the women's capability to sacrifice for the family as better managers of poverty. Also the women members who do use ShG activities as a means of saving money and getting some lump sum amount use the money to buy some gold items for the marriage of their daughters so that they can help the male members of the family from unexpected expenses.

VII. Empowerment – the Trajectory

There is a perceptible contradiction in the arguments of advancement of women's interests results from i) subverting the power structure within the society (Troutner and Smith 2004: 1) and ii) strengthening of women's position within the structure without challenging it. The former is a process wherein women and men acquire political, social, and cultural consciousness; and concomitantly, wherein women engage, redefine, and rearrange the preexisting power system leading to their empowerment. and in the latter that there are linkages between the popularization and widespread practice of the term empowerment and the expanding dominant global ideology of western capitalism, including such economic cultural ethics as individualism, consumerism, and personal success and achievement. As clearly evident from the empirical practices, the dominant interpretations of the term either within the 'top down' (power over) or the 'bottom up' (generative power dimension) approach inform and reinforce policies and practices that in turn strengthen the one specific (capitalist patriarchal) political-economic system and mind set and thereby a corresponding knowledge construction. In other words the operational and conceptual context within which the concept of empowerment is practiced contributes towards reinstating the very power structure that is attempted to challenge or subvert, making the practice of empowerment paradoxical. The roots of this paradox may be traced within the historical trajectory of the origin of the concept – empowerment, against the contemporary operational context and politics within which the term is widely practiced.

It is clear that while the concept of empowerment has an operational context and politics, it is the concerned context and the politics in which it is used determine

whether it is enabling or disabling i.e. challenging/subverting or reinstating the power structure. Just as women are part of humanity and yet have their own recognizable identity within any society's cultural construction of gender; or like feminism taking part (also comprises part of) the general cultural order, while having its own tradition, logic and trajectory (Cott 1986: 6), the concept of empowerment needs to be understood within the specific political context within which it emerged, although much of the use of the term laid emphasis on economic and social empowerment and on a conception of empowerment well rooted in the dominant culture of western capitalism (Rowlands 1998 cf in Afsher 2003) and thoughts of modernity. The popular belief is that the term empowerment formally originated with the writings of Paulo Freire¹⁹². While Freire did not use the term empowerment directly in any of his writings, the idea of conscientisation or deep awareness of one's own socio-political environment, put forward by him is considered as a precursor to the development of empowering skills and feelings. Freire's emphasis on education as a means for conscientising and inspiring individual and group challenges to social inequality provided an important backdrop for social activists concerned with empowering the poor and marginalized. Intellectuals and activists in the South and to a lesser extent the North drew on Freire and others to expand the concept of empowerment. Social activists concerned with poverty issues saw empowerment as a local, grassroots endeavour, designed to inspire the poor to challenge the status quo.

Conscientisation or what is often called as consciousness raising, involves changes in thinking, ideology, beliefs, self image and the definition of reality itself. Consciousness-raising is a 'coming-to-awareness' that makes explicit and is critical of power relations that underlie and are supported by dominant ideologies, beliefs or cultures; it is also a reevaluation of perspectives, knowledge and contributions of members of a subordinate or invisible group. It had an implication in the structures and relations of power. Moreover, the concept of conscientisation emerged at a time when many of the assumptions of modern age, particularly the belief that rational thought and technological innovation can guarantee progress and enlightenment to humanity, were

¹⁹² Even though there are contestations for this argument (Stromquist 2002: 22-38), there is a general agreement that his ideas of conscientisation are totally compatible with the notion of empowerment and the concept is a precursor to the development of empowering skills and feelings.

increasingly under scrutiny. The meta-narratives of many of the grand theories of the past no longer were considered as truth but simply as privileged discourses that deny and silence competing dissident voices. The struggle for universalistic knowledge began to be abandoned. The search has begun for previously silenced voices, for the specificity and power of languages and their relation to knowledge, context and locality. For instance, Michael Foucault emphasized the inadequacies of meta narratives and the need to examine the specificities of power and its relation to knowledge and language. He dismissed 'reason' as fiction and saw truth as simply a partial, localized version of 'reality' transformed into fixed form in the process of history. He argued that discourse – a historically, socially and institutionally specific structure of statements, terms, categories and beliefs – is the site where meanings are contested and power relations determined. The ability to control knowledge and meaning, not only through writing but also through disciplinary and professional institutions, and in social relations, is the key to understanding and exercising power relations in society. According to him, the false power of hegemonic knowledge can be challenged by counter-hegemonic discourses which offer alternative explanation of reality (Foucault cf Marchand and Parpart 1998). Moreover, during the same period there was a call for the dismantling or deconstruction of discourse in order to find the way in which meaning is constructed and used. The way binary opposites, such as rational/emotional, public/private, culture/nature, man/woman, object/subject and so on whereby the nature and primacy of the first term depended on the definition of its opposite (other), also gave the superiority of the first term over the second, that dominated the western philosophy began to be criticized (Derrida 1976).

Thus the meaning of empowerment is embedded in context and conditions, one which emerged as a highly contextualized and one which demonstrated its own politics. The term empowerment began its use in the popular literature based on the concept of conscientisation which called for critical thinking and revision. The goal was to enable the disadvantaged to rise up against their oppressors and challenge the status quo subverting the power structure, the existence and perpetuation of which is the cause of continued oppression of the under privileged. It was embedded in the critical reflection that one's position in the society is a result of specific structural dispositions and rising

above those structural dispositions is possible by subverting that very structure. It began its appearance in the development discourses in the backdrop of the critical stance towards the Northern development establishment that emphasized the power of development discourse to define development as a technical problem requiring intervention by northern expertise, a process effectively silenced the voices and knowledge of marginalized people around the world.

Notwithstanding the specific philosophical foundations of the context and politics of the emergence of the term empowerment, it began to be appropriated by different lines of thought interpreting its context and meaning at a more empirical platform and suitable to respective framework. As there existed alternative paradigms of development that had evolved out of the grassroots experience, along with the dominant paradigms within the development field, empowerment became one such contribution from the grassroots (Kabeer 1994: 223). It was often related to (Staudt 2002: 98) the call for 'power to the people' to confront systemic domination based on race, class, gender, spatial location and age. Movement activists made such calls in the face of repressive or resistant official agencies and corporations in which power was concentrated, centralized and distant from ordinary people. They recognized that the relations of power must shift to accomplish real change in the established status quo. Nevertheless, within some situations and according to some beliefs, empowerment is something that can be achieved within the existing systems; while in others it must be transformative and revolutionary. Much use of the term also has laid emphasis on economic and political empowerment, and on a conception of empowerment well rooted in the dominant culture of western capitalism.

The notion of empowerment, thus, contributed to the construction and validation of the changing emphases of the global economic and political system and indeed, of legitimizing particular policies and practical approaches to development efforts which involved women. Initially, States and official agencies rarely used empowerment language (unless they claimed revolutionary mantles), preferring instead the language of reform. Reform often appearing behind the adjunctive 'incremental' rarely addressed problems at their roots. Meanwhile economic crises in the early 1980s led to calls for

dismantling and downsizing the State. Power shifts in the name of structural adjustment, redistributed state budgetary priorities and reduced commitments to social spending, especially in education and health. Simultaneously, adjustment language gave new leverage to marketplace solutions. Official agencies began to formulate development strategies that legitimized people's own use of power resources (money, collective strength, knowledge, work, political representation and constituencies) to exercise choice and self sufficiency. Rhetorical responsibility shifted to individuals. The critical language of the activists outside the State, co-opted by those inside the State, along with other official international agencies, sidelining the fact that official rhetoric like this can induce cynicism in the contexts wherein those same institutional policies disempowered people and places (ibid.). The language gives legitimacy and leverage for the institutions which use the term. This became a way of dealing with 'structural adjustment with a human face' (Staudt 1990), incorporating it within the dominant power structure and mainstream development approach. The result was lack of consensus on the meaning of the term and it is frequently used in a way that robs it of any political meaning, sometimes as no more than a substitute word for integration or participation in processes whose main parameters have already been set elsewhere (Shetty 1991 cf Kabeer 1994: 224).

Thus while the mainstream development agencies remained for the most part rather skeptical of these arguments their many failures have led some (feminist) practitioners to question top down, State led development practice, though in terms of demanding institutional reform based on accountability, democracy and grassroots participation in governance, including recognition of the importance of listening to and listening from poor (World Bank 1999: 153). In their efforts to operationalise these goals, mainstream development agencies have adopted many of the techniques of alternative development practice and the language of participation and empowerment albeit largely within the status quo¹⁹³ (Sparr 1994 cf Harding 2000: 243) which is

¹⁹³ Their language of empowerment and participation moulded largely within the policy atmosphere of structural adjustment policies that were intended to resolve the debt crisis of the 1980s (which further undermined the conditions of women in the developing countries). While the international monetary fund and the world bank ordered the indebted southern governments to cut down their social services in order to repay the development loans to the northern investing classes, which thereby lead to women's unpaid labour be substituted for their formerly paid labour in state provided educational, health, child care, and

noticeably significant. The Beijing Declaration, for example, links women's participation in institutional politics with empowerment in social and economic life. The empowerment and autonomy of women and improvement of women's social, economic and political status is essential for the achievement of both transparent and accountable government and administration and sustainable development in all areas of life (UN 1996: 109). Since early 1990s, for the empowerment of women they were urged to: "save, create, protect and enhance their ownership in productive assets, upgrade their skills, get organized, influence decision-making, ensure that their needs are responded to in national budgets, collect, analyze and disseminate gender desegregated data on the economic contributions and needs of low income women" (Women's World Banking 1995: 19). Thus the term empowerment was easily acceptable for diverse agencies because, (Lairap 2002: 185) it was socially useful as it poses no serious threat to the existing status quo¹⁹⁴.

VIII. Need to Contextualize Empowerment: Empowerment as the Ability for Self-Liberation from False Consciousness

Entering the domain of ideology, the philosopher Steven Lukes regards ultimate power as manipulation of other people's goals and desires. Here the imaginative character A prevents another B from expressing grievances or even ascertaining or realizing the existence of these grievances; thus A can shape B's aspirations, perhaps even instilling false consciousness. In Luke's view, power can be insidious when it becomes a system or a way of life, a set of values or priorities that control and constrain thoughts. In regard to women, for example, notions of biological determinism and the idea that "this is my destiny, my role, my place" effectively serve to prevent them from seeking and wielding new roles, positions and possibilities. This kind of power is often invisible, working through everyday activities and traditions, upheld through political, economic and social institutions. When an ideological system is well in place, power is not only pervasive but elusive and, therefore, difficult to locate. In this perception, the focus of empowerment is on the ability of the actor B to wield effective power over

other social services so as to maintain the wealth of the most advantaged classes in the north (Sparr 1994 cf Harding Sandra: 243), the large scale promotion of initiatives such a micro credit, the initiatives which would not challenge the status quo, found newly found interest by international agencies.

¹⁹⁴ Citing an example from African country, she shows that African men support women's empowerment as it never threatens their role as the 'head' of the family.

actor A. Here, power is viewed as a zero sum affair; one person's gain over another person's loss. They emphasize individualism and intentionality. Moreover they concentrate more upon the 'exercise' of power than acquisition. While in many occasions, empowerment is defined from the 'power over' angle, a more feminist interpretation is based on the Foucaultian understating of power and resistance. Here, in contrast to the 'power over'; power to, power with and power from within are considered as more generative forms of power which is rather than a dominating power is concerned about equality of power. The generative power is about the power for resisting the power of domination.

However, there are some inherent dilemmas in the perception of both categories of notions of power – either power over (power perception from above) and the power perception from below (i.e. power to, power with, or power within). The dilemma arising not only from the very conception of power as hierarchical and very perception of the dichotomy of powerful and powerless (the normative dualism), but more importantly, the notion of power as an absolute category. Here, the operation of the concept of empowerment in both the contexts instead of subverting the power structure, in fact, would be adhering to the dominant notions of power created/supported/sustained by a particular way of knowledge construction or ideology. From varying dimensions, it only challenges the power distribution within the structure, not the very structure that creates unequal power distribution.

Thus, at the face value, the notion of empowerment, the way it is being used, either as an end product or a process is entirely consistent with the conceptions of power constructed by the western scientific thought. In both empowerment notions i.e. equalizing power from above and the power of resistance, the power of the male or the privileged is taken as the point of reference. From an analytical stand point of 'power over', for instance, women are in the subordinate position of actor A. Yet, as they¹⁹⁵ put it, the principal goal is not the assertion of power over men; instead is to reduce and eventually eliminate the power differentials between men and women and thus liberate

¹⁹⁵ In most of the definition of the empowerment scholars stress the point that what the women (or those in subordinate position) try to attain is equality not the replacement of male domination by female domination, which they consider as equally bad).

themselves from oppressions wrought by the male domination. In this way they can promote their interests, achieve their goals, and improve their condition. Equal access to power becomes the ultimate ideal. Thus, in attaining empowerment in a situation of power over, the attempt of actor B is to gain the power of actor A, which is the absolute power of the males. In the other forms of power, in order to overcome the state of oppression, the attempt is to gain equalizing power through resistance, but here again the reference point is the absolute male power. Such an approach results in perceiving empowerment as a measurable commodity, measuring the gaining of power in relation to what they have to achieve¹⁹⁶. Moreover, accessing economic resources is the foundation upon which they can attain 'required' power.

Such an approach leaves the very analysis of power in the real terms problematic not only in terms of defining the very conception of 'equal power', but also the process of accumulation of power and makes one to feel empowerment is a commodity that can be measured in some quantitative terms, as "effective power can be measured in terms of observable results such as participation in decision making process, policy outcomes, and so on; perhaps some universal standards for the measurement of empowerment" (Troutner and Smith 2004: 4-5). The dilemma also pervades to the notion that empowerment can follow a definite path to success. The very distinction of practical and strategic areas of interests in attaining empowerment makes one to assume (ibid) "tendency for women to focus initially on private concerns ... and then transfer such concerns to public domain. Women often begin by raising practical matters that affect their ability to perform traditional women's roles; they move on to strategic concerns that seek redefinition of those roles and improvement of women's positions in society¹⁹⁷, a uni-linear progressive path of development. But, the experiences from the field shows these are imaginative conclusions or outcomes, reached from specific ways of argument, rather than what can be actually practiced. More importantly, practicing empowerment based on such arguments absolves it from the very meaning that the term stands to achieve i.e. subverting the power structure.

¹⁹⁶ The State agencies and other agencies which give the guidelines or are into the practice of ShGs always show a keenness to measure empowerment in terms of the number of women joined in the group activities, the amount of money saved by the groups, the amount of loan disbursed in the community and so on and so forth.

¹⁹⁷ Also see Kate Young 1997: 51-54.

The purpose of the whole argument is to establish that there is a need to contextualize, both epistemologically and ontologically, the concept of empowerment in the context of its origin and politics, i.e. the third world context.

Concluding remarks

The ongoing discussion shows 'empowerment' is not a uniform terminology with a universal application. Its uncritical adoption/adaptation, both epistemological and ontological, by agencies of diverse interests and approaches underscore the very multidimensionality and multi-contextuality of the concept. When positivism was the one and only overarching paradigmatic framework for knowledge construction, each and every concept could have been perceived, understood and applied uncritically. However, when this very framework came under contestation and challenge with the onslaught of new knowledge terrains (especially, on the very question of how knowledge needs to be perceived/created), the space is created for a critical evaluation of a 'grounded' concept like empowerment. While it is the context within which the concept is appropriated for both theoretical and empirical understating is crucial in determining the outcomes of an empowerment oriented development programme, the present chapter argues for a 'locally' contextualized political application of the concept in the situation of women's development.

Chapter VI

Conclusion - Social Functions of ShGs: A Critical Evaluation

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Frankly speaking, at the outset when I started off with a study of the functioning of ShGs – a poverty alleviation project of the State that emerged in the liberalization era, at a metro city, my whole idea was to find out¹⁹⁸ the differential organizational strategies required for their successful operation as the sociological constitution of urban centers are characteristically different from rural areas, the success of where became the source of inspiration for their replication. An investigative urge also arose out of the curiosity of a sociologist to get a grasp of how a programme claimed as an ‘alternative’¹⁹⁹ (to modernity paradigm, perhaps), claim a successful on the ground operation, well, when the very idea of it is conceived within a modernist paradigm! But the reasoning for the skepticism, to make a candid admission, never thought²⁰⁰ would move across the boundary of a mismatch of tall claims and stark ground reality to a sharp exposure of the underlying conceptually situated paradoxes/contradictions borne in the very framework within which ShGs²⁰¹ are currently practiced and propagated. In the present concluding chapter, my attempt would be to bring out to the fore and put together the paradoxes in the practice of ShGs, in terms of their empirical implications against what is propagated, a subject of discussion in the preceding chapters under respective themes. It would also try to have a sociological explanation for the existence of those paradoxes and as well try to deliberate on, as clearly emanating from this study, certain suggestive points within the contemporary thought process that is more appropriate to the ‘local’ context.

¹⁹⁸ May be to draw a list of best practices of ShG operations in the urban centres!

¹⁹⁹ The claim is made alike by the mainstream agencies, developmentalists/ civil society activists, and feminists.

²⁰⁰ I am, by making such a statement, no way undermining my awareness about the critical studies done in the area highlighting their multi dimensional flaws. But as I understand criticisms can be of two genre, firstly, critiquing within the given framework basically with the intention (knowingly or unknowingly) of strengthening the framework; and the second calling for a total replacement. And almost all the critical studies in the topic fall into the former category.

²⁰¹ In contrary to the usage in the common parlance, in the present study I have used Self help Group (ShG), the combination of two words, *Self help* and *Group*, which in itself inherently carries the paradoxical duality.

The practice of ShGs are manifested itself at different realms of economic as well as social life. For the simple reason that I am a sociologist my focus was to study the social practice of ShGs; moreover, social are always embedded in economic aspects (and vice versa), one reflexive of the other. A cross sectional dissection of the social practice of ShGs not only allowed me to venture into new knowledge terrains which I so far thought exists more at an ideological than practical realm, but threw open empirical spaces to think aloud the need for practical application of theoretical understanding for a better future of our society. Before I get down to the intended purpose of this chapter let me have a brief overview of the study.

I. An Overview

The present study was carried out with an attempt to examine the operation of Self-help Groups (ShGs) as a manifestation of socio-cultural practice and the impact of their functioning on the overall lives of women of low-income groups in the National Capital Region (NCR) of Delhi. In the backdrop of the changed policy environment and the State's explicit adoption of neo liberal economic and corresponding social policies, ShGs came up as one of the major tools for poverty eradication and empowerment of communities focusing on women. Claiming the successful operation in the rural areas, the past decade saw their large-scale replication in the low income areas of urban centers as well, including Delhi. The NCR was selected for the study because as urban centers are relatively new for these activities, urban focused researches in the area are also relatively less. Urban focus was also because of the skepticism arose about the very claim made about the ShGs as homogeneity and mutual trust as the backbone of their successful operation; the two characteristic features less common of urban localities.

Various State and non-State agencies as well as international aid agencies are engaged in the promotion of ShG activities in Delhi. Although there was some direct intervention of the State²⁰² and International aid agencies at the initial stages of its very introduction, of late, they got streamlined and most of the funding is channeled by the

²⁰² For example the government agencies such as Ministry of Women and Child Development, National Women Commission, and so on and the multi national corporate fund.

State through 'Non-Government'²⁰³ Community Based Organizations²⁰⁴ (CBOs). The organizations or the promoting agencies maintain a field office for the purpose in the concerned community for their direct supervision. Looking for a direct access to the community women into ShG activities, I found a direct entry is almost impossible due to the specificities of location of my study; therefore, I approached the CBOs. After making a personal visit to a number of places, based on the only criterion that a relatively large number of ShGs are operated in the locality, for the present study, I selected locations/fields where ShGs are promoted by four different CBOs, which are i) Katha with its field location/operation in Govindpuri, ii) Chetanalaya at Mukundpur, iii) MRYDO/GRC at Jaivihar, Najafgarh and Bakkargarh and iv) Deepalaya at Dwaraka, Uttam Nagar and Madanpur Kaddar.

The study has been done using both primary and secondary sources of information. The primary sources were the community women, and CBO officials. The secondary sources were mainly the government documents, which include the Plan document, annual union budget summary, annual report of the some of the Government Departments, and the literature of CBOs on ShGs and also their annual reports. The primary information required for the study about how the operation of ShGs manifested itself as social practice and what are their implications in the day-to-day life is gathered through a self reflexive dialogic interaction with the community women, and NGO officials. Another technique of understanding the functioning of ShG as a day to day life practice among the community women was through experiential observation of the context. When it is a fact that I as well as all the individuals that I interacted with are situated in one's own specific socio-cultural and historical locale, in the present study the word 'field' does not carry any specific methodological connotation²⁰⁵ other than the physical representation of a geographical locality. So also the distinction between fieldwork and text work merged into terrains of parity. A self reflexive, inter subjective understanding rooted in the socio-cultural historicity or 'fusion of horizons' was the realm at which meanings were understood and interpreted.

²⁰³ The stress is given to raise the question when the State/government and the non-government agencies come in hand in hand, what is the point of difference or distinction between the two.

²⁰⁴ Otherwise called as grassroot NGOs.

²⁰⁵ That makes a distinction of zoological specimens out there by way of separating self from other.

Dimensions of the study

The study was centered on primarily three themes; the operational dynamics of ShGs, poverty alleviation and empowerment; the last of two which are the primary objectives that ShGs stand for.

Operational dynamics: A sociological understanding of operational dynamics was one of the prime focus of this study because the very foundation of functioning of ShGs as an economic mechanism are claimed to be rested on certain social characteristics of community which are marked as qualitatively trade mark of traditional society. The backbone of sustenance of ShGs as singularly claimed by agencies of diverse interests, are said to be homogeneity, peer pressure, mutual trust, social collateral. In sociological discourses on tradition and modernity, the oppositions of community and society; and communitarian and individualistic values had always taken the centre stage. Sociological literature on modernization argues the disintegration of community and community values and the rise of individualistic society with the onslaught of modernization. Scholars have argued that the transformation of simple traditional societies to complex modern societies is marked by a bifurcation of social experience or sharpening of the distinction between *gemeinschaft* and *gesellschaft* (Tonnies 1957) realms of social interaction. Such distinctions are thus markers of historical transformation of community into society that thrust individualism (Bender 1978). With reference to modern societies, the distinctions between these two realms made sociologists to argue both in the perspectives of 'community lost' (Wirth 1938) and 'community saved' or the coexistence of communitarian and non communitarian values (Redfield Robert 1955, Simmel cf Wolf 1959). Besides, the opposition of community and individualism, western social philosophy also places community and capital in opposition (Chatterjee 1998). Accordingly, community is not easily appropriated within the narrative of capital. Community from the latter's point of view belongs to the domain of the natural and the primordial (Ibid). Thus, besides the opposition between community and individual, the opposition between community and capital too become central to the discourses on modern societies.

As witnessed in other countries, in India too planned development is an endeavour of the modern State working towards the fulfillment of modernization projects. Promoting formation of Self-help Groups (ShGs) is a part of one such attempt whereby 'individuals' are encouraged to 'group' together towards the accomplishment of individualistic endeavour of capital enhancement through community formation. If the success of ShGs in making economic advancement of the individuals largely depends on the mutual trust and the solidarity of the group members, then it appears that the very term 'Self-help' 'Group' represents both individualistic (universalistic) and community (particularistic) values built into one single concept. Yet, depending on the (theoretical) context of the perception and their on the ground translation, it can be a representation of concepts/ideas in opposition; or those in continuum, one reflexive of the other. One of the primary focuses of this study is to unearth this relation between apparently opposite yet, can be reflexive ideas when conceived into a development programme for poor and thereby to understand its context (both epistemological and ontological) of practice as well as the underlying paradoxes, if any. This becomes very significant, as this is the very bedrock for further exploration of the paradoxes in the practice of ShGs.

ShGs and poverty alleviation: ShGs are primarily promoted by the State as a poverty alleviation project. However, the main peculiarity is that it has been emerged as major poverty alleviation mission of the State in the era of neo-liberalism. Before the explicit adoption of the neo liberal economic policy, the post independent State had an accepted development path of 'mixed economy', which was a mid way of socialism and capitalism. Nonetheless, the State's approach to poverty and its eradication all throughout was more or less same, as individualistic and economic. However, the explicit welfare thrust saw a turn around from that of interventionist to that of facilitation in the pre and post liberalist era with the claim that the latter is relatively more sustainable and enabling.

While promoted with direct State intervention, working within the frameworks of either 'financial sustainability' or 'credit plus', the ShG initiatives claim a bottom up developmental approach, more people centered initiative and hence an 'alternative' to

the mainstream development approaches. But quite contradictory to the claims made, when on the ground, poverty is understood exclusively on economic terms and the solution to poverty is perceived in linking the poor to the market, a perception that is reached at within some epistemological premises (which might be different from the one of an alternative), throws open the skepticism in an investigative mind to find out the basis of an 'alternative' claim. While it is a fact that the development programme conceived within a specific set of epistemological premises would manifest itself as certain set of social practices on its on the ground translation, revealing those premises would lead to the understanding of the 'contextual' basis of the paradoxes emanating from the theory and practice of ShGs with regard to its poverty alleviation mission.

ShGs, women and the question of empowerment: Yet another major objective of ShG initiatives is empowerment of women as mostly the ShGs are promoted among women. In a way the goal of empowerment for ShGs, whether achieved automatically or deliberately, mostly it is considered as a very desirable by-product. The campaign of micro credit summit was that expanding micro finance programmes not only give women access to micro finance services but also initiate a 'virtuous upward spiral' of empowerment which are i) individual economic empowerment; ii) Improvement in well being and status through greater access to micro finance enable women to improve their status at home and in society; and iii) social and political empowerment and the ability to challenge the distress of women and change their situation. What is hinted in these arguments is a progressive empowerment starting with the individual to the family to the community (Mayoux 1999, 2003). The feminist critiques maintain that women's empowerment is the result of many mutually reinforcing interventions that go beyond mere lending and they seek to transform social relations towards both poverty reduction and gender equality and women's human rights; more crucial ones among these are organizing, (gender) consciousness raising, capability building and political participation; targeting both practical and the strategic gender needs. Here, micro credit is promoted as an entry point in the context of wider strategy for women's economic, social and political empowerment; the need is to combine financial services with other forms of support and which use group based strategies to build organizational capacity of the poor.

While women's marginality is a resultant, either of a total exclusion or more likely a disadvantageous inclusion squarely in the economy as well as the society at large, it becomes important to understand how the very concept of empowerment is perceived and achieved in the practice of ShGs. The history of the emergence of the concept of empowerment shows it has a context and politics of origin and thus a visualization of a state of empowerment. But the very enchantment attached to the term increased its 'market value' leading to its appropriation by diverse lines of thought alike, which in turn leading to its diverse interpretation and adaptation suitable for their own 'context'. In this context, it needs to be scrutinized even within the space availed (due to the accessibility of economic resources) both in the private and public domain whether it facilitates a redistribution of control of resources (empowerment) to the extent to challenge the status quo in family and society, as it is argued that empowering strategies that continue to intervene in terms of increasing women's access to productive resources, and thereby probably improving their material conditions within the given structure rather than transforming it. This is further supported by the view that with the diminishing power of the State to that of market where the productive capability defines citizenship and in a situation thus created for women in public spaces can be arenas for control rather than emancipation/empowerment.

The question here is whether providing economic resources (alone or with supportive services) leads to the empowerment of women. Whether in the emergent situation by allowing to expand women's space 'thus far and no further' (Raju 2004) i.e. to the extent that prevailing patriarchal norms were not seriously questioned which actually leads to women's empowerment to no further; or is that the way to reposition the 'ideal' (Indian) women in the neo-liberal economy who is able to prove her economic worthiness to the family at contingent situations and glorifies the image of women further. The very question of whether this glorified state can be considered as empowerment is the third focal theme of this study. It also attempts to understand the 'context/s' within which the concept of empowerment is adopted and applied in the practice of ShGs and thus the paradoxes emanating from that.

II. Social Functions of ShGs: A Critical Evaluation

Although I got down to the study with a clean slate having no concrete advance propositions or predictions about the on the ground functioning of ShGs, I must admit, I had some expectations of symmetrical pattern of discourses and practices of ShGs, though vague from whatever I read and heard about the operation of ShGs and their impact on the community women. However, when my experiential understanding of the same proved, quite contrary to my expectations, as a bundle of confusions, paradoxes and contradictions; what I have tried in this study is to unearth these paradoxes of on the ground practices and find out their conceptual basis. Not only that, but, more importantly, attempt was also made to examine the implications of the actual practice of ShGs in the day to day lives of the community women, especially when the whole idea about ShG is understood to have conceived within a particular paradigmatic framework.

ShGs – the operational dynamics: in discourses

ShGs are celebrated on many grounds as a practical solution for people's development problems. Claimed to have the better sides of both formal and informal finance, micro credit based ShG approaches typically involve providing thrift, credit and other financial services and products of very small amounts to the poor, with the aim to raise income levels and improve living standards. The ShG also are argued to have bigger role besides financial intermediation; a powerful process that enables growth and progress in a community. The ShGs are also a forum for solidarity²⁰⁶ and empowerment of women, providing them the space and voice to negotiate and participate as equals both within the family and in society in general. Therefore, ShGs plays three roles simultaneously. It provides mutual help and internal financial mediation. It facilitates external financial mediation and it empowers women to make demands on the external world. Women are encouraged to meet on a routine basis with others who share their experience of marginalization and to gain access to knowledge about the world beyond the confines of their immediate experience. Such strategies could, in principle serve to empower them both individually and collectively.

²⁰⁶ The solidarity principle in ShGs means that groups are in fact a small collective organisation which guards against individual economic and societal risks and for promoting economic ventures individually and jointly (Kropp and Suran 2002).

ShGs are said to be mainly neighbourhood based groups that encourage members to make small and regular savings which are circulated as 'low'²⁰⁷ interest loans and that tap into peer pressure and community control to generate high repayment rates. The joint liability, peer monitoring and peer pressure that are built into the organizational structure are identified as the key features addressing the critical problems of screening, incentive and enforcement at reduced transaction costs to the lenders. The distribution of repayment responsibilities over smaller, more frequent installments, more easily manageable to the borrower, has constituted innovation in lending technologies that claimed to facilitate timely repayment. The convenience of the micro credit programmes to the poor has been further enhanced by streamlined disbursement mechanisms and simpler documentation requirements and the group generated joint liability dynamic by which members co-guarantee each other's loans, obviating the need to pledge any physical collateral. Moreover, ShGs are claimed to be autonomous organizations capitalized through member's savings; democratic as they give more scope for the members to participate in the decision making processes such as collectively decide on the savings, interest rates, the allocation of loans, distributing surpluses and other policies and systems.

Based on their practice the following characteristic features of ShGs are drawn at.

- *Group members usually create a common fund by contributing their small savings on a regular basis;*
- *Groups evolve flexible systems of working and manage pooled resources in a democratic way;*
- *Loan requests are considered by groups in periodic meetings and competing claims on limited resources are settled by consensus;*
- *Loans are given mainly on trust with minimum documentation and without any security;*
- *The loan amounts are small, frequent for short duration and are mainly for unconventional purposes;*
- *The rates of interest vary from group to group and the purpose of loan. It is higher than that of banks but lower than that of moneylenders;*

²⁰⁷ It is contagious to put it as low as many critique it as (much) higher than what banks charge. However, they are lower than what informal money lenders one of the main source of rural credit, charge

- *At periodic meetings, besides collecting money, social and economic issues are also discussed; and*
- *Defaulters are rare due to group pressure and intimate knowledge of end use of the credit.*

The empirical paradoxes

The community women studied for understanding the functioning of ShGs belong to different localities in Delhi and belong to ShGs promoted by different organizations. The fact is that in supporting ShG initiatives the promoting organizations (NGOs) adopt their own strategies as they operate in different localities, among women of different socio-cultural backgrounds and also because the ShG model they follow slightly differs from each other. However, for discourse purpose and to represent the outside world all of them maintain the same set of rules and regulations with regard to the running of the groups as required by the banks with which they are linked and which in turn follow the guidelines of NABARD. Nonetheless, the rules are more to remain in the papers and less for the practice because the organizers find that as they are dealing with financial transactions with human beings of diverse socio-cultural background, they need to be tackled with individual attention and care. If things run into a financial loss, no individual employee or the organization would be ready to pay from their pocket; instead, the community would have to bear it. Moreover, if the community was made to bear it repeatedly, none would come forward to join in the group activities. Taking all these into consideration the strategies need to be formulated that would not cause loss both to the organization and the community alike. And this would be possible by making some functional criteria for the working of ShGs at every stage beginning with the entry of individuals into the group activities. But at the same time as the funding agencies need to be given some standardized format as representing the functioning of ShGs which is a part of meeting the mandatory institutional parameters, the organizations maintain a prescribed set of rules and regulations.

Although the organizations develop their own strategies for the successful (success as defined by the organization) operation of ShGs; both for the organization and so also for the community women, the center of focus is finance and financial

gains. While the claim is that money is taken for investing in income generation activities, more often it is spend on consumption requirements. Where the money is invested or what is the purpose of the loan is least a concern for the organizations for practical purposes, though in the official records they are very meticulous to show some utilitarian purpose.

At the initial stage of ShG movement in the locality, the stress of the organization is on the formation of group or 'attracting' women into the ShGs, and at the second stage, the focus is on making them to take more and more loans as the 'success' of the groups as defined by the organization depend much on the amount disbursed as loans. Next, the organization's attention would be ensuring the sustenance of the 'GROUPS'²⁰⁸; not the individual membership in the group. There is no restriction about the entry and exit of the members in the group provided the new entry can pay at one go the total saving amount of a group. Thus both the 'success' and 'sustenance' of groups are to be understood as defined by the respective organizations. As well are the terms 'flexible rules' and 'democratic functioning' of ShGs.

For the ShGs, the rules are 'flexible' (for the organization) and more organization friendly as it is the prerogative of the organization to draw at suitable rules, written or unwritten, at each stage of ShG practice. At initial 'promotional' phase of organizing ShGs in a locality, the rules would appear more people friendly because the people's conveniences are given priority, as the primary requisite of the organization is to encourage the women to come forward to join the groups. Some freebies or the organization bearing the costs of group formation is also offered at this phase. In the next phase of 'consolidation' of group formation in the locality, the rules go a little more stricter with more encouragement for those taking bigger loans though with a little more stricter conditions for accessing loans. In the third, 'monopolizing' phase, whatever the organization decides become the rule and the conduct for running the ShGs with stricter conditions both for accessing and repayment of loan amount. Similar is the line of flow in defining the democratic participation of the ShG members in the group activities. The level of participation of the community women in decision making

²⁰⁸ Here GROUP stands for group as an absolute entity

would be higher at the initial phase and as the phase advances the level of participation decreases to one which is suitable and defined and decided by the organization.

An important ingredient of ShG is said to be peer pressure or the pressure exerted by the fellow members of the group on individual members of ShGs to make timely repayment of the loan as well as the payment of monthly installment. But in reality, peer pressure is the pressure applied by the organization having held together the fellow group members and the rest of the community or the pressure exerted by holding back the physical collateral such as property papers, household equipments etc. The kind of pressure used, again, depends on the loan amount. If the loan amount is relatively²⁰⁹ small, the pressure in use would be community humiliation. This humiliation pressure at times would be exerted by the staff alone or even compelling the group members to join this endeavour too is not uncommon. In some cases the peer pressure also take the form of pressure or compulsion that the organization exert on their field staff to get back the money through humiliation pressure or any other tactics. Mutual trust, again, is the trust mediated by the organization. For the community women, it is their hard earned money, their very limited resource. And pooling in that limited resources in equally compulsive surrounding for them is more a question of risk than mutual trust. The name and the reputation of the organization becomes the source of trust for them than their fellow members who too live in equally pathetic condition. For them, the organization is all resourceful who can be held responsible to guarantee the return of their money.

Yet another celebrated advantage of ShG is that for formal institutional financial transactions for poor, the group itself stands as a guarantee which is popularly called as joint liability and/or social collateral. One major handicap for the poor who are assetless to access credit from formal financial institutions like banks is their inability to give physical collateral as demanded by the system. Even in cases where they possess some

²⁰⁹ This relateness depends on the highest loan amount accessed in the locality. For instance, if the highest loan amount is over one lakh rupees and so on, even Rs. 10000/- would fall into the category of small. But in a locality where 10000 rupees is the highest loan accessed Rs. 1000-2000 would be taken as small.

amount of physical assets, non-recognition of their validity²¹⁰ acts as a reason for their rejection for extending loans. Under the circumstances, ShGs were taken as an alternative, as a joint undertaking by the group is said to be considered as equal to the physical collateral against which the loan is extended to the individuals in the group or to the group itself which can be distributed in the group. However, this is claim more for propagation and less for practice.

In actual practice the undertaking from the promoting organization acts as crucial factor in extending the loans to the members of the group; also other documents, such as residence proof, property papers and so on of the individual ShG member who is availing the loans. Often, when these documents are not in place, the loan is not given to that particular member of the group. Nonetheless, an undertaking by the group members is just so indispensable for sanctioning loan by the bank to the group. While no financial institution would extend a loan on the exclusive basis of this joint liability document, the institutions depend only on this joint liability for ensuring the repayment with absolutely no default. This is evident from the practice of the repayment mode followed by the banks. For the loan that the bank has given to the group/individuals, the bank fixes an Equal Monthly Installment (EMI) in the group's account. Irrespective of the fact that whether the particular individual in the group who has availed the loan makes the monthly repayment or not the EMI has to reach the bank from the monthly savings of the group. For any default on that the bank would charge on the group both plain as well as compound interest which again has to be borne by the group as a whole. The members are told this as a part of the systemic functioning of the group or they might not be even aware that they are paying the dues of another member, who due to some or other compulsions is not being able to make the monthly payment. To put it in other words, this is a process of "community sharing of poverty". Thus joint liability and social collateral is a sophisticated or polished mask given for the (State's facilitation) act of community sharing of poverty.

²¹⁰ This can be due to various reasons like lack of valid papers to authenticate, or as they are the illegal occupants of specifically marked land their authenticity would never get approval and so on.

ShGs: roadmap to poverty alleviation or fossilizing poverty

ShGs have become the State's major poverty alleviation tool in the contemporary period. For a State having colonial legacy, for the administrative and governance purposes, poverty and its eradication are perceived and approached in a framework that has been handed over by the colonial masters. Ever since India adopted a Planned development path from the days of independence, the Five-year Plans had become basis for the country's vision about development. Eradicating poverty was one of the main aims of country's development approach and adopted various welfare measures from time to time, like protective public policy, redistributive measures, community development etc. With the state's explicit adoption of neo-liberal policy, there was a shift in body and form of the welfare measures as well. The state moved away from the straight intervention of welfare measures, instead channeled it through other agencies, mainly non-government organizations, as they become the organized face of the civil society or the spokespersons of the common people. The new face of the welfare state as a facilitator was projected as its attempt to cast itself as a more people friendly initiative and an attempt to make people more responsive to their own development instead of depending on the State always for their needs. But the State's explicit acceptance of giving prime importance to the market and in its attempt to develop responsible citizens to avail the welfare through market link made the life of people more competitive. In the State's changed policy approach ShG become one of its development programme that could function imbibing totally the new shifts.

On the ground operation of ShGs as a set of social practices shows their implications in the 'development' of the poor; which would rather 'fossilize' the situations of poverty rather than allowing a recovery. When ShGs, a legitimate mechanism for poverty alleviation translated into and manifested as a set of social practices, they gave social approval to doing things only in certain ways. In the ShG approach, the eradication of poverty is visualized by making the individuals accessible to economic resources the lack of which is considered as the only or the primary impediment in their advance in the society. And the central focus is, by making accessible the financial resources, linking them to market, which is assumed to bring automatically their upward mobility. In this approach, the cause of poverty is often

seen as rooted in the individual; and structural reasons were never a cause to reckon with. Making accessible the economic resources was taken as the universalistic solution for the problem. And even after making accessible economic resources, if the individuals are not being able to make themselves to get out of poverty, it was implicated as their dire irresponsibility. And for the reason that they are inherently irresponsible and unwise, it is taken as they need to be kept under strict control. The strict financial disciplining in ShG practices is a part of such repressive social control. The reasons for defaulting in making the payment are not often enquired about. The rules are applicable uniformly for all. The handling of defaulting is done either by public humiliation and/or closure of their accounts and seizure of their balance of saved amount or other household gadgets. Many times this becomes a reason for the members to borrow at higher interest rates from other sources for making ShG repayments so that they can save themselves from public humiliation.

However, the actual problem lies how poverty and its eradication are perceived, understood and applied. Because, working within specific paradigmatic parameters the on the ground translation promotes certain social practices as valid and acceptable as seen in the practice of ShGs in Delhi. When economic resources is given prime importance, it is an automatic outcome that only paid labour is as valuable labour and all other devalued and degraded as worthless and falling into the realm of 'feminine'. While, in the poor households it is the labour of the woman in the family that saves it from extreme poverty situations, women's engagements otherwise called as household labour are economically devalued. For the ShG activities, women have to find out time from their tightly packed household labour, which many a times they find really difficult. But from the organization's point of view their household works are unworthy since ShGs gain them economic advantage it is more valuable for them and make them more contributory to the household finances and hence a more worthier life as a woman. And for the women that give a feeling that their lives are unworthy for the reason that they are getting no economic gain for the family. To put in other words, the practice of ShGs devalues or undervalues the skills that the poor women already have in them, which they learned to use creatively to stride forward in an exploitative system. The social practice of ShGs in turn upholds certain other values and skills as valuable

and cherishable that ultimately kills creativity of the women and encourages their submissiveness.

Besides, the practice of ShGs conveys the message that passivity is virtue that is to be upheld; as only passivity would give women an entry into the group. As it is, passivity is one quality inculcated into women by the very social structure, it could be one reason why women are centered in the ShG activities (although the reason upheld is that women are more trust worthy). Women who are less argumentative and more articulate are eligible for availing loans as well as higher loan amounts. It is not just the passivity of the members that becomes criteria for the loan approval but the poorer among the community are disfavoured many often for the reason that they are poor and the belief that poor would find harder to make repayments than their actual repayment capability or the attitude about the commitment towards repayment. Holding the popular believes about poor and the stigma, they are often excluded from the loan and other facilities. Whereas, they are projected, for instance for the outside visitors like people from other agencies who visit to understand the functioning of ShGs, as the actual beneficiaries of the programme.

This exclusionary practices in fact lead to legitimizing the class distinctions in the society, i.e. relatively well off among poor can take more advantages of the benefits and better their positions, whereas the poor among poor are destined to remain there for the reason that they are poor and hence worthy of discredit only. In the practice of ShGs in Delhi, the better off among the poor are in the first place allowed to join the group for the reason that they only can make regular savings and secondly, the only better off from among them can take bigger loans. It is not only that class distinctions are sanctified and make repeated recognition that better offs are the privileged lot in the society, ShG practice also recognizes the hierarchical power disparity in the society. The field staff, for the reason that they are attached to the organization and the elected members, for the reason that they are in a decision making position are more powerful. And whatever the powerful would do is only wisdom and right and for the welfare for all and those who have no power have to accept their decisions unquestioningly.

Moreover, the very practice of ShGs facilitates or promotes the attitude that a specific social order is what needs to be held for a better future. What is traditional and so far considered as the wealth of community life might not be useful in the new social order. The ShGs promotes the commercialization of social networks among the community women who so far in the new urban atmosphere held the limited resources such as the social networks as their mainstay for the day-to-day survival. For instance, for meeting an emergency the women would call upon their trusted neighbourhood friendship. But with the group activity and the idea of gaining of or paying interests for the savings or borrowals make them to think their financial transactions in commercial value rather than communitarian value. As the ShG mobilization passes through the stages of growth, commercialization becomes the singular focus and this finally results in commoditization of the social and cultural capital of the community. Whatever in social and cultural terms are the wealth and resources of the poor to make possible their upward mobility creatively is dragged away from them and given to them instead are resources which apparently so difficult for them to access and maintain in possession.

ShGs and women: rethinking empowerment

Although as a bye product, women's empowerment was a welcome outcome of operation of ShGs. Interestingly, when the concept of empowerment came into vogue in development discourse as a very desirable aimed objective, ShGs was one of the practical development programme which appropriated the term and claimed its on the ground achievement, that too among one of the excluded sections in the society - the women from marginalised communities. And this was one term that was acceptable for all corners of diverse interests alike, and multiple claims were made about the potential of ShGs in achieving it, although there may be a divergence of opinion in selecting the path or the means to achieve it.

While, for one section, it is an automatic outcome of economic advancement; for feminists empowerment would not be achieved automatically. According to them, it can be achieved along with economic resurgence by direct and separate attempts for gender advancement. However, one commonality across the board is about the perception and appropriation of the very concept of empowerment despite the fact that the concept of

empowerment has a context of origin and a politics of its own emergence. The fact is that empowerment is perceived from the dimension of the root concept in the term, 'power', a concept, which in itself is a representation of a particular way of thinking and acting. Power is often defined as ability to control and in turn empowerment as the gaining of power or gaining the ability to control.

'Ability to control what' might be what differs in different empowerment perceptions ranging from dominant perception of 'power over' and the feminist understandings of generative power of 'power to', power with' and 'power from within'. Nonetheless, for the fact that having the same frame of reference in judging the ability to control, both the line of arguments falling prey to the perception of empowerment within the same framework although the claim is that the perceptive fields are distinctively different. And the paradox surfaces when one dissects the nature of empowerment of what apparently appears as empowering for women.

First of all, the operation of ShGs often works towards strengthening of gender roles in the community. Generally, it is taken for granted that men are the bread winners and women are the caretakers. And the role of women is to support the financial role of men. By encouraging unemployed women²¹¹ to become members of the group and to get the payments from the earning of the men folk, and getting loans for the men in the family ShGs exalts the role of women as a caretaker of the family having altruistic interests for her dear ones. It is the decision of the men in the family about the women joining the group and on what modalities. The men decide on the need for a loan in the family and for what purpose. The organization sanctions the loan after getting an oral as well as a written agreement about the repayment from the men in the family. The women's role is only that of a mediator. The organization is only fulfilling the duties and thereby making the women as ideal caretakers of the family and thereby firming her position in a patriarchal family. In the neo liberal economy, perhaps, women got this added responsibility of financial mediating role as an extension of her household duties. The financial mediation demands from the women at times compromising her own izzat

²¹¹ The fact is that the very functioning of ShGs, its monthly meeting and other activities, would not encourage the employed women to be part of ShG, one main reason kept against the possibility of running men's groups.

(self respect) for the sake of the izzat of the family (read men); a tactical dealing with her fellow women and the staff of the organization; end up doing more work in addition to her routine household work; make a saving even under hardest situations and so on and so forth. All these activities can be easily interpreted as 'empowering' for the women. Furthermore, as the presumption is that loan is taken for enterprising activities, the ShG activities fall into the 'productive' realm as defined in the modern period, this extended caretaking role of women get an added recognition and therefore considered as empowering. And more interestingly the men in the family and the community welcome this empowered women whole heartedly as this empowerment is very supportive of the patriarchal dominance and the status quo.

Moreover, such empowered status of women often helps them to overcome what is called as patriarchal risks. One way of coping with the male domination in the society and the resultant oppression for women is to accept that dominance obligingly adhering to their subordinate status. Accepting prevailing definitions of femininity and the female body which they translate into their own ideal femininity so that its oppressive nature remain hidden even to them and women in the community accept the patriarchal domination as normal and their own status as dependents. The risks and uncertainties attendant on women's dependent status within such systems paradoxically engender in them greater incentives to comply with, rather than challenge male dominance and to manipulate the norms of male obligation and protection to shore up their own position within their families. By adding the additional role of financial mediator to their household routines and up scaling their worthiness in the family, ShGs help women to a great extent to overcome the risk of being in the dependent status. The very fact that the men has to take the consent of women (because she has to do the mediation role) at least for one single thing in life makes the women feel proud about the worthiness of their life. In a market led society with a more valued unpaid household labour of financial mediation, women could strengthen their position in the family. Isn't that empowering?!

Even when ShG activities are part of the household labour, just because they are valued in terms of economic worth, they naturally becomes a glorified household labour

compared to the ordinary routine daily chores of the house which are considered as unproductive. Despite the fact that women's daily chores contribute to the well being of the family, it is often taken for granted in the practice of ShGs that women are 'unemployed' and ShG activities are equal to women's employable activities and hence the priority should be for ShG activities over her other household work and she should make herself available for these activities any time so warranted. This is because the very involvement of women in ShG activities is a sign of their economic worthiness and, therefore, working towards their empowerment. While women's role in ShGs is limited to financial mediation which in itself is an extension of her caretaking role, the actual financial dealings are done by the men because they are men's department of activities. As 'ShGs cannot work against the practiced and accepted social structure', they cannot be the instruments that challenge the segregation of job allocations in the family and household. If women can extend their care taking activities to make financial gains to the family, that should be with the approval of the men in the family because men are wiser and they only can deal with financial matters while the fact is that it is the intelligent handling of the family finances by the women keep them above poverty, and make available enough to eat for the family members. When it comes to the managing of poverty women becomes experts because of their altruistic character and ability to remain hungry for the overall well being of the family. And women get special recognition by making it clear that women only can save for ShG activities from whatever they are spending for daily expenses of the family. But when it comes to the financial dealings with the external world only men can do because they only are capable, may be as per the dominant discourse and hence "natural". These are accepted gender norms of the society and the practice of ShGs thrive on these accepted norms. And working more efficiently within the accepted structure is a sign of empowered state of women!

The financial mediation role of women and their ability to making available finances for the family use is something like a subsidized dowry. Dowry or the compulsory gifts the woman gets at the time of marriage once reaches the man's household automatically becomes the assets of the man/family. How it used, for what purposes are all prerogative of men. Once the money from ShG funds reached the

household through the financial mediation of the woman it becomes the property of the men. For the very fact that no loan is sanctioned without the approval of the earning member of the family i.e. the men in the family, the decision on availing the loan and its usage is men's decision. Also, there is a cultural barrier that woman need no money other than for her family and an act of woman availing money without the knowledge or permission of men leads to raising questions about her character restricts woman's accessing money for any of her personal use as well. The inadeptness of the woman's capability as a financial mediator leads to the questioning of her very integrity and make her position in the family precarious.

While femininity and gender are defined by the structure, all the behaviours that lead to the idealisation of her roles in the given structure or her adjusting to the system with a better bargaining power are interpreted as her empowerment. This makes me to question whether this is the empowerment that the society visualizes for women or is this empowerment 'uprooted'? If the very concept of empowerment is originated with the idea of conscientisation or critical awareness of one's own socio-political environment, can any act that raises no criticality asking for a social transformation or being critical only to strengthen the system, be called as empowerment? Or do I need to understand that this is a result of decontextualised application of the concept of empowerment. This takes me to further question what is the context (or the ONLY context) within which the concept of empowerment shall be understood and defined for its perception and application in the context of its origin/application.

While capitalism and patriarchy seek to make a society of its own image²¹², this often is done through a process of self-generation through a (non-violent or through symbolically violent) intervention of the State and the other dominant institutions in the society. In order to quell the otherwise possible resistance by the majority disadvantaged, this self generation or the regeneration of the same system is apparently done in a more people friendly manner giving it the cover of the terms such as participatory development, empowerment and so on which actually, instead of seeking a

²¹² As in the words of Polanyi (2001: 60), instead of economy being embedded in social relations, social relations are embedded in economic system.

reformation, end up in making available better bargaining power for a more efficient survival of the people within the system. This process is nothing but the strengthening of the existing system/structure of which the disadvantaged are already the victims.

III. The Way Forward

The very word Self help Group (ShG) has become a magic mantra in the contemporary development discourse. In the development of under developed, the practice of ShG, is considered as an 'alternative' addressing the prime development problem – the poverty, innovatively making people agents of their own advancement. The approach was considered different from conventional which so far failed to achieve the desired result – the poverty alleviation. By focusing on women and also incorporating women specific endeavours, this initiative also claimed to bring forth the double advantage of women's empowerment, thus addressing yet another development issue – the gender oppression. But a sociological enquiry of the ground level practice of ShGs found to be paradoxical and much against what is claimed in the popular discourses. Instead of heading for a social reformation as possibly would have done by an 'alternative', which may lead to poverty eradication through empowerment, it rather reestablishes the very same exploitative system that causes poverty and marginalization.

An intriguing conceptual analysis reveals the basis of this paradox. The underlying problem rests in how the very concept of development is perceived in the concerned contemporary discourses. When the issue of development came into the common parlance sometime beginning 1940s, out of the humanitarian concerns of the developed West about the underdeveloped world, development was understood from a singular dimension of modernization and western development path. It advocated that path of development for the entire world as a unilinear one, the one the western world passed through. However, taking cue from the first couple of development decades and its failure to resolve/reduce the development issues of underdevelopment, the post colonial world argued that the universal development path depicted by the Western world might be detrimental for the developing world as the path suggested by them is more advantageous to themselves as the system is based on exploitative relations. The approach was blamed for its universal application for the entire world order,

irrespective of the embedded specificities – social, cultural, political, historical and so on in each continent, in each country, in each ethnic region, in each community, in each household, and in each individual. Hence, the critiques viewed that what is required is a situated or contextualized structural transformative approach. Even within this structural transformation argument there were two views; i) a repositioning within the given structure and ii) a toppling of the structural disposition, which was so far considered as a given, for a complete/total reformation.

In a nutshell, the study reveals that the concept of development can be understood multi dimensionally at different conceptual terrains and what would emanate from improper or mixed up understanding of the concept would be an utter confusion or paradoxical outcome. While it is the prerogative of the State to decide, which development path to be followed, the practice of ShG is a typical example of representation of the confusion/paradox of the Indian State in adopting its development path. The State acknowledges the drawbacks of the application of universal development path of modernization within the specific Indian situation and thereby visualized alternative path specific to our own context. However, while appropriating this so called alternative; it very well adopts the same modernization framework for development. Whether it is the inability of the State to understand this confusion or its oversmartedness, the post liberalisation era (of which ShG is a product) saw a more explicit adoption of modernization path in its perception, strategy and approach to people's development. Nonetheless, the discourses about the practice of ShGs continued to remain in a different terrain. As theory is always reflected in the practice, while practicing the State's developmental programme of ShGs, this confusion/paradox is reflected in its empirical translation. The same confusion and the resultant paradox in perceiving and thus in its empirical translation is extended to the other related arenas of development viz. poverty and empowerment. Thus, for the State, development and the development solutions such as poverty alleviation and empowerment are conceived within the modernization thoughts and the resultant is the regeneration of the same exploitative system that causes problems of development such as poverty and marginalization of disadvantaged.

The present study is an effort to highlight the paradoxical contradictions that can originate when theory and practice stand apart from each other, instead of being mutually reinforcing, one reflexive of other. If identification of the problem is the foundation for the beginning of way forward for problem solution, it certainly exposes the avenues from where to start with. The study raises certain questions and call for further dialogue, deliberations and academic research on issues such as how to perceive, understand and define concepts, like, development, poverty and empowerment contextually and what are their dynamics that need to reckon with while formulating programmes meant to achieve the goals of poverty alleviation and empowerment of women. If, what we are heading for a humane society ruled by human law where knowledge is no more taken as power but as care and compassion, it is high time to think of how to conceive development programmes that meet the needs and requirements of specific human groups. By examining some of the commonly perceived notions of day to day life through a sociological spectrum exposing the underlying paradoxes which so far remained uncharted and thereby giving more scope for further explorations and scrutiny, the present study contributes much to the existing knowledge domains of Sociology, specifically development as well as gender studies.

This is a pioneering endeavour that we humbly place before the academic world, State and civil society alike to carry forward the discourse.

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