‘Locating citizenship within development: micro credit programmes in Maharashtra, India’.

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Discussion Note:

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Introduction:

Microcredit programme initiated in the 1980s is celebrated by the Indian state and international development institutions as an, ‘ideal’ poverty alleviation programme for women. This programme is based on the principle of activating self-help among women and is considered as being empowering. In this paper I examine the inter-linkages between citizenship, gender and development by evaluating designs of ‘microcredit’ programme for women presented by three women’s organizations, having ideologically distinct assessments of women’s discrimination in the private and public spheres.

Till the late 70s India was a ‘developmental state’, which believed in taking up a proactive role in shaping the path of its development. The decade of the 1980s and 1990s inaugurated a period, which defined a minimalist role of the state. Termed neo-liberalism, it allowed for the free working of the market and a belief that it will solve problems of poverty. Many scholars have argued that the official microcredit programme has been marked by this philosophy (Joseph 2007, Swaminathan 2007)

Additionally, they have argued that microcredit do not always have a positive impact on poverty alleviation because the official programme does not have the capacity to displace patriarchal structures that bind women (Goetz and Sengupta 1996). By focusing only on ‘economic’ issues it fails to address the way deprivation of nutrition and health, increasing violence and insecurity are affecting women as economic actors. Without addressing these questions it is not possible for women to get empowered

In this paper I examine three different designs of the microcredit programme framed by women’s organizations to evaluate how these integrate feminist concerns with the programme thereby enhancing opportunities for economic empowerment. I ask, how does feminist perspective in the design provide new possibilities for building self-help groups? (Agarwal, 1994) In the paper I use design to imply a) feminist ideas and visions of women’s organizations, b) the schemes devised by them to implement these visions and c) the way these relate to the structuring of their internal organizations. I compare the official design implemented by a NGO having a liberal feminist assessment of women’s’ discrimination (Chaitanya) with the designs of an autonomous women’s group having a human rights approach to women’s emancipation (Mahila Sarvangeen Utkarsh Mandal-MASUM) and a left-political mass based women’s organization fighting for democratic rights of women (All India Democratic Women’s Association-AIDWA).

I combine two perspectives in this analysis, that of, critical theories assessing the relationship between gender and development and that of gender and citizenship. For
long, feminists have critiqued the development policies framed for women by the state. They argue that these polices assume that women can play a productive role in the economy and plan programmes that all women can become part of the development process. Such a position is not sensitive to the differences of class, caste, ethnicity and the distribution of power within the household. It does not challenge patriarchal structures of inequality in the public and the private sphere and allows for the maintenance of the status quo (Kabeer 1995:7 and Saunders 2002: 1-5).

This issue becomes more complicated in neo-liberal times. The negative effect of globalization is seen in form of loss of livelihoods, reinforcement of social inequalities, the marginalization of people and exploitation of the environment. This has meant the poor women have had to take up more responsibilities and their struggle for survival has become more acute. This has implications on their citizenship rights.

Citizenship studies of women have shown that there are social, cultural and legal differentiations in neo liberal times that make citizenship gradational or hierarchical (Yuval- Davis 1997, Lister 1997). Stasiulis and Bakan (2003: 13-14) have reiterated this position by arguing that the neo-liberal policies and processes of globalization have sharpened the ‘citizenship divide’ between the elite and the poor in the South countries. Women face graded exclusions in terms of access to continuous livelihoods, to services, to physical and social infrastructure, to political rights and control over bodies.

Neo liberalism does not allow women to take for granted the commitment of the state to help the poor. Simultaneously the state has evolved a policy of sponsoring organizations of women in the name of empowering women. This is the principle in the programme of Self Help groups for microcredit. Thus, these times have placed new challenges to women’s organizations. They have had to design alternative strategies to relate and negotiate with the state and yet question its policies and power. This paper assesses the designs that women’s organizations have evolved to negotiate with the state and simultaneously raise critical voice against patriarchy in the continuation of which the state is playing a primary role.

The paper is divided into five sections. The first section discusses the theoretical framework of gender and development and gender and citizenship. Review of literature on microcredit programme is presented in the second section. In the third section I discuss the ideas and vision of the organizations and their alternative designs for microcredit programme. The fourth section focuses on the various schemes of these organizations. In the fifth section, I discuss the process of institutionalization and the strategies taken by the organizations to democratize themselves. Then comes the conclusion.

Section I: Gendered Citizenship as Contested, Negotiated and Graduated

Till the late 70s India was a ‘developmental state’. Most development programmes for women were in the form of self-employment, wage employment and nutrition (Chandhoke 2005). Feminists have argued that development planning has traditionally
been gender blind. Women’s active and productive roles in their society were not recognized and not included explicitly in development planning. Development planners perceived women as passive recipients of social and health services. Further they have been conceptualized as a ‘universal’ category of ‘women’, without assessing their locations within patriarchal structures of caste, class and ethnicity. Also, this perspective does not recognize that authority, autonomy, responsibility, obligations and workload of women in families affect their ability to participate in the programmes (Ostergaard 1992: 2-5, Kabeer 1995).

Over the period from the eighties onwards this status quoist development polices crystallized in a new position of neo liberalism. Neo-liberalism considered state-led development to be inefficient and demanded a minimalistic role of the state allowing free working of the market. Neo Liberal ideology did not recognize that market creates inequalities of class, caste, and gender and thus extenuates poverty. The citizen’s access to resources such as water, livelihood, infrastructure, sanitation and social security, which the welfare state had to provide was now to be accessed through their own efforts. Joseph (2007: 3216) argues that neo-liberal theories define citizens as consumers of services, and active participants in the market, capable of promoting their own interest. This has implications on the nature of citizenship.

Theories of gender and citizenship critique liberal conceptualization of citizenship. Yuval- Davis (1997) and Lister (1997) argue that citizenship operates on the binary principles of public- private, productive-reproductive, economic- cultural. Citizenship studies of women have shown that women experience unequal access to social and legal rights, which make citizenship gradational or hierarchical.

This graded and hierarchical citizenship becomes more complicated in a neo-liberal state. Neo-liberal project entails scaling back the welfare state through major cuts on spending for housing, education, welfare, health care, and food security. It does not recognize as legitimate differential life experiences and burdens of discrimination based on caste, class, ethnicity, age, and disability.

Women’s organizations have had to evolve new strategies to confront these exclusions and contest (Agarwal 1994) and simultaneously negotiate with the state (Stasiulis and Bakan 2003). Through such contestations and negotiations, women’s organizations create spaces of struggle and strength for women in confronting patriarchy. I argue that microcredit programmes has been drafted as ‘one prescription model’ that reduces poverty and builds group solidarity among women. It becomes important to understand one how have women’s organizations engaged with the programme and two in what ways are they negotiating with the state to empower women? Before I answer these questions, I discuss the microcredit programme in India.

Section 2: A Critical Look at the Microcredit Programme in India

There is extensive literature on microcredit programme in India and in the world. For, microcredit has not only become an important poverty alleviation programme worldwide
but it is also considered as a magic bullet for women’s empowerment (Deshmukh-Ranadive 2002).

The history of this programme lies in a small experiment started in Bangladesh by Muhammad Yunus now famously known as the ‘Grameen Model’. This model is now being promoted by International development and financing agencies such as the Consultative Group Against Poverty, The International Fund for Agriculture Development and the Asian Development Bank as well as many national funding organizations. The state and International organizations argue that providing credit generates self-employment opportunities for the poor. It is able to pool collective risks of the poor and provides credit at affordable cost to help them to become productively self-employed. Microcredit programme target poor, especially women, to help them with financial services and become self-employed in rural non-farm activities of their choice (Ghate 2007).

The Indian government started microcredit programme in 1992. It has promoted two models: the Self Help Group Bank Linkage Programme (SLBP)\(^1\) and the Microfinance Institution model (MFI)\(^2\). The SLBP programme runs under the aegis of National Bank for Agriculture and Rural Development (NABARD). By March 2006 2.2 million SHGs covering 32.98 million households and having a total credit disbursement of Rs 1,13,980 million were started (cited by Swaminathan 2007, from NABARD Annual Report, 2005-06). MFI model has served 7.3 million households till the year 2006. Microcredit thus has a massive outreach among poor women (Ghate 2007).

Microcredit programme have been critiqued on two grounds. One, that it is a programme of a neoliberal state. Microcredit programme are market-based policies that assume that all women are ‘budding entrepreneurs’. It is a resource creating programme ensuring that banking institutions make profits. They charge exorbitant rates of interest- up to 24 to 25 percent per annum. This is more than what moneylenders charge the poor. (Joseph 2007, John 2005).

Feminists have critiqued microcredit programme on grounds that it has not really led to women’s empowerment. Goetz and Sengupta (1996) argue that the patriarchal social structure does not allow women to control their incomes. Hulme and Mosely (1996) argue that unless one finds new and productive roles for women so that they can use their loans for themselves, the emphasis on disbursing loans to women is likely to encourage tokenism and reinforcement of gender roles.

Despite such criticisms this programme remains significant because it allows for new ways to develop citizenship and link it with development where this model has been redrafted. For it emphasizes the critical importance of group formation among women through self-help groups (Agarwal 1994, Carr et al 1996 and Deshmukh-Ranadive 2002).

\(^1\) SHG Model refers to the direct lending to Self Help group by public banks. Here the groups may be formed either by NGO or by Bank.

\(^2\) MFI model refers to wholesale lending to MFIs by private banks and funding organizations, which in turn lend to groups of women.
The above scholars argue that membership in the ‘group’ not only help women to increase their bargaining power but also provides a forum to ‘place their voices’ before the authorities. Further women’s organizations have also acted as collateral for individual women’s loans that would otherwise have been deprived of access to credit because of their lack of ownership of land, property and other assets.

Microcredit programme can become an instrument for articulating negotiated and contested citizenship only when the design of it allows ‘space’ for its articulation. In the next three sections I examine how women’s organizations have been able to challenge gender discrimination while ensuring delivery of credit. In section three I assess the visions and ideas of the three women’s organizations, which have redrafted the microcredit programme.

Section 3: Ideology and Vision of the Organizations

In this section I discuss the ideas and visions of three women’s organizations Chaitanya, MASUM and AIDWA. I start first with a description of Chaitanya then follow it up with MASUM and then AIDWA.

I discuss the history of Chaitanya and its association with NABARD (National Bank for Agriculture and Rural Development) as a part of the official microcredit programme. NABARD is an apex development bank of the government of India that extends formal banking services to rural women by promoting Self Help groups (SHG). The SHG Bank linkage programme (SBLP) was started by NABARD in 1992. Through this the bank supported NGO initiatives to promote SHGs by providing funds for credit, capacity building and innovation. By March 2005, the SBLP has provided credit to 1 618 456 SHGs with a membership of over 24 million poor families or about 120 million poor people, making it the largest microfinance initiative in the world (Ghate 2007). Chaitanya was the pioneer to promote the SHG BANK linkage programme in Maharashtra.

Chaitanya was founded in 1993 in Rajgurunagar, Pune district, Maharashtra and works in four talukas of Shirur, Sinnar, Khed and Junnar by Dr. Sudha Kothari. Chaitanya’s philosophy of women’s empowerment is based on the ideologies of liberal feminism and Gandhian principles. It considers state as a benevolent benefactor that grants equal citizenship rights for women. It does not critique the state and accepts state institutions with all its power, authority and dominance. Its policy is to collaborate with the state and to make it more accessible to its citizens. It plays the role of a facilitator whereby it seeks to build a link between citizens and the state and raise limited notions of negotiated citizenship. Drawing from liberal and Gandhian perspectives it emphasizes on the ‘natural’ qualities of women that of nurturing and mothering. It encourages woman to take up the role of a ‘superwoman’ whereby she performs the duty towards her family and also takes up responsibility in the public sphere.

Chaitanya’s founder argues that formation of self-help groups is related to the constitutional rights granted by the Indian state. It includes the right to association and freedom of expression under Fundamental Rights and the right to credit under Directive
Principles of State Policy of the Indian Constitution. Chaitanya initially focused on revitalizing the floundering ‘mahila mandals’ established by the government by resurrecting it into SHGs credit programmes. It believed that access to credit would provide the necessary motivation for women to stay and work together and also address their economic needs. Presently Chaitanya has organized 1040 women’s groups of 15,000 women.

MASUM has an explicit feminist perspective drawn from its association with the autonomous women’s movement of ‘creating spaces for women’ (Sen 1990). It also argues that the discrimination faced by women is a question of their human rights. MASUM was founded in the year 1987, in Malshiras village, Pune district by Manisha Gupte and Dr. Ramesh Awasthi and works in Purandhar taluka, Pune district and Parner taluka, Ahmednagar district. MASUM started by addressing issues of women’s health and sexuality, which they argued, was structured by patriarchal norms. Women’s health and sexuality is directly related to gender identities and the way masculinity and femininity were constructed in specific cultural contexts (Khanna 1999). MASUM believes that good health, continuous credit and no violence is every woman’s right.

MASUM believes in creating a ‘critical mass’ of believers in this ideology in every village. It makes an effort to mobilize women from backward castes, dalit and minority groups who would undertake various conscientizing activities among local women. This critical mass needs to develop into a ‘formidable base’ in every village. It would mobilize women on issues such as health needs, sexuality, child marriage, alcoholism and violence against women. In this way MASUM’s policy is to create ‘real’ self-help groups of women.

Unlike Chaitanya and MASUM, AIDWA is an independent left oriented women’s organization founded in 1981. It is a national level mass organization, with presence in over 22 states and membership over 9 million in the year 2006. The members mostly belong to poor rural and urban working class women. The organization is based on the values of democracy, equality and strives for women’s emancipation through systemic change. AIDWA is critical of the notion of ‘sisterhood’ advocated by the autonomous women’s movement. How could a homogenous sisterhood be assumed given the stark inequalities and exploitation based on class, caste and ethnicity? For AIDWA a critique of the structures of patriarchy, caste and class that keep women powerless is essential. They advocate the need to link ‘private’ with the ‘public’ structures to break the binaries.

Initially AIDWA was critical of microcredit programme as it believes access to credit per se does not bring about structural changes nor address rural poverty, rather helps in capitalist expansion. By late 1990s AIDWA got involved in microcredit group’s formations due to many strategic reasons. First, political parties and organizations were using SHGs for their political interests. Second, though in a neo-liberal state access to livelihoods has become precarious, microcredit programmes could ease women’s survival needs. Third, given this, AIDWA believes that SHGs has the potential to be used as an instrument of empowerment. Fourth, it suggests the need to build groups of women from different classes and caste to challenge the hegemony of dominant class. Finally AIDWA
activists say that in recent times it has become difficult to mobilize women unless one forms credit groups. Women on the ground demand that such SHG groups are formed. Therefore AIDWA is now mobilizing women into SHGs and also acts as a pressure group to demand certain rights for SHGs.

These ideas and visions of the organizations structure the schemes of the women’s organizations. In the following section I discuss the various schemes initiated by each of the organization.

Section 4: Schemes of the Women’s Organization

Chaitanya’s philosophy of accepting the state as a patron for granting women’s rights has influenced its schemes. Initially it only provided training of leaders and members of SHG but later on focused on overall development of poor women. This included developing leadership and management skills, building legal and political literacy for women, offering health services and training to women to do sustainable organic farming.

Chaitanya’s strategy of leadership training included formation of ‘Jankaar committees’ (knowledge based committees). These committees are groups of women trained in four areas; legal issues (Kayada committee), government rules and regulations (Saskia committee), credit group formations (Gat committee) and violence against women (Mahila hinsa Pratikar committee). These committees help to make ‘state institutions’ accessible to rural poor women. For example in case of violence against women, then the victim’s family or the victim herself can approach the Jankar committee. The members of the committee then would counsel them appropriately thereby help to redress their grievances. The strategies used by Chaitanya included helping groups to organize, providing graduated training programme and creating collaborations and networks to build capacity. Chaitanya’s notion of ‘negotiated citizenship’ is limited in the way they negotiate with the state to implement development programmes.

MASUM’s schemes are influenced by the philosophy of autonomous women’s movement, which used the strategy of developing alternative structures to support women. It emphasizes the establishment of women centers focusing on providing counseling on matters relating to legal aid, health care, and violence issues. MASUM established alternative systems of providing reproductive health and low cost health services, counseling centers for violence victims and legal advisory centers. It has also designed schemes that addressed sexuality problems of adolescent youth.

MASUM’s Streedhan project (women’s savings and credit programme) developed out of their initial health project. MASUM activists believed that women’s health access, perception of their body and sexuality is structured by patriarchal norms. Women need to discuss their health problems in an open forum. Because they do not, women’s access to health services is limited. Having the microcredit problem allowed MASUM to organize women collectively and ensure that they discuss all aspects of patriarchal domination, including in health. Thus in 1991- Streedhan project (Women’s Savings and Credit programme) was initiated and at present MASUM has 640 SHGs.
The microcredit programme of MASUM is different in many ways. MASUM is critical of high interest rates charged by the programme and has created a scheme by which they charge low rates—12 to 15 percent. They accept that microcredit programme do not solve poverty, as it does not question the structural inequality embedded in societies. An analysis of all its schemes reveals that MASUM negotiates with the state and creates spaces for women to address their needs of health, credit and sexuality.

AIDWA acts as a pressure group to demand better functioning and implementation of the programmes by the state. It focuses on better access to public distribution system, expose corruption in government schemes, demand for more employment opportunities, and pressurize the state machinery to implement all programmes formulated for microcredit groups.

AIDWA SHG’s in Maharashtra focus on forming credit and savings groups. An important initiative in Maharashtra is the forming of exclusive SHGs of marginalized and excluded women. It has formed exclusive groups of Muslim women and of women afflicted by leprosy. In Maharashtra AIDWA have 24 SHGs, which includes 16 exclusive Muslim women SHGs and 4 SHGs of leprosy-afflicted women. The aim was to ensure a minimum level of livelihood security for these marginalized and excluded women.

As a pressure group AIDWA demands a) lower and uniform rates of interest on bank loans, b) delinking subsidy from bank loan, c) training in basic/upgraded management skills, d) special loan schemes for Dalit, Adivasi and Minority women, e) Uniform and transparent grading system of SHGs, f) guaranteed purchase of certain percent of product by the state and g) availability of marketing outlets such as roadside kiosks, stalls in occasional melas, exhibitions on concessional rates by the state. For AIDWA SHGs is potentially a political force. In the month of October 2007 it mobilized 50 SHGs, which included both AIDWA SHGs and Municipal Corporation SHGs to demonstrate against corruption practices in budgetary allocations. Thus for AIDWA the importance of microcredit lies in the ‘group solidarity’ that is generated among women rather than access to credit.

The above analysis of the schemes shows the way the latter two organizations have negotiated citizenship rights of women. In the following section I discuss the organizational structure of the three women’s organizations and the process of institutionalization of democratic processes.

Section 5: Process of Institutionalization

Feminism is a ‘reflexive’ ideology that demands self-reflection by the women’s organizations. It is not possible to demand from the state to be gender sensitive in their programmes if the women’s organizations do not have a structure that provides space for women members to voice their concerns.
In many women’s organizations, leadership is drawn from the middle class/upper caste/urban regions. Can they articulate the concerns of poor, working class, Dalit women that they represent? Can women leadership by itself make the organizations gender sensitive? In this context I analyze the nature of democratization within women’s organizations. In order to understand this process, I discuss the organizational structure and relate it to decision making within the organizations.

Chaitanya’s organizational structure is hierarchical. It has a managing trustee who takes all decisions regarding the organization including the kinds of schemes it initiates. More than 49 percent of its revenue comes from its training programmes and publications. Other support comes from local corporations and individual donors, government support, and from international funders. It takes initiatives to expose its women SHGs members to different platforms. However the managing trustee takes a decision of whom and when women can take leadership roles. Chaitanya’s structure has does not allow its women members to forge alternate perspectives. It allows women’s entrance into the public sphere, not as independent thinking individuals but as members dependent on the organization.

MASUM is a women’s organizations and has no party affiliation. Nor does it have a conventional hierarchical organizational structure. It is registered as a ‘trust’ and has five trustees, which includes three women and two men. In order to make the organization more inclusive MASUM employs individuals from minority and marginalized groups. MASUM works on the principles of transparency and honesty. For example accounts related to its micro-credit activities are displayed on all village boards so that its 5000 women members as well as the rest of the community know what’s happening. It has a decentralized and collective decision-making process. Efforts are made to ensure that dalit, Muslim or other marginalized women (such as widows, deserted women) shoulder responsibilities and take leadership within the organization.

AIDWA is a cadre-based independent women’s organization affiliated to CPI (M) political party. It has a structured organizational framework. AIDWA’s organizational strength lies in thousands of elected grassroots units from the village and the city neighbourhoods levels going up to the Central Executive Committee at the national level. Unit committees are organized wherever there are more than 50 members and any member of AIDWA is eligible to get elected to the committees. Any woman above age of 16 who subscribes to the AIDWA constitution and programme is eligible for membership of the organization. Membership of the organization has to be renewed every year on the basis of an annual membership fee of Re. 5 (at present). AIDWA does not receive any foreign funds or any funds from the Government. Its activities are financed by membership fees, individual donations or through fund collection drives (AIDWA pamphlet)

AIDWA is a top down organization. The executive committee takes all decisions. Though the state level and local leaders are very articulate about issues of poverty and of gender discrimination but the common members by and large do not participate vocally in the discussions. At times decisions taken at the national and state level conferences and meetings are imposed on the grass root workers.
Conclusion:

The paper assesses the designs of three women’s organizations as they implement the microcredit programme of the government. It showed how the first organization Chaitanya has a limited notion of women’s citizenship and thus could not negotiate extensively and intensively with the state regarding gender concerns of women. The second MASUM has radically reorganized and redrafted the programme and integrated it with its health programme. This has made women find new spaces for themselves. The schemes and visions of this organization being intensive and qualitative in nature have not allowed it to expand its sphere of influence. On the other hand, AIDWA has used this programme for mobilization of poor women and has effectively organized various protests on food security and against domestic violence and corruption. These are three different kinds of designs giving three different kinds of notions of negotiating citizenship.

Selected Readings:


