CHAPTER 2

THEORETICAL FRAMEWORK

2A. WOMEN ISSUES

2B. IMPACT ASSESSMENT OF THE MICROCREDIT PROGRAMME
2A. WOMEN ISSUES

2A.1 EMPOWERMENT OF WOMEN

Why is Empowerment of Women?

Empowerment of women, a western concept, emerges as an outcome of several important critiques and debates generated by the women movement throughout the world and especially by Third World feminists. As an articulated goal of development, it has been gaining popularity over the last few decades. Its source can be traced to the interaction between femininity, and the concept of popular education is developed in Latin America in the 1970s.

Empowerment of Women, in its simplest form, means the manifestation of redistribution of power that challenges patriarchal ideology and the male dominance. It is a process that enables women gain access to and control of material as well as information resources. On the one hand, it is a process and on the other hand, it is the result of the process. It is reflected through the transformation of the structures or institutions that reinforces and perpetuates gender discrimination (Avasthi and Srivastava, 2001:15-16). In practical term, empowerment implies the process of challenging existing inequality, power relations and of gaining greater control over sources of power by the underprivileged.

In the less developed countries, the most deep-rooted form of inequality is reflected through caste and gender relations. Gender relations are determined by interplay of several factors in which societal structures, historical specificity, cultural norms and practices, political ideologies and economic conditions prevalent in a society play a dominant role. Patriarchal structure of society is characterized by male domination and
female subordination. It is argued that women remain inferior to men in different spheres of decision-making. As far as domestic sphere is concerned, a woman's life is compartmentalized as first a daughter, through being a wife and finally becoming a mother; signifying a subordinate role and status in relation to father, husband and son respectively. Any attempt to question the dominance of male authority at any of these levels runs the risk of endangering domestic peace and tranquility and may ultimately result in the break up of these families itself. Women are, thus socially conditioned to be humble and docile. Specific patterns of socialization in the household and the manner in which girls are grown up in an average Indian Family constantly reinforce this societal expectation. In early childhood, girls play with dolls; do playful cooking and other household chores consistent with their 'female role'. Girls are viewed as 'Paraya Dhan' and therefore needs to be groomed in such a manner that they can suitably adjust in the family whose membership is acquired on marriage. Discrimination against girl starts at time of birth itself. Sex role distinction and allocations, evident both within and outside the family, delineate the patriarchal structures of the society (Shrivastava:175).

One of the grossest forms of gender discrimination is found in various sexual attitudes, practices and exploitation. Norms of sexual behaviour are much more stringent in case of women. They are considered to be the 'symbols' of honour of their family or community. Sexual 'purity' in case of women is to be maintained at all costs, while the males enjoy relative flexibility in sexual attitudes and conduct. Early marriage or child marriage is a practice that is supposed to maintain this purity though it results in several disabilities for women. During war times, the women of the vanquished side are considered to be the legitimate possession of the victors. Human history is replete with
such examples in which women have been worst sufferers in the aftermath of war and become victims of mass scale kidnappings, rape, torture and forced marriages. In caste and communal conflicts, in India, women are often raped simply to terrorize the other group or to take revenge.

The increasing commercialization and growing consumerism have opened still new avenues for sexual exploitation of women. Like all other commodities, women have also become a ‘commodity’. Advertising industry and sales promotion mechanisms fully exploit the bodily / physical charm of women. not only the body, but its different parts are used to give ‘special effect’. Women are being increasingly used in various ways to market their products. A new culture of ‘beauty contests’ is being deliberately promoted in these countries to facilitate the dumping of their products through skilful marketing strategies by using and exploiting the newly found beauty queens. Women are being increasingly used as ‘sex workers’ as a part of promoting tourism. The sexual exploitation of children and adolescent women is also related to labour migration within and across nations, and trafficking networks that have developed as an outgrowth of political and economic changes.

The burden on a professional working woman becomes unbearable in a situation where the woman has to perform dual role – a household worker as well as professional - but there is no ‘reversal’ of role for male. A socially conditioned woman in such situation begins to feel guilty for not being able to live up to the expectations of her dual status. On marriage, a woman’s personality and identity is further fractured, as she is required to find a new status and identity which can be achieved by submerging her identity into that of her husband. In becoming a ‘better half’, she comes to lose her own ‘other half’, where
a woman has the firmness to deviate from those norms and standards of behaviour; it often leads to domestic violence (ibid: 175).

Domestic violence victimizes women in several ways. Violence is explicit as well as subtle. The violent victimization of women in the family can be attributed to various reasons. First, it is a manifestation of patriarchal control, where the male is expected to control his wife and children completely. Second, the social conditioning of woman is such that she has to be passive and helpless in relation to male members of the family. Third, a combination of factors like stressful family situations, broken homes, overcrowding in family and interference by other family members also act against the women in the family. Fourth, the traditional mother-in-law as well as daughter-in-law syndrome is referred to as women being women’s worst enemies, which also leads to violence against women. The idea of treating ‘daughter-in-law’ on equal footing with ‘daughter’ seems repugnant to most mothers-in-law who become willing accomplices of male members of family in maltreating the daughter-in-law. Fifth, the domestic violence is explained by the ‘Scapegoat’ theory that puts all blame for any inadequacy in the family on the women folk, particularly the daughter-in-law. As procreation is an important function in marriage and family, birth of a child, especially a son, is a necessity. Infertility in a woman is the most serious offence for which all kinds of indignities and violence can be heaped on her. Similarly, widowhood is a curse on women. The status of widow is regarded to be very inferior and her presence on certain occasion is quite inauspicious. The degraded position of widowhood led to such cruel practices as sati (ibid: 175-176).
Definitions of Empowerment

Random House dictionary states that the term 'empowerment' originates from the term empower which implies 'to give power or authority'. The key elements are 'enabling' and 'providing power'. Power can take various forms – 'power to', 'power with', 'power from within' and 'power over' view. In social sciences, power over view takes the dominant position. According to Foucault (1982), power relations are multiple which is constituted in a system of social network. Such a view of power relations cannot be altered without bringing about major structural change. Peggy (1989) looked empowerment from the power angle and made a distinction between 'personal power' (power for) and 'role power' (power over). She opines empowerment as 'a spectrum of political activity ranging from acts of individual resistance to mass political mobilizations that challenge the basic power relations in our society' (cited in Panda, 2000:4). Batliwala (1994) also defines empowerment as the process of challenging existing power relations and of gaining greater control over the sources of power.

Conger and Kanungo, (1988), distinguishes empowerment at the organizational level as well as interpersonal level. At the interpersonal level, power of an individual/group lies in its official position, personal characteristics, expertise and opportunity to access specified knowledge. At the organizational level, the primary source of an individual / group's power over an organization is its strength of resources that is valued by the organization. For women in India, empowerment exists in several realms: personal, familial, economic and political.

The theoretical framework to study the women’s empowerment in the domestic sphere makes two key assumptions: (i) Empowerment is basically a property of social or
cultural systems rather than of individual experiences and traits (Smith, 1989). (ii) Empowerment is multidimensional, with imperfect associations among its different dimensions. The extent of women’s power is often dissimilar in the private and public sphere as well as in the social, economic, political and psychological sectors. For example, although women are found to be economically powerful, as they are engaged in income generating activities, they are often sexually and socially submissive to their husband and peripheral to the political process (Milne, 1982; Knodal, Chamratrilhirang and Debsvalya, 1987; Mueke, 1992). In this respect, it should be mentioned that Karl (1995) argues that political participation is the central to the empowerment process. She emphasizes on the four interrelated and mutually reinforcing components of empowerment - collective awareness building, capacity building and skill development, participation and decision making power and actions to bring gender equality.

There are three contrasting paradigms - financial self-sustainability paradigm, poverty alleviation paradigm and feminist empowerment paradigm - related to microfinance and gender (Mayoux, 2000:5-9). In the first paradigm, empowerment is defined as economic empowerment, expansion of individual choices and capacities for self-reliance and the second paradigm states that empowerment implies increased well-being, community development and self-sufficiency. The second paradigm finds financial and other services targeted at women for fulfilling their needs for income and employment which would automatically lead the way towards women’s empowerment by reducing gender inequality. In the feminist paradigm, empowerment goes beyond economic betterment and well-being and it indicates transformation of power relation throughout the society. Mayoux (1997, 1998) suggests that empowerment is a process of
internal change. While analyzing women's empowerment, she gives a clear-cut idea of
different forms of power. 'Power within' refers to increased will for change of individual
women i.e. increase in the confidence, autonomy and willingness to take decision and
change in consciousness to challenge gender subordination (Mayoux, 1998:45). 'Power
to' implies increased access to income and productive assets, increased mobility,
 improvement of health and nutrition, meaning thereby increased capacity for change of
individual women. 'Power over' indicates reduction in obstacles to change at household
and community levels which is possible through control over use of loan, productive
assets and household property, gaining ability to defend self against violence in
household and community etc. Finally, 'power with' refers to the increase in solidarity
with other women for change at household, community and macro levels. This form of
power-'power with'- can be gained through increase in network, participation in
movement to challenge gender subordination and increase in expenditure for children,
especially for girl children(ibid : 45)

Nobel laureate Professor Amartya Sen(1981), in his famous book, Poverty and
Famine, describes the notion of empowerment in terms of entitlement i.e. right to
equitable share of resources for men and women. But many recent definitions of
empowerment adopted Prof. Sen’s (1999) ‘development as freedom’ approach as a
starting point of empowerment. According to him, the goal of economic development
must be to increase choices rather than to achieve certain set of indicators. Prof. Sen
(1993) also explains that the freedom to lead different types of life is reflected in the
personal capability set, which in turn depends on personal characteristics and social
arrangements along with other factors. Kabeer (1999) uses this approach in her definition
of empowerment as she thinks ‘power’ in terms of ‘ability to make choices’ (P.436). She opines that empowerment is a process of change by which those who have been denied the ability to make choices acquire such ability (P.437). In Kabeer’s language of empowerment, the notion of ‘choice’ necessarily implies the possibility of alternatives. Kabeer emphasizes on the strategic life choices which are critical for people to live they want (such as choice of livelihood, weather and who to marry, whether to have children etc.). According to her, empowerment refers to the expansion of people’s ability to make strategic life choices in a context where this ability was denied to them previously. Kabeer also views the ability to exercise choice in terms of three interrelated dimensions – resource (pre condition), agency (processes of decision making, as well as less measurable manifestation of agency such as negotiation, deception and manipulation) and achievements (well-being outcomes) (P.437-438). Resources include access as well as future claims to material, human and social resources including the social relationship (family, market and community). Agency means the ability to one’s goals and act upon them and it also encompasses the meaning, motivation and purposes which individuals bring to their activity or their power ‘within. Resources and agency constitute what Sen (1985) refers to as capabilities: the potential the people have for living the lives they want, of achieving valued ways of ‘being and doing’. Sen’s idea of functioning refers to all possible ways of ‘being and doing’ which are valued by the people in a given context, and ‘functioning achievements’ implies the particular ways of being and doing which are realized by different individuals. It is generally argued that proper nourishment, good health, adequate shelter all constitute primary functionings which tend to be universally valued. If there exists systematic gender differences in these very basic functioning
achievements, they can be regarded as evidence of inequalities in underlying capabilities rather than differences in preferences. This is the strategy adopted by Sen (1990).

In a complimentary approach, Chen and Mahmud (1995) highlights on different dimensions of empowerment - material, cognitive, perceptual and relational. 'Material empowerment' occurs through the expansion of resource base of women. 'Cognitive empowerment' generates from women’s recognition of their own abilities and skills, indicated by greater self-esteem and self-confidence. 'Perceptual empowerment' takes place through changes in how others perceive them, indicated by increased social prestige and value. 'Relational empowerment' occurs through changes in gender relations within the family and in the broader society, indicated by reduction in gender inequality in relationships. They identify empowerment as a process of external change, namely through the changed perceptions of others and through changed gender relations, whereas Kabeer emphasizes that internal changes are important for empowerment (cited in Mahmud, 2003:587).

The immediate achievement of empowerment is increase in welfare of women along with the increase in welfare of other family members, particularly children (Mahmud, 2003:587). The long- run achievements are outcomes that are reflected in changed norms and practices with respect to institutions such as inheritance, marriage, resource ownership and control, division of labour, purdah and political power. Empowerment is thus an evolving process, with empowering changes in one dimension leading to empowering changes in other dimensions.

World Bank (2005) defines empowerment as the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control and hold
accountable institutions that affect their lives (P.5). There are four elements of empowerment - access to information, inclusion and participation, accountability and local organizational capacity - that underlie institutional reforms. Four aspects of this conceptual framework need to be highlighted (ibid: 6). First, empowerment is fundamentally a relational concept that emerges through the rights, rules, resources, incentives norms, behaviour and processes governing the interactions between poor people and their environment in different arenas (state, community and household levels). Secondly, poor people’s assets and capabilities are critical helping them breakthrough the constraints of powerlessness and voicelessness. Thirdly, empowerment of poor people on a large scale requires both top-down and bottom-up changes in organizational processes. Finally, the interventions vary depending on the nature of constraints and barriers, on what is feasible, and on the development outcomes desired.

A review of these definitions suggests that empowerment is a process which has certain key elements: power, autonomy and self-reliance, entitlement, participation and process of building awareness and capacity. All these elements are applicable at the individual and group level to understand the process of empowerment (also cited in Panda, 2000: 7).
2A.2 VARIOUS APPROACHES TOWARDS WOMEN’S EMPOWERMENT

Women’s position and degree of empowerment is defined by gender and gender relations in the society (Kishore and Gupta, 2004:694). Much of the interest in gender and gender relations are due to feminism. Feminists in all descriptions have characterised gender relations as relations of inequality and subordination. There have, however, been important developments in the ways in which these relations have been theorized and understood (Waylen, 1996:6). Feminism can be defined as the doctrine advancing the view that women are systematically disadvantaged and are advocating a collective or individual struggle for equality (Sabbarwal, 2000:267). In the 20th century, women’s movement was used to refer to a specific group of women’s rights; later many groups and individuals engaged in raising women’s issues came to be classified as feminists. In the 1960s, followings rights for civil liberties, women’s movement arose in the West as a strong critique of women’s role in the society. During women’s movement in the West in the 1960s and 1970s, the term feminism came to symbolise the efforts to forge a collective of women.

Although feminism of all analytical camps believe that societies are fundamentally structured around profound inequalities in gender relation and use the term patriarchy to describe such system of male dominance, however, they differ as to the causes and solutions of their interpretation.

More importantly, while expressing the avenues of women’s multiple form of exploitation that originate from class, caste, culture, social relations, biological differences in patriarchal system, feminism of all analytical camps concentrate on the process whereby women become able to organise themselves to increase self-reliance and
to assert their independent rights to make choice and control resources, both of which will assist in challenging and eliminating their subordination – the empowerment of women.

**RADICAL FEMINISM**

Radical feminism and socialist feminism formed two major analytical camps dominant in the 1970s. According to Radical feminists, female subordination results from the effect of female biology on perception (including self-perception) and on the status of women (Everingham, 2002:45). They argue that gender divisions are the most profound division within society and that all societies are patriarchal. Their approach is rooted in the belief that men, as a group, oppress women, and men enjoy benefit from that oppression. They concentrate attention towards the control exercised by men over women’s sexuality, their reproductive capacity and its role in their oppression (Firestone, 1970 and Brownmiller, 1975, cited in Waylen, 1996:7). They are of the view that sexuality is the instrument of male power.

As a solution of social problem generated by women’s subordination, radical feminists aim to destroy sex role system (Eisenstein, 1984) and hence to change the social system of women and social attitude towards them (women). Radical feminists argue that liberation requires freedom from men’s control over women’s bodies and sexuality and over child-bearing child-rearing. They demand higher values to female qualities like nurturing, conciliation and gentleness (Everingham, 2002:45). They challenge the downgrading of what is female and suggest lauding it instead (Kristeva,
Radical feminists use the rhetoric of women's liberation which calls for transformation of the social framework itself (Mehrotra, 2002:60).

Women's liberation philosophy of radical feminists has far reaching implications, as it does not address its demands to any external agency, but addresses itself to people in their most intimate relations: the relationships between men and women, and between women and women (Mehrotra, 2002:58-61)

**MARXIST AND SOCIALIST FEMINISM**

Until the late 1960s and more so before, few sociologists attempted to apply Marxian theory to women's status in society. In opposition to the theoretical framework of radical feminism, they developed a political position which is referred to as 'Marxist feminism'. They argued for the appropriateness of the traditional Marxist framework for understanding the oppression of women.

As there is no public record of Marx's precise attitude towards women's problems (Pandey, 1987: 114), the onus of tracing the origin and evolution of family and subordination of women fell on the shoulders of Engels who analyzes female subordination as a result of the emergence of private property, in particular the private ownership of the forces of production. Engels says that private property necessitates strict control over women's sexuality to insure that inheritance be generated to the off-spring of the male owner of the property. In order to describe women's liberation, Marx and Engels argue that the demand for female wage labour would raise the status and power of proletarian women and decline the male domination within the family. They are of the
belief that the true equality between the sexes can only be achieved in a socialist society in which the forces of production were commonly owned (ibid: 115).

But many feminists are dissatisfied with Marxian theory. Firstly, Marxian theory fails to provide an adequate explanation for sexual inequality; for instance, Firestone (1972) claims that sexual inequality is rooted in biological differences. Secondly, the critics also argue that Marx’s prediction about liberation of women in capitalist societies, where there is increasing entry of women into the labour force, could not come true as this development has not provided the beneficial effects on the status of women (Klien, 1965; Blood and Hamblin, 1968; Lane, 1976; Field, 1968; Scott, 1976; Tiger and Shepher, 1977). Finally, Marxism did not give gender, sexuality and reproduction factors any autonomy of their own to confer meaning on their relation to spouses, parents and children (Pandey, 1987: 116). Thus the criticisms and many unanswered questions have stimulated the feminists to revise their Marxism so as to account for gender, which Marx ignored. From the late 1960s onwards, a vast literature from the feminist writers in support of women’s liberation has appeared. Among them, a considerable section of famous feminist writers are socialist. They propose a socialist feminism which involves not only attack on the economic class structure but also a direct attack, led by women, on all forms of male domination (Landes, 1981:117-126).

However, during 1970s, Marxist and Socialist feminists, drawing and criticizing heavily on Marx’s writings, stressed the sexual division of labour as a major cause of women’s oppression. They emphasized the need to understand the complex relationships between class and gender and the social distinctions between men and women. According to Marxist feminists, gender oppression was an essential element of capitalist society and
women's struggle for emancipation was a part of the class struggle. Similarly, socialist feminists also linked women's oppression to the social and economic structures of the society and called for transformation not only of the means of production but also of the social experiences as they also believed that the total system of capitalism is the root of oppression for women. The orthodox Marxist thesis that class revolution would ultimately result in achieving equality for women was rejected by Socialist feminists. For them, countering patriarchy was an equally important task (Mehrotra, 2002: 59-60).

**LIBERAL FEMINISM**

Liberal feminism is less concerned with finding structural explanations for women's subordination than either socialist or radical feminism. In 1960s, following struggles for civil liberties, women's movement appeared in the West as a strong critique of women's role in the society.

Liberal feminism has started with their critique of the sex-role stereotype discrimination within and outside home. It discerns the socialization of men and women into different roles, reinforced by discrimination, prejudice and irrationality as responsible for women's unequal position in society (Waylen, 1996 :6-7). Liberal feminists regard female subordination as being based on customary and legal constraints (Everingham, 2002:44-45).

The solutions to inequality are changes of roles and structure of society through political and legal campaigns which will give women a better deal within the existing system, such as legal changes and the promotion of equal opportunity allowing women access to things on the same terms as men (Waylen, 1996:6-7; Mehrotra, 2002:59). Social
feminists demanded to change the rules and structures of society and challenge access
determined on the basis of sex. The struggle of liberal feminists includes equal pay for
equal work and positions of power in social institutions on equal footing with men
(Kristeva, 1981:18).

ECOFEMINISM

German feminists developed a theory called 'ecofeminism', integrating the role of
women in reproductive labour with male violence and development issues (Mies, 1987).
Ecofeminism embodies within it several different strands of discourse which reflect
different positions within the Western feminist movement (radical, liberal, socialist). The
more clearly articulated aspects of the debate related to ecofeminism provide the
following picture of the ecofeminist arguments:

There exist important connections between the domination of women and
exploitation of nature. In patriarchal thought, women are identified as being closer to
nature and men as being closer to culture. As nature is seen as inferior to culture, women
are seen as inferior to men (Agarwal, 1999:97)

The relationship between gender and environment is complex because of the
underlying historical inequalities in gender and caste /class relations which determine
women's multifarious roles as producer, conserver, consumer and distributor of natural
resources. Women are seen as being closer to nature for their natural procreative function
(Ortner, 1974:71); women are more dependent on nature by the virtue of sexual division
division of labour. It is argued that women are primarily responsible for the gathering of fuel,
fodder and wild foods and the growing of subsistence crops for survival, whereas men are
viewed as mainly responsible for the growing of cash crops and profits (Leach and Green, 1995:7); Women are seen as being the most appropriate participants in environmental conservation as the main victims of environmental degradation (Shah and Shah, 1995) and degradation of natural resources destroys the material basis on which women's indigenous knowledge of resources and processes is found and kept alive (Agrawal, 1986; Fernandes and Menon, 1987; Shiva, 1988; Kelkar and Nathan, 1991; Chen, 1991).

Integrating WID's (Women in Development) initiative in the environmental area, WED (Women, Environment and Development) put forward two arguments behind its theoretical explanation. First, improving the status of women will assist the solution of environmental problem; second, within environmental projects, women's sole participation will lead to improve project efficiency (Sarker and Das, 2002:4407). The Rio Declaration (The UN Conference on Environment and Development at Rio, 1992) at the Earth Summit also acknowledges that women have a vital role to play in environment management and development from which they have been historically excluded (Sharma, 2000). Women's active participation and women's leadership have been stated in the area of Natural Resources Management Programmes (NRMP) in the developing countries like India, for protecting environmental degradation, sustainable development and efficient management of natural resources.

Policy makers and advocates of Natural Resource Management (NRM) agree that women should be fully participants and their involvement be especially important because of the nature of women's work (Tinker, 1994:367; Hobley, 1996:19; Locke, 1999:235). Some of the NRM Programmes that have led to greater awareness among the
rural poor including women are Joint Forest Management (JFM), Wasteland Development, Watershed Development and Water Resource Development. Although in Africa, Community Participation has helped restore forest resources in Gambia and led to broader participation in rural development in Zimbabwe (World Development Report 2000/2001:92), the progress report of JFM in India suggests some success stories relating to the involvement and active participation of women in the Joint Forest Management Programme (JFMP). Chipko movement in India, hailed from women’s activism, began independently of global environment consciousness.

Environmental movements like Chipko have been historical landmarks as they have been fuelled by the ecological insights and political and moral strengths of exceptionally courageous women. The main thrust of Chipko is that forest and trees are life-support systems and should be protected and regenerated for their biosphere functions. It is a struggle to recover the hidden and invisible productivity of vital resources and invisible productivity of women, to recover their entitlement and rights to have and provide nourishment for sustained survival, and to create ecological insights and political spaces that do not destroy fundamental rights to survival. Chipko women provide a non-violent forestry with its inherent logic of dispensability. They have taken the first steps towards recovering their status as the other silviculturtists and forest managers, who participate in nature’s processes instead of working against them, and share nature’s wealth for basic needs instead of privatising it for profit.

Environmental campaigns in India have been successful in negotiating some changes in government policies. In the last two decades conflict over the alternatives uses of local resources - waterland, commons, river waters, marine resources and minor forest
products - have given rise to a variety of community initiatives. The Watershed 1988 National Forest Policy in India asserts that one of the basic objectives is ‘creating a massive people’s involvement with the involvement of women’ (Ministry of Environment and Forest – MOEF -1988). Making a sharp departure from the past, JFM is a direct outcome of 1988 National Forest Policy which acknowledges the dependence of the rural poor on forest resources for survival. This management is currently being tried in 16 Indian states for local forest and watershed management. Despite the ideological diversity of community initiatives and proliferation of NGOs working in the area of environmental action, they regard these organisations as only protection against their vulnerabilities as individuals at home, at work and in society. The progress report of JFM in India suggests that the forest management groups in Andhra Pradesh successfully involved women (World Bank, 2000; Agarwal, 1997); West Bengal has also made some active initiatives in this regard. Understanding that women are being deprived of their equal constitutional rights to benefit accruing from the forest, efforts have been made very recently by the Forest Department, Government of West Bengal to establish a new management system of female Forest Protection Committee (FPC) in West Bengal. To this end, 17 female FPC (Forest Protection Committee) have been established, primarily, only in Bankura district in West Bengal. It has been extended to all the forest divisions of the district (Sarker and Das, 2002).

POSTMODERN FEMINISM  

In the works of postmodernist writers, the idea of unity of women and the belief in oppression as a universal experience have come to be increasingly questioned.
Postmodern feminism, a comprise between feminism and postmodernism, is more sensitive to spatio-temporal issues with plural and complexity constructed conception of social identity, treating gender as one of the relevant strands among others.

Discussion of postmodern began in the field of cultural theory in the domains of architecture, literature, painting and so on which specified a set of cultural artifacts which allegedly broke with the forms and practices of modern art (Kellner, 1988:237). The typical starting point of these cultural artifacts has focused primarily on the philosophy side of the problem today and not the traditional philosophical underpinnings. On the other hand, the practical exigencies including feminists to develop a new paradigm of social criticism purports to be empirical rather than philosophical, as postmodernists have sought to develop. The question of philosophy has always been subordinate to an interest of social criticism. Primarily, feminists have developed critical political perspectives and from there they have gone to draw conclusions as a status of philosophy. But postmodernists have begun by elaborating antifoundational metaphilosophical perspectives and from there they have gone on to draw conclusions about the shape of social criticism (Fraser and Nicholson, 1988:373). These two paradigms – Postmodernism and Feminism – which have proceeded, so to speak, from opposite direction have emerged as two of the most important political-cultural currents of the 1970s and 1980s.

During the 1980s, postmodern feminists worked independently on a common nexus of problems. They tried to rethink the relation between philosophy and social criticism so as to develop ‘Paradigm of Criticism without Philosophy’ (ibid: 373). Feminist theory has been influenced by postmodern analysis. This new feminism...
sensitive to local and diverse voices of feminism and emphasizes on differences and plurality without a universalistic perspective on a single feminist standpoint.

In the postmodern reflection, it is the changed condition of philosophy which determines the changed character of social criticism and of engaged intellectual practice. Philosophy is the independent variable, while social criticism and political practice are dependent variables (ibid: 373). It was claimed that the tradition of modern philosophy was destroyed by its vacuous and impossible dreams of a foundation for philosophy (Derrida, 1976; Rorty, 1979). New postmodern philosophy was needed to replace the bankrupt tradition of philosophy established in the Cartesian – Lockean- Kantian traditions (Bernstein, 195 and Bayens et al., 1987, cited in Kellner, 1988:240). New social thinkers like Lyotard, Baudrillard, Jameson, Bell, Habermas, Kristeva, Vattimao, Derrida, Foucault, widely known as postmodern, were engaged in search for theoretical explanation and justification of postmodern philosophy during 1970s and 1980s.

For Lyotard, one of the few social thinkers widely considered postmodern, the ‘postmodern’ is defined as ‘incredulity towards metanarratives’, the rejection of metaphysical philosophy, philosophy of history and any form of totalizing thought – be it Hegelianism, liberalism, Marxism or whatever (Kellner, 1988:249). Lyotard claims that the Marxian conception of practice as production closes the diversity and plurality of human practices. He also argues Marxian of capitalist society as a totality passed over by one major decision and contradiction which closes the diversity and plurality of contemporary societal differences and oppositions. Lyotard offers postmodern conception of society and social identity as ‘the social bond’ which is a weave of criss-crossing threads of discursive practices and no single one of which runs continuously throughout
Lyotard insists that social identities are complex, heterogeneous and nontotalizable. It cannot be mapped onto one another nor onto the social totality. Postmodern, for Loytard, involves knowledge of local terrains, and tolerance of a variety and diversity of different language games (Kellner, 1988:248-251).

Postmodern simulation world, for Baudriallard, is based upon the assumption that the development of commodity production tied with information technology have led to triumph of signifying culture which then revises the direction of determination so that social relation become saturated with shifting cultural signs to the extent that class or normativity can no longer be spoken of and are faced by the end of the social (Baudrillard, 1983, cited in Featherstone, 1988:201)

Jemason proposes postmodernism as cultural logic of a new type of capitalist society in which capitalism is more developed and realized and penetrated into more domains of life. Commodification and capital exchange relations have penetrated the spheres of information, knowledge, computerization and consciousness and experience itself to an unparallel extent. Zukin finds postmodernism as a dynamic process comparable to modernization and the former is a ideology and set of practices with spatial effects which have been notable in the British economy since 1976 (Featherstone,1988:201). While both Zukin and Sharen are reluctant to regard postmodernization as a new stage of society as it held to take place within capitalism, they both share the merit of focusing post-modernization on process of production as well as consumption and the spatial dimension of particular cultural practices which accompany
them. It implies that their philosophical formation of post-modernization infers the illegitimacy of social criticism.

The practical exigencies inclining feminist to develop new paradigm of social criticism purport to be empirical rather than philosophical as postmodernists have sought to develop. Feminist social theories are very large social theories, theories of history, social culture and psychology which claim, for example, to identify causes and/ or constitute features of sexism that operate cross-culturally. The question of philosophy has always been subordinate to an interest in social criticism for feminists. They have started by developing critical political perspectives and from there they have continued to draw conclusions about the philosophy. From the perspectives of practical political problems, feminists presuppose some commonly held and essentialist assumptions about the nature of human beings and the conditions for social life. Feminist social theories are largely essentialist and monocausal (Fraser and Nicholson, 1988:382-383). They are essentialist insofar as they project onto all women and men qualities which develop under historically specific social conditions. They are monocaused insofar as they look to one set of characteristics, such as women’s physiology or men’s hormones, to explain women’s oppression in all cultures. Feminist social theorists have constructed a quasi-metanarrative cross-cultural female associated activity. They assume methods and/or concepts which are unaffected by temporality and which, therefore, function as permanent, mutual practices for inquiry under totalizing concept of social theory (ibid: 382). This totalizing concept of social theory projected be feminist scholars have made some important contribution in the history.
Postmodern feminism combines the social-critical power of feminism with a postmodern incredulity towards metanarratives to handle the tough job of analyzing sexism in all its ‘endless variety and monotonous similarity’. It is, however, some compromise between the two paradigms of thoughts – Postmodernism and feminism – to make a robust postmodern feminist paradigm of social criticism without philosophy (Fraser and Nicholson, 1988:390-1). Some important features come out from this new paradigm. First, postmodern feminists need not abandon the large theoretical tools needed to address large political problems, since sexism has a long history and pervasively embedded in contemporary societies. Second, postmodern feminist theory would be explicitly historical accorded with the cultural specificity of different societies and periods, and to that of different groups with societies and periods. Taking precedence over ahistorical, functionalist categories like ‘reproduction’, ‘mothering’, the new paradigm would be tied with temporality along with historically-specific institutional categories like ‘modern restricted, male-headed nuclear family’ (ibid:390). Third, rejecting the distinction between objective knowledge and the subjective opinion, this new paradigm embraces instead the idea of inter-subjectivity (shared effects and function) which is empirical in nature (Murray and Tulloch, 1997, cited in Sabbarwal, 2000: 271). Fourth, postmodern feminist theory would be non-universalistic. Instead of universal constructs of truth, neutrality, the new paradigm employs a theoretical stance which openly acknowledges the spatio-temporal contest within which knowledge is gained, as well as, a plurality of truths (ibid:271). ‘When its focus becomes cross-cultural, its mode of attention would be comparativist rather than universalizing, attuned to changes and contrast instead of to covering laws’ (op.cit:391). Fifth, postmodern
feminist theory would do away with the idea of subject of history. It would replace unitary notion of 'women' and 'feminine gender identity with plural and complexity constructed conception of social identity, treating gender as one of the relevant strands among others, attending also to class, race, ethnicity, age and sexual orientation. There would be an emphasis on difference and plurality as it was argued that the traditional feminist analysis reflected the interest of the middle class white women from North America and Europe. In its new form, feminist went beyond looking for gendered differences and sought to identify a sexual differentiation internal to each subject (Sabbarwal, 2000:271). Sixth, this new paradigm would be pragmatic and fallibilistic. It would tailor its methods and categories to the specific task at hand with the help of multiple categories when appropriate and foreswearing the metaphysical comfort of a single 'feminist method' or feminist epistemology (Fraser and Nicholson, 1988: 391). 

Seventh, the postmodern feminist theory would not be static political theory and that straight-jacketing of the feminist practice would not be useful in understanding this phenomenon. Thus, the task of postmodern feminist theory would be to understand the diversity between women and the complex changing world within which they are variously located (Mehrotra, 2002:62-3). Finally, this new paradigm would be useful for contemporary feminist political practices which are increasingly a matter of alliances rather than one of unity around a universally-shared interest or identity.

Recognizing the diversity of women's needs and experiences, postmodern feminist theory would argue that no single solution on issues like child care, social security and housing can be adequate for all. It implies that while some women share common interests and face some common enemies, such commonalities are by no means
universal. Rather they are weaved with differences, even with conflicts (ibid: 390-1). This practice is made up of overlapping alliances. This new paradigm would be useful for contemporary political practices which are increasingly a matter of alliance rather than one of unity around a universally shared interest or identity. Whereas earlier feminism was concerned with understanding and recording the commonality experienced oppression of women everywhere, the contemporary feminist practice emphasizes the diversity of women's interrelationship. Hence postmodern-feminist theory is the talk of feminisms and not feminism in the singular.
2A.3 ANALYTICAL CAMPS OF FEMINISM: WEST AND THE THIRD WORLD

Feminist movement in the West and in the Third World societies has been responsive to different issues facing women. Economic and social issues have been of primary concern to feminists in the Third World societies. Adverse working conditions, economic security, freedom from starvation, female infanticide, bride burning, violence against women, *sati* system and consequences of environmental degradation are some of the issues claiming the alteration of feminists mainly from the late sixties of the twentieth century in the Third World countries.

In the West, the sweep of the development that brought the West feminist movement to the present starting from the first-wave feminists during the first two decades of the twentieth century was largely the result of white middle class educated women. On the crest of the first wave, the suffragists won the vote for white women in most Western countries, although the first-wave feminists were not unaware of the woman of colour. It created a new status for the white women above the coloured people (Hooks, 1981:153). As a result white women and women of colour were necessarily at odds with one another (ibid: 154). Indeed, histories of the suffrage movement often render black women invisible (Bulbeck, 1988:59). With long inactive troughs in between two waves, the second wave, postwar feminism, reputedly erupted in the late 1960s with some major concerns—the double standard and the sexual libertarianism for women as well as men and the right to paid work and equal rewards for it as an escape from household drudgery (Bulbeck, 1988:5). Women’s ‘biological materialism’ 23 allows the double standards in marriages and divorce, and the base of violence against women—rape, sexual harassment, the traffic in women, religious practices such as *sati* and female
circumcision or the customs of dowry and child marriage. What began as a demand to erase the double standard became an acceptance of sexual difference. Similarly, demand for equal access to careers and jobs for women required a negotiation of women’s role in child bearing and raising. The rights to free sexual expression for women required access not only to a different evaluation by men of the ‘loose’ woman but also to contraceptive freedom and abortion (Bullbeck, 1988:6). The equal employment opportunity required maternity leave, child care facilities and the sharing of child raising obligations by father. To achieve the same their social and biological positions had to be proclaimed and negotiated.

Not only the concept of feminism but also its practice has changed over the last four decades (Threlfall, 1996). In the 1960s and 1970s, during women’s movement in the West, the term feminism came to symbolize the efforts to forge a collective identity of women supposedly sharing similar experiences of oppression. Simultaneously, academicians were observed engaged in unearthing the cause of universal subordination of women (Mehrotra, 2002:59). By this time political differences about conceptualization of the roots and agents of oppression became apparent and developed as Liberal, Socialist, Marxist and Radical feminist theories. Nevertheless the belief that women suffer injustice because of their gender remained the basic underlying assumption in all their interpretations (Mehrotra, 2002:58-59). Thus in the West, where twentieth century feminism began with women’s difference from men and culminated in the struggle for equality with men over the vote, postwar feminism began with demands for equality and is now entering a phase of demanding autonomy: a space where women write, read and think as women (Gross, 1986:204). While autonomy does not necessarily mean
separation, it does imply that in some respects at least women will 'go alone'. Whatever women choose politically with their autonomous space, the identification of specifically female oppression of woman by men marks postwar western feminism apart from earlier contemporary political positions (Allen, 1987:84).

In the 1960s, when women in the new left began to talk about women's rights into the more encompassing discussion of women’s liberation, they came upon the fear and hostility of their male comrades and the use of Marxist political as a support for these relations. Among the new left, many men argued that gender issues were subsumed under more basic modes of oppression, namely class and race (ibid: 382). In response to this practical political problem, radical feminists, such as Firestone (1970), argued that gender divisions were the most profound division within society and gender conflict was the basic form of human conflict and the source of other forms, including class conflict. They believed that men as a group oppressed women and that men by exerting the formers control over latter's sexuality, reproductive capacity and its role of oppression (Firestone, 1970; Brownmiller, 1975). Radical feminists, like Firestone, draw on the pervasive tendency within modern culture to locate the roots of gender differences in biology. In practical terms, this resulted in campaigns centering on sexual violence and pornography by radical feminists. However, the appeals to biology to explain social phenomena by radical feminists are problematic from a postmodern perspective in that they are essentialist and monocausal because they project onto all women and men qualities which develop under historically specific conditions and they explain women’s oppression in all cultures by looking into, insofar as, one set of characteristics – women’s physiology or men’s hormones.

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In the early 1970s, Marxists and feminist anthropologists began insisting that appeals to biology do not allow to understand the enormous diversity of forms which both gender and sexism assume in different cultures. In this respect, one approach which seemed to be promising was suggested by Michel Zimbalist Rosaldo. This approach allows some type of separation between a ‘domestic sphere’ and a ‘public sphere’ and these are common to all known societies. Women’s lives have been bound to the ‘domestic sphere’, because in most societies to date women have spent a significant part of their lives bearing and raising children. On the other hand, men have had both the time and mobility to engage in those out of the home activities which are associated with ‘public sphere’ that generates political structure. Although this theory focuses on the difference between men’s and women’s sphere of activity rather than on differences between men’s and women’s biology as suggested by radical feminists, nevertheless it is also essentialist and monocausal. This feminist approach, thus, signifies a totalizing concept of social theory and searches for one key factor which would explain cross culture domestic / public separation and illuminate all of social life; in this sense, the theoretical foundation of this approach remains quasi- metanarratives.

Feminist social theories, since late 1970s, have largely given up speaking of biological determination or a cross-cultural domestic /public separation. During this period, although many have ceased speaking of the assumption of monocausality, they are basically essentialist. One influential example is the analysis of ‘mothering’ developed by Chodorow(1978), who posited a cross-cultural ‘activity’ ‘mothering’ as the relevant object of investigation. While answering the question relating to how ‘mothering’ is as a female-associated activity reproduced over time, Chodorow offered
the gender identity: female mothering produces women whose deep sense of self is 'relational' and men whose deep sense of self is not. Although this theory struck many feminists relating to some apparently observable psychic difference between men and women, the theory was basically metanarrative overtones. It posits the single activity 'mothering' which gives rise to two distinct sorts of deep selves - one relatively common across cultures to women and the other relatively common across cultures to men (ibid:384-6). Chodorow states that women everywhere differ from men in the greater concern with 'relational interaction'. Although theory allows some differences among women of different classes, race, sexual orientation and ethnic groups, it constitutes those as subsidiary to more basic similarities. However, Chodorow's social theory is quasi-meta-narrative around a putatively cross-cultural female associated activity which is problematic from a post modern perspective because it is essentialist. Since the late 1970s, not only social theorists like Chodorow but also other feminist social theorists like Ferguson and Folbre (1981), Hartsock (1983), Mackinnon (1982) have done something analogous with 'sex-affective production', 'reproduction' and 'sexuality' respectively. They have constructed a quasi meta-narrative around a putatively cross-cultural female-associated activity. These feminist approaches, dominant in the 1970s, came in for profound criticism in the 1980s. They had often taken for granted the notion of women as a unitary and a historical category. They are treated as grand social theory which indicates women as one homogeneous group. This often meant that the experience of White middle class and Western economies was generalized to Black, Working class and Third-world women. There was an emphasis on difference and plurality as it is argued.
that the traditional feminist analysis reflected the interest of middle class White women from North America and Europe.

The class, sexual, racial and ethnic awareness of the movement among the poor and working class women, women of colour and lesbians have altered the preferred conception of social theory. They finally won a wider hearing for their objection to feminist theories which fail to illuminate their lives and address their problems. From the experience of White, middle class, heterosexual women, who dominated them, particularly, from the beginning of the second wave, they exposed the earlier quasi-metanarratives, with their assumption of universal female dependence and confinement to the ‘domestic sphere’, as false, exploitative and illegitimate (Fraser and Nicholson, 1988: 389). By this time, women’s studies scholarship has reached new theoretical heights. Giving up the over-generalizing and over-ambitious model of liberal, radical and Marxist / socialist feminist analysis, women studies opted for an analysis of the local, culturally-specific and particular (Poonacha, 2003: 2656).

Three major elements have contributed to the breakdown of this kind of universal theorizing (Barrett and Phillips, 1992). First, Black women, who have provided a powerful challenge to much of the work of White feminists, argued that their analyses were imbued with racist and ethnocentric assumptions, again generalizing the experience of White feminists to Black women (Moraga and Anzaldua, 1983; Hooks, 1984). Second, the reemergence of the ‘equality versus difference’ debate broke down the confident distinctions between sex as a biological category and gender as a social construct. In some quarters (often – women-centered or radical feminist) sexual difference came to be celebrated rather than denied (Scott, 1988). Debates moved on to ask how to deal with
embodiment, arguing that it is not difference that is the problem, but how it is constructed and dealt with (Bock and James, 1992). Third, the feminist challenge to mainstream theorizing has been paralleled by the post-structuralist and post modern critiques of the universal grand frameworks which characterized enlightenment thought and have heralded the end of metanarrative (Nicholson, 1990).

The emergence of a new set of feminist critiques that came out in the 1980s can be identified into three bodies. The first critique derives from the work of Third World feminists such as DAWN (Development Alternatives for a New Era), a networks of activities, researchers and policymakers formed in India in 1984 (Sen and Grown, 1987). The DAWN report suggests that ‘we go beyond the discussion of empowerment as critical for building accountability into the functioning of public realm – both the State and the institutions of Civil Society - thereby the possibility of their transformation along with the transformation of gender relation’ (DAWN, 1991). The second one has been labeled as a postmodern feminist critique of women and development theory and practice. Postmodern feminist theory rejects universal constructs of truth, objectivity and neutrality. It replaces unitary notion of women and feminine gender identity with plural and complexity constructed conception of identity, treating gender as one of the relevant strands among others, attending also to class, race, ethnicity, age and sexual orientation (Fraser and Nicholson, 1988:390-391). While some women share common interests and face some common enemies, such commonalities are by no means universal. They are interlaced with differences, even with conflict. This practice is made up of overlapping alliances (ibid: 391). This new feminism is more sensitive to local and rejects a universalistic perspective on a single feminist standpoint. Whereas earlier feminism was
concerned with understanding and recording commonality experienced oppression of
women everywhere, the contemporary feminist practice emphasises diversity of women’s
interrelationships. However, postmodern feminist draws much of its inspiration from the
Work of DAWN (Parpart, 1993; Waylen, 1996). The third feminist critique consists of
mainly First World feminist academics who worked to improve development analysis
and policy of the Third World countries. However, out of these three new set of critiques
the most important is the DAWN which has laid out their gendered analysis in a wider
process of development and social change for the Third World societies (Sen and Grown,
1987).

However, Western feminism’s preoccupation with oppression of women poses
two dilemmas for non-western women. First, it asserts that the oppression of women
cannot be eradicated by other political struggles; this oppression must be attacked on its
own grounds by a woman’s movement. It places women first, and while not placing men
necessarily in opposition to women, places their interests and demands outside the space
of its own activity. Second, although analysis of sexuality and oppression have sought to
explain workplace sex-segmentation, unequal access to education and other material
goods, its recent focus has been on issues like the representation of the body in
pornography and films, the phallocentric nature of Western knowledge, the violence to
and invasion of women’s bodies in the family, in workplace and on the street, control of
women bodies by the medical, scientific and legal profession. These two strands of
Western feminist analysis – its focus on women to the exclusion of men and its recent
orientation away from economic welfare to physical and psychic welfare – troubles the
feminist analysis in the Third world societies. However, differences in issues have not weakened this movement in the Third World communities.
2A.4 DEVELOPMENT THEORY AND WOMEN EMPOWERMENT

Many alternative strategies and policy options have been implemented to achieve development in the Third World countries. Out of three main sets of strategies of development - capitalist, socialist and mixed - the majority of the Third World states have followed variants of capitalist development. Most policy debates centered on the merits of different strategies within a capitalist framework, with differing emphasis on the role of state and varying types of industrialization, like EOI (export oriented industrialization) and ISI (import substituting industrialization). In addition to the widespread debate of these strategies of development, three major theoretical approaches to development have dominated development thinking in the Third World countries from the 1950s. Modernization theory dominated in the 1950s and 1960s. Underdevelopment theory and dependency theory became the alternative during the late 1960s and 1970s. Neoliberalism, which while not strictly a variant of development theory has had a strong and wide impact on both analysis and policy, most marked during the 1980s. Although, none of these perspectives deal explicitly with gender issues, they are all gendered. In contrast, several gendered approaches to development influenced mainly by, liberal and social feminists have emerged, in part as critiques of these development frameworks in the Third World countries. While they are often overlapping and difficult to disentangle, in particular, they concentrate on the development of WID, GAD and other gendered approaches and link them to the policy prescriptions that emerge from them. But, more remarkably, the concept of the empowerment of women as an articulated goal of development programme has been gaining momentum during 1990s.
The first theoretical approach to development is referred to as 'modernization theory'. It emphasizes and approves of the trend towards Western capitalist modernity though it discusses very little about women. It recognizes that in the transition from 'tradition' to 'modern' societies, some of the traditional values deemed necessary to modern society, are maintained by women in the family (such as affectively). The theory is based on the argument that modernization would be emancipator for women as industrialization, technology and modern values would undermine the patriarchy of traditional society giving women increased access to economic resources (Jaquette, 1982). It deliniates traditional societies as authoritarian and male dominated and modern ones as democratic and egalitarian.

Modernization theory is subject to criticism from many quarters by the late 1960s. Women issues of development theory were also criticized from different quarters. For the most part, liberal feminists have accepted and endorsed the world-view of 'modernization theory' whereas progressive feminist critiques view it as implicitly gendered and its characterization of Third-World women distorted and detrimental. As far as the impact of modernization of women is concerned, there was a growing perception of the failure of development in the Third World. This perception was combined with the unhappiness of the First World women and was influenced by the second wave of feminism which culminated in the emergence of Women in Development (WID) movement inspired by liberal feminism (Waylen, 1996:37). WID subscribes to the assumptions of 'modernization theory'. Remaining largely with the paradigm of liberal feminism, WID was in part a response to the inadequacies of the modernization approach. It was argued that the process of economic modernization marginalized women economically and
socially, and increased their dependence on men (Boserup, 1970). Women were not
benefited from modernization and development because of a lack of proper access to a
process which was fundamentally a beneficial one (Bourque and Warren, 1990). Studies
reveal that women have often been victims of development programmes rather than
beneficiaries. Development projects which were assumed to benefit everybody, largely
benefited men, often at the expense of women, displacing women from their traditional
productive functions and diminishing the power, status and income they had previous
enjoyed (Moser, 1991). Development planners ignored women’s productive activities
partly because national accounting ignored much of women’s work within the household
and subsistence economy, assuming them to be housewives and other forms of assistance
to men (Rogers, 1980).

The development projects, where women were included, were on sex-specific
ter ms as housewives, mothers and ‘at risk producers’ (Kabeer, 1994:5). Buvinic (1983)
characterized development projects as a welfare approach to women and development,
which identified women as a vulnerable group, needing help particularly in the
reproductive role. These projects catered for women and often emphasized on improving
women’s domestic skill such as childcare and nutrition (Rogers, 1980). Where projects
addressed women’s need to generate income were through schemes which fitted in with
dominant perception of women’s role such as production of women’s traditional
handicrafts catering to insecure market, often for tourists or export. Women’s
development projects were often ghettoized leaving the majority to cater for men
Some policy proposals emerged from the WID’s critique. The solution to equality was observed as widening access to factors such as tools, technology and education. The integration of women in development is a central element of the WID approach. According to a framework drawn by Moser, three WID policy approaches can be identified: equity, anti-poverty and efficiency. 'Equity', the original approach, is concerned with unequal relations between men and women in the family and in the market place and with integrating women into wage work. Starting from the assumption that economic development strategies had often had a negative effect on women, the ‘equity approach’ acknowledged women’s productive as well as reproductive role (Buvinic, 1983). It argued that women had to be brought into the development process through access to employment and the market place. Very importantly, this approach places considerable emphasis on economic independence as synonymous with ‘equity’, and attempts to meet women’s ‘practical gender needs’ for income and their ‘strategic gender needs’ for equality with men through top-down legislative interventions by government and development agency programmes. However, the WID group worked to influence USAID (United States Agency for International Development) policy, and as a result of their lobbying a congressional amendment mandated US assistance to ‘move woman into their national economies’ in 1973. WID approach was influential in determining the priorities for the UN Decade for women (1975-85). In spite of its essentially liberal feminist and reformist bent, ‘the equity approach’ aroused hostility among development agencies and the Third World Governments (Moser, 1993)
Gender perspective in Underdevelopment Theory

As a direct challenge to modernization theory, Underdevelopment theory was developed. It arose as much as reaction to classical Marxism as from deeply held objections to modernization theory. Dependency model is a pivotal element of underdevelopment theory, which emerged from a growing disillusionment with economic strategies of development, as they had been applied in Latin America. Dependency theorists like Frank (1969); Harrison (1988); Emmanuel (1972); Dos Santos (1970); Amin (1976) argue that development and underdevelopment are the aspects of the world capitalist system. The fact is that both development and underdevelopment are considered to be as part of the world process of accumulation, a process that started its journey in the mercantile period, carried through into industrial capital and culminated in imperialism. The colonies, the semi-colonies and the neo-colonies, existed primarily for the benefit of capitalist metropolis throughout this process and, as a direct result, became underdeveloped. It necessitated disconnecting these links so that genuine development could occur. It also concurred with increasing disillusionment with the belief that the benefit of economic growth under modernization theory would trickle down to the poor which provided the spur both to the IDO (International Development Organization) to shift its emphasis to employment, focusing on the working poor and the potential of the informal sector, and to the agencies such as World Bank to redirect their efforts towards the eradication of poverty and redistribution with growth (Waylen, 1996:39).

As a mark of this, towards the end of 1970s an ‘anti-poverty’ emphasis emerged as the second WID approach. In part, it was a toning down of the ‘equity approach’ which had required agencies to interfere in the relations between men and women.
(Buvinic, 1983). ‘Anti-poverty’ approach differed from the ‘equity’ approach in the sense that it linked the economic inequality of women to poverty rather than to female subordination. Its purpose was to ensure poor women increase their productivity, where women’s poverty was viewed as a problem of underdevelopment, not of subordination. An important part of this reorientation was the ‘basic need strategy’. Directed to the ‘poorest of the poor’, the second WID approach targeted low-income women for economic activity, usually small income-generating projects. This was, mainly, because the existing projects had ignored their needs and women generally played the important role in fulfilling the basic needs within the household. This anti-poverty approach stressed income generating projects for poor women often ignoring their reproductive roles and their interconnection with the productive roles, and without the emphasis on increasing women’s autonomy, which was implied in the ‘equity approach’(Waylen, 1996).

But, critics from feminist academics, who wrote from the stand point of dependency theory, differed fundamentally with the WID critique of liberal feminists on a number of important points. First, they argued that the process of modernization and the spread of capitalism, which was not an inherently beneficial one, involved widespread exploitation, and exploitation of women. Second, the individual focus of the liberal perspective lacked a consistent theoretical explanation of the bases of women’s subordination. It relied on irrational prejudice and sex-role stereotypes, reducing the accuracy of their analysis and the effectiveness of their policy prescriptions (Beneria and Sen, 1981 cited in Sarker, 2006).
The socialist feminists made their analysis within this framework influenced by structural perspectives including Marxist analysis of capitalism and imperialism. These analyses led to place gender emphasis on the wider global processes of accumulation involved in the spread of capitalist social relations along with their impact on gender relation as well as their looking at the impact of particular policies and projects (Young et al, 1981). Studies within this framework incorporated gender perspective to the analysis of dependency, underdevelopment and the new international division of labour. Rather than simply concentrating on women, their analytical emphasis shifted towards the study of gender relations. A more detailed examination of the roots of women’s subordination was done through the analysis of the global working of capitalism in combination with patriarchy. Analyses at different levels required an examination of the role played by the sexual division of labour and the links between the spheres of production and reproduction in the subordination of women (Edholm et al, 1977). In the Third World perspective, the concepts of reproduction and domestic labour were observed to emphasize a particular aspect: household is often a productive as well as a reproductive unit, and peasant households and poor households in urban areas are often producing for subsistence and the market. Greater emphasis was placed on the household, the role of gender relations within it, and the interconnection between the household as an economic unit and the global economy. The shift from the ‘integration of women’ to ‘mainstreaming’ (i.e. to bring women from the margins into the centre of the main development programmes and the institutions that deal with the economy has been accompanied by the shift in focus from ‘women’ to ‘gender’ since the mid 1980s. This approach, in contrast to the WID approach, has been referred to as ‘Gender and
Development' (GAD). Gender is here understood as socially defined and constructed roles of men and women. Unlike sex, which is biologically determined, gender roles change from one place and culture to another and across time. GAD has been influential within the development discourse and a number of important studies have been undertaken within this framework (Deere, 1977; Beneria, 1982; Mitter, 1986; Jockes, 1987; Park, 1993). According to the Canadian Council for International Cooperation, “GAD is emerging as a progressive approach to development from women’s perspectives and experiences. It is part of the larger work of creating an alternative development model, for a world view which moves beyond an economistic analysis to include environmental, sustainable and qualitative (personal, ethical and cultural) aspects in its definition of development” (Karn, 1995: 102). While WID concentrates on economic activities, GAD tackles the question of inequalities in power and seeks empowerment in all fields.

From the colonial period onwards, studies relating to the impact of the spread of capitalist social relations have been analyzed focusing on production and reproduction, and the links between them in both agricultural and industrial spheres. These studies have traced the changes in class and gender relations and the household in agricultural production (Deere, 1977; Beneria, 1982). The Green Revolution in India is cited as an example of the way in which the introduction of new techniques such as high-yielding seeds and fertilizers altered the class position of different households and the amount of productive labour undertaken by different groups of women both as unpaid labour within the household and as paid labour outside of it (Agarwal, 1986*). The gendered nature of much industrial production in the Third World has also been focused in some studies. In
the developing countries, women’s participation in the industrial labour force has risen faster than men’s, increasing from 21 percent in 1960 to 26.5 percent in 1980, while the overall share of women in the labour force remained constant at around 32 percent (Jockes, 1987:80). In some developing countries – for example, Hongkong (now part of China), South Korea, Taiwan, Thailand – more than 40 percent labour force are women. Women's participation was crucial to the success of manufacturing industry, the ‘engine’ of South Korea’s economic development (Park, 1993:132); these female manufacturing industries accounted for 70 percent of total national export in 1975. Utilizing existing gender relations to their advantage, MNCs employ female labour, capitalizing on particular notions of skill with the payment of lower wages to women as well as transforming systems of outworking and household production (Elson and Pearson, 1981). However, the employment of female labour by the MNCs is often located in free-trade zones in developing countries and it is most marked in the electronics and textile industries (Mitter, 1986). Under the theoretical framework of GAD, the gendered nature of much industrial production in the Third World countries has been highlighted by these studies: women’s labour has played a crucial role in the new international division of labour and the global accumulation of capital.

**NEO-LIBERALISM AND THE EFFICIENCY APPROACH OF WID**

The third theoretical framework to development, namely, neo-liberalism and the policy prescriptions accompanying it, has eclipsed both modernization and underdevelopment theories and dominated development thinking since the early 1980s. For widespread implementation of free market policies and the nature of much industrial
production in the Third World countries, the theoretical basis for many of these ideas was provided by Milton Friedman and Friedrich Hayek who emphasize the unfettered working of the free market of economic growth. The theories have implicit within them the assumptions of certain gender relations and particular roles for women (Waylen, 1986; Elson, 1991). Despite talking of 'gender-free individuals' as the basic unit of analysis, the assumption is that women are subsumed within the household providing important reproductive services, leaving men to be individuals and head of the households who enter the free market and the public sphere. The significant policy prescription following from this kind of analysis is the implementation of free market policies and structural adjustment and these have been promoted by the international institutions such as the World Bank and IMF. Structural adjustment programmes have particular implications for different groups of women in the Third World countries, because, among others, privatization of state enterprises and reduction in the size of state bureaucracies, often make a reduction in employment opportunities, particularly for many middle class professional women who often form a large portion of teachers, social workers and nurses; the introduction of measures such as removal of food subsidies has made, particularly for women in poor households to adopt survival strategies which need greater income generation for large section of poor women (Afshar and Dennis, 1992).

The widespread implementation of SAP by the Third World governments at the command of international institutions has coincided with the predominance of the third variant of WID, the 'efficiency approach' (Moser, 1991: 103). The aim of the approach is to ensure that development is more efficient and effective through women's economic
contribution. Women’s participation was equated with equity for women. It is argued that there is a new equation: \textit{Women + Production} = \textit{Efficiency} (Kabeer, 1994). The ‘efficiency approach’ is based on the assumption that women are underused labor force which can be exploited at low cost and that women’s time is elastic and can be stretched to include tasks that fall upon them as a result of declining social services. After a long claim against development theory by feminist academics, it was suggested that development plans and projects would not succeed unless women’s potential and productive roles are recognized. But parts of the feminist agenda were incorporated into development thinking. Primarily, this agenda was executed in an instrumental manner - the improvement of women’s life was seen as a mechanism to achieve other developmental goals, such as population control rather than as a valuable end in itself. Subsequently feminist agenda has emerged as an independent action plan of International Development Organization, World Bank, and developed and developing countries.

In the progress report of various countries in the world, it has been acknowledged that women’s economic contribution brings about higher economic growth and productivity in the country. Increase in women’s education increases their efficiency as producers, by increasing their adoption of new technologies and their efficiency in using resources. It also shows the benefits of increasing women farmers’ access to agricultural extension, credit services and other productive inputs (Due and Gladwn, 1991; Saito et al., 1994; Quisumbing, 1994). Giving women farmers the same education and inputs as men increases yields as much as 22 per cent in Kenya (Quisumbing, 1994, cited in Sarker, 2006). The analysis of household panel data for Barikana Faso suggests that farm output could be increased from 6-20 percent through a more equitable allocation of productive
resources between men and women farmers (Urdy et al., 1995; Urdy, 1996). More equitable distribution of opportunities and resources between men and women leads more directly to higher economic growth and productivity (World Development Report, 2000/2001: 199).

During 1980s, a progress report on the World Bank’s initiative for WID, highlights on increasing productivity and income, as it is considered the best way to help women help themselves and contribute to economic performance, poverty reduction, slower population growth and environmental sustainability (World Bank, 1990: 61). Progress in bank lending, which affects women’s productivity the most, has been apparent in sectors like education, population, health and nutrition and agriculture. A review of some projects approved in 1980s highlighted the need for more effective planning of WID action during project preparation and more effective supervision once project implementation had begun. A primary component of Bank’s WID initiative had been the preparation of country specific WID assessment and action plans. These assessments outlined specific programmes of action to assist women that could be implemented with the assistance of the Bank. About four-fifth of these action plans recommended raising the productivity and incomes of women farmers by improving access to extension and other agricultural support activities (ibid:62). A new operation Policy directive, issued in April, 1994, states that it is bank’s intention to reduce gender disparities and enhance women’s participation in economic development by integrating gender issues into country specific strategies (World Bank, 1994:37). It reflects an implementation of ‘efficiency approach of WID’ in all action plans of World Bank.
Moral direct efforts to ensure women’s access to productive resources include recent land tilling programmes to grant land rights to women. There have been also success stories to several Latin American Countries: a study based on gender disaggregated data for six countries (Chile, Colombia, Ecuador, Honduras, Mexico and Peru) reveals that women receive large share of beneficiaries under current land tilling programmes than under past agrarian reforms.

Studies of the effect of networking schemes, such as group-based microcredit, suggest that these schemes have enormous potentials for reducing poverty and empowerment of women. The interest reached a new peak with a micro credit summit held in February, 1997, in Washington, D.C., which was considered a first step a decade long campaign that seeks to ensure a delivery of micro credit for self employment along with other financial and business service by 2005 to 100 million of the world’s poorest families especially the women of those families (Micro credit Summit, 1997, Draft declaration and plan of Action). In many developing countries of Asia, Africa and Latin America, a significant movement has been gaining momentum over the recent years, influenced mainly by WID policy work. To this end, the global movements of micro credit programmes by different government and non-government agencies have focused mostly on women through economic route with the ‘bottom up’ approach of women’s active involvement in the programme. Some of these credit programmes such as Grameen Bank in Bangladesh, Bangladesh Rural Advancement Committee (BRAC) are targeted more to women than to men and credit is more productive for poor households in
Bangladesh when women are the programme participants (Pitt and Khandkar, 1998). For the networking schemes of credit and saving facilities women own an impressive share of small, informal sector business in southern Africa: 67 percent in Zimbabwe, 23 percent in Lesotho, 84 percent in Swaziland, although training in entrepreneurial skills for women, who are typically cut off from the normal path for acquiring such skills, are critical. Group-based micro credit schemes have helped women acquire non-land assets and have also been associated with positive effect on girls’ schooling (ibid: 1996; World Development Report, 2000/2001). As to women’s empowerment effect of the micro credit programme, generally the effects of the programme are largely positive (Rahman, 1986; Pitt and Khandker, 1995; Schuler et al., 1997; Mahmud, 1994; Amin and Pebley, 1994; Huda and Mahmud, 1998).

WID approach has also broadened women’s legal rights in many countries by increasing their political representation in local and national assemblies. Efforts are underway in at least 32 countries to increase women’s political representation by reserving seats for them in local and national assemblies (World development Report, 2000/2001: 119-120). It has been guaranteed in India by the seventy-third and seventy-fourth constitutional amendments that those local self-governments like Panchayet and Zilla Parishad are providing one-third reservation for women. By reserving a third of local council seat for women, these two constitutional amendments give rise to a new class of women (some 60,000 strong) with political influence, similar reservation is under consideration for higher political levels (ibid:120).

Feminist academics are trying to make sure that gendered analyses are incorporated into all areas and in all developments plans and projects. However, new
directions have emerged in both analysis and policy of development plans and projects, particularly, by the Third World government with the predominance of the ‘efficiency approach’ of WID through active involvement of women into development plans and projects. New areas and forms of analysis are being explored. The ‘bottom-up’ development schemes have entailed a vibrant civil society created through grass root collective organization. Acknowledging the difference among women, these grass root collective organizations have also necessitated greater consideration of the construction of identities and interests and have highlighted the need for alliances between different groups of women. Government of the Third World countries have taken up legislative and reformatory measures for success and smooth functioning of gender sensitive planning in various fields. Even in remote areas in the Third World countries, a number of NGOs have become the torch bearers of this movement. Although parts of the feminists’ agenda have been incorporated into development plans and projects of the Third World countries, the new directions have wider impact for gender equity and efficiency in all development policy and planning in these countries in future.
2A.5 GENDER ISSUES IN ECONOMIC THEORY

The term 'gender' has been widely used for the last few decades. Traditionally, it was synonymous with the word 'sex' and referred to the biological differences between men and women (Blau, 1989:95). Social scientists used 'gender' to describe a fundamental axis of social differentiation, alongside class and race. The construction of gender differences was seen by many sociologists and psychologists in terms of boys and girls being socialized into different roles. Of particular importance was the notion that gender was a social construct, and therefore observed gender differences were seen as the product of social relations (Waylen, 1996:6). Within this framework, many characteristics which had been considered to be the result of inherent biological differences and as such natural, universal and unchanging were the product of social relations. For some recent decades, a movement has arisen in social science writings and in public discourse in order to expand this definition in preference to sex to refer to broader concept. The relationship of this expanded concept of gender has been described in economic theory (Sarker, 2004). But gender has not perceived to be central concept in economic analysis either among the classical and neo-classical schools or among Marxist economists (Blau, 1989:95).

Among the classical economists, J.S. Mill (1869), in his discourse 'The Subjection of Women', argued for the 'principle of perfect equality' (P.91) between men and women. He favoured not only the equality of the sexes within the family, but also of women's 'admissibility to all functions and occupations hitherto retained as the monopoly of the stronger sex'. He believed 'that their disabilities elsewhere are only
clung to in order to maintain their subordination in domestic life' (P.94) and women’s participation in the labour market outside the home was necessary for their emancipation.

In the Marxist school, Engles (1884) tied the subjection of women to the development of capitalism. He argued that women’s participation in wage labour outside the home, as well as the advent of socialism, was required for their liberation. Their views were over simplified with the passage of time. There has been an increase in the labour force participation of married women in most of the advance industrialized countries. But although this has undoubtedly altered both the relationship between men and women and the very organization of society in many ways, nevertheless the types of jobs held by men and women as well as the earnings they receive continue to differ markedly. In the Marxist framework, Braverman(1983) also explained women’s inferior position as workers by looking at it as a part of the secular trend in development of a capitalist economy. He claimed that over time technological changes increasingly disliked most manufacturing jobs; men who had traditionally worked in skilled jobs or in jobs requiring strength would be reluctant to accept this new unskilled work. Therefore this low-paid, low-skilled job went to women. This made women as the ‘reserve army’ of labour exerting a downward pressure on wages in general.

Neoclassical economics, which is apparently the most scientific of all social sciences, explain gender inequality as a result of free and rational choice based upon the biological differences between the sexes (Boserup, 1989:165). Their conceptual basis is the impersonal market functioning in a capitalist situation which supposedly automatically brings about an efficient allocation of resources with each individual seeking maximization of profits as a producer and maximization of utility as a consumer.
‘Mainstream’ economics assumes men and women to be abstractly equal, both making ‘rational’, ‘good’ choices regarding not only work but even marriage (Sarker and Chakravarty, 2005:56).

According to Becker (1981), women’s role in reproduction makes it rational for women to specialize more in family skills and men more in labour market skills, and parents make a rational choice for their children by preparing them for different careers. Women’s availability for the labour market increase when women’s reproductive role is reduced due to the decline of birth rates. However, in countries with low fertility, women begin to invest more in the labour market skills than in the case with countries with high fertility. This sex related differences in level and types of human investment and availability provide the explanation for the difference in wages, types of work and promotion. Becker (1981) laid the foundation of what has become known as the ‘new home economics’ and spearheaded the development of economic analyses of time allocation, marriage, divorce and fertility.

While Mincer(1962) opened a window on household production by distinguishing non-market work from leisure, all non-market time is spent in leisure in the traditional labour supply model, known as the labour-leisure dichotomy. Becker (1965) was able to eliminate the distinction by the assumption that all non-market time is spent in household production.

In the ‘new home economics’, Becker (1981) argued that gender division of labour will be dictated by comparative advantage. To the extent that women have comparative advantage in household and men in market production, it would be efficient for women to specialize to some extent in the former while men specialize on the latter.
The increased output corresponding to this arrangement constitutes one of the primary benefits to marriage. Thus, women’s increasing labour force participation is seen to have reduced the gains from marriage thereby contributing to the trend towards higher divorce and lower marriage rates. The ‘specialization’ principle of Becker’s model has been questioned on different grounds. First, such a division of labour may not be as advantageous for women as it was for men (Ferber and Birnbaum, 1977; Blau and Ferber, 1986 cited in Blau, 1989:99). When there are conflicts of interest or even pronounced differences in tastes between the husband and the wife, the concept of the family utility function itself became meaningful. Moreover, there are some disadvantageous to women of their partial specialization in household production. In a market economy, such an arrangement makes them to a greater or lesser degree economically dependent on their husbands (Hartmann, 1976 cited in Blau, 1989:99), reduces their bargaining power relative to their husbands, increases the negative economic consequences for them (and frequently for their children) of a marital break up (Blau, 1989:99). In the face of recent increase in the divorce rate, such specialization has become a particular risky undertaking. Moreover, if more women come to value their careers in much the same way as men do, their specialization in housework will adversely affect their achievement and earnings. Second, comparative advantage does not comprise the only economic benefit to family or household formation with regard to the women’s specialization in household production (Ferber and Birnbaum, 1977; Blau and Ferber, 1986 cited in Blau, 1989:100). Families which depend on only income (male income) do not enjoy more diversified and greater income security than the families which depend on income from male and female. Moreover, the benefits of collaboration – like the gain associated with
the joint consumption of 'public good', benefits of economies of scale of some commodities - would be unaffected by a reduction of specialization, even if those based on comparative advantage would be diminished. Thus, in order to enjoy the economic benefits of marriage the incentives of couples to adhere to the traditional division of labour may not be as strong as suggested when only the gains to comparative advantage are considered. Finally, women's comparative advantage for household production may stem not only from the impacts of biology and gender differences in upbringing and tastes, but also from the effect of labour market discrimination in lowering women's earnings relative to men's. Decisions, which are based to some extent on such market distortions, may be rational from the perspective of the family, but are not optimal from the perspective of social welfare (Blau, 1989:100). The neo-classical explanation of the 'unit of analysis' has been questioned. This utility function is generally equated with the household head's utility function, which are usually based on altruism or dictatorial role in the patriarchal society.

Specifically, Beckerian model, as in the case of neo-classical consumer theory, assumes a common utility function for all members of the households; there is no scope for conflict within the family. The incomes or resources of all members of the family are assumed to be pooled and allocated based on common preference function and the underlying assumption is that household is homogeneous unit. Some recent approaches, termed as collective models, treat the household as a collection of individuals, who have 'heterogeneous preferences'. Within the collective models, the household behaviour has been analyzed in two frameworks - cooperatives (some contracts are binding and enforceable) and non-cooperative. Out of two sub-classes of cooperative collective
Bargaining models of marriage treat marriage as a cooperative game: spouses with conflicting interests or preferences are assumed to resolve their differences in a manner prescribed by the Nash or some other explicit bargaining models in which total family resources and the resources controlled by each spouse play a significant role (Manser and Brown, 1980 and McElory and Horney, 1981 cited in Lundberg and Pollak, 1993:993). Individual’s control of resources depends on threat point and on the feasible consumption set. The non-cooperative models assume that individuals cannot enter into binding and enforceable contracts with each other within household; within an existing marriage, a non-cooperative equilibrium corresponds to a utility maximizing strategy in which each spouse takes the other spouse’s strategy as given (Wooley, 1993; Lundberg and Pollak, 1993; Kanbur and Huddah, 1991 cited in Sarker and Chakravorty, 2005). Under some circumstances, the non-cooperative equilibrium within marriage more accurately represents the outcome of marital non-cooperation than does the costly and time-consuming alternative of divorce. A number of researchers have applied the bargaining approach in empirical studies of household decisions in the context of labour supply of men and women (Schultz, 1990), resource allocation within the household to child survival (Thomas, 1990), child health (Bolin et al, 2001), intra-family allocation of consumption (Bourguignon, et al., 1993). The bargaining approach seems to be more appropriate in the case of intra-family allocation of resources among boys and girls for schooling, health, food distribution etc. (Duarisamy and Duarisamy, 2001). The available empirical evidence for many countries and for India, in general, lends support to the bargaining approach. The neo-classical income pooling hypothesis has been empirically rejected in most of the studies. It has
been claimed that the demand system of neo-classical model can be shown as a special case.

The issue of the concept of 'work' is also crucial to 'mainstream' economics as work in economics is generally equated with 'market' work or 'paid' work, i.e. labour power which has an exchange value (Sarker and Ckakravarty, 2005:61). Neo-classical economic theory depends mainly on models of perfect competition where wages are equal to value of the workers' marginal product. Moreover, the wage differential between men and women under neo-classical theories can be explained by 'human capital' approach.

The human capital explanation for gender differences in occupation and earnings, developed by Mincer and Polachek(1974), Polachek (1981) and others, follows directly from the analysis that the division of labour in the family will result in women placing greater emphasis than men on family responsibilities over their life cycle. Anticipating shorter and more discontinuous work lives as a consequence of this, women will have lower incentive to invest in market-oriented formal education and on-the-job training than men. There resulting smaller human capital investments will lower their earnings relative to those of men.

The issue of 'concept of work' of 'mainstream' economics is far from satisfactory for several grounds. First, this approach assumes 'freedom of choice' without taking into account the restrictions imposed by society on both a woman's freedom and her 'choice'. Second, non-market activities have remained, in the main, out of the scope of neo-classical economics. In underdeveloped, semi-feudal economics the primary production unit is the household where non-commodity characteristics are retained alongside
commodity production. Thus, in underdeveloped subsistence economics where majority of women work in the non-market sector, according to the neo-classical explanation they are classified as non-worker, non-producers and hence are invisible in the data. This leads to an underestimation of the labour force as well as to the devaluation and non-recognition of women's economic contribution (Sarker and Chakravarty, 2005: 62).

Third, as mentioned earlier, various studies on explanations of wage differentials suggest that a significant percentage of total wage gap between men and women was remained unexplained. Even neo-classical theorists are not able to explain wage differential fully even within a capitalist system (Bergmann, 1986). Fourth, it is also said that women are distinct separate section of the employed; they have been hired for their so-called special qualities. And, yet they are being paid, lower wages than men even when demand for this segregated section of the labour force are increasing faster than for male labour. Even if they are fully absorbed in the work force, their wages have remained inferior to those if men (Banerjee, 1999 cited in Sarker and Chakravorty, 2005). Fifth, the main instrument for the maintenance of patriarchy is occupational segregation which reinforces the traditional division of labour resulting in lower wages for women which in turn maintains their economic dependence on men. Simultaneously, the domestic division of labour reinforces occupational segregation by weakening women's status in the labour market (Hartmann, 1979).

'Mainstream' economics, apparently the most scientific of all social sciences, does not have much to offer either conceptually or methodologically in terms of gender. Gender is not recognized either as an asymmetry or as a system of power relationships. To whatever extent neo-classical economics has incorporated the concept of gender, it
has tended to trivialize it (Dewan, 1999:319). What neo-classical economics ignores is that patriarchy is fully integrated with production relations and productive forces (Dewan, 1999). Thus, the roles of rationality, the household model, the concept of work in neo-classical economic theory are fully integrated with patriarchal production relations and productive forces (also cited in Sarker and Chakravarty, 2005:56). However, it is also clear that neo-classical economic theory has enhanced our understanding of the causes of gender differences in both the family and the labour market, as well as allowing us to comprehend better links between the two sectors (Blau, 1989:107).
Community Participation provides visibility to a growing phenomenon — community based grassroots movements or what is called class-based movements, where the arena of struggle is the community. Such movements enable people, who are normally excluded from mainstream development processes, to participate and shape decisions related to development within their communities (Purushothaman, 2003:155). Typically, multiplicity issues are taken up by these organizations which are shaped by the character of the community and the nature of the problems faced by its members and the fact that members tend to be the most active in these movements.

Such a framework validates the primacy of women’s agency and renders it more visible by showing that flexible, decentralized, informal organizational structures are not only the most responsive to the needs of grassroots women but can also be, and in fact are as effective as centralized, formal and organizational structures. The foundation on which this framework rests is the space where the movement occurs, and the goal of such movements is to increase the participation in developmental processes and decision making among people who are normally excluded from these arrangements.

Community-based struggles challenge the predominance placed on issues that affect men and give equal credence to those that affect women’s lives. It gives voice to a women’s perspective on development issues. These movements also challenge gender relations to deal with violence against women, alcoholism among men, the fostering of women’s economic independence, the creation of separate spaces for women, increasing the decision making powers of women within the community and so forth.
Reproduction-related issues in the community are as much broader than similar issues in workplace struggles which are typically restricted to child care, maternity leave and maternity health benefits. Issues related to reproduction are not necessarily about changing gender relations in the classic liberal feminist tradition. Instead, they include issues that affect women’s abilities to take care of their families e.g. drinking water, education, sanitation etc.

The movement organizations vary with respect to the participation of men and women. These community-based movements typically do not exclude the participation of men but often allow a distinct voice for women in the form of separate organizational entities, for example, of women’s collectives. Sometimes, the women’s collectives form part of a larger community-based organization which has both male and female members. Sometimes organizations are formed by these collectives where the mass base is only women. Even in these all-women organizations, men are often included in meeting in women’s collectives on terms defined by the women, which may vary from organization to organization. For instance, the participants of Chipko movement in India are both men and women, but women are predominant in number. Even when the mass base of such movements consists of women, often both men and women are in leadership or staff positions. The organization to which collectives was affiliated, sometimes men were in leadership position or on its staff because women were often not mobile enough to be field organizers.

Some recent examples of community-based grassroots movements in the West that stems from broad historical perspective of community-based grassroots movements in the West are: the Mother Centers movement in Germany and the National Congress of
Neighbourhood Women (NCNW), a network of US community based grassroots women’s organization including Neighbourhood Women, Williamsburg - Greenpoint and James Weldon Johnson Tenant Association; both local affiliates of NCNW.

The Mother Centers movement in Germany is a self-help movement, which was created to make visible the work done by women in the home as mothers. The movement started since 1980s and has now spread throughout Germany. The funding for the Mother Centers is mostly from the state. As many as 400 centres have grown across Germany where movements constituents are mostly women having low incomes. The centres provide a space so that mothers can meet and nurture their children along with part time jobs through which supplemental income for the mothers is available. It is a neighbourhood-based movement where issues in the neighbourhood including the transportation, urban development, education and health are articulated in the public forums from the view point of women in the community.

The National Congress of Neighbourhood Women is a network of autonomous community-based women’s organizations. Their work is to make visible and support the work of grassroots women by placing them centrally in developmental processes. Neighbourhood Women, Williamsburg- Greenpoint in New York, a community based affiliate of the NCNW highlights a broad spectrum of issues under the umbrella of comprehensive community development that include tenant rights, public housing, housing for grassroot women, child care, health and education for both women and their children. They find themselves more as part of a Neighbour movement or a housing movement than the women’s movement. Poor women are the participants of movement. Their programmes include Neighbourhood Women Renaissance (NWR) and Trickle Up.
NWR is nothing but a housing project for poor women, owned by the organization and part of its overall strategy for increasing the control of grassroots women over space and land in the community. Trickle Up is a programme fostering the creation of grassroots women's savings groups in order to pool their resources and access credit.

James Weldon Johnson Tenant Association is located in East Harlem, New York City. The residents are pursuing the attempt to control the running and operation of their public housing units. They also address community-based concerns that include fighting the issue of drugs and violence in the neighbourhood and the overall issue of safety for women and their families. Education, training, job placement and economic enterprises run by Youth in the community are also included in their programmes. In order to create and support the social services for residents, the tenant association has submitted a proposal for the creation of a laundromat with further plans for creating a shopping centre to cater to the basic needs of the community. It successfully lobbied to oversee Housing and Urban Development (HUD) for the James Weldon Johnson Public Housing Development and managed to meet its goals of safety by actively planning the lighting, fences and security systems for all the 1,307 housing units. Organized as a tenant association, it is also involved in building community gardens and running a programme that fosters an inter-generational interaction in the community. Their membership consists of low-income public housing residents.

All these organizations work with low-income population and are based in the community where the movement participants are primarily grassroots women. Their aim includes increasing their members' say in the decision making processes in the community.
INDIAN SCENERIO

Turning to Indian Scenario, the important stages that came out since the colonial period are the emergence of several types of women’s groups and organizations which struggled for establishment of justice for women and removal for inequities between men and women and for driving attention of society on some of the burning problems of women they suffer from. Besides women’s organization, support to women’s cause has been provided from grassroot organizations like Left political parties, trade unions, peasant groups, non-party organizations working for deprived section of society (Desai and Krishnaraj, 1990).

Even before the launching of the freedom movement, the social reformers like Raja Rammohon Roy, Maharshi Karve and Swami Dayanand Saraswati initiated the reform movement making an impressive effect on the social status of women. Rammohon Roy placed women in a dignified position by waging a relentless war against the barbaric institution of ‘Sati’. Maharshi Karve was responsible for making awareness among women by promoting female education. Swami Dayanand Saraswati accorded them a place of equality in matters of religion and worked actively for their emancipation. Thus the women movement in India has been emanated from the broader social reform movement. Moreover, in order to liberate women from suffocating and regressive ideologies that placed them as undeniably subserviant to the men, many enlightened men and different institutions e.g. Brahmo Samaj in Bengal, Prarthana Samaj in Maharashtra and Arya Mahila Samaj in Western India were set up for general upliftment and enlightenment of women through proper education.
Along with the growth of awareness among women, the multi-pronged movement challenging male supremacy began to gather momentum. The important discussion continued to centre around female education and the imminent need to abolish some prevalent social ills like child marriage and neglect of widows.

The most eminent among women’s auxiliaries was the Bharate Mahila Parishad (Ladies Social Conference) of the National Social Conference (NSC). While NSC was formed in 1887, the Mahila Parishad was inaugurated only in 1905 to provide a forum for the discussion of social issues.

Within the Parsee community, the main organization for women’s social work, the Stri Zarthosti Mandal (Parsee Women’s Circle) emerged. By 1903, over 50 women joined the organization. The organization’s agenda included medical care and education for female.

However, significant national women’s organizations emerged during 1917-27, emphasizing on the propagation of education and the ethics of religion in a more liberal ramification of systematized and enlightened approach. The three major women’s organizations that trace their origin to the decade between 1917-27 were (i) The women’s Indian Association (WIA), (ii) The National Council of India (NCWI) and (iii) The All India Women’s Conference (AIWC).

WIA, formed by an Irish woman, Margaret Cousins, encouraged non-sectarian religious activity and formed their various branches to set up adult classes for literacy, sewing and first-aid. The organization sent a delegation to meet the secretary of the State, Montagu in 1917 to request the franchise for women. They were also involved in feeding the poor, setting up shelters for widows and providing relief for disaster victims. While
WIA performed more creditable work for women's social and educational emancipation, its competition with the self-respect movement, whose goal was to establish a society free from the domination of the priestly caste, with justice and equality for all, limited its appeal to basically high-caste women.

With an era of comparative peace that followed after First World War, the women of Bombay, Calcutta and Madras utilized the networks developed during the war to link the various clubs and associations into a new council which influenced to set up the National Council of Women in India by 1925.

By far the most important of the women's organizations, the All India Women's Conference (AIWC) was formed in 1927. A product of the nationalist ferment, AIWC was inspired, formed and dominated by women. Its modest objective was to promote education for women and create consciousness regarding social customs. Its constitution declared that it would be guided in its work by the principles of justice, personal integrity and equal rights and opportunities for all. Women having diverse political and class interests showed commitment to women's upliftment and made appeals invoking tradition of Gandhian programmes and Western liberalism. However, the AIWC was establishing itself as the premier organization representing women, complete with permanent staff by the year 1940.

India achieved independence in 1947 and ushered in a new era of hope. In 1953, a Central Social Welfare Board (CSWB) was formed to improve and expand existing welfare programmes by providing financial assistance and professional advice to existing voluntary organization and an important step having serious implication for the growth of women's organization had been taken. The creation of Mahila Mandals (Women's
groups) in the rural area as a part of community development under Government Sponsorship has generated a mushrooming of Mahila Mandals. Recent survey suggests that Mahila Mandal consists of almost 50,000 women, but they have not reached the masses of women.

The Chipko movement is an ecological movement concerned with preservation of forests the maintenance of the eco-balance in the sub-Himalayan region. The forest policy of British government and present India government has adversely affected the ecological balance, leading to the uprooting of the indigenous people who depend on forests for their survivals. During 1971-75, a non-violent agitation against deforestation took place in Garhwal district of Himachal Pradesh in Uttarakhand region to protest against the exploitation commercial policies of government. Women hugged the trees to prevent their cutting, showing initiatives and militancy in the movement. Women's participation in Chipko movement has introduced changes in perception of the women that led to possible changes in gender relationships in the Garhwali society.

Hundreds of Indian Organizations resemble those that belong to Swayam Shikshan Prayog (SSP) networks and include SUTRA (Society for the Upliftment Through Rural Action) in Himachal Pradesh, AWARE (Action for Welfare and Awakening in Rural Environment) in Andhra Pradesh and Orissa; Deccan Development Society in Andhra Pradesh, Shramik Bharati in Uttar Pradesh etc. SSP represents a network of small and medium-sized organization and women's collectives whereas the other community-based organizations mentioned above have a network of large organizations.

SSP is a decentralized, informal, loosely structured network, in which 40 NGOs and women's collectives are involved, whose mass base consists of poor women's groups
from at least seven districts in Maharastra. It was initiated by SPARC (Society for the Promotion of Area Resource Centres) which brought together NGOs and women’s collectives to participate in collective reflection as well as learning processes voluntarily. It is a three-tired entity. The base of the structure consists of the mass of the poor, mostly rural women located primarily within villages. Women within each village are organized into a women’s savings and credit group. The women’s collectives constitute the second layer of SSP located within the community. NGOs organizing savings and credit groups constitute the third layer of SSP. SSP organizations and collectives were involved in exchange since 1988 (Purushothaman, 1998: 22).

A well-known large organization that emerged in Rajasthan – the Women’s Development Programme (WDP) – represents a distinct structural configuration emphasizing the emergence of women leaders in the community (Kabeer, 1994). It is a joint – government – NGO initiative, spread over all the districts in Rajasthan. Its aim was ‘to empower women through communication of information, education and training and to enable them to recognize and improve their social and economic status’ (Jain, 1985:6). It laid emphasis on training individual leaders with the hope that leaders would act as catalysts in the collectives.

In the period of 1970s and 1980s, known as the period of the second wave feminism, several organizations evolved as a reaction to both the pre-independence and post-independence organizations with decentralized and informal structures. These organizations included AAA (Amhi Amchya Arogyasati), MSNM (Mahila Samasya Nivaran Mandal), SJVS (Stree Jagat Vikas Sanstha) and SPARC in the SSP that aimed to promote women’s participation in economic and political decision-making processes.
Hence, organizations in the contemporary women’s movement (and in the SSP) represent a milieu of organizational types within the NGO sector: those working with men and women and those with women only; small organizations and large organizations; hierarchical organizations and non-hierarchical ones; and organizations run on Gandhian, Marxist, or feminist ideologies.

Most urban community-based organizations such as Mahila Milan formed in 1987 in Mumbai emphasize the issue of shelter. Other community-based urban organizations deal with a spectrum of issues that affect the community such as toilets, drinking water and education for children.

WEST BENGAL SCENERIO

The women’s organization in Bengal from the days of the earlier nineteenth century (from the colonial period of India) cultural radicalism of Brahmo Samaj is observed to play a pioneer role to achieve goals of equality and/or liberation for women (Choudhuri, 2000:305). Despite various political, economic and social constraints, the women leader of Bengal organized them during the colonial period. With a view to establishing the rights women, Sarala Devi founded Bharat Stri Mahilamandal (BSM) in 1910. Though BSM did not last long, it initiated the women’s movement for independent political activity on all India scale. The Bangiya Nari Samaj (Bengal women’s Society), an elite women’s organization for political lobbying in favour of women’s interest, came into existence in 1921. It was the first women’s association to campaign for legislation on women’s issues and to secure the voting right for women at the provincial level (ibid:305).
In order to analyze the grassroot movement in Bengal, the work of Mahila Atmaraksha Samiti (MARS) deserves special attention. MARS, formed in 1942, was the first mass-based organization of dedicated women across the lines of caste, class and community that mobilized women at the grassroots level, providing a thrust to women’s movement. It was a people’s movement that greatly stimulated the struggle for women’s emancipation, freedom and rights, including the rights of self-defense. The main activities of MARS included (i) defense of the country, (ii) release of political prisoners and formation of a national government and (iii) saving the population and starvation of death especially in famine striken region (ibid:312). It carried a relief work among the famine and epidemic – striken people in 1943 and 1944. MARS took initiative in encouraging the masses of women to participate in adult literacy centres. It was one of the first organizations to engage in charitable social work (ibid:313). It also opened famine relief centres and organized gruel kitchens, milk distribution and child care centres in the famine – striken areas.

In April, 1944, MARS joined nineteenth other women’s and relief organizations to form Nari Seva Sangha (Institute for Help for Women). This Sangha was aimed at self-help and self-employment. Nari Jnana Bhavan (Institute for Women’s Education) at Barisal, with work centres at different villages of Barisal, was formed in May, 1944. All the work centres of Nari Jnana Bhavan became linked with Nari Seva Sangha. snagha promoted self-employment opportunities rthrough handicrafts and other traditional rural industries. The Sangha taught women as to how they would become self-reliant and acquire self-esteem. This self-help programme initiated by MARS had some significant positive effects (ibid: 314).
In the autumn of 1946, the Tebhagha movement erupted like a volcano. Thousands of peasant women, coming mostly from scheduled caste and tribal families joined along with, thousand sharecroppers demanding two-third share if the crops. On the crest of the movement, illiterate peasant women emerged as local leaders, continued to mobilize women in this land struggle. The movement was intense all over the northern districts of Bengal, Dinajpur, Jalpaiguri and Rangpur and also in Midnapore and 24-Paraganas. Tribal peasant women, Oranos, Mundas, Kharias and Santals were in the forefront of the movement for the first time. Thus Tebhaga movement saw active and prolonged participation by women and thus the food movement was again activised by women’s activism.

During post independence era, West Bengal, like all other states, observed the growth of small women’s organization from diverse political backgrounds. The Pragatisil Mahila Samiti (Progressive Women’s Association or PSM) were activists, who had been the part of the many leftist movements and other democratic struggles. The young members of PMS took a courageous and stern stand against police torture of women political prisoners and atrocities against women in general. The group also mobilized slum women and lower middle-class women (Chatterjee, 2000:326).

In order to protest against the oppression of women, the Nari Niryatan Pratirodha Mancha (Forum against the Oppression of Women, FAOW, also known as Mancha) was formed. The members came from Pragatisil Mahila Samiti, Sachetana (Awareness), Women’s Research Centre, Women’s library, women’s Study Circle, Lahari(the Wava) and Pratividhana (Redress). The forum decided that members of all groups working for women would be eligible for membership except those who belonged to the following –
(i) Women’s wings of political parties, (ii) Religious Organizations, (iii) foreign funded groups (ibid:327).

One of the very important campaigns from the FAOW was protests against police torture for criminal grievance in prisons of West Bengal. The other campaign was the effort of FAOW to help non-criminal women prisoners. The Association for the Protection of Democratic Rights (APDR), a human right organization, was very vocal about custodial deaths and other violations of human rights by the government (ibid: 330).

The forum renewed its work in 1990s with important campaigns. Its area of action was divided into three broad categories- campaigning, counseling and demonstration. It received cases of individual and tried to provide emotional and legal support. These campaigns included custodial rape, the discriminating population policy, mother’s rights and the rights of workers in the sex trade. One important area of campaigning was to combat the rising communalism that began in the early 1990s. Since 1990, the theme-oriented campaign on International Women’s Day was also mounted by the forum. Its current campaigns include lobbying for laws for gender justice and bringing out a women’s manifesto (on behalf of the International Women’s Day Forum, 1996) to pressure political parties to form a positive women’s programme.
2B. IMPACT ASSESSMENT OF THE MICROCREDIT PROGRAMME

2B.1 JUDGEMENT OF THE PERFORMANCE OF THE MICROCREDIT PROGRAMME:

OUTREACH AND SUSTAINABILITY

Assessing the impact of participation in a microcredit programme has featured prominently in recent research studies and has become an increasingly important aspect of development activity, as agencies and particularly aid donors have sought to ensure that funds are well spent (mentioned earlier, p.2). Similarly a related issue is whether or not microfinance programme is sustainable (i.e. without relying on government subsidies or donor funds the microfinance programme can last in future – financial sustainability).

A frequent question is whether or not MFOs reach the poorest of the poor. Most approaches of microfinance lie between two extreme approaches – the poverty approach (outreach) and the sustainability approach. The ‘poverty approach’ targets very poor (poorest of the poor) clients, who are costly to serve but, on the contrary, the ‘self-sustainability approach’ serves the less poor clients on the fringes of the formal financial system (Schreiner, 2002: 1). It is worthwhile to mention that, the new paradigm of microfinance emphasizes financial self-sustainability of MFOs. Thus increasingly outreach and sustainability have been developed as the two main criteria used to assess the performance of MFOs. But the conceptualization and measurement of outreach and sustainability of the MFOs is not well-developed.

Outreach

The term ‘outreach’ is used to refer to the effort by microfinance organizations to extend loans and financial services to an ever-wider audience and especially towards the
poorest of the poor (Conning, 1999:52). It measures the social value of the output of a microfinance organization in terms of six dimensions—depth, worth to users (quality of outreach), cost to users, breadth, length and scope. (Navajas et al., 2000:335).

(i) **Depth of outreach**

Depth of outreach highlights the value that society attaches to the net gain from the use of microcredit by the given borrower (ibid, 335). It tells us how valuable it is to extend the supply of microcredit products to a particular target group from the point of view of society and not from the point of view of the clients. As it is difficult to measure depth directly, the indirect proxies used for measurement of depth are sex (women are preferred), location (rural is preferred), education (less is preferred), ethnicity (minorities are preferred), housing (small, flimsy houses are preferred) and access to public services (lack of access is preferred) (Schreiner, 2002:7). Poverty is a good proxy for depth as society places more weight on the poor (a particular target group) than on the rich. From the standpoint of political consensus it is socially more valuable to expand the frontier of finance for the poor than it is to further expand the frontier of finance for the rich (Morduch, 1998; Gulli, 1998 cited in Gonzalez-Vega, 1998).

But deeper outreach usually increases social value as well as social cost. The most common proxy for depth is loan size, which is measured by the average amount outstanding in terms of dollar-years of borrowed purchasing power. Along each dimension of size, smaller amounts or shorter times usually imply greater depth. As the poor are more heterogeneous and are less able to signal their ability and willingness to repay in relation to the rich, the loan provided to the poor costs more for a lender to judge the risk of a loan (Conning, 1999 cited in Navajas et al., 2000). Moreover, for the poor,
fixed cost matters since poorer’s loans are usually shorter and smaller and have more frequent installments, renewals and disbursements.

More importantly, deeper outreach can increase social value without increasing social cost provided that a lender may find better ways to judge the risk at a cost less than the savings from the better judgment. The progress of such a deeper outreach increases access to the borrowers for a loan along with their ability to repay it that covers the long run cost of an efficient producer (Navajas et al, 2000:335).

Thus access is the nexus of dual characteristics - creditworthiness (demand based on willingness and ability to repay) and the lending technology (supply based on an efficient way to judge creditworthiness). When loan depends more on the creditworthiness of the borrower and less of the constraints on the lenders to judge creditworthiness, such access is a size of progress (Navajas et al, 2000:335).

(ii) Worth to users

The worth (or quality) of outreach to users of loan also plays a significant role in measuring the outreach. How valuable microfinance products for particular clients are and how much a borrower is willing to pay for a loan are the worth of outreach to its users (Gonzalez-Vega, 1998). The loan contracts, the tastes, the constraints and opportunities, and opportunities of the users are the determining factors of worth. For loans, worth increases as the terms of the contract are more closely matched to borrower demand. But, for deposits, worth increases with the increase in interest rate and limited restriction on contract. It is difficult to measure worth to clients because worth partly depends on the subjective gain enjoyed by a client from financial contract and partly because, it is difficult to know what would have happened in the absence of
microfinance. The increase in the profits in the business of the client is the lower bound on worth (Schreiner, 2002:4). More worth means more net gain, given the cost to the user.

(iii) Cost of outreach

The cost of loan to the borrower is the cost of outreach to the users. Once both price and transaction cost are considered, cost of outreach indicates how expensive the microfinance products are. On the one hand, the interest of the loans and other fees are included in price, and on the other hand, the transaction costs include both non-cash opportunity costs - e.g. the value of the time to get and to repay a loan - and loan related to cash expenditure i.e. transport cost, cost for maintenance for documents of loan, costs for providing food and taxes. More importantly, price costs are revenues for microfinance organizations (MFOs), whereas, transaction costs borne by the users are not revenues for the lenders (Navajas, et al, 2000:336)

The price cost is measured by the internal rate of return, defined as the interest rate that, for the client, would make the present value of the cash flows of a financial contract zero. Transaction costs are estimated from survey data on the miles, minutes, and money required for using a financial service. ‘Cost of supply’ and ‘cost to society’ - both are different from ‘cost to clients’. The ‘cost of supply’ is the opportunity cost of the resources used by a microfinance organization. Progress in microfinance depends on the reduction of the cost of supply, all other things remaining constant. The cost to society includes the cost to clients, the cost of supply, and other costs borne by non-clients (Schreiner, 2002:4-5).
The three aspects of outreach related to the performance of organizations - depth, worth to users and cost to users - are distinct but tightly linked with one another. Net gain to the borrower is the difference between worth to a user and cost borne by the user. In other words, the difference between the highest cost that the borrower would agree to bear to get the loan less the cost that the borrower actually bears is the net gain. More is the difference, larger will be the net gain. Moreover, it is simpler to check the sign of net gain rather than measure the size of the net gain. The clients will enter a contract only if they expect a positive net gain. Depth of outreach, in turn, reflects the social value attached to the net gain of a specific person.

(iv) Breadth of outreach

It counts the number of users of a given depth who are provided a given quality (worth) and given cost (Gonzalez-Vega, 1998). Breadth matters because of budget constraint - the poor are many but the aid dollars are few. If many poor have access to formal and semi-formal financial services, the better is the breadth of outreach. Due to economies of scale, over an important range, breadth of outreach and sustainability go hand in hand (Gonzalez-Vega, 1998). Self-sustainable organizations with wide breadth may reach as many of the very poor as poverty-oriented organizations with narrow breadth (Rosenburg, 1996 cited in Schreiner, 2002:9). Breadth cannot be judged by itself. Profound depth may compensate for narrow breadth, and wide breadth may compensate for shallow depth (Schreiner, 2002:10)

(v) Length of outreach

Length of outreach tells us the time frame in which microfinance organisations produce loans (Navajas, et. al., 2000). Length matters because the society cares about the
welfare of the poor or the target group both at present and in the future. A microfinance organization which may improve social welfare in the short term, ruins its ability to do so in the long run without the length of outreach. As length occurs in the future, it is difficult to measure. Hence the only one proxy used for measuring length is the profits of the organization. In the absence of guaranteed donations, these profits signal some ability to buy resources on the market and thus offer some hope to survive if donors leave. But length of outreach requires sustainability. Although theoretically, without sustainability, a perpetual source of support can allow a microfinance organisation to achieve length of outreach (Morduch, 1998a; Woller, Dunford and Woodworth, 1998 cited in Navajas et.al, 2000), in practice, longer outreach with sustainability usually strengthens the structure of incentives that serve to maximize expected social values less social costs discounted through time. Length of outreach requires sustainability except under very exceptional circumstances because donors are unreliable suitors; clients, staffs and managers of MFOs will lack sufficient incentives to make the right decision without the desire of sustainability (Gonzalez-Vega, 1998:2). Moreover, as the lenders cannot promise to lend in future, borrowers have few selfish reasons to repay, without length. Loan losses do shorten the length of outreach in a downward spiral.

(vi) Scope of outreach

It is the number of types of financial contracts offered by a microfinance organization. ‘Scope between products’ means both loans and savings’ services and ‘scope within a product’ means loans with different terms, to both groups and individuals. The poverty approach tends to limits its scope to just loans, while, the self-sustainability approach pays lip service to the important savings services, but few
microfinance organizations provide both loans and savings services. It is practical to say that a MFO with the best outreach produce both small loans and small deposits. In order to increase the number of financial contracts of the poor, deposits are of great importance for two reasons. First, it is said that all poor people are deposit-worthy. They usually save to smooth consumption, to finance investment and to buffer shock (risk). On the contrary; all poor people are not credit-worthy. Secondly, the incentives for sustainability and length of outreach are made strong by the deposits (Navajas, et.al, 2000:336). If the poor do not expect the microfinance organization to live to return their deposits, depositors avoid the latter. Hence MFO should please not donors and government but users and regulators to attract and to keep deposits (ibid, 2000:336).

Judgments of the performance of the microfinance organisations by these six aspects of outreach are useful, since direct measures of the social value of microfinance are expensive. Thus outreach is worth minus cost, weighted by depth, summed across breadth of users and scope of contracts and discounted through length of time (Navajas, et.al.2000). As all aspects are closely linked, a biased focus that promotes only one aspect of outreach will typically ignore potentially counterproductive effects on other dimensions of outreach. Outreach is commonly proxied by the sex or poverty of borrowers, the size or the terms of the loan contract, the price and transaction costs borne by users, the number of users, the financial and organizational strength of the lenders and the number of products offered including deposits.

Progress in microfinance allows improvements in one dimension of outreach without deteriorating other dimension. Thus, a trade-off of one dimension of outreach for
another one may reveal only one's preferences. But the aforesaid trade-off is not progress as progress requires improvement without bearing any additional cost.

Several MFOs have made significant progress in various dimensions of outreach without sacrificing in other dimensions of outreach. It implies an expansion of frontier (Von Pischke, 1991 cited in Gonzalez – Vega, 1998). Progress implies pushing of the frontier outwards instead of trading-off of one attribute of outreach for another one along a given stagnant frontier. A few microfinance programmes have made significant progress, not only in terms of outreach, but also in respect of sustainability (Yaron, 1994; Christen et al, 1995 cited in Gonzalez-Vega, 1998). Most importantly, the programmes with the best outreach outcomes move to be also the programmes with the best sustainability achievements (Gonzalez-Vega et al, 1997).

**Sustainability**

Sustainability is permanence (Navajas et al.2000). It means the ability of microfinance organization to repeat performance through time (Schreiner, 2000). In most of the literature, institutional sustainability is defined as the continuous service provision to clients profitably or recovering full cost and aims of building microfinance institutions that can last in the future without relying on government subsidies or donor funds (Conning, 1999 :52, Ledgerwood,1999). The social goal is not to have sustainable microfinance organizations but rather to maximize expected social value less social cost discounted through time. In principle, sustainability is neither necessary nor sufficient for social optimality. In practice, however, sustainable organizations lead to improve welfare
the most (ibid). Sustainability is not an end in itself but rather a means to the end of improved social welfare (Rhyne, 1998, cited in Navajas, et al., 2000).

The finance literature views Micro Finance Institutions as financial intermediaries and hence emphasizes largely on financial viability of targeted credit programmes. The literature addresses issues such as the amount that it costs to deliver these services and whether the programmes providing these services cover programme costs with interest income and hence be cost-effective. Thus the term ‘criteria of outreach’ and ‘self-sustainability’ become the yardstick of microcredit programme evaluation.

Microcredit programmes provide small loans to a large number of poor people who need sustained access to credit to generate employment and income. But the formation of groups and disbursement of group-based credit and ancillary inputs involve high administrative costs which make microcredit programmes structurally unsustainable.

Sustainability matters because society cares about the poor at present as well as in the future. Unsustainable microfinance organizations might help the poor now, but not the poor in future because the microfinance organization will be gone. Unsustainable MFOs might not even help the poor now (Adams et al., 1984) or it might be worse than no microfinance organization at all (Krahen and Schmidt, 1994 cited in Schreiner, 2000:4). Sustaining performance requires profit even after considering all subsidies. Without profits, a microfinance organization will probably shrink and die in short time as it will not be able to attract private capital and saturate the market for microfinance (Rosenberg, 1994 cited in Schreiner, 2000:4). The drive for profits is tempered by the mission to sell outreach to the poor. A microfinance organization would not be a
sustainable one if it abandons the poor by selling big loans and big deposits. Microfinance organizations must walk a tightrope, balancing the poor and profits (Hulme and Mosley, 1996).

The four dimensions of sustainability are continued flow of benefit, longevity, ability to cover recurrent costs and institutional capacity and performance. There are four interrelated concepts of sustainability relevant to a programme’s cost evaluation — *financial viability, economic viability, institutional viability and borrower's viability*.

A Micro Finance Institution is defined as *financially viable* if it can at least meet the cost per unit of principal lent with the price (i.e. the rate of interest) it charges its borrowers. In other words, financial viable institutions can generate sufficient revenues over a given period of time to meet its operating costs. The microcredit programmes receive revenues from borrowers’ interest payments. Its costs stem from raising loanable funds, organizing and training borrower-groups, administering loans and covering bad debts. A programme will be financially efficient if it charges an interest rate that generates revenue equal to or greater than the cost per unit of principal lent (Khandker, 1998: 187).

But the financial efficiency does not allow the economic subsidy to be estimated or the subsidy recipients to be identified. A Micro Finance Institution is said to be *economically viable* if the income generated from lending be sufficient to cover the economic cost of funds (the opportunity cost) used for credit and other operation. Although there is no direct way of estimating total economic viability, it is possible to examine as to whether microcredit programmes can operate without low-cost subsidized funds. It requires identifying the extent of economic subsidy in terms of the opportunity
cost of the subsidized funds the programme receives. It might help to determine whether
a microcredit programme can operate without economic subsidy and what needs to be
done to operate the programme without economic subsidy if it fails to do so (Khandker,

The Micro Financial Institution is said to be institutionally viable if there exists
effective and well-institutionalized procedures for ensuring administration and
management succession so that it does not depend on the leadership of a particular
person. The microfinance programme should aim at allocating resources optimally to
produce internally and, thereby, achieve cost efficiency. But as staff development and
incentives contribute to productivity, institutional viability can not be attained until and
unless the benefits from the projects funded by a programme met members’ cost of
borrowing. It depends on the high collinearity between the viability of borrowers and the
viability of lenders which depend on same environmental and production risks (ibid:
185).

The viability of borrowers is crucial to microcredit programme’s overall viability.
Given market and other constraints, whether the benefits from an activity will equal the
cost of borrowing depends on borrowers’ entrepreneurial abilities. Borrower viability can
be measured in various ways. An important way is to examine whether borrowers have
achieved higher income flows over time and are thus able to repay their loans and
possibly accumulate to no longer require assistance. It might imply that they (borrowers)
have switched over to more remunerative sources of income as a result of programme
participation. Thus the significant indicators of borrower’s viability are the income and
occupational mobility of borrowers (ibid: 185).
The viability of borrowers can be also be measured by calculating the rates of return on household investments to indicate whether the cost per unit of principal lent is covered by these investments. The data on the net income generated from credit-supported projects made by cross sectional household survey would be sufficient to estimate the rates of return across activities and across programmes.

Sustainability of microfinance on a national scale depends on institutional governance, management and organization as well as on products, pricing and knowledge of the market. In order to evaluate the levels of sustainability, the USAID study divided the MFIs into three categories:

(i) Institutions in which revenues from interest and fees do not cover operating costs.

(ii) There are several institutions in which revenues cover operating costs but do not cover the commercial costs of loanable funds.

(iii) Moreover, there exist fully sufficient institutions that cover all costs and risks and generate profit.

The significant characteristics of Micro Finance Institutions (MFIs) belonging to the first category are that they are heavily dependent on subsidies. They are financed by grants or low-interest loans from donors or governments. The institutions not only charge low rate of interest from borrowers but also the gap between the lending rate and cost of fund is quite insignificant so that they cannot cover the operating costs. Also the high probability of loan losses or small amount of loan disbursed to borrower generating low income or inefficiency of institutions lead them to fall in the first category. Most of the MFIs lie in this category.
The institutions belonging to the second category still face the basic problem of dependence on subsidies for the cost of loanable funds as fees and interest charges only cover non-financial costs i.e. costs related to salaries and administrative costs, depreciation of fixed assets and the cost of loan defaults. These types of institutions subsidized by government and donors cannot raise significant equity, can not leverage much commercial investments or access substantial commercial debt and can not mobilize savings from the public.

Based on adjusted 1993 data, the institutions in the second category, represented in the USAID study by Grameen Bank of Bangladesh and four NGOs, are: the Dominican Republic’s Asociacion Dominica para el Desarrollo de la Mujer (ADOPEM), Senegal’s Agence de Credit pour l’Enterprise Privee (ACEP), Costa Rica’s Fundacion Integral Campesino (FINCA), and the Kenya Enterprise Programme (K-REP) (Robinson, 2001:57).

The third categorized institutions are able to generate revenues that cover both financial and non-financial costs calculated on a commercial basis. Interest rates include insurance premiums. Such institutions are profitable without subsidy and the return, equivalent to the return obtained from private sector, on equity is expected. These institutions may mobilize savings from the public and may be able to leverage domestic or institutional commercial investment so that the scale and depth of microfinance coverage can be maximized.

The study by World Bank, based on adjusted 1993 data, included some institutions in the third category. Unit desa System of Bank Rakyat Indonesia (BRI); the Badan Kredit Desa (BKD), or village credit organizations of Java and Madura.
(Indonesia); the Lembaga Perkreditan Desa (LPD) of Bali (Indonesia), BoncoSol of Bolivia and village-owned financial institutions supervised by the provincial government of Bali are examples of third category institutions (Robinson, 2001:57).

**Empirics of Sustainability**

The growth of commercial MFIs is largely a product of the past 25 years and more. Before that, in developing countries, large and poorly designed subsidized rural credit programmes dominated the institutional approach to microfinance. Starting in the 1950s, and proliferating in the 1960s and 1970s, these programmes, interpreted as old paradigm of micro credit programmes, were usually accompanied by high loan defaults, high losses and general inability to reach the poor.

The old paradigm was based on the assumption that the poor people cannot afford and will not be able to repay credit at commercial rate (the rate at which cost of inputs can be covered). The poor generally cannot afford to save (in financial form). So for the uplift of the poor, the policy adopted was to provide targeted (targeted to specific activity) supply-led subsidized credit to them.

In the context of the substantial investment in agriculture of developing countries, the paradigm asserted that most of the farmers would need more capital than they could save and that they could not pay the full cost of the credit required for necessary inputs of HYV of rice and wheat, which marked the green revolution during 1960s and 1970s. As a result of the large scale subsidized credit programmes led by government and donors emerged rapidly in developing countries throughout the world.
But heavily subsidized microcredit programmes required the ample supply of fresh funds. In the absence of sufficient amount of funds the programmes would quickly consume its capital in financing routine operational costs. As a consequence of this, the savings of poor people remarked at risk due to high loan losses. “Most of the programmes created in the 1960s and 1970s for micro lending disappeared due to dismal repayment rates, corruption and heavy subsidization leading to ‘grant mentality’ among clients” (Paxton, 1996:9).

In the history of micro finance the 1980s represented a turning point with the shift in the paradigm from old to new (Robinson, M.S., 2001). The new microfinance operates on the basis of principle ‘Borrower knows best’. Under the new microfinance, the operational strategy involves several features—such as, simple procedures for reviewing and approving loan applications, delivery of credit and credit-related services in a convenient and user friendly way at commercial rates of interest, quick disbursement of small and short term loans; clear loan repayment procedures, maintenance of high repayment rate; incentives if access to large loans immediately following successful repayment of first loan, organizational culture, structure and capacity and operating system 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 (Micro Credit Summit, 1997, Draft declaration).

The new paradigm refers to the concepts and methods developed to enable financial institution in order to deliver microfinance services without on-going subsidy and with wide coverage. Micro loans are priced at the rate that enables institutions to cover full costs gain a profit. The concepts include methodologies for both individual and
group lending, new financial products suitable for poor borrower and savers, interest rate spreads that permit institutional profits, innovative operating methods and information system, widely dispersed small service outlets, specialized staff-training and incentives, the financing of loan portfolios from locally mobilized savings and others. The new paradigm emphasizes financial intermediation with self-sustainability of institutions and qualitative/quantitative outreach to the poor (Robinson, 1995).

Reaching the very poor and becoming profitable is a debate among microfinance institutions (Helms, 2006). Outreach and sustainability are the ‘two core drivers’ in the microfinance industry, but they are not mutually exclusive goals. Based on an overview of industry expenses, Greeley (2005) suggests that the poorest can use financial services for improving their economic and social well-being without endangering institutional sustainability of the service provider. It signifies that provision of better quality services to the very poor is possible while covering full cost (A.K.Ereda, 2007). This might also lead to higher potential of empowerment for them.
Impact Assessment of a programme may be defined as an inquiry to estimate the value, the degree as well as pattern of change associated with an intervention' (Sebsted, 1998:3). In other words, it intends to determine whether the programme has the desired effects on individuals, households, and institutions and whether those effects are attributable to the programme intervention (Baker, 2000:1). Generally impact assessments are smaller in size, use less-complex measures and simpler analytical techniques, involve a mix of methods including surveys, case studies, focus group interviews and other more qualitative methods and compare impact variables at two points of time (usually before versus after an intervention).

The bottom line for impact assessment is credibility which involves plausibly associating changes found in the impact variables with programme participation and generating information which is useful for improving programme performance and impact. Programme performance relates to the effectiveness of a microfinance in achieving institutional objectives such as expanding outreach and achieving financial sustainability. 'A critical dimension of microenterprise programme performance is its effectiveness in reaching the intended client group and in responding to their needs, preferences and demands' (Sebsted, 1998:17). Since microenterprise programme performance regards the client/service relationship, it creates a link between the proving and improving goals of Impact Assessment (IA). This is an important intermediate step in the impact chain because programmes that respond to client needs should result in greater impacts.
Given the expansion of microenterprise programme as a strategy for reducing poverty and the level of donor support provided to these programmes, the question of impact and how to assess it are generally considered to be important. Donors want to know whether their support to microfinance institutions conforms to the poverty alleviation and whether the impacts justify the financial support given. Practitioners desire to know whether they are reaching their programme objectives and how to improve their services. Thus the concerns of policy makers, donors and practitioners coincide in the sense that they all want microfinance programme to have a positive impact on clients. At the client level, the programme impact generally relates to positive social and economic changes at the individual, household, enterprise or community level. There is an intimate relationship between effective programme performance and client-level impacts. Programmes may be able to perform well without having a positive impact on clients in the short run and clients may experience positive impacts even though programmes are not performing well. But both are necessary for a programme to achieve and maintain financial and institutional sustainability beyond the short run in contributing to broader development goals.

The major methodological problems that confront the impact assessment (IA) of microfinance are related to ‘attribution and fungibility’. It is said that the attribution of specific effects (i.e. impacts) to specific causes (i.e. intervention) is the heart of impact assessment (Hulme, 2000: 84). The literature on IA focuses on three different paradigms of impact assessment which seek to demonstrate attribution. The first one is the conventional scientific method, which has its origin in the natural sciences. With its roots in the humanities, the second one emphasizes on establishing logical argument supported
by theory and specific pieces of evidence. The last paradigm – participatory learning and action (PLA) – offers a radical challenge to former two paradigms.

**Scientific Method**

The conventional scientific method seeks to ensure that effects can be attributed to causes through experimentation (Mosley, 1997; Hulme, 2000). In a rigorously controlled environment, the application of a particular stimulus to a particular object/substance is judged to be the cause of the observed effect, which eliminates extraneous influences. But in the social science, quasi-experimental approach has been accepted in lieu of experimental one because of the latter’s limited application in social perspective (Casley and Lury, 1982; Hulme, 2000). Quasi-experimental approach attempts to compare the outcomes (impacts) of an intervention (specific causes) with a simulation of what the outcomes would have been, had there been no specific cause. One of the methods of quasi-experimental approach is ‘multiple regression’ which assesses the changes in a specified dependent variable (e.g. poverty or empowerment level) by changes in a specified independent variable (e.g. a microfinance project), holding other specified influences constant. But this approach has rarely been used in microfinance impact assessment because of its enormous demand for data on other possible causal factors and its assumption (Mosley, 1997 cited in Hulme, 2000:85). The widely used quasi-experimental approach is ‘control group method’. The counterfactuals can be determined using two methodologies – experimental designs (randomized), and quasi-experimental designs (non-randomized). This method requires a population that received a specific treatment (i.e. a microfinance programme) and an identical population (or as near as possible) that did not receive the treatment.
The control group method calls for a baseline survey as well as ex-post assessments. In microfinance, the control group approach is used to show an impact – i.e. the difference in target variables between target groups (i.e. borrowers) and control group (i.e. non-borrowers). Further it can be used to determine the impact of alternative lending techniques, for example, a sequence of loans or loans given with training and marketing advice compared to minimalist (i.e. loans only) approach, subject to same provisos (Mosley, 1997 :5).

But the practical implementation of impact evaluation is based on control groups confronted with a range of difficulties – sample selection bias, misspecification of underlying relationships and motivational problems.

As far as sample selection bias is concerned, the control group fails to fulfill the criterion of being treated as the target group in all respects. It may occur because of:

(i) difficulties in finding a location at which the economic, physical and social environment of the control group is matched with that of the treatment group.

(ii) The control group lacks an ‘invisible’ attribute which is systematically possessed by the treatment group (most commonly identified as entrepreneurial drive and ability).

(iii) The treatment group, by virtue of having the privilege of being targeted by a microfinance project, may develop a sanguine attitude which subjects their estimates of change in income and assets to a upward bias resulting in a short term positive response from the treatment group. The analogy is with the ‘Howthorne effects’ (Roethlisberger and Dickson, 1939), in which factory workers, who know themselves to be the subject of an experiment, exhibited systematically higher productivity than otherwise identical workers who were not singled out in this way.
(iv) The control group may become contaminated through contact with the target group. This influence increases over time and is particularly serious in the case what are sometimes called 'downstream evaluations' (i.e. evaluation carried out sometimes after the end of project disbursement).

(v) The microfinance project benefits may be fungible (e.g. a loan aimed at a particular target group or activity may not be used by that group or for that activity).

By more careful selection of the control group problem (i) and (iv) can be tackled. It should be possible to eliminate most locational bias (i) by holding access to infrastructure constant across the target group and control group. By the same token by locating the control group far enough away from the target group, it ought to be possible also to eliminate bias (iv) through contact between target group and control group.

Although problems (ii) and (iii) are more intractable, in many cases, they can be tackled by using programme – accepted treatment group-to-be, who have not yet received a loan, as the control group (Hulme and Mosley, 1996: chapter 4).

As regards the problem of fungibility of the microfinance project is concerned, although the problem of loan fungibility of microfinance project is an intractable problem, no study has successfully controlled for the fungibility of resources between the household and the assisted enterprise (Gaile and Foster, 1996:24, cited in Mosley, 1997:9). However, this does not mean that it is impossible to insure against the bias. The most promising approach against the bias would be of using case study material to cross-check the formal loan use recorded by the lender against intended loan use and of deriving an estimate of leakage of loan into non-productive activities.
The problem of misspecification of underlying causal relationship emerges based on the assumption that the project is a one way homogeneous process i.e. the project exerts a steady influence, hopefully beneficial, on a target variable such as repayment, income or poverty. In practice, the causation may also run from impact to project effort as well as the other way around. If programmes are to continually learn from their experience and improve (rather than prove) their impact, such reverse causation is essential from the perspective of more process-oriented analytical framework. By the adoption of models that conceptualize causation as a two-way process by the use of two-stage least square technique and regression analysis, such problems can be overcome (Mosley, 1997:7).

Motivational problems are associated with dropouts within target group or control group. The target group and the control group may either refuse to reply or sabotage the impact assessment by given intentionally false replies. The antidotes to these shortcomings are to replace dropouts with individuals sampled at random from the original population and from the same stratum if the sample is stratified. It is made easier if the original sample for the baseline is made larger than necessary; then substitute interviewees can be brought from the original list in case of drop-out without the need to go back to the original sample frame (Mosley, 1997: 11-12).

The Humanities Tradition
The fundamental feature of the ‘humanities tradition’ is that it does not try to prove impact with statistically definable limits of probability. Rather, depending on a high level of plausibility, it seeks to provide an interpretation of the processes involved in
intervention and of impacts. This approach recognizes that what has happened and what has been achieved by the impact assessment (IA) programme are usually different and often conflicting. The humanities tradition approach is purely inductive approach, which highlights on key informants recording by notes or image and the analyst is directly involved in collection of information or data (Rutherford, 1999; Hulme, 2000).

The validity of specific IA adopting this approach is based on the logical consistency of the arguments and materials presented, the strength and quality of the evidence provided, the degree of triangulation used to crosscheck evidence, the quality of methodology and the reputation of the researcher(s) (Hulme, 2000:87). The common impact assessment method of this approach are sample survey, rapid appraisal, participant observation, case studies and participatory learning and action. Bulk of data generated by such an approach is ‘qualitative’, although at later stage of analysis, many ‘qualitative’ studies transform their data into quantities (Moris and Copestake, 1993:4).

During the 1980s, the relevance of ‘humanities tradition’ has been recognized although such work has been common in development studies for decades. The recognition of this approach appears partly because of the widespread recognition that much IA survey work was from biased samples based on accurate information collected by questionnaire and partly for the potential contribution of qualitative approach, especially in understanding changes in social relations, the nature of programme, staff beneficiary relations and fungibility.

As regards the attribution of cause and effect is concerned, IA with their roots in humanities has considerable difficulties. Firstly, causal link is not generally depicted due to lack of its ability to generate a ‘without programme’ control group. Instead, the
information on causal chain are collected from intended beneficiaries and key informants and these data are compared with the data obtained from secondary sources in order to reflect the change in out-of-programme areas. Secondly, some work may be done in adhoc manner because of frequent rapid appraisal, mini survey and case study and do not achieve a minimum standard in terms of informant selection. For instance, data can be collected from the areas that are performing well and making survey on best clients. If on the basis of such surveys, it can be inferred that the data collected in one area applies to all clients without explaining any assumption, it creates a serious problem and hence impact assessment fails.

However, as compared with scientific method, the studies under humanities tradition can not provide the degree of confidence in their conclusion which can fully yield in a fully resourced scientific method approach; in many cases the conclusion of the former is more valid than the latter. The survey - based impact assessment work appears in disguise as science but does not collect data with scientific rigor (Hulme, 2000:86-87). So to provide added confidence in the finding of IA microfinance programmes, it is becoming increasingly common to combine scientific and humanities approach (Hashemi et.al., 1996; Hulme and Mosley, 1996; Schuler and Hashemi, 1994; Hulme, 2000).

**Participatory Learning and Action (PLA)**

Participatory approaches are considered to be a mechanism for empowering the poor by putting them in charge of decision-making, development and poverty reduction.
Pioneers of these approaches want the poor to ‘do their own analysis, to take command, to gain in confidence and to take their own decisions’ (Chambers, 1995:30). By involving the poor directly in decision-making and implementation, participatory approaches are said to have the potential to make poverty reduction efforts ‘demand-responsive’ and development more inclusive and sustainable (Narayan et al., 2000). The purist PLA line for impact assessment is how widely local people can be enabled to identify their own indicators, establish their own participatory baseline instead of conventional baseline surveys, monitor change and evaluate causality (Mayoux, 1997: 123). Two objectives may be achieved by this approach: better impact assessment and intended beneficiaries will be empowered through the research process itself by PLA (Mayoux, 1997:2). But, in practice, the art of participatory impact assessment (PIA) is in its infancy and so a pragmatic rather than purist approach has been common. Agencies such as Proshika in Bangladesh, for their assessment and planning process, have extensively begun to use PLA methods.

One of the key empowerment approaches involves participation from programme participants, staffs, and donors at many levels of an organization. The origin of the idea of participation, (considered in all three contrasting paradigms – feminist empowerment paradigm, financial self-sustainability paradigm and poverty alleviation paradigm - based on the relationship of microfinance and women’s empowerment.) lies in the belief that flexibility to women’s needs and deciding the best ways of combining empowerment and sustainability objectives can only be done on the basis of extensive consultation with women, research on women needs, and a process of negotiation between women and development agencies. Participatory methods should be an integral part of an integral part
of any impact assessment for enterprise development. There are three important elements of participatory approach – participatory learning, participatory management and participatory action. The principles of three participatory approaches include (i) focus on women’s aspirations and strategies for change and prioritization of their interests, (ii) recognition of power inequalities that constrain these aspirations and strategies, and commitment in challenging these power inequalities in all programme activities, (iii) recognition of potential cost of participation as well as benefits for women, (iv) explicit strategies in order to ensure that women are able to participate, are equipped to participate with the skills and resources to perform so and have the space and information to form their own views, and (v) explicit attempts to include the poorest women, or justification for their exclusion. Participatory learning is an on-going system of participatory consultation that involves different stakeholders. The ‘learning- loop’ include(i) support for information exchange between women themselves through existing and new networks, (ii) participatory identification of priority programme aims and empowerment criteria, integration of empowerment indicators into existing programme management information systems and (iii) participatory analysis of information and policy implications. Participatory management is a participatory process to make decisions over which the respective parties should have control or influence and also to decide how the costs and benefits of different types and level of participations are to be balanced. It is a structure for representation particularly of grass-root groups and junior staff as well as a mechanism to clarify conflicts of interest between different stakeholders and negotiate among these. Moreover, participatory action implies networking and linking between women’s groups and a range of organizations in order to enhance the
empowerment of individual interventions for local-level lobbying and advocacy, for mutual learning and gender mainstreaming in all concerned development institutions as well as for macro level change in economic and social policy.

The participatory methods are generically referred to as *Participatory Learning and Action (PLA)*. It combines a set of diagramming and visual techniques (diagrams, impact flow charts, ranking techniques, time trends analysis, mapping techniques-village and resource maps, calendars, ethno-classification and focus group discussions, role-play, participatory workshops) and underlying principles of grassroots participation from human rights activism which involve rethinking power relations and partnerships between developed agencies, experts and poor people. The underlying principles of PLA focus on embracing complexity, recognition of multiple realities, prioritizing the realities of the poor and disadvantaged, empowerment of grassroots, the significance of changing from appraisal to sustainable learning and finally, the importance of relating learning to action that incorporates programme and policy improvement as an integral part of the learning process. PLA methods, both diagramming techniques and group methodologies, are increasingly used in both microfinance and fair trade impact assessment.

Participatory methods for impact assessment became associated with the diagramming and visual techniques, developed since 1970s. By the end of 1980s, these techniques had been combined into a flexible methodology, known as Rapid Rural Appraisal (RRA). Methodologies like Soft System Analysis (SSA) and Cognitive Mapping also gained popularity in management consultancy, organizational research and planning. During the mid 1990s, it was clear that the mechanical application of these techniques was failing to capture views of poor people, particularly women, children and
socially disadvantaged. As a result of it, the interest centred the methodologies of participation, putting more emphasis on Participatory Action Research (PAR).

Participatory approaches challenge the validity and the utility of the scientific method as applied to development problems (Chambers, 1997). The problems of scientific method are: 'it ignores the complexity and diversity and contingency of winning a livelihood; it reduces causality to simple unidirectional chains, rather than complex webs; it measures the irrelevant and pretends to measure the immeasurable; and it empowers professionals, policymakers and elites, thus reinforcing the status quo and directly retarding the achievement of development goals' (Hulme, 2000:87). PLA theorists believe that there are multiple objective realities rather than one objective reality. If the action of development is “empowering the poor” or “empowering women” (as developed agencies virtually now say) then the step towards empowerment (‘the poor’ or ‘woman’) takes the lead in programme identification and analysis.

Depending largely on the motivations and skills of facilitators and those investigated and the ways in which informants’ perception of the consequences of research are addressed, the reliability of participatory methods varies enormously with scientific surveys (Hulme, 2000:87). It is, nevertheless, argued that, compared with the conventional surveys, a number of rigorous comparative studies have shown that participatory methods can be highly reliable when well-connected (Mayoux, 1997; Chambers, 1997).

But the literatures on PLA and PIA (Participatory Impact Assessment) have difficulties. First, PIA has grave problems from a scientific perspective: its conceptualization of impact is subjective; the data used to assess impact are subjective;
the variables and measures used vary from case to case and do not permit comparison; being generated about causality; its pluralist approach may lead to a number of mutually conflicting accounts; regarding the nature of local power relation, the assumption that all are able to voice their concerns (so that opinions are representatives) is naive. Moreover, it is argued that ‘PIA contributes to programme goals – particularly in terms of empowering women and the poor - but not facilitating the continued dominance of target groups by powerful outsiders’ (Hulme, 2000:87). So the adoption of IA methods that actively undermine the attainment programme goals needs greater efforts to overcome such problems.

In the late 1990s, the work on gender and poverty reduction and participatory methods began to take more concrete and practical shape in the context of work on microfinance and women’s empowerment. Firstly, the evidence suggested that saving and credit alone was unlikely to significantly increase women’s incomes or address inequalities within households, markets and communities. Secondly, the increasing questioning of micro-finance had led to a growing pressure from donor agencies for impact assessment. However, most of the existing impact assessments were found to have limited relevance, reliability or contribution to practical decision-making. Even participatory assessment was an extractive exercise, consisting of little more than requiring people to spend time attending one-off Participatory Rural Appraisal (PRA) exercises and focus group discussions to meet the information needs and process requirements of donors and NGOs. Hence a need was felt for a new approach to impact assessment which focused not so much on ‘policing and measuring the past’ but ‘improving future practice’(Hulme, 2000).
It is argued that there was a need for a methodology for women in self-help groups which would help women plan livelihoods more effectively and give group discussions more strategic direction in meeting needs and challenging inequality. This could at the same time, if based on systematic use of participatory diagram techniques accessible to non-literate women, also provide much of the material for more reliable and empowering, monitoring and impact assessment for the new ‘improving practice’ focus (Mayoux, 1998). A number of innovative methodologies emerged: (i) Reflect, that use participatory diagrams for literacy and individual and community diaries on an on-going basis for lobbying and advocacy, (ii) Participatory Monitoring System, which was developed by Small Enterprise Foundation (SEF) in South Africa and promoted within Micro-credit Summit campaign (Simanowitz, 1999), (iii) Participatory Market Research Diagram methods for Micro-finance Programmes developed by Micro-save Africa, and (iv) Internal Learning System (ILS) using individual as well as group level diaries and recording as a basis for impact assessment and local level lobbying. All these methodologies inspired the development of Participatory Action Learning System (PALS) which was born in 2002 (Mayoux, 2005:7). PALS is an eclectic and constantly evolving methodology which enables people to collect and analyze the information they themselves need on an ongoing basis to improve their lives in ways they decide. PALS produces an integrated set of diagrams and participatory processes adapted from a general repertoire of diagram tools and participatory principles and tailored to different literacy and skill levels, specific issues, contexts and organizational needs. Group and higher level participatory structures form a focus for linking individual and group learning into participatory programme decision-making, local lobbying and policy advocacy. The
interlinked goals are (i) to empower people (as individuals and communities and particularly very poor women, children and men) to collect, analyze and use information to improve their lives and gain more control over decisions affecting them and (ii) to increase pro-poor outcomes, accountability and governance of development programmes, planning and implementation (ibid:1).

The biggest challenge to PALS methodology is the move to scale for lobbying and advocacy. Significant improvements in the live of poor people will require changes in the economic, social and political perspective including women’s property rights, informal sector regulation and global trade agreements. It will require further expansion of PALS as well as credible aggregation of information fed into strong networks of informed people (Mayoux, 2005:12). But the most difficult challenge is to ensure that findings influence policy makers.
2B.3 SELF-HELP GROUP AND WOMEN'S EMPOWERMENT

Women constitute more than half of total population in the global economy. The position of women, in most of the developing countries, is regarded as one of the worst situation in the world. Women, living especially in the rural areas, are marginalized in two ways: one for being 'poor' and other for being 'women'. In addition to the attack of abject poverty, marginalized women suffer from deprivation and subordination associated with gender discrimination.

Since 1970, worldwide, policy makers and academicians started thinking as to how development programmes could be linked to poor women. There has been considerable rethinking on the impact and potential of self-help groups (SHGs) on rural poverty and empowerment of women since the Grameen bank first pioneered the concept in 1979. Professor Mohammad Yunus, Nobel laureate in peace, came up with this idea of providing small loans to the neighbourhood poor households, particularly poor women households, those unable to provide collateral. He realized that credit given to women can bring about faster changes in economic development compared to the same amount of credit given to men. The problem of women's access to credit was given emphasis at the first International Women's Conference in Mexico in 1975, which resulted in the establishment of the Women's World Banking Network. In 1985, during the second International Women Conference in Nairobi, there was a mushrooming of government and non-government income generating programmes for women, most of which included savings and credit.

The existing literature suggests that the concept of formation of SHGs and linking to banks would raise incomes and broaden financial markets by providing credits to small
scale entrepreneurs and thereby reduce poverty (Aghion and Morduch, 2000). It would also lead to women’s empowerment since Micro Finance Programmes have mostly targeted women as clients (Littlefield, Morduch and Hashemi, 2003; Cheston and Kuhn, 2002).

The microfinance methodologies can be classified into five groups (Satish, 2005):

(i) **Grameen and Solidarity model**: People form groups of three to eight persons subject to the condition that each of them would take responsibility for the lending and other financial operations for the other members of the group—the celebrated ‘joint liability clause’. Lending and repayment—both are directly related to the individuals but with the guarantee of the other group members. This methodology has been adopted by Grameen Bank in Bangladesh, BoncoSol of Bolivia and most of the solidarity group models in Latin America.

(ii) **The Group Approach**: It delegates the entire financial process to the group rather than the financial institutions. Group considers the issue of savings, loans and repayment of loans. These groups are, in turn, linked to a financial or a microfinance institution to receive additional funds and to deposit their savings. Self-help-groups bank linkage programme in India, the PHBK project in Indonesia and the Chikola groups of K-REP in Kenya are the examples.

(iii) **Individual Credit**: This methodology is predominant in the BRI-Unit Desa in Indonesia and priority sector lending by banks in India. According to this methodology, loan appraisal, loan disbursements, loan repayments as well as saving collection are done on an individual basis.
(iv) Community banking (village banks): This model is an extension of group approach where the basic financial needs are met through the community banking system. These banks, borrow from the programme implementing institutions for on-lending to the members. The most important example is Village Bank of Finca in Latin America, which has been replicated in Africa and central Asia.

(v) Credit Unions and Cooperatives: These are member-owned organizations that provide credit and other financial services to their members. SANSA of Sri Lanka is a successful example of rural credit cooperatives providing microfinance services.

The acceptance of gender equality in the Constitution of independent India provided women with a basis for a new identity, as full citizens of the republic and a source of their rights to equality, dignity and justice in other spheres of life (Gupta and Chattopadhyay, 2004: 111). Since the inception of the Fifth Five year Plan (1974-79) in India, women's interest have been highlighted into national policy (WCD, 2001). The SHG model was introduced as the core strategy to achieve empowerment in the Ninth plan (1997-2002) with the objective to organize women into self-help group and thus marks the beginning of a major process of empowering women (Planning Commission, 1997).

In India, the primary initiative to organize SHGs was undertaken by the NGOs in the early part of 1980s. But the first official interest in informal group lending took shape during 1986-87 on the initiative of NABARD. As a part of this broad mandate, NABARD initiated projects on SHGs as a channel for delivery of microfinance in the late 1980s. The SHGs got a distinctive identity from 1992 onwards due to the leadership role provided by the Reserve Bank of India (RBI) and NABARD. In 1996, NABARD...
launched a nation-wide pilot project to link the SHGs to the bank. In 1998, NABARD tied up with GTZ (German Agency for Technical Collaboration) Rural Finance Programme to support the Self-help-group Bank Linkage Programme (SBLP) since then. Most importantly, with IRDP being subsumed in SGSY (Swarnajayanti Gram Swarojgar Yojana) effective on and from 1.4.1999, formation of self-help group and development of microenterprise has become the principal mode of poverty alleviation by the Government of India through self-help group and development of microfinance.

Now-a-days, microfinance increasingly relies on a collective approach, predominant in India in the form of SHG model. This approach appears to favour the empowerment process. The organization of individuals into groups facilitates the creation of forums for discussion and collective action limiting isolation and favouring mutual reinforcement, mutual aid and a process for building self-esteem. But convincing members of group’s interest, expressing collective and individual aspiration, managing tensions and conflicts are the elements of savoir-faire that are neither innate nor spontaneous (Guerin and Palier, 2007). This approach is supposed to favour political empowerment which can be gained through involvement in local political institutions, participation in public demonstrations, protests in support of individual rights and the lobbying of public authorities. It indicates that the SHGs support the process of decentralization.

The core of the SHG bank linkage in India has been built around an important aspect of human nature - the feelings of self-worth. The “empowerment” of a SHG member is defined in terms of her influence over the family’s economic resources and her participation in its economic decision-making. In addition, the influence made by her on
her own development as an individual, power over local polity and participation in socio-political decision-making and influence over other decisions pertaining to general welfare of the family are considered (NCAER, 2008).

As is well-known, the microcredit programmes through SHGs, a tool of poverty alleviation and empowerment, particularly for women, has gained credence in development dialogue the world over. The existing literature on SHG-bank linkage programme reveals an overall picture of great promise on the socioeconomic well being of the members' households. (Puhazhendi and Satyasai, 2000; and Puhazhendi and Badatya, 2002 cited in NCAER, 2008). But it is argued that microcredit is out of the reach of the poorest, as the ability to repay the first few instalments depends on the initial resource base of the borrowers (Zaman, 1997:247; Ramchandran and Swaminathan, 2002:532; Hulme and Mosley, 1996; Johnson and Rogaly, 1997, cited in Sarker, 2008).

The promise of SHGs in terms of encouraging enterprise and raising income levels in rural areas has not borne itself out completely (EPW, 2005). Firstly, translation of microcredit into microenterprise has not necessarily taken place as the size of loans taken out is still very small, and as many go towards personal consumption rather than productive investment. Secondly, the number of self-help groups in the country has grown in a haphazard way and with an uneven geographic spread.

The First Report (2004-05) of the committee on Empowerment of Women on the functioning of self-help-groups highlights a number of weaknesses in NABARD sponsored SHG-bank linkage programme and Swarnajayanti Gram Swarozgar Yojana (SGSY). The average loan size under the bank linkage scheme still remains extremely
low and the programme having a strong regional bias primarily focus on the southern states of India – Andhra pradesh, Tamil nadu, Pondichery and Karnataka.

The study by NCAER (2008) states that in the issue of repayment of loan by SHG members, 96.4 per cent of households reported regularity in repayments of loans. It also suggests that about 92 per cent of households reported that the social empowerment of women had increased after joining in SHGs over a period of time. More than 70 per cent of women respondents showed significant improvements in their ability to face health related problems and financial crisis. About 63 per cent of the women respondents reported positive changes in the case of family disputes; more than 60 per cent of the households highlighted that there had been an increase in the ownership of productive assets in post-SHG situation as compared pre-SHG situation. In terms of control over money, about 21.3 per cent of the households indicated a significant improvement with respect to purchase of consumer durable assets. 27 per cent SHG members stated the increase in decision-making power and control over expenditure regarding children’s education. The findings have shown that 22.5 per cent of women SHG members in the households had taken decision in the post-SHG period as compared to 9.1 per cent in the pre-SHG period with respect to children’s education. Regarding participation in public sphere, it was stated that 49.4 per cent of households had approached government officials to solve problems in the post-SHG period as compared to 13.5 per cent in the pre-SHG period. Non-performing assets as a percentage of total loans outstanding to SHGs by all types of banks were 4.2 per cent in 2002, this declined to 1.2 per cent in 2006. The NABARD report (2005-06) suggests that the cumulative number of SHGs financed by banks till March 2006 was approximately 2.3 million across the country with
a membership of 32.98 million persons. As it is acknowledged that women are not able to pursue their interest relative to men, various development agencies – government and non-government organizations- have some forward and increasingly undertaken ‘empowerment’ as essential objective in the development project in order to improve the well-being of disadvantaged women in India. As the most popular strategy of empowering women, Self Help Group (SHG) programmes have emerged across India with over 1 million SHGs operating in 2004 (Chidambaram, 2004).

As regards constraints related to empowerment potential of SHG programme is concerned, it is said that the empowerment potential of SHG programme requires to remove three mutually dependent categories of constraints - internal, institutional and social - that prevent the marginalized from pursuing their interests (Jakimow and Kilby, 2006: 379). Internal constraints prevent the pursuit of interests by limiting the identification of what those interests are and the actor’s sense of self-entitlement to them (ibid: 379). As internal constraints and institutional constraints are the products of social structure, there is an urgent need to reduce or remove social constraints in order to facilitate the long term changes in the ability to pursue interest.

Several strategies can be adopted to remove internal constraints. Firstly, the formation of group is a key strategy to overcome internal constraints. Secondly, gender awareness training and exposure visits as well as interaction with a large number of women at cluster and federation meeting increases confidence of women borrowers in order to pursue their interests. But these ranges of mechanisms have not been implemented properly. In that respect, the argument of Mayoux (2003) deserves special mention. According to Mayoux (2003), donor’s emphasis on income generation and
financial sustainability has reduced the implementation of ‘empowering’ specific programmes, having no financial outcome. It is argued that savings and credit have broadened the cognitive boundaries only as far as economic activities are concerned. The emphasis on savings and credit has enabled women to pursue their self-defined interests within their conception of ‘material world’, which has emerged as an outcome of cognitive restrictions imposed through unequal power relations. Income is the only means through which respect and entitlement can be gained. It suggests that women’s domestic and reproductive work has less value that reinforces the marginal position of women. By strengthening these norms, SHG programmes blame that women’s marginal position lies on women’s inability to function in the market system. SHG programmes only replace the norms instead of reducing internal constraints.

Increased autonomy of women from economic activities reduces the negative consequences of behaviour that deviates from social norms. Some institutional constraints are removed through savings and credit activities as well as through the associated linkages to government and development programmes. SHG programmes link women with institutions that increase their capabilities in domains from where they are traditionally excluded.

It is central to the rationale of SHG programme that social changes can be achieved through increasing the capability of the marginalized women. The group is promoted as a catalytic institution, ‘gradually empowering women to experience and use their collective strength’ (Purushothaman, 1998). But SHG programmes are further limited in their ability to transform social relations due to their apparent insistence that the marginalized are the only legitimate actors in their own empowerment. It is recognized that SHG
programmes cannot reduce all the constraints preventing the pursuit of interests. But the potential of SHGs to empower women can be enhanced through a 'bottom-up' orientation instead of 'top-down' approaches in implementation (Jakimow and Kilby, 2006: 375).
NOTES OF CHAPTER 2

2.1 All expressions of postmodern feminism appear in Sarker and De, 2004


2.3 According to Morgan (1984), the major cause for women’s oppression is ‘biological materialism’ – the identification of women with reproduction and male sexual pleasure. Without the choice not to be defined and rewarded primarily as ‘reproducers’, and reproducers for particular husbands, women have little chance of escaping these practices.

2.4 Based on a comparative analysis of women’s economic role in the developing world, Boserup (1970) has observed that new technology in farming actually lowered women’s status by reducing their access to productive work. As cash crop production and wage jobs were only made available to men, women were increasingly relegated to the subsistence economy during and after the colonial period.

2.5 M.Molyneaux (1985) distinguishes between ‘practical gender needs’ and ‘strategic gender needs’. The term ‘practical gender needs’ refers to what women require in order to fulfill their roles and tasks; for example, training and access to childcare services. On the other hand, the term ‘strategic gender needs’ refers to what women require in order to overcome their subordination.

2.6 For Classical Marxists, the Third World countries will remain ‘underdeveloped’ until they are developed by capitalism. For the underdeveloped theorists, it is precisely
because such societies have been incorporated into the world capitalist system that their
development has been blocked, even reversed, and they have become underdeveloped.

2.7 Example: Suppose in a programme, project staff puts pressure on a borrower to repay
his/her loan, which strategy may succeed in the short run. But in the long run, the
borrower may be induced to sell assets (machinery, trees or land) which reduce the
borrower’s capacity to repay in long period.

2.8 According to NABARD, a SHG consists of an average size of 15 people from a
homogeneous, social and economic class, all of who come together to address their
common problems. In the context of microfinance, SHGs are formed around the theme of
savings and credit. The members pool their savings on a regular basis to form a collective
fund which is rotated as credit among themselves through self-generated norms. The
formation of SHG is based on the mutuality and trust developed among members in
depositing individual savings in group fund. The members maintain record of such
financial transactions and slowly learn the basic aspects of financial management. They
then approach a bank and leverage their accumulated savings for higher loans. Generally,
the groups are promoted and nurtured by banks, NGOs, governments organizations and
other institutions, called Self Help Promoting Institutions (SHPIs) and are credit linked to
various models developed by banks.

2.9 The full form of SHARE: Society for Helping Awakening Rural Poor through Education.