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EXPLORING EMPOWERMENT: MICROFINANCE AND WOMEN'S AGENCY

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Synopsis:

This paper explores the impact of microfinance and cooperatives on women's agency and empowerment. The working hypothesis is that is not solely economic access, but also organizational structure that affect women's levels of empowerment. The empirical study compares three cooperatives with three microfinance organizations in West Bengal, India. Based on this empirical data as well as theoretical research, I conclude that women's agency and empowerment are linked to organizational structure.

Exploring Empowerment: Microfinance and Women's Agency

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Recently feminists and post-development theorists have taken issue with the economic paradigm of empowerment, arguing that it is reductive in the sense that it privileges material goods over other goods, and also that economic advantage does not simply translate into empowerment. These criticisms highlight problems with focusing on economic issues, yet access to material resources and sustainable incomes play an important role in improving the conditions of daily life for women and their families. Here I argue that micro-finance is limited in its effects to transform women's lives: MFIs often provide economic empowerment, but lack a systemic criticism of the background conditions that produce poverty, and stop short of providing women with the skills and motivation to change their social circumstances.

In this paper I examine and evaluate the criticisms of microfinance projects targeted toward women, and to see if these same criticisms apply to women's co-operatives.¹ Much literature about economic projects targeted toward women relies on the notion of "empowerment" to measure the success of the project. First, I discuss this literature on empowerment and I provide a provisional definition that includes, but goes beyond, economic empowerment. Second, I give a brief overview of microfinance projects. While proponents of microfinance institutions (hereafter MFIs) argue that they have a positive effect on women, critics claim to the contrary that they have a negative effect. I assess whether these recent criticisms are justified. Then, I explore whether or not these criticisms of MFIs are justified with regard to co-operatives. To assess this, I

explicitly compare the framework of microfinance to that of cooperatives and highlight the significant practical, historical, and theoretical differences. I argue that although both microfinance projects and co-operatives can have both beneficial and detrimental effects on women's quality of life and status, the framework and values behind co-operatives make them a more promising route to improving the quality of life not only for women, but also for everyone—women, their families, and their communities.

Finally, I present a case study comparing the effects on women's agency through being involved in microfinance in contrast with being a member of a cooperative or women's self-help group (hereafter SHG). This case study simply compares two different organizations in order to illustrate my theoretical argument, but it is based on a larger research study.

1. Women's Empowerment and Agency

Much research on economic projects targeted toward women relies on the notion of "empowerment" to measure the success of the project. In this section I look at the ways that women's empowerment has been articulated in the area of gender and development and development ethics. Building upon this work, I provide a definition of women's empowerment that includes, but goes beyond, economic empowerment. I conclude that the structure of cooperatives is better suited than MFIs to supporting women's empowerment when empowerment is defined to include transforming the structures that reproduce inequality. Defined in this way, women's economic empowerment is neither reductive nor ignored; it is one piece in a larger project of social transformation.

As many have noted, empowerment has become a “buzzword” in development literature, most often used in connection with women (Khader 2011; Kabeer 1999; Kabeer 2005a; Batliwala 2007). Disagreement about how to define empowerment and how to accurately measure it abound; these disagreements can be high stakes when future funding for an NGO depends on proven results. Critics of empowerment note that it has been co-opted by neo-liberal corporations, development agencies, and even its use in United Nations documents (Batliwala 2007; Koggel 2013). One line of criticism holds that empowerment is primarily psychological and individual, involving changes in individuals’ beliefs and attitudes without changes in oppressive and unjust social relations. Let’s call this “individualist empowerment.” Much of the discussion of women’s empowerment in development literature looks at women’s empowerment in relation to her ability to make choices, or increase her agency. Increasing women’s agency is important, yet empowerment goes beyond merely increasing agency. As I shall argue, empowerment has a social and collective dimension that involves changes in social relationships and institutions. In this latter case, empowerment is inextricably linked to political issues (Kilby, 2011, 33-34). Critics of empowerment often target “individualist empowerment,” claiming that changes in beliefs and attitudes do not necessarily lead to social and political change. But as we shall see, often these two aspects of empowerment go together: “Empowerment has both cognitive and political dimensions” (Kilby 2011, 34). When empowerment is understood within the social justice framework it must include not only changes in beliefs and attitudes, such as improved self-confidence or self-esteem, but also the capacity to challenge social, political, and structural barriers that lead to one’s devaluation and limited opportunities.

Including the capacity to challenge structural barriers and promote social change in the definition of women's empowerment moves the analysis of its effectiveness from an individual level to a social and political level.

Definitions of women's empowerment in development literature often do not specify what it entails. Theorists have worked to define and clarify empowerment, in part because of its frequent use in international documents, such as the UN Development Programme Report, World Bank publications, and the UN Millennium Goals (Kabeer, 1999, 2001, 2005a, 2011; Koggel 2010, 2013; Drydyk 2013; Khader 2011, 2014).

Gender and development theorist Naila Kabeer defines empowerment as including three interrelated dimensions: agency, resources, and achievements (Kabeer 1999; Kabeer 2005a). Many accounts of women's empowerment in development literature focus on agency and access to resources. Agency and access to resources are connected; in order for agency to be meaningfully exercised, it relies on the agent having a range of acceptable choices

Providing or increasing access to resources, both economic and social, provides the conditions for exercising a wider range of choice, or often even exercising choice in a meaningful way. As Kabeer notes: "There is a logical association between poverty and disempowerment because an insufficiency of the means for meeting one's basic needs often rules out the ability to exercise meaningful choice" (Kabeer 1999, 437). It is this link between poverty and disempowerment that Kabeer points out that leads to the assumption that poverty alleviation will empower its beneficiaries. But as we will see, empowerment not only involves an expanded range of choices; one must also choose in ways that make one's life better, and, as I shall argue, a feminist understanding of

empowerment moves beyond the merely personal to the collective (McLaren 2007; 2011; Kabeer 2012).

Understanding empowerment as collective power to transform unjust social relations addresses the criticism that empowerment has been de-politicized (Batliwala 2007). In its earlier uses by social movements seeking equitable, participatory, democratic social change, empowerment entailed a shift in social and political power within and across social groups.² As I argue in Section 3, cooperatives share this commitment to participatory processes, democratic structures, and social equality. Because these values are integral to cooperatives, they explicitly promote empowerment among their members. And, where values of social equality and participatory democracy challenge prevailing social norms, members of cooperatives may, in turn, challenge social norms, such as gender or caste inequality, outside the cooperative as well.

My definition of empowerment aligns with the definition developed by activists in South Asia who “defined empowerment as a process that shifts social power in three critical ways: by challenging the ideologies that justify social inequality (such as gender or caste), by changing prevailing patterns of access to and control over economic, natural, and intellectual resources, and by transforming the institutions and structures that reinforce and sustain existing power structures (such as the family, state, market, education, and media)” (Batliwala 2007 560). The crucial aspect of empowerment is that it transforms relationships of power between and among individuals and social groups. Empowerment involves shifts of power in all three areas, not just one area, such as access to resources, in isolation. As we shall see, economic development projects that target women, such as microfinance, often focus on access to resources and its impact on

individuals. By contrast, women's cooperatives are a collective enterprise that change patterns of access to economic resources, and challenge the ideology of social inequality. Additionally, the democratic, participatory structure of cooperatives fosters involvement and leadership skills that are useful for social and political activism to transform unjust institutions.

2. Criticisms of Microfinance Institutions as a Vehicle for Empowerment

Anthropologists, feminists, and development theorists, including development ethicists, critically appraise microfinance as a vehicle for women's empowerment. First, many MFIs have a high interest rate this may serve to increase rather than decrease debt exploiting the women they are ostensibly helping (Strangio 2011; Wichterich 2012). Second, anthropologists worry that MFIs violate local norms of cohesion and community (Karim 2008; 2011; Brett 2006; Moodie 2008). Third, some see MFIs as part of the neoliberal project of development, both contributing to powerful development myths and creating neo-liberal subjects (Lindio-McGovern 2009; McMichael 2005; Karim 2008, 2011). Fourth, some believe that NGOs, which often include MFIs, operate as a shadow state because they provide services previously provided by the State, but NGOs unlike States are not accountable to citizens (Gilmore 2007). Relatedly, NGOs that administer MFIs often view themselves in a provider-client relationship to the women to whom they provide loans. This individual services approach does not address the structural injustices that caused the women's poverty. In fact, critics argue, this individualist approach limits the potential space for real, structurally transformative political action (Keating et. al. 2010; Karim 2011). Additionally, an unintended consequence of promoting women's entrepreneurship is the "double-shift" created for women who still

do all the housework *and* are expected to run a business (Poster and Salime 2002; Churchill 2004; Brett 2006).

Of these many criticisms of MFIs, here I shall focus on three. First, are relationships strained during the implementation of group-lending MFIs? Second, does the introduction of MFIs reproduce values of neo-liberalism, including the ways that women internalize those values? And third, do MFIs limit the space for transformative political action? I then look at whether women's cooperatives strain relationships, reproduce neo-liberal values, and inhibit structural change.

Anthropologists have found that the much-lauded group-lending model of the Grameen Bank exploits existing kinship structures and cultural norms (Karim 2008, 2011; Moodie 2008; Brett 2006). In order to illustrate some of the issues with MFIs that anthropologists revealed through ethnographic studies, I draw on some specific examples from Lamia Karim's fieldwork in Bangladesh and support these ethnographic narratives with other research studies (Karim 2008; 2011). Operating within what Karim calls the economy of shame, rural Bangladeshi women are the traditional custodians of family honor. Often protecting women's honor means limiting their access to public places and their contact with males who are not relatives. However, because women are the sole recipients of the loans offered by the NGO's maintaining their honor shifts from staying out of the public sphere to their proper behavior in the public sphere. When women are unable to repay their loans they are often thrown in jail. These women are not only criminalized, but an overnight stay in a jail results in a loss of virtue according to cultural norms. This disgrace to the family has resulted in several of the women being divorced by their husbands (Karim 2008, 19).³

Moreover, making all the members of the group responsible for the debt of each group member sometimes has unwelcome consequences. When an individual member of the group is unable to repay her loan, thus jeopardizing future loans for the entire group, the other women in the group feel justified in “repossessing” any material items the woman and her family have. This has resulted in some groups descending on the defaulting member’s house and taking whatever is valuable to sell in order to repay the loan, including personal jewelry, cows, chickens, trees, and the rice and grain for the family’s meals. In extreme cases, the group will engage in housebreaking, selling off all the family’s possessions, including their house. This economy of shame, and its resulting violence, is systematically ignored by the NGOs who provide the loans; their main concern is a high loan re-payment rate. Keep in mind that group lending works because of the close bonds of family and community in rural areas. Moreover, contrary to the claim that MFIs offer independence and empowerment to women, women’s status decreases if they must borrow money from family to re-pay the loans from the MFI. This, as well as the strictures of group lending, may strain relationships among family, friends, and community members (Brett 2006). Re-payment of the loans is often made more difficult if the borrower is not in control of the loan, or if she does not have decision-making power about the money from the loan once it is dispersed (Goetz and Sen Gupta 1996; Poster and Salime 2002). These examples clearly demonstrate that some forms of microcredit not only strain family, friend, and community relations, but also that it exploits these bonds of friendship and community to serve its own interest.

The second criticism, that microfinance reinforces neoliberal values, including individualism, competition, and self-interest, is well illustrated by an example from

Karim's fieldwork. In Bangladesh the most profitable and widespread business from micro-credit is moneylending.⁴ Microcredit allows women to borrow money at 50-60% interest, well below the 120% interest rate that moneylenders charge, and then loan it to other women at the higher (120%) rate. This creates cycles of dependency and debt within the community among the most vulnerable members, those who are unable to get or pay back a microloan from an NGO. Thus, far from reducing moneylending, microcredit by NGOs creates a whole new class of female moneylenders.

Even without this secondary usurious form of moneylending, microcredit still promulgates neoliberal values simply by prioritizing entrepreneurship, and all that it entails, over other activities. For instance, women are encouraged to start their own businesses, rather than to engage in collective projects. Microfinance emphasizes the importance of money and self-reliance, and this may lead to defining one's self in terms of one's success or wealth, rather than community and kinship relations. Furthermore, the encroachment of a cash economy in areas where barter and subsistence farming still exist needs to be critically examined. Foisting practices such as lending, credit, debt, and entrepreneurship upon rural women as the route to success surely disrupts and displaces former practices, such as growing one's own food and relying on extended family to share food during hard times. Moreover, entering into new relationships as clients (of the MFIs) and consumers in a cash economy, positions women as neoliberal subjects under the disciplinary regime that prioritizes compliance to debt repayment, and consumer culture. This financialization of everyday life in Indian villages results in a feminization of debt (Wichterich 2012). This simply reinforces the intertwining of feminism and women's empowerment with the aims of neoliberal capitalism (Keating et. al. 2010).

The third issue to examine is whether MFIs expand or limit the possibilities for social and political change. Avenues for transformational politics are closed down, critics claim, by the hierarchical, disciplinary relationship between the MFI and the member (Mayoux 1999; Isserles 2003; Karim 2008, 2011). The MFI distributes loans only if their protocol is followed, treating the women as passive clients subject to control and discipline. Moreover the individualized solution of entrepreneurship to ameliorate poverty forestalls the urgency of structural change. Thus, critics claim that the individualized solution to poverty that MFIs provide upholds neo-liberalism and discourages activism for structural change (Mayoux 1999; Isserles 2003; Keating et. al. 2010).

Overall, critics charge that NGO's involved in microfinance often further the agenda of neoliberal globalization, rather than offering an alternative to it. "We run the risk of allowing the value of empowerment to be appropriated by the political rationality of neoliberalism if we do not challenge both the legitimating structure of neoliberalism and the practices that it produces" (Keating 2010, 171). As demonstrated, microfinance posing as a solution to poverty remains firmly within the neo-liberal logic of the globalization of capital. While there are good reasons to criticize the ways that microfinance plays into the framework of neo-liberal globalization, we need to distinguish among different types of organizations and groups.

Feminists should support those that prioritize both improving economic welfare and gender status. Otherwise we run the risk of the value of empowerment being appropriated, and the links between economic issues and gender becoming obscured. Moreover, these criticisms of the MFIs as re-producing certain aspects of neo-liberalism

show that in order to truly engage in transformative social and political change NGOs and those involved with them must work to remedy structural injustice. As Naila Kabeer rightly notes, “microfinance offers an important and effective means to achieving change on a number of different fronts, economic, social and perhaps also political” (2005b 4718). Yet she exercises caution about seeing microfinance as a broad strategy for social change and women’s empowerment: “However effective the role of microfinance organisations in providing financial services to the poor, they cannot substitute for broader policies to promote pro-poor economic growth, equitable social development and democratic participation in collective forums of decision-making. In the absence of such policies, microfinance may at most provide a safety net for the poor rather than a ladder out of poverty” (Kabeer 2005b, 4718). In the next section, I suggest that women’s co-operatives may play a greater role in women’s empowerment than microfinance organizations because of their commitment to democratic participation, collective forums for decision-making, and social equality. Cooperatives do more than provide a sustainable income for women; their structure is collective and their goals not simply economic, but also social.

3. Co-operatives: Economic Empowerment **and** Social Equality

Co-operatives have a much longer history than microfinance institutions. They did not emerge out of international development projects. And they are not only targeted toward women. Co-operatives are member-owned, and engage in democratic decision-making. According to the International Cooperative Association website: “Co-operatives are businesses owned and run by and for their members. Whether the members

are the customers, employees or residents they have an equal say in what the business does and a share in the profits” (International Cooperative Association website). Betsy Bowman and Bob Stone offer a broader definition: “A cooperative...is an autonomous, non-governmental association formed to meet its members’ economic, social, and/or cultural needs through a jointly-owned, democratically-controlled enterprise.”⁵ The common thread in these definitions is that cooperatives are member-owned and democratically controlled organizations. By definition cooperatives have a higher goal than simply making profit, that is, to have a collective, sustainable enterprise that provides employment while meeting the needs of the community. Moreover, when a cooperative is for-profit (as many are), the profits are shared equally among the members, or in a way that all members have agreed to or voted on. Cooperatives are distinguished from other business enterprises by their egalitarian structure, goals, and values. The explicitly held values of cooperatives include: *self-help*, *self-responsibility*, *democracy*, *equality*, *equity* and *solidarity* (International Cooperative Association website). As I will argue these values, especially democracy, equality, equity and solidarity, mark an important difference between microenterprise supported by microfinance institutions and cooperatives.

Cooperatives have a long tradition, beginning with the Rochdale Society of Equitable Pioneers, established in England in 1844. Historically, cooperative communities and their projects have been based on an alternative vision of society based on cooperation rather than the pursuit of individual self-interest. The Rochdale Society was founded by a group of 28 weavers who opened their own store in December 1844 to provide basic foodstuffs to workers who could no longer afford them. Mechanization had

forced skilled workers, such as the weavers, into poverty through the wide availability of cheap, mass-produced goods. So they banded together to create a business based on equity and democracy, rather than profit alone. The seven principles of cooperativism initiated by the Rochdale community are still accepted globally as guidelines for cooperatives: 1. Voluntary and open membership, 2. Democratic member control, 3. Member economic participation, 4. Autonomy and independence, 5. Education and training, 6. Cooperation among cooperatives, 7. Concern for community.⁶ In addition to these principles, most cooperatives also practice environmentalism emphasizing ecological sustainability and a low impact on the environment. The seventh principle, concern for community, links the internal structure and values of cooperatives to the larger society. These principles and the alternative vision for society that they represent are exemplified by many cooperatives in India. According to founder and leader of the Self-Employed Women's Association, Ela Bhatt: "Cooperation is a way of life, a philosophy, an approach to human problems, based on the principle of equity and justice. All human beings are equal in their right to live and to develop, and can be free only if they are not exploited by others but are independently productive and creative members of society" (Bhatt 1996, 11). Bhatt's vision of freedom includes a structural analysis—freedom from exploitation, as well as a more robust idea of what a full human life entails, creativity. This vision of freedom, based in the full participation of members of cooperatives working together to determine the direction of their future and their working conditions goes well beyond the paradigm of economic empowerment for women. Of course, including economic issues, such as sustainable income and independent productivity, is a necessary aspect of a comprehensive vision for social justice, but it is

not the only aspect. From the beginning, cooperatives aimed to improve social and economic conditions of the socially and economically oppressed (Bhowmik and Sarkar 2002). Perhaps less well-known than the origins of cooperatives in the history of the Rochdale Pioneers, is that cooperatives and ‘rural development schemes’ have a significant place in India’s history. As early as 1902, “the concept of cooperative institutions was introduced in India as instruments of social reforms” (Krishnaswamy 2002, 4). Mohandas K. Gandhi writes about cooperatives as the route to the economic self-sufficiency that he saw as important for national sovereignty, and also as a practical solution for providing a sustainable living for people in a country that was rich in human resources.⁷

Here I focus on the cooperative principles most relevant to the women’s coops in India that I have researched. Sometimes the first principle is expressed as: membership must be voluntary and without discrimination with regard to race, sex, religion, caste or social and political affiliation. This anti-discrimination requirement was extraordinarily forward thinking in the mid-1800s, and remains important today. This is especially true in situations where women, or any minority group, are routinely barred from paid employment, as is still often the case in rural India. The second principle, sometimes paraphrased as “One member, one vote,” serves as the basic core of the democratic nature of cooperatives. This is especially important in cases where the members of the cooperative have previously had little or no voice in their community. Education and training remains key to successful cooperative enterprises; nearly all the cooperatives I have researched have had ongoing skills training, as well as educational opportunities, for cooperative members and their families. Finally, members’ economic participation

includes limits on the share capital invested, and an equitable distribution of profits. The principles articulated by the Rochdale community and adopted by the International Cooperative Association serve as both practical guidelines for cooperatives and as a moral compass. The International Cooperative Association claims: “In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others” (International Cooperative Association website: <http://ica.coop/en/whats-co-op/co-operative-identity-values-principles/> accessed April 29, 2014).

As I will argue, the values endorsed by cooperatives, especially democracy, equality, equity and solidarity, mark an important difference between microenterprise supported by microfinance institutions and cooperatives. Because of their democratic structure, cooperatives provide more than just a job for their members; they also bolster self-confidence and foster solidarity. Furthermore, cooperatives have “social objectives over and above business objectives. They need to be inherently sensitive to social, community and environmental needs” (Krishnaswamy 2002, 4). The positive benefits of collective economic empowerment for women through cooperatives go well beyond simply providing a sustainable income. Rather than falling prey to the criticisms of microfinance above women’s cooperatives provide a collective solution for economic empowerment and foster economic and political solidarity. I demonstrate that cooperatives, contrary to the criticisms leveled against MFIs, strengthen relationships, mitigate against the values and structures of neoliberalism, and foster social and political agency leading to structural transformation. I illustrate these theoretical claims with

specific examples from the case studies of Village Financial Services Private Limited and a women's self-help group, Champa Mahila Samity.

4. Case Studies

a. Background

This research study looks at development in an emerging economy (India) with a focus on women. A women-focused/gender sensitive analysis is important because there is an internationally recognized credit gap between men and women in India. Indian microfinance is divided into two sectors, private and public. Private sector banks generally work on the loan model, which means they provide small loans to individuals for little or no collateral in order for her to start her own business. This model is profit-based and benefits the buyer (the bank). Public sector banks are state supported and work in tandem with Self-Help Groups. SHGs are a group of women (usually 10-20) who form a savings group. Public sector banks promote the thrift model, which encourages women to save their own money, and pool it. But public sector banks also lend money to the women in the SHG as a group. In this model, the SHG holds the loan, not the individual, and so if the business fails or does not make a profit, the women in the SHG do not lose their personal property, such as jewelry, homes, furniture, goats, land, etc. This model benefits the seller (the women in the SHG) because the loan enables them to start a business and earn an income without the risk of losing what little they have. The model of SHGs, which is supported by public sector, state banks have similarities to the cooperative model.

Prima facie both MFIs and SHGs increase women's agency as well as their material status. However, the private sector banks operate within the capitalist and neoliberal framework of profit making so the already-vulnerable women who get loans from them are at a greater risk of losing economically and socially if they are unable to pay the loans back. Although both MFIs and SHGs purport/aim to increase women's empowerment (economic as well as personal), SHGs do a better job of this, and are more similar to cooperatives, for instance, both are membership organizations, are democratic and participatory, and share profits among members.

b. Methodology/Theory:

In this research study we look specifically at the relationship between economic empowerment and other types of empowerment, for instance, ability to make one's own choices, be independent, and participate in the political process based on a modified version of Patrick Kilby's empowerment index: 1. Go out of the house freely. 2. Meet with officials. We also ask: does gender of official make a difference? 3. Travel independently outside village (for work or pleasure, accompanied by other women or not, to village/parental home or other destination), 4. Attend village meetings (what is the gender balance--predominant men/women), 5. Actively participate in local political processes (from being a candidate/advocacy issues/activism social or environmental cause).⁸

We interviewed women in both cooperatives and SHGs to ascertain the ways that economic empowerment fosters other aspects of empowerment. We used a qualitative method of a set of open-ended interview questions based on the scale above.

Case Study of MFI: Village Financial Services Private Limited (VFSPL)

Village Financial Services Private Limited has started micro finance operations in the financial year 2005-2006. Micro Finance program of VFSPL has grown and has touched the lives of many thousands of poor families by providing them credit for income generating activities and helping them to become economically self sufficient, sensitizing women about empowerment issues and bringing about a qualitative change in them and their families related to standard of living and their own status in the society. Presently VFSPL is working in 36 districts. They have 136 branch offices. The loan repayment rate has been 99.96 per cent. Along with credit services VFSPL also provides different kind of credit plus or support services to the customers. These services are provided directly by VFSPL or by its group organization. The customers of VFSPL are women. VFSPL knows that in India, mostly women are dependent on their husband and if there is any unfortunate event of death of her husband, the family becomes helpless. There are thousands of examples where the widows are not permitted to stay in her husbands' house; even they have to leave the house along with their children.

We interviewed five members of VFSPL:

Anna Ghosh is 40 years old and has been associated with VFSPL for 16 years. The name of her groups is Naka Joutha Daybadhha Sangstha. She is 40 years old and has a readymade garments shop in her locality. She started her business with Rs. 3000 and now she invests almost Rs. 30,000 in her business. She has been able to buy two taxis. Her husband drives one taxi and rents one out. Previously her husband used to help her to buy things. But now she is confident enough to run her business all by herself.

Shyamali Das is 38 years old and sells night dresses and saris from her house. She started her business 14 years ago. She took first loan of Rs. 5000 almost 12 years ago from VFSPL. The name of her group is Jora Joutho Daybadhha Sangstha. She buys her saris and night dresses wholesale and resells them to retailers at a slightly higher price. Her

husband is unemployed, so he helps her in her business. She has small children at home and thus she manages her household and business together.

Dipali Sarkar is 44 years old and group leader of Apanjon Joutho Daybadhha Sangstha. She runs a business from her house, which also involves buying wholesale and selling to retailers. She has trade license and she sounds very promising in her job. She started her business with Rs. 200. She sells nightdresses, woolen garments, saris, petticoat, etc. She has appointed two male laborers who help her in carrying things from the market. Her son is an artist who now helps her in her business too. Dipali's mother in law also helps her in her business. Dipali owns two cars. Her husband is an auto driver.

Sindhurani Mondal is 45 years old and member of Apanjon Joutho Daybadhha Sangstha. She is engaged in a very unique business and that is manufacturing of jewelry boxes. Sindhurani's son Nanigopal now mainly looks after the business. In order to become economically independent Sindhurani first started tailoring almost 20 years ago. But gradually her son took training of the jewelry box manufacturing and started the business. They got loan from VFSPL which helped them to run the business. Now she helps her son in his business. She has appointed 4 people who work for them. They have 3 machines. They export their boxes to many places in India. She received loan 12 years ago, now she is a successful businesswoman and has also helped her son become economically independent.

Aparna Mitra is 45 years old and widow; she belongs to the Nilkantha Joutho Daybadhha Sangstha group. She has a business of candle making; according to her candles have great demand. Her son is 30 years old and he helps her in business. They have almost 20 to 25 machines. She takes loan mainly for raw materials. Her husband started the business all by himself. But after his death she was in need of money and VFSPL helped her by giving collateral free loan.

All the above 5 women are empowered in the sense now because they are confident to earn their own living. They are free to speak and they can go anywhere they feel like without taking permission from their husbands. They help the family economically. They are not politically connected, but they are happy and proud to be a part of the society.

Case Study of SHG: Saraswati and Champa Mahila Samity (CMS)

Champa Mahila Samity is a SHG Group in Basanti, a district of West Bengal; this SHG engages in multidimensional activities. They have been working for the betterment of the nearby village women in an informal way for a long time. However, when Champa Mahila Samity received its registration in 1984, it became easier for them to work and they became more effective. Now there are 613 groups covering almost 7,200 women under CMS. Various activities done by these groups are agriculture, animal farming, ASHA worker, poultry, van rickshaw pulling, mat weaving, etc. CMS also runs a cooperative society under which almost, 10,000 women are benefitted. Not only group members but also women from nearby villages benefit from these cooperatives. The Cooperative Society started in 2008 with 200 members. It has a 12 percent interest rate for the beneficiaries.⁹

Saraswati is one of the 613 women's SHG's under CMS. Saraswati was formed in 1985 and has 12 members; they are engaged in various kinds of livelihoods. We did a group interview of the following members of Saraswati: Kalpana Sardar, 42, poultry farming; Rama Bar, 38, agriculture; Rita Mahato, 40, vegetable cultivation, ASHA worker; Kabita Bar, 42, poultry farming; Mallika Bar, 28, fish cultivation or pisciculture; Mallika Bar, 26, fish cultivation; Bijali Sardar, 52, mat weaving, agriculture and fish cultivation; Suma Bar, 25, agriculture and fish cultivation; Sandhya Bar, 34, paddy cultivation; Sita Sarkar, 40, vegetable cultivation, paddy cultivation; Alaka Mahato, 43, paddy cultivation.

All the women are very active. They all maintain kitchen garden at their house. They all have to perform household activities and then they work for their livelihood.

They claim that joining this SHG has benefitted them all. They can now speak for themselves. They also work together and think about the benefit of their group members. When a group member seeks some loan for personal reason they all sit together and decide about the loan amount. They have accumulated savings up to Rs. 1,48,000. Now they save Rs. 50 per month in the group. This amount has increased from Rs. 5 in 1985 to Rs. 50 in 2015. These women are now happy as they have their own money and savings. This money is economic freedom for them, and they also feel empowered to speak up and make changes.

Conclusion

The case studies of Village Financial Services Private Limited, which organizes MFIs and provides micro-loans, and Saraswati, a women's self-help group under the auspices of the NGO Champa Mahila Samity illustrate on a small scale the difference in the ways that women are affected by MFIs and cooperatives. Both MFIs and cooperatives increase women's economic freedom, and their sense of power and agency in relation to economic freedom and social status. Yet the SHG's and cooperatives have the additional benefit of encouraging cooperation and of forging a sense of solidarity among the members, which results in the self-confidence to make changes in their lives, and in their communities. This is consistent with the ideas set forth earlier: that cooperatives can be more effective in promoting and encouraging social and political participation by women. Once women learn in their cooperative group that their voices and ideas make a difference, they are often eager to exercise that power outside of their cooperative or SHG and make a positive impact on their families and communities.

¹ Much of this paper draws upon arguments and research from my forthcoming book, *Women's Activism and Transnational Feminism: From the Local to the Global*.

² In part, this was initiated by a 'conscientisation' approach developed by Paulo Freire in his popular education approach in Latin America.

³ There are a number of issues here that I cannot fully address. Apparently, these MFIs do not challenge the idea of women being the traditional custodians of family honor. Moreover, NGOs focused on improving women's lives should avoid penalizing them with jail time, especially as it may result in her divorce which will only exacerbate her social exclusion and economic deprivation in the context of rural Bangladesh.

⁴ See Karim 2008 p. 21. She states that 100 out of 230 NGO beneficiary households were engaged in moneylending in Krishnonagar.

⁵ Elizabeth Bowman and Bob Stone, "Cooperatives: A Brief Introduction to Their Types, History and Social Change Prospect" in the Center for Global Justice Newsletter (December 2007) 1-5, p. 1. See also International Cooperative Association website: <http://ica.coop/en/whats-co-op/co-operative-identity-values-principles/> accessed April 29, 2014.

⁶ Bowman and Stone, December 2007, p.3. See also, *Worker Cooperatives in Theory and Practice* by Mary Mellor, Janet Hannah, and John Stirling, p. 37. They refer to 6 Rochdale Principles originating in Rochdale and adopted by the International Cooperative Alliance in 1934; these principles are still recognized as fundamental to cooperatives worldwide.

⁷ There are several other well-known historical examples. For instance, the cooperatives that flourished under the Paris Commune in 1871. And more recently, Mondragon in Spain (founded in the mid-twentieth century) exemplifies a successful multi-faceted group of cooperatives. And, in 1968 in the wake of liberation struggles and a call for new non-hierarchical institutions, the idea of "self-management" and cooperatives was re-introduced the world over. In the past 3 decades, cooperativism has emerged most prominently in Latin America: cooperatives in Cuba, Zapatista "communities of struggle," the occupation of unused land (Brazil) and the cooperativization of factories (Argentina and Uruguay) all provide new hope for a future of economic democracy.

⁸ Patrick Kilby's empowerment index (from Patrick Kilby, *NGO's in India: The Challenges of women's empowerment and accountability*, Routledge, 2011, p. 83) [Modified by Sharmistha Banerjee and Margaret McLaren]

⁹ Other activities which CMS performs are—homes for orphan children both boys and girls; old age home for women; presently 12 women live in such a old age home; hospital mainly to handle maternity cases. A completely new area in which CMS has intervened is to Save(S) Tiger(T) Affected(A) Families(F) of Sunderban. The project has been named as STAF. They have only been able to take care of two tiger affected GPs of Sunderban. They have great hope of getting help from government, NGOs also financial help from countries outside India. Families living in Sandeshkhali, Basanti, Gosaba and Kultali have been suffering since last few decades. Members of their family, mainly men go in deep jungle to collect honey and are eaten by tigers. They are barely insured and their families are left to starve and die. Many are also migrating from these places in search of some other occupation. STAF helps in finding some alternative employment for the

families, educate their children, etc. They are now trying to reach more and more families to help them give a better livelihood.

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