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Are women self help group members economically more empowered in left-run municipalities?

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Abstract

Who controls the income earned by members of women's self help groups (SHG) from group activities—they or their husbands? The answer indicates one dimension of the level of economic empowerment attained by SHG members. This paper examines whether identity of the person controlling this income depends upon the political party ruling the municipality where the SHG is situated. Two parties are considered—the Left Front, a coalition comprising of Leftist parties, and the Indian National Congress. This paper is based on a field study of 240 SHG members in six municipalities in West Bengal, a major state in India.

Keywords: Gender and diversity, Labour and livelihoods, Region: South Asia.

Introduction

The participation of women in economic activities is usually seen as a necessary, though not sufficient, condition for their economic empowerment. However, it is often difficult to involve poor women in developing countries in such activities. The lack of education and enterprise and the inability to take risks are important constraints in this context. In such cases, policy makers often rely on self help groups (SHGs) to mobilize women and use their collective enterprise to involve them in economic activities.

In India, the Swarna Jayanti Sahari Swarozgar Yojana (SJSSY) is an important group-based poverty alleviation programme targeting urban slum dwellers. (1) The scheme is centrally sponsored but administered by the State governments. (2) It was launched on 1 December 1997. The scheme aims to provide gainful employment to the urban unemployed or underemployed poor by encouraging them to set up self-employment ventures or by providing them wage employment. The scheme also assists groups of urban poor women in setting up gainful self-employment ventures. This sub-scheme is referred to as 'The Scheme for Development of Women and Children in Urban Areas' (DWCUAs). This component is distinguished by the focus on poor women residing in urban slums who set up self-employment ventures not as individuals but as groups. Groups of at least 10 women form SHGs (called DWCUAs by members and municipal officers) and take up economic activities suited to their skill, training, aptitude and local conditions. While the DWCUA's primary objective is employment generation, it is expected that DWCUAs will also empower its members socially.

The SJSRY is based on community empowerment; it does not rely on traditional top-down management. The programme relies on the establishment and promotion of community organizations and structures to provide supporting and facilitating mechanisms for local development. While the Poverty Eradication Cells of the urban local bodies (ULBs) are primarily responsible for creating community structures, they are assisted in this task by elected councillors and local political workers. This links political parties with the implementation of this scheme, and so the success or failure of the scheme may depend upon the political party in power. The creation of links with political parties may become a major issue in states like West Bengal (during the period 1977-2011), marked by an extraordinarily high level of political stability. In West Bengal, the Left Front—a coalition comprising of Communist and left-leaning parties headed by the Communist Party of India (Marxist)—was democratically elected to power for seven successive terms between 1977 and 2007. The 34-year rule by the same political coalition, along with the virtual absence of any effective opposition, enabled the constituent parties, particularly the Communist Party of India (Marxist), to effectively control institutions like local decentralized governance bodies, administrative, executive, education, health services, and so on, and regulate the flow of services from them (Choudhuri 2010; Datta 2007).

This paper examines one of the multiple aspects reflecting the scheme's success—control over the income that the member earns from her DWCUA activities. In particular, we examine whether the identity of the political party ruling the municipality determines who controls this income within the household of the SHG member. This paper

hypothesizes that having a Leftist (local) government leads to greater political participation by individuals, including potential SHG members, which increases the probability of controlling the income generated from SHG activities—a very important dimension of economic empowerment.

The paper is based on a field survey of 240 SHG members undertaken in six municipalities of West Bengal, a major state in India. The survey was undertaken between the months of February and August 2009. While structured questionnaires were administered to SHG members, the authors interviewed the councillors and the officers of the Poverty Eradication Cells (particularly the town project officers) and of the community structures forming part of the SJSSY. In addition, we interviewed representatives of two political parties, the Communist Party of India (Marxist) and the Indian National Congress, to obtain information about their respective sources.

In the following sections, the paper briefly identifies the determinants of empowerment (Section 2); describes the guidelines of the SJSSY, the survey methodology and data (Section 3); discusses the findings (Section 4); and offers some explanations of the results (Section 5). The paper concludes by identifying some policy concerns and areas for future research.

Empowerment: definition and determinants

Empowerment is viewed broadly as increasing poor people's freedom of choice and action to shape their own lives (Narayan 2005: 4). It is the process of enhancing an

individual's or group's capacity to make effective choices—that is, to make choices and then to transform those choices into desired actions and outcomes (Alsop, Bertelsen and Holland 2006: 10). While this has many dimensions, this paper focuses on only one of these dimensions—economic empowerment, in the form of controlling income earned by the women. Although this is a narrow approach, it is useful as a starting point to analyze the relationship between political setting and agency, before broadening the definition to incorporate the remaining diverse and complex dimensions of empowerment and agency.

Determinants of empowerment

There is a substantial body of research on empowerment and its determinants. (3) These determinants may be classified into individual traits, household traits and social context.

Individual traits that determine empowerment levels include factors like age of respondent, education, her mobility and her participation in economic activities. The structure of the household, the relationship with the husband and the number of children—particularly the presence of boys—are important household-level characteristics that determine level of empowerment.

Finally, government policies may affect empowerment also. SHGs are commonly believed to be an important form of intervention. A study in Nigeria found that SHG members had significantly greater access to productive resources (Soetan 1999). Researchers have shown how the spread of SHGs have had beneficial impacts on some household outcomes like health, nutrition, family planning, education (particularly of the

girl child) and family decision-making. However, the impact of SHGs may be limited by contextual factors. For instance, access to credit in a patriarchal setting may actually decrease functional capabilities of women (Goetz and Sengupta 1996). The effect of marital status has also been examined documented by researchers. In many cases, the credit provided to women is appropriated by their husbands or other male relatives.

Political setting and empowerment

Despite the substantial body of work on determinants of empowerment, the literature has failed to explore the influence of the political setting on empowerment. A possible explanation is that empowerment relates to the household sphere whereas the political environment belongs to a broader domain. However, the ideology of the existing political parties and their nature of functioning often determine the extent of empowerment targeted by government intervention, opportunities (particularly economic) created and the space available for women within these opportunities—all of which are important determinants of the success of micro-credit programmes (Mayoux 2001). This is very important, given the recent findings establishing that the selection process of SHG members is often highly selective (Karim 2011; Husain et al 2012). On the other hand, intervention strategies to increase empowerment are often viewed by political parties as instruments for garnering political support. Movements of SHGs are particularly important in this context. In recent years, there have been claims that political parties in different regions of India are attempting to use SHGs to increase their political base: *The network of the cooperative sector had been used by political parties for their interest in many ways. Now, the mushrooming of the SHGs has also provided a good alternative to*

the parties. The SHGs are a part of the grassroots level and give easy access to political parties to reach to masses. There always remains a fear that the SHG movement can suffer if it is exploited by political parties. (Sanyogita Dhamdhere, cited in Khape 2009)

Another study of SHGs in Andhra Pradesh, Karnataka, Orissa and Rajasthan reported that “... the members (or their families) often have political leanings and activities even before they were members of SHGs” (EDA and APMAS 2006: 5). On the other hand, a study by Reddy and Manak (2005) finds evidence that joining SHGs increases participation in the political arena. A similar finding has also been reported by Hashem, Schuler and Riley (1996).

It is therefore necessary to examine how the political settings in which the SHGs are established affect the empowerment levels of its members. Although literature identifies several indicators of economic empowerment—such as the ability to make small purchases and to own productive assets, involvement in major financial decisions and control over the income generated from SHG activities (Hashemi et al 1996)—this paper focuses only on who controls the income earned by respondents from SHG activities. Only one indicator was chosen because increased involvement of women in other forms of economic decision-making was found to be negligible in the study area (Husain et al 2012). Moreover, this form of economic empowerment has a significant impact on empowerment of women and the household (Blumberg 2005; Samarasinghe 1993).

Background

This section provides information on the SHGs studied in this paper and details of the survey site and sampling methodology.

Guidelines of the SJSSY

As mentioned previously, the DWCUAs are formed by at least 10 members belonging to BPL families. The social capital necessary for the success of the scheme is built by first encouraging the women to set up Thrift and Credit Societies/Groups. (4) It was observed that councillors and local cells of the ruling political party play an important role in such mobilization. Neighbourhood meetings are organized, house-to-house campaigns are conducted and women—identified by the local party workers—are encouraged to join the TCGs. The main activity of TCGs is saving on a monthly basis, and borrowing money from a revolving fund operated by the government. (5)

After TCGs have operated for some years, the members are encouraged to graduate to the second stage and form DWCUAs. The group itself selects the income-generating activity. Financial assistance is received from two sources: (1) the revolving fund and (2) commercial loans subsidized by the State Urban Development Agency (bureaucratic agency overseeing implementation of the SJSSY in the state of West Bengal). (6) The DWCUAs conduct business using these funds. They have monthly meetings where the running of the venture is discussed and operational decisions are made. A part of the surplus is also distributed among the members. This paper refers to control over this income.

In West Bengal, there were 21,717 TCGS with about 350,000 members in 2007. However, DWCUAs evolved more slowly as it was difficult to mobilize women to form TCGs and develop the social cohesion to set up a joint income earning venture. As on 31 August 2007 there were 690 DWCUA groups, of whom 229 (33 per cent) have been linked to banks.

Profile of survey sites

While discussing possible survey sites, SUDA officials informed us that although almost all ULBs had DWCUAs, the DWCUAs in a majority of ULBs were generally unstable—disintegrating three or four months after their formation and being reformed by municipalities with a new combination of members (to meet annual targets for DWCUAs set by the SUDA) before disintegrating again. There was no point in studying such unstable groups as they did not undertake income-generating activities for any meaningful period, so that the question of control over income and economic empowerment was not relevant for members belonging to such DWCUAs. We therefore decided to focus on municipalities that had a history of stable DWCUAs. In this study we surveyed six ULBs—Kaliaganj (Uttar Dinajpur), Old Maldah (Maldah), Barrackpore (North 24 Parganas), Chandannagar (Hooghly), Burdwan (Burdwan) and Gayeshpur (Nadia). The specific municipalities were suggested by the SUDA as the scheme was particularly successful in these areas. For the same reason, instead of taking a random sample of DWCUAs, we surveyed ‘stable’ DWCUAs—entities that are in existence for over a year. As control group, we also sampled newly formed DWCUAs that local

officials identified as stable although they had been in existence for only about six months.

Within each DWCUA surveyed we interviewed an ordinary member and a post-holder. About a third of respondents were *selected randomly*, called to the respective municipality offices and interviewed in the absence of municipality officers. This helped to establish rapport with the DWCUA members. After arriving at a familiar footing, the team of surveyors was able to initiate surveys at the locality of DWCUA members unaccompanied by municipality officials and without drawing attention to themselves or standing out. The remaining respondents—selected on the basis of a purposive snowball sampling method—were interviewed at their homes or in a neutral venue. While the use of a non-random sampling methodology may affect the extent to which our results can be generalized, this method enabled us to avoid ‘floating’ DWCUA members, who float between unstable DWCUAs referred to earlier. Of course, this method has one problem—snowballing might have led to referral to only other members with similar affiliations. However, given that the starting point was non-random (the initial one third members from whom we sought referral were selected randomly), such an error is unlikely to have seriously affected results. Table 1 breaks down the sample by district.

Table 1: Sample by site

Municipality	DWCUA members	Number of members interviewed	Percentage of members interviewed
Barrackpore	376	44	11.7
Burdwan	82	13	15.9
Chandannagar	108	23	21.3
Gayeshpur	115	5	4.3

Municipality	DWCUA members	Number of members interviewed	Percentage of members interviewed
Kaliagunj	3347	110	3.3
Old Maldah	3289	45	1.4
TOTAL	7317	240	3.3

Source: State Urban Development Agency, communication dated 15 October 2009.

Four of the survey sites have been selected from the six districts having the largest number of DWCUAs (comprising Uttar Dinajpur, Maldah, Birbhum, North 24 Parganas, Murshidabad and Burdwan). In addition, we have also surveyed two other municipalities situated in districts where the SJSSY has been relatively unsuccessful. The sample size from each municipality was chosen in proportion to the number of successful SHGs in the area. Thus, only five members were surveyed from Gayeshpur, which had only two long running SHGs, while the sample size of Kaliagunj was much larger as there was a larger number of long-running SHGs in the town.

Out of the six municipalities studied, four were controlled by the Left Front coalition that controlled the state of West Bengal between 1977 and 2011. The other two are Maldah and Dinajpur; both the municipalities surveyed in these districts are traditional bastions of the Indian National Congress (henceforth Congress).

There are also differences in the economic setting of the municipalities surveyed. Three of the sites have strong links to the agricultural sector—of which Burdwan is located in a developed and prosperous agricultural hinterland, while Kaliagunj and Old Maldah are agro-based but underdeveloped towns. Barrackpore and Gayeshpur are industrial towns. Barrackpore was once an important industrial area; the decline of the jute industry has

eroded its economic importance. However, its proximity to the metropolitan city of Kolkata and its well developed educational infrastructure has resulted in a relatively educated population. Gayeshpur, on the other hand, is a satellite of the industrial township of Kalyani. It is relatively under-developed. The spectacular success of some specific SHGs led us to study this site. The last site, Chandannagar, was originally set up as a French colony in 1784. Its proximity and transport links to Kolkata has resulted in the growth of the service sector in this town.

DWCUA activities and income

The range of activities undertaken by SHG members varies widely. While tailoring, catering and garments trading are common activities, local circumstances encourage activities in specific lines. In Kaliagunj and Old Maldah, for instance, many of the DWCUAs carry on agro-based activities like rice trading, mustard trade, agricultural stocks, converting grain to rice, farming, livestock farming, poultry farming, fishing, carpentry, handicraft and similar activities. There are also some bakeries and roadside snack stalls in Kaliagunj; two DWCUAs have also set up a catering business. In Burdwan, a DWCUA had set up a canteen on the University of Burdwan campus; this DWCUA also supplies food to the in-patients of the Burdwan Medical Hospital. The fact that Burdwan is the rice granary of West Bengal has also encouraged many DWCUAs to engage in manufacture and sale of puffed rice. In Barrackpore, the presence of Muslims who are culturally associated with the *zari* trade means that *zari* making is an important activity. (7) In addition, DWCUAs also manufacture leather bags, jute bags, and soft toys. Some DWCUAs also run grocery shops; another operates an STD booth. In

Chandannagar, tailoring is a common activity. *Dishari* also runs a canteen in an eye hospital. Garments and *saree* trading is a common activity in all ULBs except Barrackpore. In places like Kaliaganj and Old Maldah, women transport their wares in small vans to adjacent villages, and some women trade door-to-door within their neighbourhood. In Chandannagar, we observed fixed shop retailing in *sarees*. In Gayeshpur, the DWCUA studied has set up a night shelter for relatives of in-patients admitted to the local hospital.

As mentioned earlier, the monthly surplus from SHG activities is distributed among its members. Such income is quite substantial. The monthly median income from DWCUA-related activities is Rs 400. This comprises about 21 per cent of the household income. This is of considerable importance in increasing consumption levels, tiding over seasonal crises, meeting educational and health related expenditure and acquiring financial and other assets (savings account, life insurance policies, bicycles, etc.).

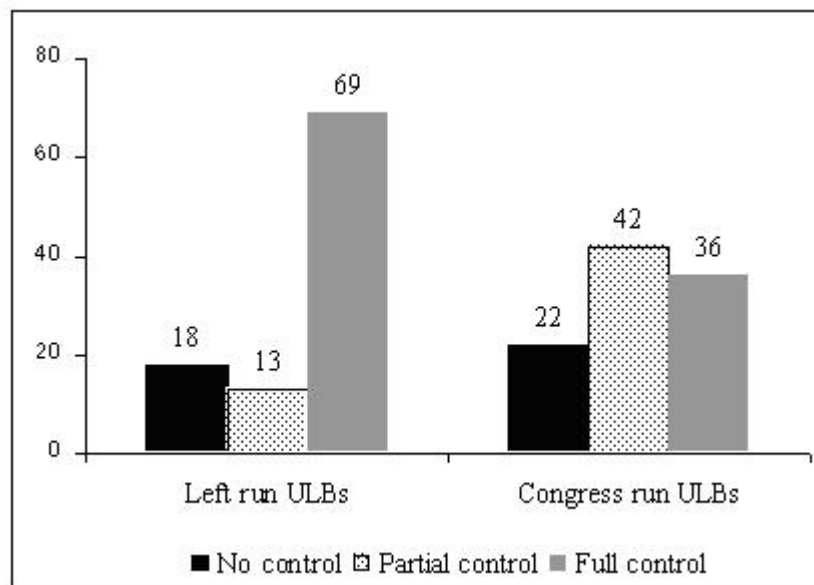
Who controls the income?

Our survey revealed that almost 50 per cent of the respondents decide how to spend their own income, while about 30 per cent make this decision jointly with their husbands. This would imply that 80 per cent of respondents have at least *some control* over their income, which is very encouraging. However, the relationship between the respondent's marital status and her control over income is important. Since 23 of the total respondents are either unmarried or are widows or have been deserted by their husbands, this raises the possibility that control over income may be the result not of empowerment but simply of

the lack of male authority figures within the household. Parvin et al. (2004), for instance, finds a high correlation between marital status and control over income. This was also supported by statistical tests on our data. We therefore considered only the sub-sample of 217 married respondents in this paper.

When considering the site-wise variation of control over income, we found that the proportion of respondents with full control over income is substantially higher in Left-controlled municipalities (Figure 1).

Fig. 1: Control over income and identity of ruling party



The magnitude of difference in the proportion of respondents with full control over income from SHG activities between Congress and Left-run towns is surprising. After assigning scores of 0, 0.5 and 1 to the three levels of control, we ran a t-test to test for statistically significant differences in the average scores between the two groups. The t-value of 3.4896 is significant at 1 per cent level. However, this test has three disadvantages. Firstly, the values assigned to scores are ad hoc and may influence

average scores. Secondly, it is based on the assumption of a normal distribution of the scores. To overcome these methodological problems, we have used the Mann-Whitney U- and Kruskal-Wallis H-tests. Since these are based on ranks and do not assume a normal distribution, they are stronger tests. The results of both these tests confirm our earlier conclusion—that there is a difference in empowerment levels between Left and Congress controlled towns—at 1 per cent level of significance.

The third problem with such tests is common to both the classical and non-parametric tests—neither controls for differences in socio-economic characteristics of respondents. Now, educational levels are relatively high in Barrackpore and Chandannagar. If this is true for the other Left towns, as is evident from Table 2, then the difference may simply reflect differences in education and not political control.

Table 2: Educational profile of respondents

Education level	Barrackpore	Kaliaganj	Chandannagar	Burdwan	Gayeshpur	Total
Illiterate	-	5.5	-	7.7	-	6.7
Can read/write	9.1	8.2	8.7	-	-	17.8
Below secondary	15.9	55.5	34.8	46.2	40.0	51.1
Completed secondary	36.4	26.4	43.5	15.4	60.0	17.8
Higher secondary	38.6	4.5	13.0	30.8	-	6.7

To overcome this problem we use a regression model, regressing control over income (RRINC) on a dummy for Left-controlled towns (LEFT) and controlling for socio-economic characteristics of respondents. Religion (REL) and caste (CASTE) dummies

were incorporated as it is often alleged that Muslims and backward castes are marginalized. We also incorporated per capita income (PCY), age of the respondent (AGE) and education level of respondent and husband (REDRESP and EDHUSB), as educated or older respondents or those from affluent and educated households are likely to be more empowered. As the empowerment dynamics are likely to be different in households below the poverty line, a dummy indicating economic status (whether respondent is a below poverty line card holder (8), ESTAT) was used. We also controlled for household size (HHSIZE) as women in unitary families may have higher bargaining power. Finally, we also added a dummy to indicate a newly inducted SHG member (DWCUA) to capture the possible effect of long-term membership.

We have also attempted to control for differences in district/town characteristics as educational level, income level and economic structure. For the profile of the *population* from which our sample is drawn (coming from BPL urban slum-dwelling households) two variables relating to locality-specific characteristics are included in the regression—the female literacy level (as more educated areas are expected to have more empowered women) and the percentage of BPL population (indicating the size of target population). These are represented by MFL and MBPL, respectively.

Since there are differences in the nature of operations, scale and profitability of SHGs, a control for these differences also has to be introduced. The three possible controls conceptually relevant for our purpose are types of activity, surplus of SHGs and contribution of SHG income to household income. The latter two are correlated;

therefore, only one may be used in our econometric model (we have used contribution of SHG income to household income, PCONT). On the other hand, there is a wide variety of activities undertaken by SHGs. In fact, some SHGs in Kaliaganj even undertake multiple activities—with some simultaneously operating as many as four lines of business. The resultant categories of SHGs, therefore, are too large for any relevant analysis.

Another problem that may appear relevant is that of selectivity bias. The characteristics of women who have joined SHGs may differ from those who stay away from such movements. It may be that more empowered women join DWCUAs. Fortunately, this problem is not relevant here. The objective of this paper is not to study the relation between the level of control over *household* income (economic empowerment) and participation in SHGs but to study the relation between the level of control of income from DWCUA activities and the political party implementing the scheme locally. Since only DWCUA members earn income from SHG activities, there is no selectivity bias involved here.

Given the discrete, non-binary and ordinal nature of the response variable, an ordered logit is appropriate (Table 3). (9)

Table 3: Results of generalized ordered logit for control over respondents' income

Variables	No control vs partial control and full control			No control and partial control vs full control		
	Coef	z	P> z	Coef	z	P> z
REL	-0.09	-0.13	0.90	0.72	1.21	0.23
RCASTE	0.47	1.04	0.30	0.49	1.36	0.18
ESTAT	-0.49	-1.08	0.28	0.48	1.33	0.18

REDRES	0.30	0.98	0.33	-0.59	-2.51	0.01
EDHUSB	-0.05	-0.29	0.78	0.36	3.18	0.00
AGE	0.03	0.93	0.35	-0.01	-0.55	0.58
HHSIZE	-0.35	-2.73	0.01	-0.08	-0.78	0.44
PCONT	0.02	0.81	0.42	0.02	1.32	0.19
PCY	0.00	1.03	0.30	0.00	-0.10	0.92
MFL	-0.85	-2.91	0.00	-0.45	-2.73	0.01
MBPL	-0.24	-2.57	0.01	-0.12	-1.88	0.06
DWCUA	1.14	1.53	0.13	-1.04	-1.72	0.09
LEFT	20.08	2.58	0.01	11.96	2.63	0.01
INTERCEPT	46.64	3.02	0.00	24.43	2.68	0.01
N	216	Pseudo R ²	0.198	LR χ^2	88.26	Prob: 0.00

The results of the regression model show that even after controlling for socio-economic characteristics, the probability of respondents controlling the income from SHGs is higher if they come from Left-run municipalities. Other important results are that educated respondents or with husbands with low levels of education are less likely to have full control over the income from SHG activities; respondents from large households are more likely not to have control over the income; and respondents who had joined DWCUAs for more than a year are less likely to have full control over the income. In addition, respondents from ULBs with a higher proportion of BPL people or from ULBs with higher levels of female literacy are likely to have less control over income. Since coefficients of some of the variables are statistically insignificant, we tested for multicollinearity. Correlation between per capita income and household size and between DWCUA and PCONT was found to be high (0.3749 and 0.6797, respectively). This

implies that respondents having higher per capita income are less likely not to exercise control over income, while respondents whose SHG income comprises a higher proportion of household income is more likely to have full control over SHG income.

Discussion of results

The relationship between the identity of the political party controlling the municipality and an SHG member's control over her income is an interesting one and requires explanation. We argue that the differing natures of the two political parties lead to different levels of participation and involvement in the political arena. This, in turn, facilitates DWCUA members to exercise control over the income generated from SHG activities.

Role of political participation

A major difference between the two political parties lies in their organizational structure. The Indian National Congress is a loosely organized political party based on principles of voluntary participation in party activities. The nature of the Communist Party of India (Marxist) (CPM, in short), the major constituent of the Left Front, is quite different. The CPM has a regimented and hierarchical structure. It has a network of parallel and superior units throughout the state—starting from the local level. The politburo exercises control over party members. Applicants are carefully vetted before they are admitted to the party. After joining, these members—and, in fact, even non-member supporters—have to participate in party activities such as demonstrations, meetings, processions, propaganda activities, classes, social and cultural activities, and so on. Their activities are

evaluated annually and membership renewed only if their participation is found satisfactory. Those who take part in party activities regularly are identified and rewarded. (10) In Chandannagar, for instance, some women supporters requested the local councillor to do 'something' for them. They were told to form a DWCUA and were provided space for an outlet in the municipal market to sell *sarees*. In contrast, the Indian National Congress is primarily based on voluntary principles. The party does have a hierarchical structure, but it is rather loose with considerable autonomy to local units. Members are expected to participate in political demonstrations and processions, but their activities are not monitored and evaluated on a systematic basis; neither is their membership renewed on the basis of their activities undertaken in the past year.

Thus, CPM members and supporters have to involve themselves in party-oriented activities more than Congress members and supporters. Further, this style of functioning reinforces the party identity of a Left supporter or member. (11) We found that 54 per cent of respondents in Congress municipalities participate in party activities, like political demonstrations and processions (measured by the variable RPMEET); this proportion is 82 per cent in Left-run municipalities. (12) The average score of political participation in the latter (1.3) is significantly higher than the average participation score in Congress-run municipalities (0.7) at 1 per cent level. The statistical difference in scores is also supported by the results of the non-parametric tests.

A logit model to identify the determinants of political participation by individual DWCUA members reveals that participation in political meetings, processions and other

party-based activities is significantly higher in Left-run municipalities even after controlling for socio-economic variables (Table 4). Also, Muslims and respondents from low per capita income households and from larger households are less likely to participate in political activities. Although the coefficient of RCASTE is insignificant, this may be due to correlation. The negative sign of the coefficient of RCASTE implies that women from backward castes are more prone to participate in the political arena.

Table 4: Results of logit model for political participation

Variables	Coefficient	z	Probability
REL	2.67	4.79	0.00
RCASTE	-0.17	-0.50	0.62
PCY	0.00	-1.64	0.10
HHSIZE	-0.15	-1.77	0.08
EDHUSB	0.03	0.29	0.77
REDRES	-0.08	-0.37	0.71
DWCUA	0.02	0.04	0.97
LEFT	2.32	4.57	0.00
INTERCEPT	-0.90	-0.90	0.37
McFadden R ²	0.200	N	239
Cox-Snell R ²	0.230	Log likelihood	-124.90
Nagelkerke R ²	0.316	LR χ^2	62.50
Count R ²	0.707	Probability > χ^2	0.00

What is interesting is that, in most cases, the members had political associations *before* joining DWCUAs. While discussing the formation of DWCUAs in Burdwan, members of *Mahila Samitis* (women's councils established by the CPM) and Ward Committees admitted that DWCUA members were carefully selected from supporters. In fact, in response to the demands of poor slum dwellers, with a record of participating in political

activities, to alleviate their poverty local councillors often assisted them to get enrolled in DWCUAs. Ward Committee members opined that this enabled the party to keep their poor supporters satisfied. During our survey, we found that 17 per cent of the SHG members had been persuaded to join DWCUAs by political workers. In Burdwan, where the CPM is particularly powerful, 54 per cent of SHG members had been enrolled by members of the *Mahila Samiti* or Ward Committee. Members of Community Development Societies, most of whom have political associations, also play a prominent role in the formation of DWCUAs. In Barrackpore, they were responsible for enlisting over 50 per cent of the members of the DWCUAs; in Burdwan, too, this proportion is high (34 per cent).

Political participation and economic empowerment

We next hypothesize that participation in the political arena increases respondents' awareness and empowers them as they interact with other women, acquire knowledge about the outside world, learn about rights that women demand or have acquired elsewhere and become more expressive in their actions. As a collective gender-based identity develops, their participation increases their sense of power and confidence of effecting gender relations. (13) They become more aware that they are contributing to the family (perceived contribution response increases) and their welfare should count in making household decisions (perceived interest response). This awareness spills over to the household sphere. The fallback situation of party members and supporters also improves as they develop ties with *Mahila Samitis*. This increases their ability to raise

demands within their household and reduces their tolerance of domestic violence. Most importantly, women start demanding greater control over expenditure decisions.

Fig. 2: Control over income and participation in political activities

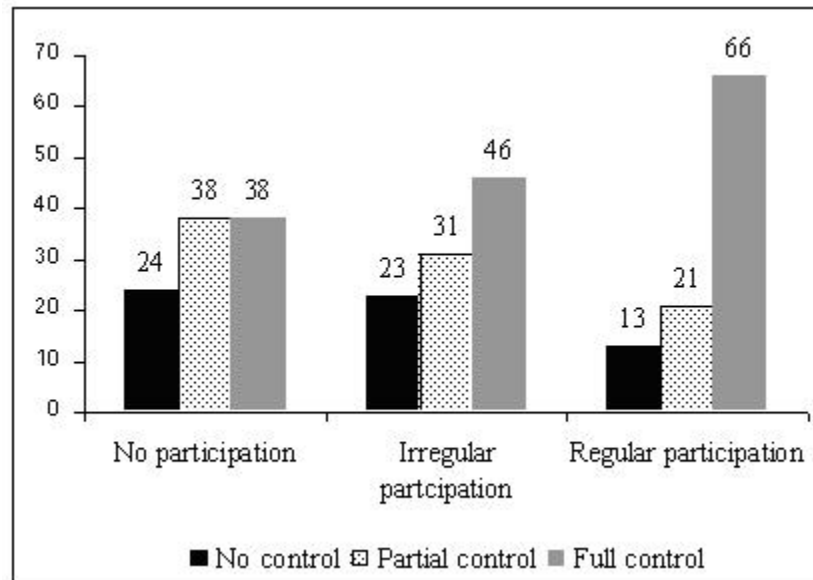


Figure 2 shows that the proportion of respondents with control over income increases with the level of participation in the political arena. This is also supported by results of the t-test and non-parametric tests. To test for the impact of political participation on empowerment, we have to estimate an ordered logit of control over income over political participation and the control variables used earlier. However, two additional issues are important here.

Firstly, it may appear worthwhile to also include a 'left party dummy' along with RPMEET in the above regression model to explore whether political participation is the only channel through which a Left-leaning party helps enhance women's economic status at home. For example, the ideologies held by the Left-leaning parties may focus more on progressive social causes such as gender equality, which as a result helps women in their

controlled regions to be more assertive in gaining control over household income. However, this point would be more relevant if Right-wing parties such as the Bharatiya Janata Party or Shiva Sena, which believe in a more passive ‘traditional’ role for women, were also in the picture. Both political parties being examined in this paper, however, emphasize in their manifesto and pamphlets on equality of women and their empowerment (14), so that this issue is of less relevance in the context of the survey location. Further, there is a statistical problem in including dummies for both political participation and Left parties. As both variables are related, a multi-collinearity problem may emerge. Hence, it becomes difficult to separate the different channels through which the Left party effect is operating.

Now the selectivity bias referred to earlier may indeed be important here as some women may be more predisposed to participate in the political arena than others. Therefore, we have also run a Heckman selection (Heckit) model regressing control over income on the level of political participation, and (in the selection equation) regressing a binary form of political participation on control variables and the left dummy (Chiburis and Lokshin 2007) (Table 5). The results for the selection equation indicate that older respondents and those belonging to the Hindu community are more likely to take part in political activities, while the results for the main equation reveal that respondents with educated husbands or from smaller families are more likely to exercise full control over income from SHG activities. Most important, it can be seen that political participation continues to affect empowerment significantly—though only after a critical level.

Table 5: Results of Heckit model for ordered logit of control over respondents' income and political participation

Variables	Coefficient	z	Probability	Coefficient	z	Probability
Selection Equation						
LEFT	7.33	0.69	0.49			
AGE	0.05	3.16	0.00			
REL	1.07	3.21	0.00			
RCASTE	-0.16	-0.71	0.48			
ESTAT	-0.33	-1.51	0.13			
REDRES	0.00	-0.02	0.99			
EDHUSB	0.05	0.74	0.46			
HHSIZE	-0.05	-0.87	0.38			
PCY	0.00	-0.82	0.41			
PCONT	0.01	1.53	0.13			
MBPL	0.46	0.83	0.41			
MFL	0.32	1.00	0.32			
CUTOFF1	38.17	0.94	0.35			
Main equation	No control vs Partial control & Full Control			No control & Partial control vs Full Control		
λ (Lambda)	-0.53	-0.74	0.46	-0.02	-0.06	0.95
AGE	-0.01	-0.31	0.76	0.00	0.45	0.65
REL	-0.58	-1.46	0.15	0.03	0.12	0.91
RCASTE	0.16	0.72	0.47	0.02	0.11	0.91
ESTAT	0.25	0.74	0.46	0.11	0.71	0.48
REDRES	-0.11	-0.81	0.42	-0.06	-0.67	0.50
EDHUSB	0.03	0.42	0.67	0.07	1.83	0.07
HHSIZE	-0.06	-1.29	0.20	-0.08	-1.85	0.06
PCY	0.00	0.92	0.36	0.00	-0.90	0.37
PCONT	0.00	-0.36	0.72	0.00	-0.21	0.84
RPMEET	(dropped)			0.24	1.82	0.07
INTERCEPT	1.55	1.54	0.12	1.08	1.33	0.18
ρ (Rho)	-0.65			-0.02		
σ (Sigma)	0.82			0.73		

Conclusion

This paper examines one of the important dimensions of economic empowerment—control over the income earned by the beneficiaries from SHG activities. In particular, we

have examined whether the identity of the political party implementing the scheme at the grassroots influences the control of income within the household of an SHG member. The results based on our field survey find strong evidence that the SHG movement in West Bengal has strong cross-effects with party allegiance. In particular, we see that the SHG members who are supporters of the more organized Left Front find it easier to establish a voice in the household. The causality of this empowerment has been analyzed in this paper and the extent of political participation—which is higher for SHG members in Left-run municipalities—identified as the likely channel of transmission.

Thus, we should keep in mind that this empowerment may be an offshoot of their participation in the political arena and not necessarily the result of joining SHGs. This indicates the dangers of introducing pro-poor and inclusive measures in environments controlled significantly by political parties. Self-selection may lead to the overstatement of the extent of benefits and to a flawed evaluation of the success of such schemes. Moreover, the benefits of such schemes may be limited to members or supporters of political parties.

The study calls for a closer and detailed investigation into the nature of the causality between empowerment, political participation and participation in collective action forums. Such a study, based on longitudinal data, constitutes a promising area of future research. Another interesting area of work could be to identify similarities, if any, between the SHG performance scenario in West Bengal with that in Kerala; another state of India with a longstanding tradition of Communist governance in a democracy.

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END NOTES

- (1) Literally, 'Golden Jubilee Urban Employment Programme'.
- (2) The Central Government bears 75 per cent of the cost of the scheme; the state government bears the remaining 25 per cent.
- (3) For a brief review of the definition of empowerment and its determinants, see Husain et al. (2009, 2010), Kabeer (1999) and Narayan (2005).
- (4) Although the guidelines refer to Thrift and Credit Societies, the members and municipality officers refer to them as Thrift and Credit Groups. We have used the latter form here.
- (5) Allocations out of the Revolving Fund to a TCG is Rs 1,000 per member, subject to a ceiling of Rs 20,000. This amount may be used for purchasing raw materials, marketing, obtaining infrastructural support for income generating or group activities and some other specified activities not related to consumption needs. While the CDs members decide on the TCGs to whom the Revolving Fund will be allocated, the TCG decides on how many members will finally obtain the fund, and their respective shares. The amount has to be repaid within 10 months at a rate of 2 percent. (One USD is roughly equal to Rs 45).
- (6) DWCUAs were entitled, at the time of our study, to a maximum loan of Rs 250,000, of which 45 per cent is obtained from the bank, 50 per cent from the SUDA as subsidy, and 5 per cent represents its own contribution. This subsidy is payable only once to a

DWCUA. The Equated Monthly Instalment (EMI) on this loan is about Rs 3,800 per society.

(7) *Zari* is the making of designs with golden threads in *sarees* (local dresses for women).

(8) Based on a house-to-house survey of income and living standards in urban slums, the SUDA had created a list of below poverty line persons. Persons in this list are given a BPL card.

(9) We have also tested for misspecification of the model by regressing RRINC on the square of the estimated residual. The insignificance of the coefficient rules out the possibility of misspecification. The variable parameter version of the ordered logit was chosen on the basis of the Brant test (rejecting the proportional odds assumption of the ordered logit model, χ^2 : 49.22; p-value: 0.00) and the likelihood ratio test between the variable parameter and partial proportional odds model (χ^2 : 22.78, p-value: 0.00).

(10) A review of literature on 'patronage democracy' in India is provided in Harriss (2010).

(11) An interesting anecdote is highly revealing regarding the difference in style of operation of the two parties. When we interviewed an intermediate-level Congress leader about the party's organizational structure, he was unable to give the name of several branches of his own party!

(12) Given the socio-economic background of respondents, participation in political meetings, processions, demonstrations comprises a simple, easy to measure indicator of political participation (Human Resources and Skill Development, Canada webpage: Accessed at <http://www4.hrsdc.gc.ca/.3ndic.1t.4r@-eng.jsp?iid=68> on 1 May 2012). Recent studies highlight the importance of such forms of participation in securing access to micro-credit (Karim 2011).

(13) In Kaliagunj, for instance, the participation of women in demonstration activities against a bank that was reluctant in granting loans to women moulded their identity and increased their confidence.

(14) In fact, it was the Congress that recently pushed through a bill seeking reservation of posts in legislative bodies for women.

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