By way of a conclusion: microfinance, empowerment and solidarity-based economy

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In the general introduction, we mentioned the enthusiasm aroused by microfinance. The speech delivered in September 2003 by Selvi J. Jayalalitha, then Prime Minister of Tamil Nadu, is particularly symptomatic of that enthusiasm. Thus, she said: "*a silent economic revolution has taken place in rural areas of Tamil Nadu following empowerment of women with the formation of Self-Help Groups. Gone were the days of bankers' reluctance to provide loans to the SHG members. The SHGs gave women a 'top status' in society and they were not dependent on men anymore*"[1]. Nevertheless, is it not naive and dangerous to give to microfinance virtues that it obviously doesn't have, whatever the quality of the services and whatever the level of goodwill of its promoter? The texts presented in this book show that the bond between microfinance and empowerment is far from being automatic. Let's us summarize briefly the main recommendations which emerge. Access to financial services cannot be seen *by itself* as an empowerment factor. Women do not constitute a homogenous group, although they are often regarded as a group with common interests. One often observes as well the exclusion of other groups which greatly deserve to benefit from microfinance services: the poorest, men or women, but also a section of the micro-enterprises, regarded as too "rich" to be eligible. The collective approach, often put forth, does not only have the beneficial effects of emulation and cooperation; it can also lead to the reinforcement of gender and caste inequalities. Moreover, even if one aims only at the empowerment of women, which seems to us a restricted use of this concept, to ignore the men is dangerous because then one incurs the risk of increasing tension in the household, in the neighborhood and/or the village: to favor discussion rather then conflict or indifference seems a better way to involve the men in the struggle against gender inequalities. Empowerment is closely associated

[1] *The Hindu*: SHGs have ushered in rural economic revolutions: CM, Sivaganga, 3/24/04.

with the idea of a participatory approach; this is often stated, but does not always translate into fact; for example, to organize women's meeting is not always synonymous with participation; the point of view of those most concerned with the empowerment process has to be taken into account more thoroughly in order to understand better what is valued or not, perceived as an element of empowerment or not. The role of organizational structures is only very briefly taken into account. Yet experience shows the crucial importance of "good governance" (transparency, clear division of responsibilities between the different parties involved) more than this or that model which one too often has the tendency to put forth (individual, cooperative, "Self-Help Groups", etc). The conflicts and tensions which are sometimes generated by the access to microfinancial services are usually under-evaluated. The negative effects like those of overwork, fatigue, the increasing weight of responsibilities, the reinforcement of traditional roles are sometimes glossed over. Finally, let us note potential contradictions between the specificity of microfinance's effect and a more global approach to social justice: results which are positive but short lived, and/or specific to this or that social group do not necessarily lead to a reduction of inequalities in the long run.

By way of conclusion, we would like to emphasize the following points. Obviously, microfinance is not a panacea to fight poverty and inequalities; one should thus remain realistic regarding the expected results of this tool (1). On the other hand, we suggest that microfinance should be regarded as a *right* (2). The offer of microfinance is thus completely legitimate: it all depends on the way in which these services are put into practice. In this respect, the present weaknesses of the microfinance sector, pointed out all along in this work, only illustrate those of the Indian third sector as a whole, also called the voluntary sector (3). Nevertheless, this being stated, in a context where democracy still remains very formal (because of lack of information, transparency and public accountability generalized corruption, etc.) and unequal, in particular towards women, the lower castes and the so-called tribals, the third sector in general, and the SHGs in particular, represent an unhoped for opportunity to bring forth real democratic practices and to fight against these forms of inequalities (4). To analyze microfinance in terms of solidarity-based economy, a French concept referring to all initiatives aiming to democratize the economy, and based on a combination of pragmatic and political action, may be a way to think positively about the link between microfinance and empowerment (5).

1. Let's be realistic: microfinance will not resolve all the problems of poverty and inequality

Statistical data regularly reminds us of the inequalities between men and women, which remains one of the crucial disparities in India. One of the most significant and remarkable facts is probably the sex ratio, since it symbolizes the discrimination undergone by women and all the appalling things which can result. Now the very last census has amply shown that the ratio continues to worsen to the detriment of women. In addition, the Second National Family Health Survey (NFHS-2) of India, conducted in 1998-1999 to document women's empowerment in the country as a whole (26 states have been covered) offers the following conclusion: "*in general, it finds that the average woman in India is disempowered absolutely as well as relatively to men, and there has been little change in her disempowerment over time*", and the authors go further "*no matter how empowerment is measured, be it in terms of the indicators of the evidence, or sources of setting for empowerment*" (Kishor and Gupta 2004: 694). The main findings can be summarized as follows. Consciousness with regards to gender equality remains low among women, and especially the fact that they prefer son to daughters remains high and virtually unchanged since NFHS-1 six years earlier. Women's control over household decisions, even decision about their own health, remains extremely limited. The only evidence indicator that women score high on is educational aspirations for girls and boys: almost all women believe that girls should receive some education with a majority believing that boys and girls should get similar levels of education. Mobility remains highly limited: only one in three women can go to the market without permission and only one in four can go to visit relatives or friends without permission. As far as education is concerned, only a little more than half of India's female population is literate compared with three-fourth of the male population; however, the percentage increase in female literacy is higher, one can henceforth hope gradually to reach equality. 39% of Indian women can be considered employed[2] and there are of course strong differences among states (for instance, 70% in Manipur, 64% in Nagaland, 13% in Punjab and Haryana). But we know that labor's role in women's empowerment is complex, non-linear and sometimes ambiguous. When

[2] Women are employed if they are currently working or have worked at any time in the 12 months preceding the survey.

women's employment comes from a free choice (and not only economic compulsion), is regular, visible, and when income is controlled by the woman herself, then we might find a positive link between employment and empowerment. Data provided by the survey does not allow one to reach any conclusion and the ability of the women to translate their role as co-provider for their households into equality in partnership with their husband remains unclear. However, one single figure calls for circumspection: at the national level, 26% of women are employed for cash only, which means that two thirds of employed women are paid in kind (*ibidem*).

What do we want to show by these few figures? Obviously, microfinance will not, by itself, reduce all the inequalities mentioned. One can certainly accuse Selvi J. Jayalalitha of naiveté or lack of realism, but her enthusiasm is not unique. Microfinance continues its insane expansion while being praised and adorned with all the virtues. Now this work gives a little more qualified picture and insists on the numerous challenges which microfinance has to face: a connection with power can certainly lead to giving power to the poorest, but it can also transform itself into "disempowerment" or "over-empowerment" to repeat the expression of Suadnya *et alii*. Among the negative effects[3], one can mention the poor driven to over-indebtedness, unable to pay back loans because of exorbitant interest rates, of women deserted, or even beaten, by their husbands, who criticize them for their new found freedom, or of villages destroyed following repayment difficulties. One is then necessarily led to question the validity of the tool: finally, is microfinance a "good" or a "bad" thing?

2. To consider microfinance as a right

We suggest that the question cannot be asked in these terms. The access to financial services must be considered as a *right*. Now, in most Southern countries, this type of right, we all know, remains out of reach for most people. From there comes the necessity to adapt the supply to the specifics of the poor populations. In this, the legitimacy of microfinance cannot be put into question: it is, no more nor less, about offering nearby banking and financial services to those who have no access outside of the informal network.

[3] Negative effects mentioned in this work but also in other studies conducted during the last decade. See for example Ackerly (1997), Fernando (1997), Mayoux (2003), Molyneux (2002), Rahman (1999), Rankin (2002).

It is surely very difficult to estimate precisely the potential need. Some data can nevertheless be put forth and is enough, it seems to us, to convey the magnitude of the need. Concerning the demand for microcredit, different studies have been conducted, based on the analysis of family budgets. Depending on the survey methodology followed, and also if it is a rural or urban area, the yearly credit need varies between Rs.2000 and Rs.9000 per household. According to various national data, the informal debt (moneylenders, relatives, and neighborhood) represents about 50% of the amount borrowed (Ministry of Labor 2001). More refined, but local, studies generally give much higher totals, reaching up to 90%[4]. What about the microcredit supply in relation to the need? In 1999, it was estimated that with an annual total of Rs.1,500 million, the microcredit supply covered 0.3% of the yearly demand (Mahajan and Nagasri 2000). In 2004, various estimates put the requirements of microcredit at Rs.150 billion to Rs.500 billion per year (Centre for Social Markets 2004). With a total supply estimated at 20.5 billion in March 2004 (Sa-Dhan 2004), one can consider that the present offer of microcredit in India represents 4 to 13% of the demand.

In the matter of savings and insurance, the appropriateness of the supply and demand is much more difficult to estimate in the absence of data concerning the supply. At the most we can emphasize some major tendencies which are enough to show the existence of an unsatisfied need. Contrary to some preconceived notions, a recent study conducted by the EPW Research Foundation on saving and investment behavior confirms that the poor save[5]. Not only are there many who save – 74% of the poor save

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[4] An in-depth study conducted in 2003 in the village of Alsigarh, Rajasthan, among families considered poor shows that, in all, borrowing from moneylenders and other informal sources accounted for almost 85% of the number of loans and 80% of the amount borrowed (Sriram and Parhi 2004). Another study conducted in 2003 in Tamil Nadu, among clients of a microfinance organization in rural and urban areas, shows that bank credit represents only 9% of the total number of loans (Dhan Foundation 2003). Another study conducted in Uttar Pradesh (Koraon Block, Allahabad District between mid 2000 and late 2001, among poor and not so poor in a rural environment, shows that 10% of them have access to bank credit (Ruthven and Kumar 2002).

[5] The data is from 1994-1995. Poverty is defined by the poverty line index of the Planning Commission, measured in terms of monthly expenditure per capita: Rs.230.30 in rural areas and Rs.309.70 in urban areas (Pradhan *et alii.* 2003: 37). In this study, saving is understood in a broad sense. It includes: household investment, (from farm assets to gold and jewellery), financial investment and informal savings

(against 83% of the not so poor) – but even more, their propensity to save is not negligible: in rural areas, the poor save 9.95% of their income and 15.54% in urban areas, against 20.33% and 23.34% for the not so poor (Pradhan *et alii.* 2003: 38). At the same time, the last census shows that on the Indian scale, 35.5% of all families have a bank account, with of course very strong disparities between States (the proportion is 24.2% in Orissa against 72.8% in Goa) (Census of India 2001).

As far as insurance is concerned, a World Bank report on health based on numerous national data[6] gives some alarming data. Let us quote the main, striking, findings:

> "The lack of prepayment systems for health care has put Indians at great financial risk in the event of hospitalization, and most of their total expenditures are in fact spent on hospitalization. About one quarter of hospitalized Indians fall below the poverty line when hospitalized. The use of public hospitals reduces this risk only marginally. Financial risk from serious illness affects nearly all income groups in India, with more than 40 percent of hospitalized people depending on loans and sale of assets to pay for hospitalization. Cost remains a significant barrier to use of health care, particularly for the poor, who are able to afford less care and care of lower quality. Cost is a greater barrier than physical access to health providers" (Peters *et alii.* 2002: 143).

To a large extent, various microstudies confirm the strong correlation between health expenses and poverty. For instance, a study conducted in 2002 in Rajasthan on the processes of poverty (who escapes poverty? who becomes poor? and why?) shows that three factors explain 85% of the reason for impoverishment: poor health and high health care expenses, large and social and customary expenses and high-interest private debt, the last factor being of course strongly connected with the two first ones (Krishna 2004). Another study conducted in Gujarat gives similar results: health expenses play a decisive role in 85% of the reasons for impoverishment, social expenses in 57% of the cases and indebtedness at an usurious rate in 51% of the cases; in many cases this indebtedness changes into a situation of bondage (Krishna *et alii.* 2003).

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[6] National Health and Family Welfare Survey, 1998–99 (IIPS 2000); NSSO 52nd round, etc.

Finally, in the case of remittances, it is probably there where the need is obvious that the data are lacking. The census does not count the number of seasonal migrants, but then there are millions every year who leave their native village for another village or for the city, generally for 6 to 8 months. To our knowledge, no precise data quantify this phenomenon although it is known to be very widespread. But then, here again, the need for financial services is obvious. In the absence of adequate services, some members of the family come back explicitly to transfer money to those who stayed in the native villages. Sometimes the whole family migrates specifically to avoid this problem. Some microfinance organizations have become involved in this type of product, but the supply is still at an experimental phase and difficult to quantify.

We hope to have convinced the reader that the validity of microfinance as a tool cannot be denied: the demand exists and is strong. On the other hand, the use and the impact of microfinance require a close examination. The diversity of experiences, as we have seen all along in this work, makes this examination delicate. Indeed, what is there in common between an NGO proposing microcredit to a group of women along with health and education services and a commercial bank which gets involved in this new opening in order to increase the number of clients? Let us beware of any dogmatism in this matter. Only a case by case examination will allow us to judge the efficiency of this or that experience. In some situations, the quality of services proposed by a classical banking institution are better then those of a doubtful NGO, or even a well intentioned NGO who is not very familiar with the basic rules of finance. To be a banker, and above all a banker for the poor, cannot be improvised. The diversity of microfinance organizations, in terms of size as well as ideology, objectives or methods, explains to a large extent the heterogeneity of the observed impact. A great number of microfinance organizations, in India as well as elsewhere, suffer from numerous dysfunctions, related as much to their internal functioning (absence of clear direction, lack of professionalism) as to the relations established with their environment, in particular the public authorities and the donors. This acknowledgement reflects only a more general reality: that of the weaknesses of the Indian third sector as a whole.

3. The weaknesses of microfinance: a statement true for the whole third sector?[7]

Different studies have shown that a great number of third sector organizations share the following handicaps[8]: weak capacity for innovation, which finds its echo in the convenient borrowing from governmental development programmes and tools; authoritarian leadership exercised by the central figure of the organization, most of the time its founder; compartmentalization, confidentiality of information and lack of *accountability*; precarious working conditions for the paid staff, in particular at the grass roots level; difficulty to invent new forms of solidarity and to transcend the "social markers" (in particular caste membership); and finally a deficit or on the contrary an excess of professionalism. Concerning this last point, roughly, two groups stand out. We have on the one hand a multitude of small organizations which try somehow to survive day by day, and which suffer greatly from a lack of human and financial resources. On the other hand we have a small number of very big, very professional, organizations, largely integrated into national and international networks, but which could not always adapt to this professionalization. This professionalization brings about an identity crisis categorized by John Samuel (2000b) as "institutional schizophrenia" in the sense that they suffer from an unresolved shift between, on the one hand, the process of institutionalization and professionalization and on the other hand the militant convictions conveying strong values and ideological elements.

Apart from these internal dysfunctions, it is also the link with the external environment which weakens the third sector. In spite of the still strong presence of certain Gandhian principles of action in professional organizations which is translated by the great number of volunteers (unpaid as well as paid) and their conviction to keep alive the Gandhian values, the emergence of a middle class characterized by highly consumerist and individualist preoccupations, as well as the reinforcement of the fractures and tensions of caste and religion threaten solidarity.[9] Relations with public authorities are another source of weakness. Various studies have shown how

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[7] This section relies to a great extent on a literature review carried out by a student of the French Institute of Pondicherry and the Catholic Institute of Paris (Georgeais 2004).

[8] For a detailed analysis, see in particular: Gangrade and Sooryamoorthy R. (1996) Kapoor (1996); Punalekar (2004); Rajasekhar (2003); Sudha Vasan (2004); Tandon (1996).

[9] See for example Gangrade and Sooryamoorthy (1996).

much Indian third sector organizations were dependent on the nature of their relations with public authorities[10]. The terms of this relationship vary according to three main factors which are closely interconnected: the domain of the organization's activity and its position in relation to the authorities, the development model chosen by the State and the political agenda of the parties in power, be it the majority party at the Federal level or the political groups in power at the State level. Beyond the tight control exerted by the public authorities on third sector organizations, among them the Foreign Contribution Regulation Act, much criticized by most of the third sector organizations because it limits considerably their room to maneuver, illustrates the tight control exerted by the authorities[11]. Some researchers also think that state intervention, by encouraging organizations to concentrate on the "grassroots level", has deliberately led to the dissipation of the third sector to the detriment of mass mobilization movements and to the struggle against the structural causes of poverty and inequalities[12]. Finally, the attitude of the authorities translates into a very strong instrumentalization: to delegate the work but not the skills, externalize the social benefits while keeping the power to define the content and purpose. The presence of an important deconcentrated administration is an ideal way to allow the authorities to supervise what they define as "cooperation" in the field.

Like the whole third sector, the instrumentalization of the Self-Help Groups by the authorities is obvious. The example of Kerala described by S. Mohanakumar and S.S. George is an illustration of this and contains many risks which we have mentioned in the general introduction. The supposed many "virtues" of these groups (financial intermediation, local economic and social development, management of public assets or local democracy) would suppose adequate tools, especially in terms of training, capacity-building and supervision. But then, as the text of Meera Sundararajan shows, we must notice that the means are not at the same level as the declared ambitions.

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[10] See for example Ajay (2003); Desai (2002); John (2002); Punalekar (2004), Mohanty and Anil K. Singh (2001); Samuel (2000a); Sato (2002); Tandon (1991); Tandon and Mohanty (2002).

[11] Instrumental application of the Foreign Contribution Regulation Act (FCRA 1976) which imposes control over foreign funds allocated to Indian solidarity organizations. At the least, they are obliged to declare their sources of financing. The authorities reserve the right to *authorize* those transfers if they judge that the recipient organizations invest in politics. This is appreciated by the authorities and allows them to control effectively the organizations perceived as unruly.

[12] See in particular Deshpande (2004a).

Should we then condemn this type of initiative? Should we give up all hope on this subject, under the pretext that they will necessarily be diverted from their original objectives? As Jean Drèze and Amartya Sen suggest, from the moment we take into account the weakness of Indian democratic practices and the weight of a number of so-called "traditional" institutions, one becomes necessarily less ambitious about the "virtues" expected of civil society and local democracy, while granting them, from a normative point of view, an even more central role. We rely heavily on the work *India: Development and Participation* by Jean Drèze and Amartya Sen (2002). The central argument of the two authors consists of demonstrating the weaknesses of Indian democratic institutions and arguing for the implementation of initiatives allowing a combination of economic and political freedom. Let's take up briefly the different stages of their argument to demonstrate that SHGs have to be considered an essential teaching tool of democratic practices.

4. SHGs: an essential teaching tool for democratic practices

In the Indian context, to distinguish democratic *ideals*, democratic *institutions* and finally democratic *practices* appears to be absolutely necessary. While democratic institutions provide opportunities allowing the implementation of democratic ideals, the manner in which those opportunities are effectively realized has to do with democratic *practices*. In terms of democratic institutions, India occupies a very honorable place; India is often presented as "the greatest democracy in the world" and the last elections (spring 2004) will not contradict this fact. The Constitution written at the time of Independence (1947) is remarkably progressive on several points (notably on voting rights for women, the abolition of untouchability) and does not need to be envious of other countries, including those in the West. Since then, different constitutional amendments were regularly added to reinforce the institutional foundations of this democracy, in particular the setting up of a decentralization process which came into force in 1993.

Thus, the problem is not in the absence or the deficiency of democratic institutions but really in the *democratic practices*. The electoral system can be untouched by corrupt practices elsewhere in the country, but it remains largely an empty shell because of poor information, of the nepotism exerted in some areas by the local elite, because of the criminalization of a great

number of politicians, and finally because of the extent of unequal access to electoral candidacy. Any democracy worth the name needs an efficient and impartial judiciary system. Here again, the institution exists, unfortunately, only in theory. The proof is that millions of court cases are waiting to be investigated, the procedures are extremely slow and corruption is omnipresent. So much so that in the end, judicial protection of the citizens is not ensured and the most destitute are of course the least provided for. Even more, the judicial system is sometimes used more to harass the most destitute – in particular the Dalits – than to serve justice. The Indian press is good and guarantees a certain pluralism, nobody can deny this fact. But what can be its contribution to forming opinion and to public debates when it is estimated that only 10% of the population have access to it? The violation of human rights is another illustration of the deficiencies of the Indian democratic system. Let us mention for example the extreme violence exercised in different parts of India like in Gujarat, Kashmir, some areas of Bihar and Andra Pradesh and which is the product of armed insurrection groups, as well as military and para-military forces. Let us mention also the many population displacements (often the *tribals*) in the name of big dams or ecological disputes, the persistence and reinforcement of forced labor and debt bondage or the victimization of Aids patients.

After having listed a number of dysfunctions, Drèze and Sen ponder the factors confirming the ineffectiveness of democratic practices. Three principal factors are advanced:

- the dysfunction of the democratic institutions in question: electoral frauds; paralysis of the legal system; corruption, publicly recognized today, even by the leaders of the country, as a real plague; and finally, and perhaps especially, the quasi-absence of *public accountability*[13];
- The non use of democratic institutions by the citizens themselves, for lack of access to information or simply for lack of willingness to participate and use those institutions;
- And finally social inequalities which translate directly into inequalities of voice and thus, of representation but also of human

[13] Rather then debating in a sterile manner the advantages and disadvantages of liberali-zation, the two authors believe that the real question is rather about improving the efficiency of public services (Drèze and Sen 2002: 370).

rights violations; it is of course the most marginalized social categories which are the most likely to experience the climate of terror and arbitrary repression which prevails in some parts of India.

How to transform democratic institutions which are democratic only by name? Two questions seem to have priority: on the one hand how to strengthen the capacity of voice of the marginalized categories? On the other hand, how to guarantee transparency and public accountability? The answer of the two authors leaves no doubt: the only option is to strengthen local democratic institutions and civil society.

Let's take the example of collective infrastructure management (schools, health centers, drinking water distribution system, subsidized food stores, etc.). We know now that those collective assets all suffer, without exception, from numerous malfunctions, simply because the way they operate is such that the concerned authorities do not have to justify their actions to anybody. In this state of affairs, the only way to redress the situation is to *involve the local populations* in the monitoring and control of public institutions. Drèze and Sen also argue for a reinforcement of local democracy, as much through decentralized public institutions as through collective initiatives coming from the people. Nevertheless, they emphasize the difficulties of putting into practice these forms of local democracy.

The decentralization process, started in 1993, has not only brought about positive effects, far from it[14]. Independently of the functional limitations of decentralized institutions, in particular the few means which are allocated to them and which limits greatly their power to act, numerous adverse effects have been observed (for example, reinforcement of inequalities following an increase in power or destabilization of "traditional" local administrative institutions). Ten years after its official implementation by constitutional amendment, the assessments carried out show extremely contrasting results from one Indian state to another[15]. In the same manner, the authors are aware that it would be naive to argue that it is sufficient to promote so-called

[14] See for example Bajpai (1998); Mathur (1997).

[15] With the exception of Kerala and Madya Pradesh, the overwhelming majority of Indian states were hostile to the emergence of the Panchayats as a new level of governance. They have in this regard made extensive use of funds which they had in order to decide at their own discretion the power which would be transferred to them and to control the decisions taken by the Panchayats (Ghosh and Kumar 2003).

"participatory", "community", "cooperative" projects or any other form of collective action supposed to "involve" the populations. Any form of collective action entails a certain number of risks, even more pronounced if we are in the presence of previous strong social inequalities: communalism, power appropriation by a minority, manipulation and take over by the external environment.

In spite of all these limitations, do we really have the choice? Should we not show some modesty by being aware that participatory and local democracy cannot be a linear process without pitfalls, that it would be sufficient to proclaim it to see it implemented. As Dreze and Sen rightfully point out, democracy as a *practice* is necessarily the result of *learning by doing*, a succession of forward pushes and backtrackings and implies the progressive formation of a "participatory culture". This process of learning by doing implies:

> "the influence of role models (for example, of a successful female sarpanch), the spread of various skills involved in local governance (*i.e.*, the ability to hold orderly meetings or to deal with the state bureaucracy), the evolution of a culture of political participation, the creation of new forms of social mobilization, and even changes in public perception of the needs for as well as scope for fundamental change" (*ibid*: 361-362).

Taking into account the potential dynamism of this process of learning by doing, the authors insist on the fact that it is fundamental not to give in to pessimism when various studies draw negative conclusions: "*the constructive possibilities over time have to be recognized*"*(ibid*: 362).

Let us adopt the words of Drèze and Sen. Taking into account the present ineffectiveness of Indian democratic practices, all attempts, however imperfect or subject to manipulation, directed towards fighting against inequalities in democratic participation and promoting responsibility and public transparency, should be regarded as an opportunity, keeping in mind that the process will be necessarily long and chaotic.

From a theoretical standpoint, the recent renewal of theories on social justice – here again we have to mention Amartya Sen's work, especially his theory on Capabilities –, have clearly shown that the democratization of economic practices was the only means to advance toward a more just society, and still be efficient. The first of Sen's arguments, based on the

concept of capabilities, pertains to the unequal abilities to convert formal rights into real freedom: the universality of rights, notwithstanding the idea of freedom connected with it, can prove to be non-egalitarian. Women, but also caste and ethnic minorities, particularly suffer from this form of inequality. The weight of familial obligations is a first obstacle, but not the only one. Also coming into play is the capability of women to become aware of their rights and to assert them. For this capability is exercised in a very disparate manner. It calls for cognitive aptitudes which are becoming more and more necessary because of an increasingly complex institutional environment. It also calls for the moral judgment of each and everyone ("To what do I have a right?", "To what extent am I responsible for my situation?"). Given this disparity, what is to be done so that people – men and women alike – would be in a position to *convert* their rights, to use Sen's expression, and how to compensate for the non-egalitarian character of a justice that is universal, and thus blind to the difficulties experienced because of individual or social particularities? In other words, how to transform people's resources and rights into real potentialities?

Faced with these different questions, the first response is to acknowledge that there are no objective criteria as regards social justice. The definitions of just and unjust, and more comprehensively that of general interest, are not only a question of spontaneous harmonization between individual and collective interests (the "market") or of a single solution imposed by a higher authority (the State). These definitions are necessarily the result of a *pluralistic process*. A moral pluralism in the sense that there is, also in the scientific community, a diversity of conceptions of the "good", the absolute objectivity of which is an illusion. A political pluralism in the sense that it is the collective action, representative of the interests of different social groups, that makes it possible to respect the diversity of values. This pluralism is not only a guarantee of individual freedom: it conditions economic effectiveness in that it allows for the expression and formulation of economic needs, their assertion and sometimes their resolution. When inertia and tradition are opposed to social change, the only solution lies in public debate. Democratic process and economic growth are thus inseparable because the two processes foster one another. Initiated by pragmatist philosophy, long supplanted by a positivist approach preoccupied with the search for an ultimate and objective solution – of which welfare theories represent the apogee –, the pluralist conception of social justice is today being rehabilitated.

Let us go back to the Indian third sector. The analysis proposed by Katzenstein *et alii.* (2001) on Indian social movements supports our view. Their original question was the following: are new democratic vistas opened up by these movements or on the contrary are they limited to special interest groups? Basing itself on a critical study of the role played by several Indian networks and organizations since the 60s, the authors come to the following conclusion: "in spite of their numerous weaknesses, social movements are largely salutary to democracy" (Katzensheim *et alii.* 2001: 244) and they put forth the following arguments:

> "[...] it is precisely through the range and dense welter of [social] movements and organizations that democratic institutions (such as the courts and the bureaucracy) have been able to fine tune their responses to the fluidity and diversity of India. It is not that these institutions can be (despite their rhetoric) a substitute for the state, but without the pressures they bring to bear and the issues that they raise at state and local levels, it is clear that the democratic institutions would not be able, in however inadequate a manner, to meet the challenges of India's diversity and shifting conditions" (Katzenstein *et alii.* 2001: 268).

In other words, the quality of Indian democracy would be much worse without the presence of the third sector. One can also recall that the existence of political multipartism, which finds its origin in the beginning of the 20th century, is largely the result of social movements of that time (Mehra 2003). The need to democratize economic practices being accepted, a central question remains, that of application. A possible course – at least this is the hypothesis defended here – consists in promoting what we call a "solidarity-based economy".

5. To think of microfinance in terms of solidarity-based economy

This concept, which has been developed by French researchers[16], has been progressively defined in an empirical manner, based on field practices. In the wider sense, the concept of solidarity-based economy, which is probably close to that of "people's economy", more familiar to the Indian context,

[16] Following the pioneer work of Laville (1994).

indicates all production, distribution and consumption activities that contribute to the democratization of the economy and which are based on citizen commitment, both at a local and global level. It is carried out in various forms, in all continents. It covers various forms of organization that the population uses to create its own means of work or to have access to qualitative goods and services, in a dynamics of reciprocity and solidarity which links individual interests to the collective interest. In this sense, solidarity economy is not a sector of the economy, but an overall approach that includes initiatives in most sectors of the economy.

Beyond the diversity of activity sectors, judicial status, labels, this solidarity-based economy relies on two mechanisms:

- A *socioeconomic embeddedness* which relies on a mixture of the market, redistribution (public grants) and volunteers.

The market, it goes without saying, is deeply inegalitarian since it does not take into account the populations and the needs of the poor. "Bottom-up" initiatives, as dynamic and creative as they are, cannot by themselves resolve the demand deficit and the problems of insolvency. Another risk is to hold a "romantic" vision of the community and to under-estimate its potentially hierarchic aspects. That is why a public/private partnership – in theory – can guarantee the legitimacy of the development of collective action and general interest. The link between citizen practices and public authorities allows one to go beyond the insufficiency of "bottom-up" initiatives: the particularism (preferences for certain groups), paternalism (linked to the fact that help is not related to a right) and finally "amateurism" and the absence of follow-up connected with the instability of volunteers. In short, what is at stake is:

> "to put together the advantages of the monetary economy, source of individual liberty through the market and equality through redistribution, with those of the non-monetary economy which contextualizes the exchanges and takes them out of anonymity, a synonym for indifference" (Laville 1994: 143).

The mixture of markets, redistribution and voluntary work is then at the same time a question of efficiency and equity.

- A *sociopolitical embeddedness* by means of spaces for collective debate, discussion and *voice*, in the sense of A. O. Hirschman.

These spaces allow the formulation and expression of needs up to now unknown by public authorities or by the market because of their "insolvency". It is precisely this ability to speak up which allows one to fight effectively against certain forms of inequality suffered by certain individuals and social groups. By facilitating the discernment of inequalities and the recognition of their multi-dimensional character, the practices of solidarity-based economy act, as it were, as local justice, in the sense that they adapt formal rights to local exigencies by responding to a double purpose: to evaluate the real freedom of persons, to help them to become aware of their rights and to convert those rights into true potentialities. It is, in fact, not a matter of *public spheres* in the Habermasian sense of the word, which supposes that citizens would be able to distance themselves from their private interest and commit themselves fully to causes of general interest. In those local public spheres, the people do not put their own interests to one side: they come precisely with the purpose of presenting their own problems and in the hope of resolving them. On the other hand, one encounters Habermas's idea according to which communication and discussion help the people to take some distance from social norms.

The practices of solidarity-based economy are first of all *local* activities; it is precisely the anchoring in daily life that allows one to perceive, understand and express the needs of the poor, henceforth making it possible to mitigate the ineffectiveness or absence of public authorities as well as market inequalities. But they also have a societal role which must absolutely be taken into account in order to understand the issues they support and to better consider their future. The specificity of solidarity-based actions relies on their ability to combine pragmatic and political action. All local justice is legitimate only on condition that it is linked to a *global* justice (Elster 1992), that is, when it is accompanied by more general reflections and interventions regarding the nature and causes of inequalities. The whole issue of solidarity-based economy is this: it is concerned with its ability to link local justice with global justice by participating – or at least by attempting to participate – in the transformation of public policies. The difficulty consists in bringing this link concretely into play. However, it is precisely because it is anchored in people's daily lives that solidarity-based economy can have a role in questioning policy that genuinely responds to individual needs and expectations.

As we have seen in the first part of this book, the concept of empowerment gives rise to a multitude of definitions. In a very schematic

way, we can distinguish two "camps". The first one regards empowerment as a neutral process, essentially individual, leading to "self-empowerment" and not necessarily over others. The second, on the contrary, argues for a political approach and so is necessarily conflictual, empowerment being understood then in terms of power relations between social groups. To conceive of empowerment in terms of solidarity based economy obliges one to go beyond these oppositions: the efficiency and the legitimacy of the solidarity based economy is founded on the combination of pragmatic action able to respond to strictly individual needs (through the supply of direct services to families) and political action able to influence the structural causes of inequalities.

In India, the concept of SHGs is precisely thought to promote economic as well as political action through self-organization. These informal mutual aid groups appear both as local spheres for the resolution of daily problems and as places of mediation with public institutions and the local private sector, such as health-care centers, school systems, local elected representatives, diverse administrations or financial institutions. As it has been described at length in this volume, the legitimacy and effectiveness of these groups is of course not systematic. The dynamics vary greatly and the almost complete absence of social and ethnic or caste mixing in many of the groups also raises questions. Their relations with public authorities and financial institutions are sometimes ambiguous and antagonistic. However, whatever the diversions and the limits of such actions, the fact remains that such local spheres represent a first step toward feminine collective action and toward feminine voice. Whatever their present weaknesses, they open new opportunities in terms of *training* in democracy.

To take into account local structural constraints, as much socio-economic in nature as cultural and political, is essential if we wish to appreciate fully the potential of these SHGs. Let's take for example the birth certificate. In rural areas, very few families bother about it; however, this certificate is indispensable for being officially recognized as scheduled caste or scheduled tribe, and on the other hand, the importance of this recognition is essential in the face of numerous public schemes destined specifically for these population categories. As with any administrative document, it is always possible to soften up the official in charge with a few thousand rupees to obtain *a posteriori* this famous certificate, but testimony given by "recognized" personalities can also be used and more

and more SHGs acquire this type of legitimacy. We could multiply examples of this type with ration cards and more generally the eligibility for any new public scheme.

The SHGs are neither the first nor the only ones to get involved in this type of activity. A large number of villages have their "social workers" – isolated individuals or men's groups – which give themselves the mission of working for the well being of their community: maintaining streets and lighting, transmitting information regarding public schemes, support to certain people or families in a difficult situation, etc. Up to now, "social work" was an eminently masculine responsibility, the primary argument being the contact with the outside that this type of activity supposes. The SHGs thus represent a sort of feminization of social work, which allows them to direct the actions and demands towards specifically feminine needs: the struggle against the illegal distillation of alcohol, the improvement of public transport or street lighting are three examples among others. Let us take the example of street lighting. The mobility of Indian rural women is highly limited[17]. For example in Tamil Nadu, the Tamil term *veli* or *veliye*, which can be translated awkwardly by "outside, exterior" indicates a space somehow "prohibited" to women, or at least difficult to access. It indicates what is outside the familiar spaces, which are often limited to the house and the surrounding streets. Contrary to the Muslim *purdah*, no Hindu rule officially forbids women to move around, it is rather a whole set of social norms which leads to this situation. A woman who moves about in the *veli* only seldom moves about alone and must be accompanied; she will be evaluated and judged, therefore her look must be "perfect"; appearance (clothing, hairstyle, jewels) assumes such an importance that to leave this familiar space supposes a long and meticulous preparation. Finally, as soon as night falls, all sorties are forbidden; it is the reputation of the whole family which is at stake. Lack of safety (sexual aggression of men or "demons") is the central argument; on the basis of that, whatever the real climate of public safety (which is seldom as dangerous as what one tells), since the gossip about public safety exists, going out during the night necessarily means that one is not afraid of being attacked, and thus that one is of "loose morals". Nighttime (which falls after 6 p.m.) is then an essentially masculine realm. One then understands better the importance

[17] Here we rely greatly on the empirical investigations carried out in mid-summer, 2004, by a student of the French Institute of Pondicherry and the University of Paris X (Sorbonne) (Jamet 2004).

given by the women to requests for public lighting: "*The light makes it possible to make places safe, it also acts as a reputation guarantor since moving about in the light' is less 'suspect' than moving about in the dark*" (Jamet 2004: 45). Most of the impact studies very often neglect the influence of local socio-cultural norms. The article of S. Banerjee and S.J.S. Swamidoss in this work clearly shows the need for analyzing, as a precondition to any action, the structural constraints likely to block an empowerment process. To appreciate the true value of the effects obtained, supposes that one has in mind the original context, in particular the weight of tradition and the resistance to change. In the middle of the Nineties, when microfinance was becoming fashionable, the article of Goetz and Gupta (1996) was a bombshell: their research showed that a large portion of the loans granted by some of the largest Bangladeshi microfinance organizations were in fact used by men. But how can one hope for total control of the loans by women in a context where women are not allowed to enter public spaces, in particular the markets? Consequently, it seems to us that the question is not so much about control of the loans, but mainly about the effects in terms of redistribution (who benefits from the income generated?).

Let us go back to India. 90% of SHG members are women. A large number of them function thanks to the support of an organizer or a leader, and it is not uncommon that all action stops in the absence of the organizer or leader. Thus, their weak autonomy raises the question – and one recalls the risks of instrumentalization mentioned above – but how can one insist that these groups be autonomous, when feminine collective action in rural India is a completely new phenomenon? Many forms of collective action, often of an informal nature, exist, but it is extremely rare that women participate. Let's take the example of Tamil Nadu. In spite of decentralized administrative structures supposed to deal with a certain number of local problems (administrative panchayats), the power rests to a large extent in the hands of traditional panchayats representing the interests of each caste within the same village (*Panchayat Nattamai*). These traditional authorities are composed of influential men. The criteria vary from one authority to another, with more and more a combination of "traditional" criteria (clan representatives, "elders", landowners) and "modern" (for example education, contact with the outside, membership in a political party). The women are completely excluded, and in spite of progress at the constitutional level (quotas of 30% planned by official decentralized authorities), it seems absolutely unthinkable to associate them with this type of authority. Principally, these traditional panchayats take up two duties: organization of

village or rather district festivals, one of the strong moments of local collective life, and management of local conflicts. These are primarily neighborhood conflicts, often associated with land, the sharing of water, unrefunded debts or problems considered in the West as exclusively related to the private sphere, for example adultery or inter-caste marriages. One then observes many groups, with very few oriented towards general interests (except for the groups of social workers mentioned above and certain local politicians). Certain groups are based on professional membership: rickshaw drivers, daily farm laborers, etc. Groups of women *coolies* (daily agricultural laborers) exist, but they are very transitory groups, consisting of a *maistry* (in charge of recruitment in the service of a local landowner) to take on a specific collective agricultural work. Each village is generally made up of several fan clubs: it is a very widespread phenomenon taking into account the popularity of certain movie stars, and the majority of these groups also have strong political connections (many Tamil politicians originally were movie stars). Rotative associations of saving and credit (*chit funds*) are also common, the women have access to them, and certain *chit funds* are exclusively feminine. On the other hand, contrary to practices found in a number of African countries, the *chit fund* is usually limited to financial transactions; the social dimension is not very present.

Certainly, women's discussion groups do exist; they are informal and spontaneous. Taking into account the very strong proximity between neighbors – one could even talk about promiscuity –, taking into account also the quasi-absence of men during the day (they work outside the village, in the fields or have discussions in public places outside the neighborhood, in general the tea shop), the familiar space mentioned above is before all a feminine space, where many exchanges take place. The women spend a large part of the day speaking in the shade of the *tinnai* (a sort of veranda which one finds at the entrance to most pucca Tamil homes). Idle talk and gossip are a big part of the discussions, nevertheless certain more general subjects are also discussed: the trend of prices is almost an obsession; the question of lighting, water, transport which create obstacles for women in their daily life are also regularly mentioned. The SHGs represent neither more nor less than a formalization of these discussions and a concretization in action.

As soon as one goes beyond the local circle, the ability of women to enter into public debate and to influence institutions and public policies is more intricate. Beyond the desire to meet together in response to concrete and practical needs, the women must want to advocate both institutional and

organizational change and to question the distribution of roles and powers. As V. Deshpande (2004b) has pointed out, voluntary organization can play a more positive role in social change, provided the group under change is ready and eager for the change. This, however, is not always the case[18]. Several experiences do, nevertheless, show that local action, when it is structured in a network on the regional or national level, is indeed able to bring about institutional change.

Whereas the number of SHGs continues to increase, one also notes the creation of SHG federations, which have two functions: on the one hand, to take over from NGOs in supporting SHGs, on the other hand, to lobby public authorities (Sa-Dhan 2004). In Tamil Nadu for example, Bhawani Mahasabi Panjapatti is involved at the District level in the fight against alcoholism, child labor and violence against women. The Shri Niketh Vanitha Federation is greatly involved in a right to information campaign: this campaign is supported by various national NGOs (in particular VANI[19] and PRIA[20]), it started a few years ago with the aim of making the decentralization process effective and proved particularly active at the time of the last national elections in the spring of 2004. The main point was to inform citizens of their electoral rights, to give information about the various candidates and parties, to watch the polls, to force the candidates to be transparent about their legal past. If it is still too early to evaluate the impact of these Federations, the majority of which have just been created, these few examples nevertheless show that the will to work on a broader scale than the local scale indeed exists.

The case of the Self Employed Women's Association (SEWA) shows how the linking of pragmatic action and political action can foster and strengthen both. Since the 1970s, SEWA works to "serve"[21] the condition of self-employed women workers in the informal sector (small shopkeepers, street vendors, home-based workers, manual workers). In the course of time, SEWA has considerably expanded its activities, while following the same objective – to improve women's freedom – and with the same method, largely inspired by Gandhian philosophy: to act simultaneously on the

[18] This has also been observed by E. Buccolo regarding women's groups in Palermo in Sicily: locally, these groups represented veritable places for the expression of needs, but they seldom became instances of assertion (Buccolo 2002).

[19] Voluntary Action Network India.

[20] Society for Participatory Research in Asia.

[21] The Hindi word *sewa* means "to serve".

political, economic, social and cultural planes by advocating the linking of grass-roots action and institutional change (Hofman and Marius-Gnanou 2001; Palier 2001). An initial point of action consists of responding very pragmatically to the exigencies of women: to satisfy their foremost needs (food security, health care, housing, crèches and day nurseries, etc.) and to help them to exercise income-generating activities (access to credit, production cooperatives). The SEWA Bank has been recognized by Indian banking authorities since 1974. It provides microcredit for business activities but also for housing, water, drainage and sanitary installations. A second point concerns popular education, with the SEWA Academy, the stated aim of which is to strengthen women's abilities in collective management and political action. This political action is done at different levels. First, SEWA collaborates in local development plans, for example, as regards health programs, water connections and improvement of sanitation (Marius-Gnanou 1998). In order to improve women's working situations, SEWA deals directly with employers through collective negotiation agreements, internal factory agreements, wage contracts, requests for commercial licenses, etc. SEWA also participates in government decisions, through the National Commission on Self-Employed Women and Women in the Informal Sector (*Shramshakti* Commission, created in 1986). Apart from demands in support of women's rights, SEWA intervenes in specific and punctual problems; for example, it was highly active during the drought of 1995. Finally, it participates in the elaboration of international conventions, in particular those of the International Labor Organization with which it has closely collaborated for several decades. One of its greatest victories is the adoption by the ILO, in 1996, of a convention on home-based work (Krauss and Osner 1999).

The operating method of SEWA rests on the linking up of two types of public spheres[22]: local public spheres, intermediaries between the public and the private, and "regulatory" public spheres, interfaces between these groups and a certain number of institutions, in particular public authorities, employers, or trade unions. "Dialogue" is the key to this method: constant attention is paid to women's needs, and from the beginning, most of the efforts are related to the implementation of ways allowing women to express themselves in complete confidence about the problems they encounter. For all that, the promoters of SEWA refuse this naive, and yet widespread, assumption, according to which the women "love" to gather and discuss

[22] We rely here on the first field surveys carried out in July 2004.

their problems. The discussion functions only if the women, and *a fortiori* poor women, are really interested. When SEWA started in the Seventies, political mobilization, which was the initial objective, very quickly failed: how to convince women concerned with their daily survival to devote time to meetings which will bear fruit only in the long term? Thus, very quickly, SEWA coupled its lobbying role with the supply of direct services to women and their families. Since women profit from these services, they agree to meet in order to discuss the quality of the services in question and the ways to improve them, which can gradually lead them to be convinced of the importance of lobbying. All the discussions center on very precise objectives and are chaired by qualified people. The promoters of SEWA insist very much on the last two points; there is no question of wasting time with the women on interminable debates about vague and abstract subjects. The majority of the women's groups are thus formed on a professional as well as geographic basis (women working at home in textile, incense or *beedis*[23]; waste collectors, etc.). In addition, a significant share of the SEWA budget is devoted to research. Any new project is systematically based on a preliminary feasibility study – a condition which seems obvious but which very few NGOs respect. Altogether, these elements guarantee that the services adapt to the real needs of the women and their families. For example, regarding financial services, one observes a remarkable adaptation to the customer's needs which one very seldom finds elsewhere[24]. Documentation of the processes – for example, each political campaign is subjected to a precise documentation – and the systematic evaluation of the projects are also continuous concerns. On the whole, being anchored in the daily life of the women, professionalism and strong political good-will seem to constitute the three ingredients of the organization's effectiveness.

Other examples show how local initiatives, anchored in the daily lives of women, can serve as relays for political action by women. In Quebec, community actions led by women's groups (especially in the areas of health, elder and children care and food security) gave rise in the spring of 1995 to the "March of Women Against Poverty". Their first demand had to do with social infrastructures, such as health or educational facilities. Not only was it heard, but subsequent to this march the government of Quebec officially undertook to support local women initiatives and more generally, all initiatives belonging to the "New social economy" (what we have called here

[23] Eucalyptus leaf cigarettes.
[24] See the introduction to part 2.

solidarity-based economy). A distinct platform has been created and aims at defining and supervising the relations between the state and the New social economy, with a specific attention to women's rights. The Quebec initiative became broader, giving rise to a world movement in defense of the rights of women (the World March of Women).

In Italy, local women's groups were at the origin of a vast movement for "time coordination in cities". Gender inequalities in terms of time has been the starting point of that movement: the very fact that women, more than men, have to juggle with "domestic time" (children and family obligations), "professional time" (more and more women work) and also "administrative time" (women assume a large part of the administrative work). And this running after time is all the more tricky because there is no coordination (schools as well as administrations usually close earlier than the corporate sector. In order to fight against such inequalities, some women have created "time banks" (*banca del tempo*): participants "deposit" their time in the bank by giving practical help and support to others and are able to "withdraw" their time when they need something done themselves. Everyone's time is the same and a broker links people up and keeps records (Belloni *et alii* 1998). After initial official recognition in 1990 in a law related to decentralization, this question was indeed institutionalized in 2000, in an item of law entitled "Rhythm of towns"[25]. This law obliges municipalities with more than 30, 000 inhabitants to adopt a local plan coordinating the different forms of time. Today the Italian "model" has spread through most of the European countries, giving rise to numerous experiments.

The experience of Villa El Salvador, in a suburb of Lima, Peru, is presented as a reference in matters of self-managed urban communities. Supported by several NGOs, in particular by Christian activists inspired by liberation theology, communitarian movements have succeeded in becoming full-fledged partners in the management of the town. For already two decades, they have shared power with the municipality and this experience shows how micro-projects can take part in the urban sphere development on the scale of an entire region. Women's groups have played a particularly active, if not determining, role in this process. They participated significantly

[25] Section VII of Law n°13 of 8 March 2000 obliges Italian municipalities of more than 30,000 inhabitants to put in place a local plan for time coordination, proposes to finance it in part, encourages the municipalities to create time banks and, finally, foresees an annual evaluation of the results.

in making demands on the public authorities to obtain several basic services, such as sewers, electricity or running water. If these groups were able to mobilize a large part of the population, women as well as their families, it was first by means of collective kitchens and by responding to an essential need such as food security[26]. The *Federacion popular de las mujeres*, created by collective kitchen groups, is among the actors represented in the management of the town. Well beyond the town and the country, the experience of the collective kitchens is the source of an important women movement, probably one of the most advanced in Latin America (Favreau and Fréchette 1999).

Still in Latin America, let us mention the recent initiatives in the area of trade unions. While sub-contracting (*maquilodaras*) has increased – a direct result of the successive free trade agreements adopted over the last decades – working conditions have considerably worsened. Faced with the inability of the conventional trade unions to respond to the problems faced, specifically by women (in particular, the problems of child care and sexual harassment), women conceived of new forms of organization and assertion, the specificity of which consists in transcending the public/private distinction (Membreño and Guerrero 2001). In Mexico, for example, the organization rests on two dynamics: a grass-roots action with local support groups providing women with daily support, counsel and training in matters of human rights, health, protection against sexual harassment and domestic violence, combined with lobbying and advocacy through a network strongly linked to North American movements (Valadez 1998).

In Africa, it would seem that the political role of women's groups is still in its infancy, particularly in French-speaking Africa (Guérin 2003). Other studies confirm our own observations. With the exception of a small number of professional associations, women's movements limit themselves to responding to concrete needs and practices and scarcely question the distribution of power. When there is a mobilization in support of rights, the demands are often restricted to health care. Even the lifting of legal obstacles that keep the woman in a dependent status (in particular, the family codes) is rarely the subject of demands (Ryckmas 2001). Women's initiatives suffer from the same weaknesses as those of solidarity-based economies in countries of the South as a whole: supporting local issues to the detriment of

[26] In the late 1990s, it was estimated that the collective kitchens reached around 30% of the population (Favreau and Fréchette 1999).

global issues (pollution, migration, terms of trade, etc.) (Favreau and Fréchette 2000). In this respect, networking on an international scale assumes a decisive role.

In the early stages of an international civil society now being witnessed (Favreau and Tremblay 2001), two recent initiatives explicitly aiming at the promotion of gender equality deserve to be mentioned. The first, inspired by an experience in Quebec, is the World March of Women; initiated in 2000, it takes place every year. The objectives are as follows: to strengthen and maintain the solidarity movement of "grass-roots" women's groups; to encourage a process of popular education enabling women from all milieu to be involved and to give voice to their opinions; to work out common demands, in particular in the areas of violence and access to basic economic and social rights; and, finally, to exert pressure on public authorities, governments and also, and above all, on multilateral organizations such as the World Bank, the International Monetary Fund and the United Nations. As regards the latter point, it is as much a question of negotiating new measures as of overseeing the content of various multilateral agreements. The impasse in which the first negotiations with the World Bank and the International Monetary Fund ended shows that the course to be covered might be very long[27]. On the other hand, as concerns the fight against violence, a victory that has been termed "historic" has already been achieved with the recognition – by the United Nations Organisation in October 2000 – of the necessity to take specific measures for women in the establishment of peace agreements (concerning, for example, the repatriation and resettlement of individuals and their families).

The second initiative was created on the basis of the of the Indian SEWA model. This is the *Women in Informal Employment: Globalizing and Organizing* (WIEGO): its goal is to improve the status of women in the domain of so-called informal activities. Created in 1997, WIEGO is based on a partnership among actors in the field, researchers (notably the Harvard Institute for International Development) and international organizations, in particular the United Nations Development Fund for Women (UNIFEM). Combining research, action and lobbying, this organization has set five priorities: improvement of the status of the informal sector in urban policies; measuring the impact of liberalization

[27] See the different accounts given in the World March website: www.marchemondiale.org

on this sector; reflection on the establishment of mechanisms for social protection, in particular microfinance, in collaboration with the STEP[28] programme of the ILO; support of organization and networking; statistical analysis of the informal sector, in close connection with the United Nations Statistics Division and the ILO Bureau of Statistics.

The social role is thus in its infancy. Its future depends, to begin with, on the manner in which solidarity-based economy, amongst its adherents, recognizes the true value of the issue of gender inequalities, which is not yet systematically the case. It then depends on the ability of solidarity-based economy as a whole to contribute to the definition of the general interest. The implementation of a really pluralistic social justice system has probably never proved to be both so necessary and complex. In the face of the internationalization of economies, it is more necessary today than before to recognize the loss of sovereignty of all States and their difficulty in asserting themselves in the market domain and in matter of social protection. The interlocutors are not the same: in a considerable number of areas, it is not the States that must be convinced, but the supranational forms of public authority such as the World Bank and the International Monetary Fund, as well as multinationals in the corporate sector. Under such conditions, civil society can only make itself heard if it is internationalized.

At the same time – and this is the paradox – these civil society initiatives have probably never been so particularized, fragmented, and thus so little qualified to represent the general interest. The specificity of contemporary civil society practices – to which microfinance projects described in this volume belong – tend to be much more specialized and monofunctional than in earlier generations of social economy. This is what constitutes both their strength and their weakness. Their strength lies in the fact that it is precisely in response to the closely defined and socializing needs of private problems that they are able to mobilize their members, who are more attracted by specific and concrete forms of engagement. Their weakness is that this specialization, this particularism, scarcely lends them the credibility to take part in the debate on general interest. Whence the necessity for "*civic associations*", the raison d'être of which would consist precisely in the building of a civil society, a civil society of an international dimension. This hypothesis is not completely utopian. Several recent events announce the emergence of a civil society at the international level: for

[28] Strategies and Tools Against Social Exclusion and Poverty.

example, the conferences focusing on social economy and solidarity-based economy that have succeeded one another since the conference held in Ostend in 1997, the emergence of an Alliance for a Responsible World Based on Solidarity in which solidarity-based socio-economy has been made a focal point and finally the regular organization of counter-summits to those of the G8 and the World Trade Organization, especially the World Social Forums – let us remember that the last one took place in Mumbai in January 2004. Each of these initiatives attempts to conciliate, for the present in a more or less successful manner, the aspirations and demands of a multitude of groups, among which are women's groups and networks, in particular the international networks mentioned earlier.

For all that, it would be naïve, following the example of a number of thinkers from the liberal tradition, to believe in the spontaneous ability of people to organize an effective and representative pluralism of all the social groups (Kymlicka 2002). Access to the public sphere, as one knows, is basically non-egalitarian, and this form of inequality is concurrent with the others: very often, the poor and women are among the worst off. If one accepts that freedom of expression is just as necessary as economic freedom, and if one accepts that this freedom of expression does not come down to an exercise of representative democracy, but presupposes that of a *participatory* democracy that is able to support the deliberation, formulation and expression of needs, then it is the responsibility of States to correct these inequalities confronting the public voice. The need for the State has probably never been so necessary, but under different forms. The future of civil society depends precisely on its recognition by States and international organizations. It is up to the actors from the civil society to pursue their actions and demands, as well as their united efforts, but it is the responsibility of the public authorities to no longer withhold their support to these efforts, without expecting tangible results from them. This presupposes that these authorities recognize that they themselves need this strength of protest to be both more just and more effective.

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