SSE for localizing the SDGs and Scaling up Impact: The Case of Women’s SHGs in India

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India
The SHG in India: As *Addis Plus much more*

- The ontological turn: to rethink the “Anthropos” and view the person as *agent*, not as “patient”
- Shift away from the “dark theories” to the ‘Anthropology of the good’, and create a global ethos for a ‘good’ *anthropocene*
- The SDG agenda crafted on a model of *Coproduction*
- SHG as a bottom-up *collective form of coproduction*
- The 3rd FfD (2015) underemphasized the “power of the small money” through community self-help
- Council on Sustainable Development (WEF): Addis Ababa is *just one piece* of the global FfD story
- Many other parallel processes (and SHGs in India) – are part of *Addis plus much more*  

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Background

- Neo-liberal Economic Reforms 1991
- SHG as a strategic policy thrust to mitigate the adverse impacts of neo-liberal growth
- Introduced as a core strategy of the Ninth Five year plan (1997-2002) and continued afterwards
- Social mobilization, Empowerment of the poor as elements of the “Pro-poor” growth strategy
- MDG met before target year: Poverty reduced from 45.3% (1993-94) to 21% (2011-12)
- Still 175 million poor, and multidimensionality – Challenge for the SDGs

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SHG: a home grown model of SSE in India

- Financial Engineering for Social goal
- People-centred, community-based financial structure for poverty alleviation and women empowerment
- Double innovation:
  - Social innovation - design of the group as nucleus of grassroots collective action to drive bottom-up development
  - Financial innovation - architecture of collective finance
- Rooted on a social understanding of poverty: Poverty as social construction (not a social condition), and multidimensional

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• A group of 10-20 poor and excluded women
• Savings-led, self-governed and managed, democratic, community-based organization
• Community-based finance is a means to strengthen community processes for collective action to: access institutional finance, government services, meet various developmental needs, and enhance their capacity, confidence, self dignity (empowerment)
• Produce both individual and collective benefits

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• It is a *locus* for:

i. *Rebuilding new solidarities* around common goals and expanding circles of support for poor women (Horizontal and vertical ties)

ii. An important *site for new social learning* and *personal transformation* (empowerment)

iii. A *social infrastructure* for delivery of a range of public services at low cost for greater developmental impact
Originated in Civil Society, Now Propelled by the State

- A small pilot programme by MYRADA and PRADAN
- RBI accepted it as a model of community finance in 1990
- NABARD’s SHG-Bank Linkage programme in 1992
- Today there are 8.7 million SHGs, reaching out to 112 million poor families, with a portfolio of about 1 trillion Rupees (Savings plus Loans)

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As the Local Institutional Architecture for the SDGs

• Localization of SDGs:
  i. Need to connect them with people’s vernacular epistemologies and local sociologies
  ii. Need to embed them in the grassroots and empower communities to drive the SDGs cost-efficiently

• Compelling need for macro policy makers and governments to engage with the Bottom of the Pyramid

• This is what the SHG approach to the SDGs in India strongly resonates with

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Early Thrust on SHGs: DWCRA Program (1982)
Greater thrust in the SGSY program (1999) – major vehicle for the MDGs

i. SHG building became a national movement

ii. Significant achievement – 4.15 million SHGs formed – still had problems like sufficient credit mobilization, non-federated structures, insufficient capacity building etc.

iii. Evaluations showed program was successful where systematic mobilization and capacity building was taken up in a process-intensive manner
The program was restructured, and expanded in 2011, Known as Aajivika, National Rural Livelihoods Mission (NRLM)

To lift every family out of poverty in 10 years through universal social mobilization by scaling up the SHG revolution by:

- mobilizing all rural poor households into functionally effective SHGs (and their federations)
- enhancing their access to financial, technical and market services
- Building their capacities and skills for sustainable livelihoods
- Convergence of various other support programs (food, nutrition, health, sanitation, drinking water etc.) for an integrated focus

Achievements until today – 4.9 million SHGs promoted/revitalized, and 55.9 million households have been mobilized
• The NRLM goal is to:
  i. Reach 70 million rural poor households (350 people) in 10 years to create sustainable livelihood opportunities
  ii. Achieve efficiency of various other programs relating to the SDGs (e.g., Goal#2 – food/nutrition, Goal#3-Health, Goal#4-Education, Goal#6- water/sanitation etc.) through convergence at the SHG as a multi-sectoral platform. Goal#5- women’s empowerment is both an intrinsic goal as well as an Instrumental goal to realize other goals. Thus the SHG is a central focus
SDGs require an approach different from: “moving from billions to trillion”

SHG based on a model of Mass Localism – multiplying numbers of local actions to achieve national scale – that achieves:

i. Economy of scale through distributed solutions, and supporting communities to implement them, and

ii. Economy of Scope by joining up services, unifying and reconfiguring them at the level of the SHG as a multi-sectoral platform

An inductive approach to the SDGs – essence of localization

A subtle policy shift towards change management based on the economic theory of “nudging”

A Good “fit” between a (supporting) State and active citizens (civil society) at the local level for co-production of development outcomes through a unique blend of top-down and bottom-up strategies
• SHG members are well connected and participate in multiple other community networks leading to spill over effects and information diffusion

• Women members reached an average of six others with (health) information (Manandhar et al 2004) making interventions highly cost-efficient

• Efficiency achieved through horizontal connectivity

• Economies of Scope achieved through complementarities across investments by providing different services by one interventions

• Groups organized for financial outcomes are also leveraged to achieve different other outcomes

• Groups also generate additional benefits by producing peer pressures, and sanctions to encourage adoption of new norms and practices needed to achieve the SDGs
Impact along Multiple SDGs

- SHGs do generate “empowering actions” to achieve positive impact to varying degrees
- On Poverty and income (Goal 1) and Women empowerment (Goal 5) – NABARD studies, NCAER, APMAS, Sinha etc.
- Better Nutrition and Consumption (Goal 2) – Deininger and Liu, Kumar’s review of 36 studies etc.
- Maternal and Child Health (Goal 3) – Saha et al’s study from the data set from the 3rd national district level hh survey of 601 districts of India and others
- Water and Sanitation (Goal 6) – Rai, Prakash, Shrestha et al, etc.
- Women Empowerment (Goal 5) – Dash and Kabeer, Saran, Swain and Wallentin, Broady et.al.’s systematic review of 34 studies etc.

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Major Problems and Challenges

• Issue of equity in the SHG movement at various levels – uneven spread
• Inter-state disparities have implications for inequality of SDGs outcomes across states – already a problem
• Expanding into areas where SHG coverage is minimal is a challenge
• The poorest in a locality are often excluded from SHGs – and often those who are members don’t get equal benefits (e.g., repeat loans) as others
• The target-oriented approach, and the speed with which they are growing is faster than the speed of the people for change
• Fragility of Groups (especially prevalence of the informal sector)
• Quality of the Groups vary to a significant extent depending on promoters – problems of Governance and (financial) management, local power dynamics etc. – APMAS (2017) using a critical ranking index tool found 68% are Grade-A SHGs, meaning one-third are qualitatively poor

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Thank You

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