

Labour, finance and social dynamics

In India, as in a number of other Southern countries, globalisation, liberalisation and decentralisation are accompanied by a growth in inequalities. On the one hand, the States, often under pressure from the Bretton Wood institutions, decentralise some of their functions or disengage from them by supporting the takeover of public services by the private or associative sector, while following a policy of economic liberalisation. On the other hand, they take steps to compensate for the inequalities created by this double movement of liberalisation and decentralisation. Thus, a growing number of initiatives (public schemes, NGOs, grass-roots organisations) develop new forms of *services* which attempt to manage "as well as possible" decentralisation on the one hand and on the other, poverty and inequalities, and sometimes both simultaneously.

The main goals of these policies can be summarised as follows:

- to promote "good governance" by stimulating self-organisation and involving the people in the management of common or decentralised public assets, this involvement being supposed to strengthen their "empowerment"
- to allow the "poor" to manage risks better and thus to mitigate the absence or the disappearance of social protection (via micro-saving and micro-insurance)
- to create jobs, most of the time self-employment (via microcredit or access to banking services)

Implicitly, the social dynamics in play do not leave any ambiguity, with on the one hand, the informalisation of the economy (through a marked reduction of the role of the State on the level of employment as well as social protection) and on the other hand, the responsabilisation of the "poor" by self-employment, self-management of risks and self-organisation (within a predetermined framework). As for the "poor", privileged target of all these initiatives, they now represent a category of their own: the result of a permanent structure (with the regular appearance of new subdivisions "poorest of the poor", "ultra poor", etc), the category "poor" is fundamentally strategic since it includes at the same time media, political, scientific and social issues, without the real life experience of this poverty being truly questioned and analysed.

The development of microfinance is at the heart of this evolution. Whereas its initial *raison d'être* is quite simply to combat banking and financial exclusion, microfinance is presented today as a possible solution to under-employment, the absence of social protection, even to a lack of democracy. The media success of the concept of Self-help-groups in south India is particularly emblematic of this idea of microfinance. By combining financial intermediation and measures of collective interest (maintenance of latrines, tanks or roads, management of the PDS shops, monitoring of electoral practices, etc.) SHGs are supposed to mitigate the inadequacies of the banking sector as well as the lack of local democracy (in particular for women) and to support the process of decentralisation.

The rhetoric developed around these new forms of services, and in particular around microfinance, is particularly dangerous and deserves rigorous analyses. Obviously, there is a large gap between the speeches, the effects of publicity and the actual practices. The major risk, already very much observed, consists of legitimising the disengagement of the State and delegating a growing number of responsibilities of general interest to the populations, in the name of their responsabilisation, of their "empowerment" and thus of their well-being,

without giving them the financial and human resources for this delegation, in terms of management as well as decision-making. It also means that the "market" selects the small entrepreneurs and expects them to create employment, whether in the formal sector or not.

At the same time, some initiatives, often coming from what one calls civil society (without "mythicising" civil society, we will come back to that later), implement real innovations that we will define here in the broad sense as "social". These innovations refer to technical dimensions, relative to the nature of the proposed services. They also refer to organisational and institutional dimensions, in particular the will to combine economic action – in the sense of production, exchange and consumption of goods or services – and, to a certain extent, political action, meant here in the sense of evolution of rules (regulations and public policies) and standards. Let us cite some examples: mutual health insurance companies involved in the development of social policies or the improvement of health care supply; producers' cooperatives keen to maintain minimum prices; microfinance measures associated with the amendment of banking legislation; women's co-operatives mobilised for the defence of women's rights in the informal sector or in the redistribution of land; district "associations" or "communities" together with the development of city policies or in obtaining basic public services, etc. One speaks sometimes about *popular economy*, *people economy*, *solidarity-based economy* (but only in the French-speaking countries or in Latin America), *alternative economy*, *social entrepreneurs*, etc. without these terms referring to precise and consensual definitions.

Of course, it would be simplistic to oppose "top down" initiatives, supposed *a priori* "bad" because they are too out of sync with reality or with only instrumental or populist aims, to initiatives "bottom up", supposed *a priori* "good" because emanating directly from the populations. The reality is more complex, if only because of the permanent and inevitable interaction between civil society and public authorities. In a more pragmatic way, we suggest analysing these interactions and the processes of co-construction of services and public policies which result from them.

This research programme attempts to analyse the method of constructing new services, their legitimacy, impact and limits, as well as the discussion of the legitimisation of these services, by combining a double approach:

- On a micro-scale, special attention is focused on the point of view of the populations targeted by these programmes. The question of the adequacy of the proposed services in response to the "needs" of the populations is obviously central, which supposes a detailed analysis of the nature of the relations established between the service providers and the clients/beneficiaries/users, of the representation systems of one or the other and their respective expectations. Whatever the nature, quality and forms of attempted imposition of the services and programmes, the populations show a strong capacity for recovery, diversion and reappropriation and sometimes rejection according to their own interests, aspirations and perceptions and finally their own constraints. According to the degree of freedom granted to this reappropriation, one can speak about co-construction of the service. The analysis of this appropriation supposes as a preliminary detailed analysis the way in which the populations perceive money, finance, employment and work, the concept of solidarity or voice. In each one of these fields, the hybridisation of the knowledge called "technical" and "scientific" and the knowledge called "indigenous" proves to be a fertile field of studies. More generally still, the method of construction of personal identities, the link between the individual and the collective and its

evolution are central issues to consider in order to understand the way in which the populations perceive and reappropriate the services proposed to them.

- On a macro-scale, how these initiatives are received (which model, which scheme if they are governmental initiatives, which ideology if it comes from NGO initiatives) and how they take part, participate, react to the processes of globalisation, liberalisation and decentralisation. How are they linked up with previous policies: what remains constant and what are the sudden changes one observes? In what way do they respond to the "slogans" of the international organisations and the funders (from which neither the States nor the civil society initiatives escape) be it directives of the international organisations within the framework of structural adjustment projects or injunctions of the funders? To what extent does one witness the emergence of new concepts, or a reinvention of old categories, thus echoing a certain form of neo-traditionalism? In addition to the services suggested, one can also wonder about the construction processes of the target groups and their historical evolution (poor, poorest of the poor, women, etc), as much on the criteria level used as on their supposed ideologies.

The micro/macro combination is accompanied by spatial/territorial and sector analyses and seeks to reconcile, as much as possible, qualitative and quantitative data (surveys by sampling and longitudinal follow-up). Finally, this research programme is based on an interdisciplinary approach (economy, anthropology, agronomy, sociology, political science).

Four sets of research themes are highlighted.

1) The social dimension of money, finance and microfinance (contact: isabelle.guerin@ifpindia.org; marc.roesch@ifpindia.org)

According to a strictly technical and economical concept of money, it would be enough to provide microfinance to the poorest to allow them to escape exploitation and oppression. But what is the legitimacy of microfinance services in comparison with other financial services that microfinance clients have access to? Many informal financial links, however exploitative they may be, also include a social dimension. Indebtedness is fully part of social identity. Being indebted is also a way to assert one's sense of belonging. Our purpose is not to suggest a naïve and romanticized conception of community solidarities. Indebtedness and financial dependence are at the core of social inequalities. But their social and sometimes protective dimension must be taken into account to understand how microfinance services are used, appropriated, sometimes rejected or at least used in a different manner from what was planned by the providers.

Money must be grasped as a social institution: a range of regulations, norms and conventions which imposes itself and moulds personal practices while being moulded by these very practices. These rules come from the issuing authority (especially regulations related to savings and lending activities). There are also and above all social norms related to the access and use of money. Such norms refer to the delimitation of market and commodity spheres (what are the goods and services that can be obtained by money and at what price? Who is allowed to participate in those spheres and under what conditions?). This set of norms contributes to defining everyone's social group membership, including gender as well as caste, ethnic group or religion. It is also crucial to take into account social and personal attitudes and representations related to debt and indebtedness, especially in the Indian context where indebtedness is chronic. Any financial relationship (with a moneylender, an employer, a relative, a banker or a microfinance organisation) must be understood, not as a contractual

relationship, but as a relationship embedded in a set of rights and obligations which link both parties.

2) Labour, popular worlds and globalisation (contact: david.picherit@ifpindia.org)

All the liberal policies followed in India, without constituting either a rupture or a regional case, have accelerated strongly in the last ten years. Thus, the workplace is subjected to these liberal policies by the increasing informalisation of the economy.

The various governmental initiatives, often emanating from international organisations and relayed by the NGOs, focus on the populations. Paradoxically, the latter are less and less studied, whereas they are the object of attention, policies and increasing forms of intervention, aimed at creating jobs and/or combating forms of chronic unemployment.

A historical and reactualised understanding of the worlds of labour and unemployment is essential to understand the relationship between these policies (and its actors) and the populations concerned, to redefine the concept of "labour" and its implications, and to understand the new forms of strategies, mobilisation and resistance (around the questions of labour, the movements of the lower castes, the religious, of gender or around the moralisation and growing intervention of the various organisations) of these populations. At the same time, we propose to carry out an epistemological and linguistic analysis of the terms and categories employed in academic circles as well as by the populations, including an historical analysis allowing us to understand the social dynamics and to deconstruct the tendencies to define social inequalities as "natural" and/or "traditional".

The main objective of this international project is then to develop new approaches and concepts of labour, in a context where the politics of globalisation are extended and promoted as natural and irreversible.

For that we need to open and integrate new fields of research, allowing for an understanding of the world of labour and, more broadly, popular worlds. It means considering religion, state, kinship and other themes as an integral part of the research on labour – be it wage labour, bonded labour or IT sectors – .

The multiplicity and overlapping of identities and places in which labourers – and non-labourers – are involved reminds us of the necessity to go outside of the workplace to explore, critically and historically, the world of labour.

These approaches go beyond sector-based, area-based and discipline-based analysis in order to welcome research on various topics related to labour, as well as original methodologies and materials. Different tools - audio, video, photographic - are then strongly encouraged for a better reconstruction of everyday life.

Thus this project goes beyond the simple term "worker" to embrace all of the activities related directly and/or parallel to the work sectors, including those not available for independent study.

3) Social innovations, discourses and practices (contact: marc.roesch@ifpindia.org)

Detailed knowledge of the local socio-economic context, the capacity to establish close relationships with the local populations and to mobilise local resources, flexibility, and consequently, the capacity to innovate: all these arguments justify, in theory, the comparative advantages of "grass-roots" organisations. By contrast with traditional forms of service development (the "market" or "the State"), the "grass-roots" organisations would allow innovative processes of constructing services, based not only on personal relations with the recipients but also on dialogue, interactions and regular discussions with the recipients supposed to "participate" in the construction of the services. In the field of microfinance, where one of the principal challenges is being sure of repayment, the capacity to build relationships of confidence is all the more essential.

Beyond the speeches, what are the practices? It is good to analyse the origin of these innovations (or at least supposed innovations), their evolution, implementation and then their appropriation by the populations. The first question relates to the *different types of legitimisation* employed, implicitly or explicitly, and to their issues. The question of the local reappropriation of these types of legitimisation then arises, since their concrete implementation implies links and compromises with the local populations and the political context (local authorities, elected or "traditional", with a possible "competition" of religious networks also equipped with a significant potential of inclusion when they combine the religious dimension with the very pragmatic offer of local alternative services). It is also good to analyse the role (formal and abstract, envisaged or not) of the various engaged parties, which supposes a detailed analysis of the forms of organisation and governance (internal and external), the degree of flexibility of the organisations/NGOs with regard to their financial backers and of the public authorities (and this at various levels, from the most local to the global).

4) Civil society, solidarity and public spheres (contact: isabelle.guerin@ifpindia.org)

In what way do these new forms of service take part in the emergence of a civil society? Let us be aware of the risks involved in any dogmatic approach. In any case, it is not a question of opposing a corrupted, predatory, omnipotent, illegitimate and ineffective State to a transparent, benevolent and competent civil society. Neither is it a question of opposing in a blind and systematic way an anti-poor market and source of exclusion to a pro-poor civil society and source of inclusion. In the same way, it would be quite simplistic to think the action of these three categories of actors – each one itself being far from unified – in a distinct and independent way: "State", "market" and "civil society" are mutually constructed and are the result of socio-historical constructions made of permanent interactions. In addition, if the creation of public spheres, in the sense of spheres of *collective deliberations* and *free voice*, implying various groups (users or recipients of these initiatives, local leaders, local associations, etc.) represents an often enhanced method of re-embedding economic action for social and environmental purposes, the effective implementation of these public spheres remains to be analysed. The question of their legitimacy and representivity has constantly to be proved. A number of these initiatives suffer from the logic of clientelism, instrumentalisation and legitimisation by public authorities and/or other forms of established power (in particular religious networks and movements). But they are not reduced to silence and passivity – a number of them play a decisive role in the expression and recognition of needs unknown to the public authorities or to the "market" because "insolvent" – but relying on more discrete strategies of circumvention, avoidance or even resistance. Even the concept

of public spheres should probably also be re-examined and in any case it is essential to analyse the historical, spatial, cultural conditions of the emergence of these public spheres.

The forms of solidarity must also be questioned. All these new forms of services, whatever their origin, assert the creation or the reactivation of bonds of solidarity. Whereas it is of use to oppose "traditional" and "modern" solidarity (institutionalised by philanthropic or democratic public power), reality testifies to more complex forms, hybridisations, interbreeding and cross borrowing. One observes here and there that solidarity known as traditional, supposed to disappear in contact with "modernity", evolves, reinvents itself, sometimes giving place to strong forms of exploitation or on the contrary to original forms of struggle against inequalities (caste or religious associations which mobilise themselves for the management of common assets). How are the forms of solidarity mentioned here linked to other forms of solidarity?