

Ekuni on The Self-Employed Women's Association: A  
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Arnab Mukherji<sup>2</sup>

Development economics has always been concerned with trying to understand differential economic performance that exists at the same point in time but in different regions, in different countries and even differential performance within the same country. Fumiko Ekuni's *The Self Employed Woman's Association* is a contribution to this endeavor in line with Ester Boserup's classic text from 1970s titled *Woman's role in Economic Development* that for perhaps the first time looked at differential experiences for men and women in developing economies, or in more colloquial terms - the "gender aspect" of economic development. This monograph not only builds on this work but it also has a very novel focus - how economic and social institutions can ease constraints on women which in turn may raise economic growth for society at large. Methodologically too, this work brings together a very unique blend of fieldwork and macroeconomic growth models that helps the reader

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<sup>1</sup>**The Self-Employed Women's Association** by Fumiko Ekuni, Monograph Series 7, The Literary Society of Shikoku Gakuin University. ISBN 978-4-88730-912-8

<sup>2</sup>Centre for Public Policy, Indian Institute of Management, Bangalore.

**Email:** [arnab.mukherji@gmail.com](mailto:arnab.mukherji@gmail.com)

contextualize the fieldwork and motivates the growth models in a way that should make for very interesting reading for those working at the interface of economic theory and fieldwork.

The book is in four parts and each of them add value in different ways: Part I deals with the history and structure of the Self Employed Woman's Association (SWEA); Part II deals with a survey on asset accumulation amongst SEWA members; Part III discusses a set of three growth models that show how within a set of stylized two sector macro growth models, institutions can potentially play a role, and finally Part IV builds on Nelson's 1957 model to explicitly allow for "colonization" in a two country setting and how rates of appropriation are critical for economic growth for both the colony and colonizer.

Part I is a historical narrative of the evolution of SEWA from its early existence as the Women's Wing in the Textile Labour Association to an independent association in 1972 with its own goals and functions. This narrative spans the creation of SEWA from its early existence to a world recognized body that had over 300 thousand members as of 2005 in just 9 cities of Gujarat alone. A curious trend that is observed when looking at the table that presents membership statistics is the two-fold jump in membership in each of these cities between 2001 and 2002; it suggests major changes took place within SEWA over this time and it would be very interesting to learn the sort of reasons that may explain this sharp rise. The carefully structured organization chart for SEWA gives a very clear sense of SEWA, its various bodies and how they complement each other. Of specific interest is the range of services that has come-up under each of the major institutions under SEWA; for example, the range of financial services and products that offer

unmatched financial flexibility to its women members.

In fact, this section provides the reader with a lot of very valuable information that in the future could be used to develop a case study that tries to understand the governance structures of SEWA, its continually shifting economic boundaries with external agents and relatedly the sort of transaction costs that the SEWA leadership were forced to internalize over time to create a functional economic environment for women; for example, lending, education, training, expanding access to markets through political processes, etc. In line with much of the work of Oliver E Williamson, who along with Elinor Ostrom, won the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel for 2009, material in this section provides the potential for a careful study of the interplay between empowerment of women, distribution of transaction costs and the nature of activities that need to be a part of the internal resources that a woman has access to through SEWA, as opposed to being available out in the market place (for example, the SEWA bank has lending rules that provide its women members services that no commercial bank would be willing to offer).

Apart from documenting the initial challenges, this section also presents the long protracted engagement with different stakeholders such as different departments of the Government of Gujarat, and eventual success at having them give special status to business arrangement with women co-operatives. These successes, as well as engaging in businesses of their own without being financially dependent on other family members, has also been key to empowering women. Aside from these activities, this section also documents the extraordinarily high level of commitment and leadership that SEWA has had from its leaders in its formative years.

Quite clearly, while this commitment alone is not responsible for the creation of SEWA and the successes it has enjoyed, it is certainly a very rare ingredient which may be found wanting in any attempt at replicating the success of SEWA in other places. This is something that we come back to later.

Part II presents data collected from a household survey that was conducted in rural Gujarat to evaluate the impact that SEWA has on its member's asset holdings. The survey design is a standard non-equivalent two group design with one set of households who are SEWA members and another that consists of non-members. The author presents basic summary statistics to show qualitative, not statistical, comparability across the two groups on a range of variables that are important from the perspective of asset ownership - age, education, occupation, family size, marital status, monthly income, savings, and most importantly, the use of loans that were taken either from SEWA (by SEWA members) or other sources (for non-SEWA members). A number of program specific outcomes are also recorded such as training and learning programs organized by SEWA, owning ration cards, licenses etc., access to forestry resources, child care etc. The author presents also some bivariate correlations, but nothing conclusive in terms of the original question that had been posed to the author by the SEWA leadership and is also the basis of Part II of this monograph. This evaluation problem is complicated by a whole host of potential sources of bias, and while the author's survey design does allow her to make a first pass in terms of answering this question, these analyses are probably still ongoing. As always there remain selection concerns about why some people became members of SEWA and others did not, however, it is possible to construct a panel data with the current baseline to address some of these concerns and such an analysis will provide immense value to SEWA in terms of

understanding precisely how assets are built for its members.

Part III is where the manuscript brings together its seemingly disparate contributions in a clear fashion. Economics as a domain of study is sometimes necessarily abstract and theoretical and yet cannot lose sight of ground realities. Unfortunately the breadth needed to tackle this spectrum needs time, effort and space that is often really not possible unless one is working on a large project, a thesis or engaged in collaborative research. Even then a sort of a chicken and egg sort of a question that emerges is should theory be formulated before or after comparing it's prediction with real observations. The ideal obviously is an iterative process of infinite regress that looks at theory followed by data, followed by theory, . . . ; more practically, a number of papers have first formulated theory to setup regressions to evaluate the validity of theory. This monograph is a part of an interesting set of departures to this norm that first posits the social phenomena using data and background research into SEWA to motivate subsequently its theoretical models.

Part III presents three growth models that make a number of interesting adaption to the classic Lewis-Harris-Todaro models; its most important adaption is that it explicitly models the difference between men and women through different market wages, labor productivity and ability to appropriate economic surplus that is generated at the end of a production cycle or a year. Gender differences in society are studied through the lens of which gender has socially sanctioned ability to make decisions that affect resource allocation. Traditional societies tend to provide very restricted decision making spaces for women, and economic activity tends to be shaped largely by preferences and choices made by men (in India some exceptions are the Nair community in south India or tribes in north-east

India). While such differences are widely studied, little effort has been made to investigate the effects of such disparity in decision making on economic variables and its long term consequences for growth. Ekuni's first model studies this dynamics under two different scenarios or regimes - one in which men appropriate all the economic surplus and decide on its allocation, and another in which men and women are decentralized in their creation and allocation of economic surplus. The two regimes generate starkly different consumption paths, particularly for women that are traced out through careful simulation (using programs written in Turbo Pascal). While the visual of different consumption growth paths for men and women across the two regimes are helpful, a stronger emphasis on the normative aspects of the differences in dynamics in the two regimes would be very helpful for the reader. Ekuni's essential point here is that while overall growth may be small or zero for society at large, growth in the women's sector may still be fairly high and this is something that would be only seen in the second, *emancipated*, regime where women can control how they use their resources and that who has rights on allocating economic surplus does indeed matter.

Thus, it would appear that one key problem for developing societies is how to traverse from a traditional society with women being constrained to an emancipated regime. A social transformation, or as Ekuni calls it, a revolution, is something that may not only take a long time to create, but in some instances the right conditions may never arise. Economic institutions such as financial institutions, or the ability to invest in micro-enterprizes such as through SEWA, provides a sort of "short-cut" social transformation to enable even a traditional society to achieve economic growth profiles that are seen in the emancipated regime. Models two and three show how this may happen.

The second model in Part III compares an economy with men appropriating all the surplus (the setup for the traditional economy in the first model) with one in which women are able to place a portion of their income in a bank while the rest of the surplus continues to be appropriated by men. Ekuni motivates this *saving device* (bank, storage box, etc.) from the experiences in SEWA as well as from the work of Stuart Rutherford on micro-saving and micro finance. The investment in the bank is returned at the end of a period which may be re-invested into their production capital or simply consumed. The model flexibly predicts that when the fraction of savings that a women can place with a bank is zero then that sort of growth path seen is the same as in a traditional society; when the fraction is close to one on the other hand, it allows the economy to transition to a growth profile consistent with the emancipated economy. A key limitation of the model is that women cannot invest this in durable assets and so this forms only a one period investment that can enhance investment or consumption possibilities in the next period.

The third and final model in Part III goes back to the setup of the first model to try and investigate how growth paths change when we allow for the possibility of investing in durable capital (unlike in models one and two). While a number of interesting possibilities may be studied with model 3, Ekuni has limited herself to mentioning the differential possibility of fixed and circulating capital in the model; further discussion of the substantive implications of the model are perhaps left for future work.

Finally, in Part IV, Ekuni extends Nelson's 1956 model on poverty traps that

are generated due to the relative trajectories of the savings rates and population growth rates for an economy. The basic insight from Nelson's model is that there is a stable equilibrium consistent with a low level of income from which the countries will have a tough time to deviate, while the equilibrium at the higher income level is unstable and any deviations from it will return it to the low-level equilibrium, or worse, and hence the trap. Ekuni's contribution is in terms of extending this single model to a two country model in which one country is the colonizer and the other the colony. The colony is linked to the colonizer through the fraction of capital transferred from the colonized region to the colonizing region. It is interesting to note that in the absence of any appropriation neither the colony nor the colonizer will be able to enter into a path of smooth (monotonic) economic growth; such smooth growth however will be possible for even low rates of appropriation of capital stock by the colonizer and the intuition for this dwells greater discussion. Based on a numerical simulation Ekuni shows that the level of appropriation that will enable smooth growth for the colonizer is as low as 2.7% of its capital stock. One issue that could have been discussed more clearly is the relationship that exists between the two country model and the earlier models, or for that matter with SEWA. In line with the idea of women being constrained in the decision making space one could think that men form the colonizing country and women the colony, however subsequently the analogy becomes weak as it is unlikely that in the long-term men and women would have radically different growth trajectories for labor force participation.

Ekuni's current work should be considered as work in progress as she herself admits while presenting preliminary findings on the survey on assets. As this work matures, there are other links that it could explore to contextualize the results.

Given the strategic interface at which this work is placed at it would be extremely valuable to link this work to the parallel sociological and anthropological work on the cooperative and labor movements in India and how the women's cooperatives have fared and why SEWA's experience has been different.

Another issue that the monograph is currently largely silent on is the challenge that many initiatives experience when scaling up their levels of operations to larger levels and SEWA is one experience that has been able to grow and be successful as its membership has grown and its domains of operation increased. One natural question is in terms of the external validity of this experience in terms of its being replicated in other settings and how critical its leadership has been for SEWA. Part I of the text makes it very clear how unique the contribution has been from Ms. Ela Bhatt and others who have been providing leadership to SEWA from early 1970s and if this leadership is the key to successful efforts like SEWA then replicating experiences will be considerably tougher. A caveat that the author may also wish to place is to avoid any possible misunderstanding that the role of institutional interventions, such as those described in this book, are designed to prevent a traditional society from transforming to a modern society where women and men are equally empowered to use and allocate economic resources, but rather that it is a way to minimize losses as society makes that transition. Such interventions are associated with greater empowerment even within a society that remains largely traditional. Apart from this, evaluating the asset building role of SEWA will add considerably to our understanding of one of the key mechanisms through which SEWA may be helping its members. Methodologically, pairing future survey data with the existing baseline would enable a robust understanding of the effect of SEWA membership for those who joined. The theoretical work already shows

the lasting benefits of these kinds of efforts and while the results and their simulation may need clearer elucidation to appreciate its normative aspects, its further development finessing will come from further quantitative (for example the asset survey analysis) and qualitative (for example understanding the role of leadership) evaluations of the SEWA experience.

This monograph as it stands is a must read for students, researchers and scholars at large who are either contemplating or working in applied settings. Few scholars are able to traverse the spectrum of taking field research to theoretical contributions that Fumiko Ekuni has covered in this book. There are some issues that need clarification but this is quite clearly work-in-progress and we hope to see these clarifications in future work. I look forward to reading such work that will continue in this fine tradition of collecting field data, contextualizing their findings through theoretical models, and using computational methods to analyze the effects of subtle changes in economic incentives and social relations on a scale that can't be done from fieldwork alone.