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Development from below - alternative poverty alleviation, its rationale and operationalisation through a systemic learning approach : the MAYA ORGANIC pilot project in Bangalore, India

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Abstract: This thesis elaborates the systemic shortcomings of policies and projects in India and the need for alternative, practical solutions, which are a) scalable, b) replicable and c) market oriented in order to have a systemic impact on poverty. Poverty is being discussed as a structural phenomenon, which is multi-dimensional and a consequence of social, economic and political exclusion. Change can only be achieved if interventions address these shortcomings, while being multidimensional and process oriented. Access to economic, political and social resources needs to be complemented with institutional and individual capabilities and enable the working poor to make productive use of these newly available resources. MAYA ORGANIC, the case study of this thesis and a pilot project itself, attempts to address the problems faced by informal, tiny manufacturing workers and enterprises in India in a systemic way through umbrella structures for marketing and design, supply chain management andfinally training and enterprise formation.The author herself, one of the co-founders, utilises an action research methodology and focuses on the parameters that are required for democratic self-managed structures (collective enterprises) and institutionalised learning processes to build worker's and group enterprises' capabilities to be more self-managed and hence, more self-directed. She further has refined the enterprise model and maturity stages of enterprises and how such an initiative can be scalable and replicable, while fulfilling the challenges of social, economic and political inclusion of the working poor in informal manufacturing into the mainstream. Diese Dissertation zeigt systemische Schwaechen der bestehenden Armutspolitik und projekte in Indien auf und weist auf die Notwendigkeit multi-dimensionaler und systemisch angelegter Interventionen hin, um nachhaltig zu sein. Armut artikuliert sich auf verschiedenen Ebenen und ist eine Folge von systemischen Ausschlussmechanismen auf wirtschaftlicher, politischer und sozialer Ebene. Die Autorin argumentiert, dass der oft propagierte Zugang zu Ressourcen (Finanzen, Maerkte, Technologie, Training) eine notwendige, allerdings nicht hinreichende Bedingung schafft fuer nachhaltige Armutsbekaempfung, und daher institutionelle und individuelle Faehigkeiten aufgebaut werden muessen, damit die neuen Ressourcen von den Betroffenen auch produktiv voumgesetzt werden kaennen. Sie stellt in einer Fallstudie das Pilotprojekt MAYA ORGANIC vor, welches im informellen Manufakturbereich neben Marketing und Design auch Supply Chain Prozesse, Berufsbildung und Unternehmensbildung einfuehrt und kontinuierliches und reflektives Lernen institutionalisiert. Dadurch soll sichergestellt werden, dass die Zielgruppe ihre Entscheidungen vermehrt unabhaengig und selbstaendig faellt. Eine Aktionsforschung begleitete diesen Prozess und leitete die Interdependenz zwischen demokratischen Kleinststrukturen, institutionellem Lernen und Selbstbestimmtheit her. Diese neu erlernten Faehigkeiten sollen sicherstellen, dass die durch MAYA ORGANIC zur Verfuegung gestellten Ressourcen sich im Erfolg der Kleinunternehmung und verbesserten Lebensbedingungen (langfristige Planung etc.) widerspiegeln und dadurch Nachhaltigkeit geschafft wird. Die Autorin, selber eine Mitinitiantin von MAYA ORGANIC, konsolidiert die verschiedenen Meilensteine dieses Prozesses, die als Grundlage zur weiteren Verfeinerung des Unternehmensmodells Bedeutung erlangen. Schliesslich diskutiert sie, unter welchen Bedingungen dieses Modell in anderen Regionen und Industrien Indiens in grossangelegten Projekten replizierbar und die Einschliessung der informellen Kleinstunternehmen im Manufakturbereich in den 'Mainstream' sichergestgellt werden kann.

Development from Below – Alternative Poverty Alleviation, its Rationale and Operationalisation through a Systemic Learning Approach

The MAYA ORGANIC Pilot Project in Bangalore, India

Thesis
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of
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"*The more the people become themselves, the better the democracy*"

– Horton & Freire in Bell et al. 1990; p. 145

Contents

Glossary

Agharbatti	:	Incense stick
Beedi	:	Small cigarettes
Channapatna	:	Wooden toy making cluster, approx. 75km away from Bangalore
Crore	:	Unit for 10 Mio (e.g., 1 Crore=10 Mio Rupees)
DCs	:	Developing Countries
FGD	:	Focus Group Discussions
GCC	:	Global Commodity Chain
GOI	:	Government of India
Hale wood	:	Wood used for turning and locally available as forest produce in and around Channapatna.
Hari work	:	Traditional hand embroidery, originating from Persia and mostly practiced by male Muslims
ILO	:	International Labour Organization
Khargha	:	Wooden embroidery frame used for skilled hand embroidery workers, mostly by men
LabourNet	:	Initiative of MAYA ORGANIC to address the systemic problems of the construction industry
Lakh	:	1 lakh = 100,000 units
Lathe	:	Working tool for wood turning and lac application. There are machine and hand lathes, both widely used in Channapatna
MAYA	:	Movement for Alternatives and Youth Awareness started in 1989 as a Bangalore-based NGO
MO	:	MAYA ORGANIC, a programme of MAYA
MOIPL	:	MAYA ORGANIC INDIA PRIVATE LIMITED: a registered for-profit company, which acts as the marketing and design company and provides financial buffer to the sectors and the collectives
MOU	:	Memorandum of Understanding
NCL	:	National Commission of Labour
NGO	:	Non-governmental Organization
NIC	:	Newly industrialized country
PRA	:	Participatory Rapid Assessment
Ramnagaram	:	60km away from Bangalore towards Mysore, this town is a part of Bangalore rural district. A cluster known for silk reeling, it has faced significant decrease in economic activity due to competition from silk imported from China
Rs	:	Indian Rupee, IRs39 = 1 CHF
SHG	:	Self Help Groups, originally promoted all over the world for micro finance initiatives, these were mostly women formed groups of 15–19 members who started savings and credit. Each group has the mandate to open a bank account and execute financial transactions with other similar groups
TOE	:	Terms of Engagement

Preface

This Action Research Study evolved after I left the ILO and joined an innovative, Bangalore-based development organisation to work on livelihood solutions for the working poor. I was intrigued by the highly relevant work and contribution MAYA has been making in the field of community ownership in education, early childcare and vocational training for: a) academia, b) policy and c) their beneficiaries. As one of the initiators of the two livelihood interventions – MAYA ORGANIC (MO) and LABOURNET – and encouraged by funding agencies and academia, I felt the need to document and consolidate the enterprise development initiative, MAYA ORGANIC during the three initial years of its implementation.

Till date, there have been very few market-oriented poverty alleviation initiatives, fit to meet the challenges of highly dynamic and interdependent markets, while empowering the poor and being replicable and scalable. MAYA ORGANIC promotes a multi-dimensional approach which focuses on increased access to various forms of resources. Yet, MAYA ORGANIC provides an enabling environment that builds capabilities to make use of these resources in an effective manner. The initiative is systemic and promotes umbrella structures: a) representing the working poor in the markets, while ensuring work and cash flow; b) building institutional capacities for production, quality and continuous learning, besides supporting self-managed group enterprises to be viable and accessing required finances and technologies. MAYA ORGANIC's particular target groups are the working poor, typically from low caste and minority communities, which are facilitated in building trust and collaborating together through this intervention.

For an in-depth understanding of poverty as a multi-dimensional phenomenon, which is to be analysed within a systemic and therefore structural framework, I utilised Bourdieu's field-habitus theory that envisages structural change and empowerment through social agency and critical reflection. This thesis suggests that MAYA ORGANIC can be described within such a theoretical framework, though it does not claim to fulfil the far-reaching consequences of social change and social mobility within a society as envisaged at a theoretical level by Bourdieu, which is a massive undertaking. The initiative, however, increases access to resources and creates a learning environment for the working poor, enabling individuals and group enterprises to make productive use of the same, while creating opportunities for a dignified and secure life. Consequently, workers' capabilities for self-management and problem solving turn them into active agents for their own lives.

The research question seeks to generate more in-depth understanding on the process of how institutional and individual capabilities need to be built, ensuring effective utilisation of newly available resources. For that purpose, I focussed on the interdependency between democratic institutions–institutionalised learning and individual and collective self-directedness. Emancipatory action research was felt to be the ideal methodology.

Though MAYA ORGANIC has yet to proof its large-scale potential, the impact has been quite significant at a pilot level. There are clear indications that a learning environment supports higher capabilities to make use of newly available resources and self-directedness of individuals and groups. A proof of concept has been generated which is discussed in detail in this thesis. The empirical part clearly shows that democratic institutions and institutionalised learning processes support self-directedness of individuals and groups. It is also shown that self-directedness is a continuum where individual learning becomes collective learning and vice versa within an institutionalised learning environment. As part of the thesis, I created a framework for the various maturity stages which enterprises have to undergo in order to be self-managed and independent. At the level of facilitation, I further evolved a process which supports systemic thinking and new ways of intervention in order to generate larger impact with the same resources available.

The consolidation and conceptual framework of this PhD have therefore contributed to MAYA ORGANIC's

strategy to scale up and replicate the same enterprise model across India. It is planned to reach out to at least 100,000 entrepreneurs and their families within the next years to come. But by no means is the work and commitment of one organisation enough to satisfy the requirements of the majority of the working poor in this country. However, it is hoped that this intervention provides one sustainable solution and contributes to the poverty debate's shift towards more multi-dimensional, systemic approaches.

I would like to thank all the women and men entrepreneurs in MAYA ORGANIC and the facilitators of the MAYA ORGANIC Programme. Without their collaboration and participation, this research study would not have been possible. Their feedback, contribution and commitment towards the success of the project were tremendous. I would further like to thank KFPE for the three-year-long scholarship and support of my field research here in Bangalore. I also warmly thank both my supervisors, Prof. Dr. Volker Bornschier and Prof. Dr. Michael Nollert, who encouraged and supported this undertaking throughout the process and always provided me with immediate feedback and advice. I am fully indebted to my parents who always provided me with the love and commitment towards their daughter's choices and decisions, while being supportive and available, whenever needed. Finally I would like to express my deep gratitude to my husband and friend, Solomon and Tara, my daughter. Both have been of tremendous support during this intense research phase with no weekends and long working hours. They managed the daily life tremendously well together and made this process an enjoyable experience.

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1

INTRODUCTION

'Globalisation: make it work for all' (Stiglitz, 2000) has been a commitment of the international community for the last decades and has gained momentum with the declaration of the UN Millennium Goals to reduce the globe from poverty by half by 2015. (see www.un.org)

The actual debate on poverty might be contributed to the fact that globalisation overall has not benefited all in the same way. As the world market has significantly expanded and integrated more nations into economic trade – obviously at different levels[1] – it is in many instances referred that inequality between and within the nations has overall increased and global poverty has only marginally reduced, if at all. (De Soto, 2000; Sachs, 2005) The recent, overall debated food crisis, hitting the poorest of the poor, only reflects this reality. Many developing nations still face the challenges of basic needs such as food and income security, despite abundant food stocks available worldwide. Similarly, new forms of poverty have evolved in industrialised countries. A world that is free of poverty or hunger, which is more just and inclusive, therefore, seems to be a far off dream.

The contradictions of announced goals and realised results today, however, have increasingly caused dissatisfaction within civil society, with their representatives at the national and international levels. Large social movements have held these institutions accountable and articulated their criticism against their policies which seem not only to work in the interest of economies from the North but also reflect the increasing dominance of fast-expanding transnational companies.[2] Unbound capitalism, within a neo-liberal regime, today is an acknowledged reality and has virtually taken over all spheres of productive and income generating economic activities in developing as well as in industrialised countries.[3] We should say that the present mode of capital accumulation, in the absence of a regulatory framework for a social contract between society– labour– and–capital is facing a severe global crisis.

This is even more serious as academic circles have debated on this crisis for the last 30 years. They may differ in highlighting different aspects of globalisation. The debate is vast and I would therefore only refer to authors who particularly emphasise the economic-sociological angle of globalisation. Examples would be the regulation theory which emphasises the crisis of Fordism (Lipietz, 1995; Hirsch et al., 1986; Hirsch, 1994; Altvater et al., 1998 and many more) or representatives of the long-cycles theory (Bornschier, 1996; Castells, 1996), or the crisis of modernity (Dahrendorf, 1992; Elias, 1991; Bourdieu, 1998 or Habermas, 1981) to name a few.[4] Despite their different theoretical backgrounds and foci, they indicate a common concern that there is a need for urgent action at the political regulatory level to counterbalance economic dominance to safeguard broad democratic principles: participation, social and economic inclusion and equality.

1. The World of Work: Labour and Global Outsourcing

The trend of the global and Indian labour market towards increasing informalisation and further aggravation of the status of the working poor is worrisome. I would like to

emphasise the intensified competition between developing countries for labour intensive manufacturing which further, in the liberalised and increasingly interconnected environment, has resulted in downward price-cutting practices that are not sustainable and highly exploitative. (Gereffi, 1994; Lipietz, 1992)

According to Holmstroem and other authors, the low development road (Pyke et al., 1992) which many of the developing countries have chosen as a strategy for labour intensive industrialisation and cheap labour as main competitive advantage, will not be sustainable in the long run. Similarly, Lipietz mentions that this strategy will have limited success for two main reasons: First, as the export advantage is based on the super-exploitation of labour, it is socially unstable and generates growing social costs and inequality, as the gap between capital-intensive Formal Economy and the labour intensive, often Informal Economy is growing. (ILO, 2004/2005) Second, since it was solely oriented towards exports, it does not lead to significant expansion of the internal market. Third, this was vulnerable to competition from cheaper export platforms (Lipietz, 1992), contributing to the highly volatile market environment. (Castells, 1998)

In many places, workers have not only lost their forum for negotiation with the erosion of trade unions over the years (Hirsch et al.,1986), but are continuously confronted with economic restructuring and downsizing of labour. Income security everywhere is questioned in the name of flexibility (Sennet, 1999; Bourdieu, 2001) and informalisation of work further aggravated with fast pace technological changes. In the context of India, we see similar tendencies in the Formal Economy ('organised sector') which has experienced 'job-less growth' during the last 15 years despite a steadily expanding and diversifying economy. (Dev, 2001; GOI, 2001) This raises concern as the fast growing labour force either looks for gainful employment abroad or is forced to explore work in the Informal Economy.[5] What is equally disturbing is the slow down or, as some academicians even suggest, stagnation of poverty reduction in India during the last 15 years and the empirical evidence of an increasing number of the Indian population being repeatedly exposed to other forms of social exclusion, or in Sen's words, 'unfreedom' (1997) from what would be a decent and safe living with access to food security, housing, health services, education, income security or markets. (Hirway, 2001)

India, similar to many western countries, is increasingly criticised for its low performance to address issues related to labour and poverty. During the post-independence era, neither has poverty been reduced to the expected extent, nor has the labour force been absorbed into the formal or organised economy. This of course does not include the professionals of the service sector (IT or BPOs; Insurance and Banking) and fast-expanding garment industry who have in many instances been able to benefit from the advantages of being employed in the Formal Economy. Instead of the long assumed trickle-down effect or the absorption of rural and urban informal labour into the Formal Economy, the trend has reversed towards more labour market flexibility and labour replacement in the organised and the unorganised industrial markets. (Kundu et al., 2001; Dev, 2001) In fact, data show that overall manufacturing has absorbed less labour than before, yet increased economic performance significantly on the basis of capital-intensive growth. (Kundu et al., 2001; Dev, 2001) Hence, more profits shared by fewer players in the Indian markets, only reflect the global trend towards capital concentration.

Similarly, economics, as the dominant paradigm, dictates India's economic policies, on the cost of reduced overall social sector spending (Prabhu, 1998/2000) and contributes to the systemic perpetuation of social, political and economic exclusion of large masses of India's estimated 400 Mio active workforce. The disparities in India are huge as it is well reflected in the low HDR ranking,[6] (UNDP, 2008) despite high tech and leading capabilities in fast growing sectors such as IT/BT or Pharmaceutical and other industrial manufacturing.

As will be elaborated more in detail in the following chapter, there is no macro policy in place which coherently addresses labour, training and poverty-related issues as key areas in the development and economic agenda. (Ghose, 1997) Poverty alleviation, development, or for that matter, even primary education and training are limited to 'micro-level', yet large-scale programmes, and have only marginally been considered as priority areas for sustainable economic and social development of the country. (Ghose, 1997; Prabhu, 2000) However, it is increasingly civil society which has taken the pro-active role to step forward and work towards more inclusive solutions and legislations that favour the poor. More than ever, NGOs and member-

based organisations have lobbied and pushed the government to address and seek for practicable solutions for labour and income-related issues; and hold business accountable for the status quo of the Informal Economy and the poor status of the workers at the lowest level of the occupational hierarchy.

The absence of income security and social protection, amidst appalling working conditions, lack of access to training, finance or basic infrastructure for the majority of the Indian workforce, have been issues of critical debate during the 2nd National Labour Commission that was set up in 2001. At a tripartite level, businesses, trade unions and the government, together with NGOs, have tried to find a consensus on labour which ensures maximum impact on workers, while at the same time, not impeding the competitiveness of businesses; and ensuring that policies are inclusive, practicable, financially viable and effectively reaching the informal workforce, and the working poor in particular.[7] (GOI, 2001) Similarly, the ongoing task force of the Planning Commission for informal enterprise development only reflects the burning relevance of that matter.

However, though the 2nd National Labour Commission formulated recommendations in 2002 and legislations were drafted, they have not been very successfully translated into practicable or tangible policies and interventions. Not only was there no consensus on the recommendations but also the sheer size of the target group (approx. 350 Mio. of 400 Mio. Workforce=90% informal) and the absence of effective institutions for implementation reflect the huge task one deals with.

The situation looks rather grim. India's integration into the global economy depends on its capabilities to mainstream workers of the formal and Informal Economy into economic activities. At present, integration happens at high social and economic costs for the Indian workforce, as their working reality is highly exploitative and socially unsustainable. As will be shown in this thesis, many of the industries, and even the expanding ones, are facing massive restructuring in the name of 'flexibility' which is not in favour of labour but replaces labour and weakens the position of the already few labour representing institutions. (see chapter 3) Worse, as often low skilled surplus labour competes against each other, the price spiral threatens to further go downwards and worsen payment and income security and erodes

whatever minimal skill sets and legal protection were available to workers. (Breman, 2003)

These patterns are not new and have in many places and at different times been documented and debated. Labour exploitation, at the advantage of market expansion, has in many instances created strong dependencies of the workforce on particular production and organisational processes in the name of integration of the 'informal' sector workforce into the 'regulated' and Formal Economy.

2. The Reaction: Social Movements and Alternative Forms of Collectivisation

Many-a-times over the last years, academicians and representatives of social movements formulated the need for a regulatory framework that protects the interests and basic rights of the people in industrialised and developing countries for 'decent' work as articulated by the ILO:[8] "The primary goal of the ILO today is to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equality, security and human dignity. (ILO, 1999a, p.3)

Demands for a more equitable and just regulatory framework that would 'tame' capital are propositions. Yet, there is no clear perspective of how such processes should actually be realised. Some advocate for a world society as an effective structure framework (Narr et al., 1998) and suggest the strengthening of multilateral institutions. (Sachs, 2005 and many more) Others propagate transnational movements (Altvater et al., 1998; Lipietz, 1997), as they not only represent the interest of the masses but are equally flexible and adjustable like TNCs to organise themselves across borders without limiting themselves to particular territorial spaces.

Social movements have the potential to organise and provide a forum for articulation and collective action which it argued, has been lost over the years. (Swinney, 1998/2005) However, in the absence of any unified perspective – the strength of the labour movement – I wonder whether 'social movements' as they exist in their diversities and with multiple objectives, will have the potential to go beyond advocacy-based interventions, and hence enforce social transformation and set a basis for a new social contract or regulatory framework. (Münch, 1998) It is even more doubtful that these would succeed in the

long run, as in many cases, the advocators are representing the workers, without workers having mobilised themselves to eliminate any form of exploitation. (see for instance the sweatshop movement, Urmlinsky, 2000)

3. Economic Democracy as Alternative to Monopolist Capitalism

The conflict between labour and capital is not new and has brought into life large social movements and alternative institutions which would address the unequal power relations between labour and capital. The fact that trade unions have lost their strength as representative labour institutions is worrisome. It also reflects that these institutions have not been able to reform themselves while adjusting to the overall restructuring of markets and business organisations. (Hirsch et al., 1986)

However, there were other member-based organisations which represent the interest of the disadvantaged, while getting together for a common purpose. Over the last 150 years, cooperatives, workers' collectives, and alternative forms of living (such as Kibbutz or communes) have evolved as a reaction to the capitalist bourgeois ideal, and many such institutions have grown out of the economic and political urge to change existing power relations in the economy and the society. (Swinney, 1998; Taimni, 2000) Member-based institutions were formed which function as forum for collective voice, having democratic representation and live the principle of equity. Such structures, it is propagated, care for the workers and focus on education and training and empowerment. (Taimni, 2000) Economic democracy is the key value of cooperatives that support in many instances self-reliance and autonomy for disfranchised workers and the poor. (Birchall, 2003, Swinney, 1998; Mc Leod, 2002)

Cooperatives were seen as an alternative to capitalism, and in some cases, a stage on the road to socialism. (Birchall, 2003, p.3) While worker cooperatives have evolved as production units and market networks in reaction to increased inequality between the owners and the workers, consumer and finance cooperatives have emerged from the need to overcome the dependency on traders and intermediaries in certain stores and food shops.[9] Cooperatives stand for the basic value that commercial structures must be subjugated to social needs. (MacLeod, 2002)

There are numerous examples in the industrialised world of small and large-scale cooperatives working in areas where people, socially or economically disadvantaged, have come together and have formed successful and viable cooperatives, such as food and retail cooperatives (e.g., Eroski in Spain; Coop in Italy; Coop and Migros in Switzerland), tenant management cooperatives (e.g., in Sweden and Finland; Birchall, 2003), credit unions (e.g., Raiffeisen in Austria; Migros and Coop bank in Switzerland), cooperative health centres, community businesses (e.g., Mondragon) and so on.

Sometimes, like in the case of the Kibbutz in Israel or Mondragon, political and economic reasons were the motivation to come together and form member-based organisations that would ensure more political autonomy and independence from the State.[10] "…The Mondragon cooperative has started as a political struggle of the oppressed Basques, who have used their common culture, language, history, and politics in an economic form that now competes at the top of the Spanish economy and provides inspiration internationally. Mondragon represents a network of cooperatives, where cooperative principles are applied to large-scale industry, in complex and growing communities, and a living commitment to democracy in the economy." (Swinney, 1998, pp.32/33) This model focuses on building a qualitative foundation for quantitative growth.

Many examples among large cooperatives are of success and decline, financial crises, liquidations and recently demutualisation to investor-owned businesses, probably due to the structural inadequacies of the institutions to act and work within a globalised economy. The complexity of the picture makes it however difficult to generalise about the record and the success stories. (Birchall, 2003)

4. Cooperatives and Member-Based Organisations for Poverty Alleviation

In many developing countries, the cooperative form in the post-war era was already well established because early in the twentieth century, colonial governments had set up cooperative registrar departments and had imported various European models, including German credit banks, the Danish agricultural cooperatives, and British consumer cooperatives. (Birchall, 2003) They were given a high profile in the economic planning of post-colonial nation States, and for around 30 years – up to the structural

adjustment programmes of the mid-1980s – were beneficiaries for considerable amounts of development aid supporting employment generation-related intervention. Since the mid-80s however, the entire focus lies on micro-finance and micro-credit cooperative development. (ibid.)

India is well known for its work on member-based institutions, such as trade unions, cooperatives and Self Help Groups. Most of them are large cooperatives which have formed around farming activities or are financial institutions. (such as micro finance and micro-insurance) Success stories, such as Amul and other State-level dairy cooperatives or marketing cooperatives for fruits and vegetables, are examples for effectively functioning and well-networked institutions which have been mainstreamed into the market. Similarly, there are huge Financial Networks which serve the poor through micro finance and micro insurance in India and all over the world. (e.g., Grameen Bank, SEWA Bank and many more)

After a long crisis during the 1980s and 1990s, today, the cooperative movement seems again promising as an institutional alternative to the single enterprise. In the absence of any conclusive development approach in the international community to address poverty and find a consensus on how to actually achieve the acclaimed millennium goals of reducing poverty by half, the cooperative model has re-gained momentum as an effective poverty alleviation proposition. Due to their size and structure, cooperatives have the potential to counter and re-negotiate terms and conditions in favour of the worker-owners. However, "…'cooperative-blindness', particularly in the World Bank and other multilateral agencies, has been a stumbling block to drawing on the rich cooperative experience, and to understanding the close fit between grass-root, participatory, community-based development and the power of cooperative people-centred business." (Birchall, 2003, p.3)

5. Problems, Crisis and Re-Affirmation of the Cooperative Movement through the Statement of Cooperative Identity in 1995

That cooperatives and people-owned enterprises or institutions are effective as supportive structures for more economic and social autonomy of groups and individuals has been well-researched and analysed. However, many of the documents refer to the struggles

cooperatives are facing with legal limitations, or of them being controlled and used by the Government as extension offices, hence directed and planned from top–down. Many cooperatives have been in a severe financial and managerial crisis.[11] (Khan et al., 1999; ILO 1998) In many developing countries, cooperatives had to operate in a restrictive environment which limited their efficient functioning and competitiveness in the market. (ILO, 1998)

It seems that most documentation and analysis has limited itself to the ideological discussion about the cooperative model, as against the single entrepreneur model. They defined success by financial and economic viability factors, putting less emphasis on institutional sustainability, leadership and member participation. Hence, they have ignored the institutional functioning of cooperatives that would represent the spirit of a cooperative: members' ownership for the institutions.

It is argued here that particularly institutional processes, such as how participation, transparency and active ownership could contribute to personal growth and mutual benefit of one another, has been a neglected aspect, leading to their own detriment. Many evaluation reports mention lack of capability building or that cooperatives are not really representational or democratic, as it is referred to in Mondragon's case as well. (Kasmir, 1999) Despite education of members being a central and old principle that underscores the cooperative movement, education and training of the worker has not been given attention in many cases. (Taimni, 2000) Similarly, cooperative training rarely focused on how to run and build democratic institutions that are dynamic and clearly accountable to well-sensitised and active members. Critical thinking and the political enrolment of members into the cooperative spirit has not been much in practice.

Particularly in anti-poverty initiatives, these institutional processes which implicitly assumed would contribute to the members' political and social empowerment, seem to not having been effective. In many cooperatives, members are registered but neither informed nor participating. (ILO, 1998) Numerous authors attribute this weakness to the pure control of the State in the areas of management, financials and administration and finally in education and technical support services. (ILO, 1998; Taimni, 2000) Training was neither need-based nor did it involve the members into the learning process. Similarly,

these institutions gave too much importance to cooperative ideology instead of managerial or business administration or institutional learning for that matter. (ILO, 1998)

In sum, the success of cooperatives is mostly measured by the financial viability criteria, while the social and institutional sustainability has not been given the required attention.

Going back to the basic principles of cooperatives, and taking into account the changing global environment, the International Cooperative Alliance (ICA) re-formulated the Principles and came out with a Statement of Cooperative Identity in 1995. The statement replaced the Principles of Cooperation which were approved at the ICA Congress in Vienna in 1966. (Taimni, 2000) It basically reflects the new environment, characterised by transnational corporations, intensified competition and worldwide trends towards liberalisation and privatisation. It was a response to the ideological crisis and provides the necessary framework for cooperatives to move into the 21st century: "In a way, this can also be seen as deliberately designed effort to instil confidence among co-operators, in the wake of larger paradigm shifts and the ascendancy of the credo that favours the market-determined path to development and social progress, and facilitates entry of reinforced cooperatives into the next century." (Taimni, 1999, p.5)

The basic principles formulated in this statement include:

- voluntary and open membership.
- democratic member control.
- member's economic participation.
- autonomy and independence from government or private sector firms.
- education, training and information.
- cooperation among cooperatives to strengthen the movement and benefit through collaboration.
- concern for community. (Ibid, pp.11–15)

The statement hence re-enforces its commitment to the dignity and autonomy of an individual, who, as a member has obligations to his/her cooperatives. Such obligations include exercising voting rights, participating in meetings, using the cooperative's services, and ensuring equity as the need arises. Similarly, it is the members who control the cooperative and reaffirm the right of members to be actively involved in setting

policies, making key decisions about profit, surplus and economic, and strategising.

Education and training were given re-affirmation and acknowledged to be one of the central principles that underlie the cooperative movement's commitment to democracy: "Education transcends the usual concept of transmittal of knowledge; …training means making sure that all those who are associated with cooperatives have the skills they require in order to carry out their responsibilities effectively." (Ibid. p.13) The 6th principle, the commitment to networking and building institutions on the principles of collaboration that takes the movement forward as social capital, is another aspect that was recognised as a crucial principle of the statement. Finally, the original purpose of the cooperative, as social responsibility for the community, was further enhanced as contributing to the economic, social and cultural welfare of the community.

6. MAYA ORGANIC – The Case Study and Research Question

The thesis is a case study and draws its empirical findings from a 5-year old livelihood intervention, MAYA ORGANIC (MO), a project of MAYA,[12] a Bangalore-based development organisation. MAYA ORGANIC addresses the *systemic* nature of labour market inequalities and poverty, while implementing a learning approach that attempts to develop the capabilities of the poor to build and run their self-managed enterprise in a sustainable way. The intervention seeks to rectify the problems of lack of access to training, technology and markets for informal sector workers through a network approach. At present MAYA ORGANIC works in three manufacturing sectors – Lacware, Garments, Wood-Metal – which are highly labour intensive and belong largely to the Informal Economy.

MAYA ORGANIC operates from the premises that the key to this transformation lies in enabling the poor to learn from one another through working together in worker-owned enterprises. MAYA ORGANIC has found this structure the most effective for multiple reasons:

- the collective structure creates a forum for critical reflection that contributes to an understanding of poverty at a systemic, rather than individual level. The workers learn how to run and own a small institution which is manageable and functions with

the core principles of democracy. As group members work and learn together, they come to understand that most of their difficulties are shared, and are rooted in systemic problems that affect all of them simultaneously.

- in its approach, the individuals are identified locally and enrolled in a continuous learning and empowerment process. Collective learning pervades all aspects of group operation, be it in production, technical training, vision building, identifying resources, or goal setting. Over time, this learning creates true solidarity, autonomy, and a strong collective voice for negotiation with markets and governments.

- through the formation of these group enterprises, the working poor can take advantage from each other and benefit from the network of collectives within the same sector and build social capital. With the collectives being a part of a network, the marketing institution enables workers to access large markets and large-scale orders and gain access to the social capital previously inaccessible to them.

MAYA ORGANIC attempts to address both collective structure, and development of capabilities at an institutional and individual level. This would enable furthering democratic processes and thereby ensure that the institutions are transparent and truly democratic, representational and participative, where leaders are truly accountable to their members.

The intervention is young and has to further mature and consolidate. Therefore, this thesis is going to focus less on market access or scalability or MAYA ORGANIC's impact on the industry as a whole which is of course envisaged to be addressed in the long run. The focus of this research will be on how MAYA ORGANIC implements learning processes and ensures institutional and individual capabilities of the collectives and individuals to run efficient production centres and be more self-directed and independent. This thesis uses action research as a methodology and includes evaluation research, while assessing the first hand impact and learning for sector staff, collectives and the member-beneficiaries. This thesis aims to:

- consolidate the first findings of the action programme.

- identify milestones and different 'stages' collective enterprises will need to undergo in order to become independent.

- look at directions in which MAYA ORGANIC would have to go for another consolidation of the model for further replication and large-scale implementation.

The research focuses on how the two sectors – Lacware and Garments – have made learning and critical reflection a systemic part of collective formation and production. It will be discussed how learning, being continuous and contextual, has been institutionalised and contributes to the groups and individual's capabilities to be more self-directed.

Initially ownership within the group has to develop and the social sustainability factor will dominate. But gradually, at a later stage, with the groups maturing, the small structure will expand so that the unit as an enterprise becomes economically viable. This would mean that a balance needs to be found between social and economic sustainability so that collective learning is ensured while contributing to individual and collective autonomy.

The main question I wish to explore in this thesis is:

What is the interdependency between democratically functioning institutions, such as worker-owned enterprises, institutionalised learning and self-directedness at an individual and collective level?

Chapter II discusses India's poverty and labour situation more in detail and indicates the persistence of labour market inequalities and the underlying multiple ways of social exclusion which in many instances are still based on caste, gender and class. Chapter III introduces MAYA ORGANIC's initiative with all its theoretical premises as a possible model to create democratic institutions – worker-owned enterprises – through a capability approach which addresses and represents the needs and interests of the working poor. How MAYA ORGANIC ensures effective integration in the market through its network approach will also be shown. The research question is being discussed more in detail in Chapter IV and elaborates the need for a systemic intervention in order to have an impact on individual self-directedness which is rooted in a learning environment that is institutionalised. The initiative, being a pilot project required process-oriented inductive-research methodologies. Chapter V details MAYA ORGANIC's emphasis on people's self determination which has consequentially led to the selection of

emancipatory action research as a research methodology, while some participatory evaluation research techniques as an instrument to assess the first-hand impact of the initiative on the collectives and the individuals were utilised. First findings towards elaborating the required interdependency between institutions–institutionalised learning and self-directedness are discussed in the empirical part in Chapter VI. Chapter VII finally concludes with discussing the potential for large-scale replication and probable shortcomings or challenges of MAYA ORGANIC's approach as a contribution to the debate and movements that make an attempt to ensure more inclusive economic and political democracy.

2

INDIAN CONTEXT OF POVERTY AND LABOUR

This particular chapter provides the socio-economic context of the case study with a brief introduction of India's poverty and labour situation today. India represents an interesting case. As a nation she has emerged to be a hi-tech powerhouse which is increasingly competitive with industries from the North. However, while struggling to ensure food security, and reduce poverty, India has failed to integrate the majority of the fast growing labour force into the mainstream economy. Empirical data have not supported Lewis' assumption that poverty and the Informal Economy are transitional and will disappear with expanding industrialisation and wealth generation.

As will be discussed in this chapter, poverty, informal labour relations and access to training are outcomes of systemic shortcomings. These are rooted in macro policies which have hardly integrated poverty alleviation or concerns from the Informal Sector into planning. (Sachs, 1999) It is argued that polity has instead created and perpetuated multiple forms of social exclusion and discrimination against class, caste and gender, thereby disempowering the poor. Polity does not facilitate development of their capabilities to adjust as qualified and competent labour force to market changes, or negotiate with markets or Government for their entitlements.

1. India's Development Scenario

India's vision for fast paced, State-led industrialisation shaped the development strategy for the last 50 years.

It had emphasised heavy State-led industrialisation and technical education and training so that urban manufacturing would create spillovers for rural development. (Lewis in Chakraborty, 1997, pp.209–215) It was believed that through industrialisation, gradually, productive employment would be created for the poor as the urban and rural economy would transform into an urban industrial society, ensuring full employment. Similarly, rural and Informal Sector workers would be absorbed as regularly employed workers in industrial units. This concept, often referred to as the economic dualism concept (organised/formal *vs*. unorganised/informal), assumed that, finally, the agricultural and Informal Sector workforce overall would be absorbed as regularly employed and access all the benefits of a Formal Sector employee in the organised sector. Poverty, as well, was thought to disappear, ensured by the trickle-down-effect[1] as a result of continuous economic growth.

However, Lewis' assumption which was rooted in modernisation theoretical thinking, has not proved to be true. In fact, both the long- and the short-term experiences – 1991 economic reforms that have been introduced in India with emphasis to liberalise national and international markets, by demonstrate a contrary phenomenon. Similar to the global situation, the employment scenario looks grim, as the trend for the last 15 years has shown higher informalisation and casualisation of work in manufacturing, as well as in the service sector.[2] (Dev, 2000) This trend is very visible and indicates the worrisome trend of an overall

deterioration of social arrangements, despite the continuous expansion of the Indian economy and the relatively high growth rates. Often quoted reasons for flexibilisation of labour markets are rigid labour laws and growing international competition that resulted in capital-intensive production and aggressive outsourcing in the Informal Economy. The consequences were severe: jobless growth and a high retrenchment rate in the Formal Economy, this leading to higher employment and shift of formal sector employment into the Informal Economy.[3] (GOI, 2001; Dev, 2000)

The Indian Government has recognised the weaknesses of the development strategy that has in fact neglected the needs of a large majority of the active population. (GOI, 2001; Kundu et al., 2001) Despite the attention given to the question of the Informal Economy during the late 1960s, when a report was published by the National Commission of Labour, it was only in 2001, under pressure from civil society that there were renewed efforts to analyse and address the problems and realities of the Informal Economy. This would force the Government, private sector and trade unions to take action and not further neglect the requirements of the Informal Sector workforce and the working poor in particular.[4] Policy recommendations and draft policies evolved based on the findings of this Commission. It is unclear, however, to what extent these policies have the potential to be practically enforced and implemented. To find ways and build institutions which are empowered and represent the interests of the Informal Sector labour force, to implement these policies in the absence of a coherent and cross-cutting strategy will be a huge challenge to deal with.

2. Labour Market Segmentation in the Informal Sector/Economy

The debate on concept, definitions and the functioning of the Informal Sector or the Informal Economy is vast and in many instances discussed that it lacks analytical content.[5] The Indian Government uses the dual concept formal-informal or organised-unorganised sector which is based on Hart's initial study, conducted for the ILO in 1972. Today, the Informal Sector in India is synonymous with workers who do not have a contractual agreement with a company that is registered under the Factory's Act.[6] There is no clear employer–employee relationship and in many instances, workers have the

status of independent self-employed workers. The size of the Informal Sector workforce as mentioned earlier, accounts for approximately 92 per cent of the total active working population in India.[7] This of course calls for a closer look at this definition, as workers in smaller establishments which are not registered under the Factory's Act, might also have regular and well-paid employment, while workers in Formal Sector units might not be registered or 'formalised' at all. (Breman, 1994, pp.6/7) Yet the size is significant, given the fact that the development policy of the last decades focused on the Formal Sector/Organised Sector development, favouring a small eight percentage minority, while assuming the Informal Sector to be transitory and residual. What is true for the majority of the Indian labour force is that, with some exceptions, there is no employment and income security, no formalised labour agreement, nor is there any form of social or legal protection accessible to workers who are either self-employed or regular or casual workers.[8] (GOI, 2001; Harriss-White, 2004)

According to estimates, approximately 60 per cent of the Indian GDP is contributed by the Informal Economy. (Kulshreshtha, 1998) Yet, workers and enterprises in the Informal Economy operate at much lower productivity levels than the Formal Sector companies and workforce. Several studies refer to the fact that many enterprises have evolved strong linkages with the Formal Economy which indicate how strongly markets are interlinked. This clearly negates a simplified view of a dichotomous concept of Formal-Informal Sectors which seem to work independently from each other. Several authors hence, suggest that it would be relevant to understand the formal-informal dichotomy as a continuum of sub-contracting practices. (Harriss, 1990; Breman, 1973/1995; Holmstroem, 1998)

Another critical aspect of the Informal Sector concept is the assumption of the sector being homogeneous and in many ways non-hierarchical. There are numerous empirical studies which reveal the Informal Sector to be highly heterogeneous and segregated along gender, class and caste lines. Similarly, these aspects are reflected in the access to quality of work, as within the labour market hierarchy, status of employment, payment patterns and exposure to hazardous occupational risks change.[9] (Harriss-White, 2004; Rothboeck et al., 2002; Mukhopadya, 1999; Breman, 1994) Finally, finance and

technology access, technical and business capabilities as well as productivity vary as shown in many empirical studies and determining the capacity to generate markets and forward linkages to the Formal Economy.[10]

3. Poverty: Alleviation of Poverty and the Working Poor

As mentioned earlier, the absence of a clear anti-poverty policy can be understood as a result of the dominant thinking during the 1950s and 1960s that the poor would benefit from the returns of surplus that were created by heavy industrialisation and fast economic growth. To a certain extent, empirical studies support this argument, as poverty certainly has decreased over the years, particularly where economic growth and industrialisation had shown impressive rates.[11] However, there are significant differences in the impact on the poor, when we go beyond income poverty measurement and look at poverty being a multi-dimensional phenomenon.[12] In the case of India, it is argued that the trend of income poverty decrease has decelerated during the reform period or, as some scholars argue, even increased from 35% in 1991 to 37% in 1997 when we look at other dimensions measuring poverty. While income disparities indicate a rather neutral picture, the Gini index on the distribution of consumption in rural and urban areas increased from 34.8% to 36% during the same period. (Hirway et al., 2000) Though there is an overall trend towards improvement of other economic indicators – literacy, life expectancy, levels of malnutrition literacy – of instrumental importance to define standard of living, it also suggests that during the last 15 years, these improvements have decelerated and in many ways stagnated.[13]

Ghose pointed out that poverty has been neglected in planning and policy which is a key explanation for its slow elimination. "Both the long-term experience of the Asian countries and short-term experience with the recent economic reforms, suggest a more complex relationship between macro-economic policies and poverty alleviation…."[14] (1997, p.1) He argues that a strong focus on agriculture, besides introducing industrial policies at a later stage, was instrumental for the success of fast growing Asian countries. Social sector spending and investment in infrastructure and education were other efforts to improve the agricultural performance. In China, Malaysia, Indonesia and Thailand, the experience

is that agriculture has reached a certain level of productivity and diversity, where it looses its relevance of being a principle employer, leading to higher absorption of the labour force into industrial and service-related activities. (Dutta, 1997; Terhal et al., 1998) Similarly, the creation of rural infrastructure – roads, electrification and marketing facilities – had an enormous impact on incomes of rural households in these particular countries. (Dutta, 1997, p.32)

In India, as macro policies did not actively include poverty alleviation and employment generation in the agenda, many of the programmes were limited to the implementation of a variety of special employment schemes and poverty alleviation programmes at the 'micro-level' through selected Ministries. These interventions could not serve as supplementary measures to re-enforce macro-economic policies. (Ghose, 1997)

Some of the Government schemes have been replicated in other countries which had similar local requirements (Lipton, 1996) and were considered as fairly successful. Some of the programmes – health and education, drinking water and sanitation, natural resources management, credit and marketing and finally social protection (savings, insurance, housing) – were particularly successful.[15] However, looking at the aspects of sustainability, many of the programmes supporting lower income groups to get out of poverty, were not really effective. (GOI, 2001) Particularly successful were approaches which looked at decentralised and participative planning and which were sensitive to poverty being a multi-dimensional phenomenon. (Hirway, 2000)

Special employment generation programmes (e.g., the National Rural Employment Guarantee Scheme, NREGS) evolved to provide a transitory support for the agrarian workforce and the poor during emergencies (drought and other calamities). Quite effective for immediate requirements, the problem however lies again in outreach, targeting and implementation (Theral et al., 1998) and in not being able to make a long-term sustainable impact on the workers at a local level. These programmes have not aimed at capacity building in the workforce for long-term employment. (Dev, 1998)

Empirical evidence reveals that besides conceptual weaknesses, also targeting and implementation have been weak, leading to inefficient allocations of funds in

practically all the programmes. (GOI, 2000) It is doubtful that the poor, given their limited access to assets and services (e.g., vocational training, secure employment, access to finance, technology, etc.) have been significant enough a target group to be addressed by the employment strategy over the last years.[16]

The Government has increasingly been criticised for being too technocratic and using a top–down approach that does not practice interaction with the beneficiaries at the grassroots level. (Hirway et al., 2000; GOI, 2001; Kurian et al., 1998; Dev, 1998; Nayar, 1998) In addition, lack of coherence and inter-departmental collaboration, as well as the nature of interventions which are one-time and short-term efforts, and not need-based, neglect the multi-dimensional problem which is related to poverty or employment. (Oxaal et al., 1997; Lipton, 1996) Poverty has to be addressed within a broader, process-oriented perspective, taking into account the macro developmental perspective which includes social expenditure, focuses on infrastructure and productivity in urban and rural areas, while facilitating and enabling effective, participatory planning and delivery.

4. Exclusion from Training and Education

Biased educational and training policies, favouring higher technical and science education, completely neglected the requirements for basic technical and general education and training for the masses. Repeatedly, the Government has faced severe criticism over the low percentage of the GDP allocated for education and training. (GOI, 2001)

Most documents and reports on vocational skills training and education and work and employment are a mere description of a few policies and programmes implemented by the Government. Many studies stated the relatively low coverage, quality and efficiency of the Indian vocational training and education or the apprenticeship system. (GOI, 2001/2003; Mamgain et al., 2001)

Today, the Government is aware of the low skills levels of the average Indian workforce and has given priority on skills and education of these people in the years to come. According to NSSO[17] data, a mere 10% of the male and even less (6.3%) of the female workers have marketable skills.[18] (GOI, 2001/2003) Even more disturbing were the basic literacy statistics of the Indian labour force for the year 1999–2000: 44% of the Indian labour force is illiterate and the same is the case for 69% of all women in the labour force. More than 66% of the Indian workforce has not attained secondary or higher education, and for women, the percentage is even higher at 75%. Less than 33% of the workforce has attained secondary level and above, which would be the level of education required for further vocational training or education. However, even out of these 33%, only a minor share passes secondary school which reveals the high levels of drop out during secondary education. (Mitra, 2001, Worldbank, 2006)

In many cases, training that is delivered by NGOs or Government institutions is of limited relevance, often outdated and not suitable to the changing market requirements. Further, access is limited to a small percentage of the students having reached a particular level of formal schooling. Recent reports refer that the Government has indicated the need for reforms for employment related skills formation and vocational training and looks at Competency Based Training approaches and Modular Employability Skills which are more outcome-oriented and contextualised and need based. (Rothboeck et al., 2002) As per the recommendation of the National Commission of Labour (NCL) and their task forces, India requires a much more efficient and responsive training system which interacts more vividly with the markets, so that training and skills standards are adequate for the requirements of the workforce to be able to stand the chance for being absorbed and re-employed in the increasingly competitive labour markets in India and internationally. (GOI, 2003) A flexible vocational training and education system needs to be developed that reflects the market changes and provides the space for the worker to switch between work and training as per the requirements of the workforce be it in the formal as well as the Informal Sector. Continuous learning is the main requirement for the modern worker who at the same time should be multi-skilled and team-oriented, as well as capable to flexibly anticipate and adjust to changes.

The recent developments are encouraging. It was first the 280 Mio USD World Bank loan (Worldbank, 2007) which focuses on improving quality and access of existing Vocational Training Centres. Secondly, in the recent speech made by the Prime Minister on India's future, education and human resource development have been the key focus areas the Government is

committed to invest in. (PM's Independence Day Speech, 2008)

5. Mechanisms which Perpetuate Various Forms of Exclusion and Poverty: Bourdieu's Field-Habitus as Useful Tool for Analysis

Given this background, it is argued here that Government/ NGOs/Multilateral Agencies and trade unions have overlooked the structural dimensions which perpetuate inequalities in the Indian society as well as in the labour market.[19] As Harris-White points out, "Markets are constructed along social categories and identities, which influence policy and labour market discrimination, in particular ways. While rarely acknowledged, the primary reason for this is that the market place relies on social forms of regulation, which tends to perpetuate and rework social identities as economic institutions." (2004, p.10) Obviously, therefore, caste, ethnicity and religion, along with gender become relevant in discriminatory outcomes of labour market institutions.[20] (Ruwanpura, 2005)

Sen points out (1997) that, consequently, this results in unfreedom. Poverty does not restrict itself to income poverty, but needs to be looked as multiple forms of deprivations where certain communities, castes and particularly the women are systematically disadvantaged from developing or making use of their basic capabilities which would ensure higher quality of life.[21] (Sen, 1997, p.144)

Despite increased efforts in poverty research to understand the structural and systemic aspects that create and reproduce poverty, these arguments stay often descriptive and call for more analysis which would allow a better understanding of how such mechanisms impact and restrict institutions and individuals or groups in their own action or aspirations. The problem lies not only in exclusion and multiple forms of discrimination, but in the fact that masses actually would not mobilise and claim their entitlements through collective action, but instead, internalise these forms of discrimination. This area I believe, being the core for effective poverty alleviation and change, to facilitate collective consciousness and build capabilities, has been neglected for a long time and needs solid research and practical experience.

Bourdieu's argument that critical dialogue is required for change is therefore absolutely essential, as practice – how people act and are – is the result of various habitual schemas and dispositions (habitus), combined with resources (capital), being activated by certain structured social conditions (field) which they, in turn, belong to and variously reproduce and modify. He emphasises the complex interdependent processes of structure (field) influencing individual or group identity and vice versa. (Bourdieu, 1998)

It is argued here that the field-habitus nexus provides an efficient analytical instrument to understand inequality and poverty, as it integrates external and internal mechanisms which perpetuate these processes at different levels. The strength of the argument lies in the fact that it recognises the systemic dimension of the problem, where the inert violence of economic and social structures is reproduced and exerted over the intentional and practical logic of action. (Mc Nay, 1999/2003)

To sum up, interventions have not effectively addressed existing power structures in the society, resulting in hardly any social and economic mobility for the poor. (Harris-White, 2004) This is equally valid for the labour market, where it is increasingly competitive and driven by transnational forces towards increased de-regulation in the Informal and the Formal Economy. Labour market mobility and poverty are segregated along caste, class and gender dimensions, and continue to perpetuate. The strong dominance of the labour market segmentation and discrimination which is again re-enforced by liberalised markets, further determines people's labour market behaviour and aspirations. These systemic mechanisms result in a situation where people feel disempowered and isolated, not really knowing how to make choices by themselves or gain control over their own life.

6. Is there Scope for Change?

Sen's capability approach emphasises the interaction between entitlements and social opportunities, determining the set of capabilities of an individual to productively realise human development and personal freedom. (Sen, 1999) Such entitlements have to be supported by institutions that represent and facilitate personal freedom. Sen and Bourdieu look at agency and local institutions which are critical to understand such exclusive processes or in Sen's terms, the background of 'entitlement failures or failure of basic capabilities'. Similarly, both the authors emphasise that access to resources alone will not necessarily lead to higher standards of living, as capabilities need to be developed

which encourage effective use of available resources for productive use; this reflects the level of choices which a person is able to make. (Sen, 1999 in 1993, pp.41,42) While incorporating structural and social aspects that explain the persistency of poverty or unfreedom which can prevent personal freedom, Sen as well as Bourdieu argue that particular choices can only be made under given circumstances (or given capital). Change can happen, and agency for change can evolve only through expansion of the set of human capabilities; be they economic, social or political in nature. Given the opportunity and the environment, this can go far beyond expected transformation, as there is a clear overlap of the same, which can facilitate each other.[22] (Sen, 1999, p.296ff)

Sen suggests that the capability approach is a useful tool to not only identify poverty but also introduce change. Yet the concept fails to provide practical guidance for implementation and how to realise such transformation processes. The perspective seems to limit itself to a comparative status quo argument where before – after comparisons are made and sets of capabilities (as outcomes) are compared, assuming that from one point to another transformation would happen, without actually getting into details about how to expand these capabilities.

Bourdieu's argument, strongly rooted in Gestalt psychology (Wacquant, 2004), emphasises that habitus will not necessarily be changed, if only access to entitlements and resources are provided. It is the field which mediates between habitus and practice that builds at the subconscious level, and can be responsible for the fact that, despite better access,

particular forms of capital available might not become effective. (Bourdieu et al., 1992, pp.94–139) Yet, as Bourdieu is pointing out, change and transformation are possible as structure and agency are interdependent. The field–habitus nexus can be transformed, allowing agents to challenge the dominant structures of a field; but transformation requires a reflexive critique, or critique turned upon oneself, which has the nature of a dialectic of freedom and constraints. (Mc Nay, 1999) "Reflective critique sees through the purportedly atemporal and universal validity of the interpretative categories which govern an agent's field and allows the agent to discover the true nature of these categories." (Bourdieu, 1988 in Cunningham, 1994, p.311) The stage of conscientisation in Freire's term (1972) allows a person to think beyond existing realities and develop the capabilities to identify, analyse and solve a problem through critical reflection (dialogue) which allows individuals or groups to take action for social change and redefine their field, making it possible to use the new forms of capital effectively.

However, as it will be shown in the following chapter, such transformation will not realise unless such processes are contextualised within a learning environment which supports them. Therefore, new fields have to be created where reflection and critical thinking are institutionalised. Such institutions facilitate eased access to and effective utilisation of economic (markets, technologies, income and social security), cultural (continuous learning and training for groups and individuals in production and life-related areas) and social capital (new social networks through collective enterprise formation) while truly representing the interests of the poor.

3

ALTERNATIVE MODEL
FOR POVERTY ALLEVIATION:
MAYA ORGANIC'S PILOT INITIATIVE

1. Introduction

NGOs and member-based organisations have increasingly been recognised to play a significant role to represent the voices of the poor and be important agents. Holding Governments accountable for their actions and promoting access and right to information and entitlements were additional activities NGOs have been involved in.[1] (Offe, 1995; Baccaro, 2001; Stromquist, 1998)

However, it needs to be mentioned that by no means such interventions can claim to be comprehensive enough to alleviate poverty in a sustainable way and quasi replace Government intervention.[2] (Biel, 1998) Macro policies have to acknowledge the relevance of poverty and the perpetuation of the Informal Economy, besides making reasonable investments in the social industry, training and education and infrastructure development and create an environment, which would be favourable to the poor. (Prabhu, 2001; Ghose, 1997)

Further, despite the tremendous efforts of NGOs, there are few livelihood initiatives, which have been able to address the problems of the working poor. Most face challenges of:

- not being systemic, therefore not able to provide marketable products and production capacities.
- being localised and therefore not replicable.
- limited scalability..

MAYA ORGANIC, an enterprise development initiative is an attempt to address these challenges and has therefore been chosen as a case study of this thesis. It offers an innovative approach, combining structure and processes at micro and macro levels and keeping in mind the required systemic perspective of the intervention. As a hybrid business model, it integrates market principles (profit maximisation and growth orientation) with strong development values (learning, empowerment, equity and re-distribution).

MAYA ORGANIC trains, builds representative institutions and provides the required access to markets, finances and technology. As will be shown in the MAYA ORGANIC case study, its design enforces strong representation in the market, while ensuring income security, continuous learning and productivity improvement to the working poor. This focus is distinct from the majority of livelihood initiatives which tend to keep training as time-limited, standardised and one-time instructional activity.

The following chapter introduces MAYA the NGO which is behind MAYA ORGANIC, and also the industries of – Construction, Garments and Lacware – MAYA has worked with. These three industries give a representative picture of the informal non-farm economy, as they cover services, manufacturing and artisan craft in an urban and semi-urban set up. Emphasis is given to the lowest

levels of industrial outsourcing and the most vulnerable workers of the labour market hierarchies.

EXCURSUS: MAYA: Towards a Systemic Understanding of Poverty[3]

MAYA is a 19-year-old development organisation which is focussing on eradication of child labour. Initially it focused on work with street children, non-formal education, supplementary education and early childcare. Over the years, efforts were consolidated into systemic interventions, where community ownership has become the paramount and cross-cutting parameter. MAYA believes that with quality of education and income security of parents, child labour can be addressed in a sustainable way.

The initiatives are bottom–up and focus on the ownership of these initiatives by local communities. This is valid for the educational reform programme, the pre-school programme and the two livelihood programmes, MAYA ORGANIC and LabourNet. Today, MAYA works on educational reforms and livelihood interventions, and being in a significant number of task forces, it works towards influencing policies and reaching out to over 35000 primary schools, 500 community-owned early child care centres, over 500 entrepreneurs and 15000 construction workers.

2. Relationship between Markets and Labour Market in the Informal Economy

As mentioned earlier, the debate on the unorganised industry or the Informal Economy is rich but often confines itself to mere data analysis or descriptions, more than analysis or pro-active discussions on effective change with structural repercussions. (Breman, 1977) Most of the time, interventions are limited to poor shortsighted approaches, which are rarely effective.

Without doubt, there are patterns across industries which are common for the informal industry workers. Therefore, the formal–informal debate needs to be maintained. In the process of understanding the industries, MAYA's livelihood interventions works with, it seemed more adequate to analyse supply chains, clusters and the nature of industries. All 'formal' industries have indeed strong backward linkages into the Informal Economy in one-way or the other. These companies source products (e.g., raw materials) or services (for value addition or

labour) from there.[4] Though outsourcing is in many instances purely informal, these supply chains are organised and structured through different layers of intermediaries and agents who control supply and demand in the industries.

In today's increasingly competitive environment, producers or service providers in the Informal Economy are in a weak position for negotiation, while agents and intermediaries at any level are dominating the bargains. Most enterprises show a lower demand than supply of labour available. (Breman, 1984) This leading to a downward spiral of prices and quality, since the agents have multiple options to choose from when it comes to production and services. The entire decision-making process regarding products, price and wages is in the hands of the middlemen and the Indian client, who further, is influenced by international agents and buying houses or large clients.[5]

With low-cost being the key factor for negotiation between client of the Formal and producer of the Informal Economy, is a high-risk undertaking, as in many instances there is no commitment towards long-term partnerships between buyers and vendors. There is a downward spiral in the Formal Economy. Margins are extremely low, with no chance of skills improvement and entrepreneurs not able to provide new and advanced technology. "Most of the small firms … cannot offer quality goods to the market; not enough employment; nor decent wages, security and tolerable working conditions to their employees." (Holmstroem, 1998, p.23)

No commitment towards long-term partnership between buyers and small informal industry enterprises is reflected in the lack of commitment from an 'employer' (this can also be agents or middlemen) to a worker and vice versa. Such a relationship puts the worker at the mercy of the employer, particularly in industries where the mode of production is minimally capital-intensive. "Most of the workers at this level are piece-rate workers, daily wage labourers or casual workers with the result that such labour is forced to maintain its floating character in a horizontal direction. The strategy based on upward mobility within one branch of industry is thus under constant pressure from the necessity to seek or accept a temporary opening in an entirely different industry of the economy in the hope that it will lead to more durable employment."(Breman, 1984, p.226)

It is to be expected that such a 'transactional relationship' results in low levels of professional functioning of the enterprise, since the employer does not invest in higher skills levels. But even if he did, rarely would people be willing to stay on, given the income insecurity and lack of social protection provided to them. In turn, workers will shift where payment is more, as there are no incentives that would encourage a worker to improve quality or technical skills or to be a reliable workforce for the employer. This is the case even for skilled workers in the Informal Economy. For the unskilled labour force, which is forced into 'wage hunting and gathering' (Breman, 1994), the worker does not know whether one would be earning a living in construction today or as a helper in another industry tomorrow. Therefore, the worker will move, wherever payment is highest, even if it is shifting occupations.

Moreover, many workers in the Informal Economy are burdened by debts in the form of advances and loans from middlemen and employers, who can in turn re-enforce power over and sustain labour, through these forms of bonding where he wants. As Breman (2005) rightly points out, this is a new way of indebtedness, which he calls neo-bondage, as informal industry workers and employers have an instrumental view of such credit arrangements: "Entrapment… seems to be as much the outcome of poverty as dictated by the choice of the worker to bank on the unwillingness of his employer to dismiss him when the debt becomes too large."(Breman, 2005, p.3) In many instances, workers repay these loans by working for impossibly low wages or re-paying such advances at very high interest rates, thus bonding them and probably their families for a lifetime to their *maistri* or their moneylenders.[6]

The nature of the exploitative cycle in which the workers are caught in is rarely, if at all, perceived as a systemic phenomenon and workers find themselves isolated and struggling to survive on a daily basis, incapable of handling the instabilities (e.g., health or family emergencies) in their lives and work. Work being casual and insecure and social protection being absent, day-to-day contingencies prevent them from planning for a more 'foreseeable' future where savings or long-term investments in education, health, or capital could result in more stable and foreseeable livelihood. Work and life are in many ways enmeshed – particularly where work place and living space are the same. We contend that

these insecurities provided by the market and lack of aspirations in the workers towards a better life, evolve in the workers a state of 'non-commitment' or 'acceptance' which seems to be passivity or apathy or articulates in suppressed frustration and in excessive spending. Being entirely absorbed by the industry and how it functions, the workers are not given the opportunity to find possible solutions to their problems. Their 'produce or perish' environment results in mechanical functioning in the labour market and prevents the worker from discovering his/her capabilities necessary to ensure a better standard of living.

As will be discussed in the following, the three industries reflect these overall patterns, and to a certain extent, differ in the way how labour is absorbed and used by the market and how it reacts to the industries in turn.

2.1 Lacware Industry

The Lacware industry[7] is a traditional industry that is recognised by the Indian Government as 'handicraft'. [8] This industry has developed over the last century in several clusters all over India.[9] By turning wood and applying lac, this industry has been able to build a brand for wooden toys and home accessories, providing employment to an estimated 3,000 families in one of the biggest clusters in India, Channapatna.[10] The Channapatna-based industry has an annual turnover of approx. Rs25 crore (about 6.5 mio US$). (MAYA ORGANIC, 2003/2004)

The overall market realities for this industry have not been very positive. The Indian preference for plastic toys is well-reflected in the Indian market to which wooden toys cater. Lack of innovation in production and design has further reduced the industry's competitiveness, as the aesthetics of the products and the range have not changed over the years. Wooden toys have been increasingly replaced by simple product orders, such as home accessories, where very basic skills are required. In the recent past, Channapatna has seen expansion of products such as napkin rings and tea coasters which are sent to Mumbai. In fact, napkin rings have dominated the market to such an extent that despite the work being repetitive and not requiring high levels of skill, artisans find it more viable to work with these regular bulk orders, rather than rely on local and emerging markets.

Apart from napkin rings, which constitute nearly 60 per cent of Lacware sector orders, toys and other accessories are marketed by developmental organisations and other trusts. The units receive irregular orders from local shops and exporters, both large and small scale. However, all the essential players in the industry acknowledge that there has been no visible and significant value-addition in the area of design development for several years now. Designs are predominantly order-based; thus, while exporters and other buyers are also responsible for this stagnation in design, it is claimed that it is actually the limited potential for financial returns that prevents the artisans from investing in design development.

Small margins and the problem of eking out a livelihood within an increasingly deskilled sector, where low cost is the prime factor for competitiveness, have led to significant exits during the past decade, with an estimated 40 per cent having moved to other jobs in search of more stable sources of sustenance. (MAYA ORGANIC Process document, 2005) The sector has long ceased to attract new entrants. Lacware is considered a dying industry. The workers believe that this sector cannot thrive as an industry capable of providing them with regular income, and hence their morale is very low.

The market channels of the industry are hierarchical and centralised (see graph below). Most of the industry operates in the Informal Economy and comprises of small to tiny enterprises, which neither are registered nor offer their workers any formal status. Workplaces are single-room units, often next to the entrepreneur's home. An average unit has between four and ten lathes, employing 5–6 workers. Currently, there are about 300 such enterprises in Channapatna. The entrepreneurs, not having direct linkages to clients, depend on agents (exporters) and intermediaries. Some export companies have also appointed agents who co-ordinate the manufacturing process with the small-scale units and control prices in this small and easily controllable cluster.

Lack of access to seasoned and quality raw material and long power cuts have been further detrimental to the health of the enterprises of this industry.

Status of Work

The Lacware sector comprises of four different categories of workers:

- **Enterprise Owners** themselves work on lathes when required. They themselves have been workers and grow into a unit owner over the years; small margins often do not allow them to only run and oversee production.

- **Independent Workers** represent approximately 10 per cent of the workforce and have the status of self-employed workers, yet, are attached to an enterprise as they hire lathes in a unit and work independently either through the enterprise owner or directly via intermediaries. The families of these independent workers assist in production and help in the preparation of materials, mixing of colours and in other such production-related activities.

Graph 1: Marketing linkages in lacware industry
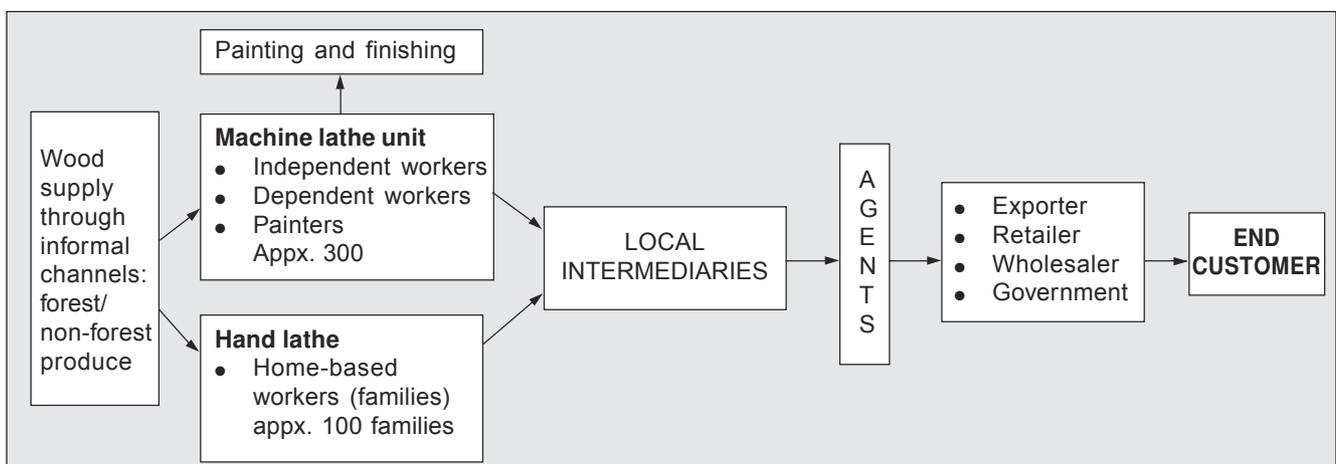
Source: MAYA ORGANIC, internal sector study, 2003, 2004.

Picture1: Maya Organic Trainee, turning Lac bead on power lathe in Channapatna

- **Dependent Workers** are employees in these enterprises and represent majority of the Lacware workforce.

- **Independent Hand Lathe Workers** are mainly women who make wooden beads on hand lathes, while power lathes are traditionally run by men. This industry employs approximately 100 families in villages around Channapatna who specialise in mass production of small beads. Work is home-based, as these producers are otherwise working outside their home and generate additional source of income from this sector, besides small-scale farming.

Lathe workers, however, are not the only ones involved in the toy-making process. Other related businesses include painting (done by the artists), product finishing, and supplying. While the turners are the actual primary producers, artists form an integral part of the industry. Their work in the industry begins once the turners finish theirs. Artists give the products a 'finishing touch', either by drawing on the figures or by colouring them. These artists seek outsourcing work from private enterprises and from independent workers.

Wage and Work Patterns

With regard to wage patterns, the Lacware sector has typical characteristics of the Informal Economy. Workers and employers work amidst insecurities connected to the vagaries of working on a day-to-day basis. The sector does not have a well-functioning business association that would represent the industry and the worker's business or rights-related issues. Instead, Channapatna has developed an atmosphere of mistrust and secrecy, in which the enterprise owner tries to maximise his/her short-term profits and gains against each other. Bloody taylorism seems to have replaced artisan craft, as there is no common vision for the industry, which would further expand the industry in a more sustainable way.

Like any other industry in the Informal Economy, the Lacware sector has increasingly paid 'piece-rate' instead of wages, therefore, putting the pressure on the workers to provide high levels of productivity. Whenever there is a fall out of production, either caused by a worker who might be ill, or by the frequent and long-lasting daily power cuts, the price cut is on the worker. Given these

Table 1: Wage and work patterns in the lacware industry

Work pattern	Wage pattern	Average income/day	Average working hours/day
Hand lathe	Piece rate	Rs50–60	8 hrs
Power-run lathe			
– Enterprise owner	Piece rate order	Rs150	12 hrs
– Independent worker	Piece rate	Rs100–150	12 hrs
– Dependent worker	Shift from salaried payment to piece rate payment	Rs70	12 hrs

Source: MAYA ORGANIC survey, 2004.

circumstances, it is seen that skilled workers end up earning just about minimum wages (Rs100/day). However, there are sharp differences in the earnings between the dependent and the independent workers. While a reasonably skilled dependent worker on the power lathe earns an average of Rs70 per day for being on the lathe for a minimum of 12 hours, the independent worker earns an average of Rs100 to 150 for the same duration, yet having to pay for material, rent and running costs of the lathe provided to him as well. On the hand lathe, women would earn an average Rs50 and men Rs60 per day. None of the workers, inclusive of the entrepreneurs, have additional benefits.

Losing a productive worker can prove detrimental in terms of overall productivity levels of an enterprise. Workers are, therefore, encouraged to take long-term loan advance from their employer which obliges them to retain the 'loyalty' to their employer, some times for decades. This debt trap ties the worker to his/her employer, so much so that the worker has no chance of exploring other alternatives until the repayment cycle is complete.

Though the practice ends up being highly exploitative in nature, it is part of the ground reality that most artisans consent to work with entrepreneurs only on receiving fixed amounts as advance which support them to meet their financial requirements. Taking loans from employers further gets re-enforced by the lack of social protection or access to formal financial institutions.

Learning and Skills Development

Lathe-turning skills were taught. The elders in the family or community passed on their skills to the next generation and ensured continuous learning over several years. This kind of training, where the boy starts working at an average age of 10 years, has ensured certain skills levels, yet perpetuated the low level of literacy and numeracy among the lathe workers. Without additional and focused learning inputs, skills levels stay low as workers are engaged in repetitive simple production that limits the knowledge required to service orders. However, in today's changing environment, the worker's ability to identify new markets and adapt to changing market trends has become absolutely essential to be competitive.

The Government's initiative to formalise training and expand business and technical capabilities of Channapatna's artisans during the last 20 years has not been very effective. Today's training delivery is limited to an initial intervention of how to work on the lathe and there is little opportunity for systematic skill upgradation. In addition, there have been no instances of women working on the power lathe in the past.

Lack of Comprehensive Intervention

The second reason why the government initiative has failed is the absence of a comprehensive strategy. The question about who takes the onus to revive this 'dying industry' looms large over all the stakeholders. MAYA has realised that even the stakeholders, along with the workers and the employers, need to be facilitated to assume their share of the responsibility. All the stakeholders (Government, the enterprise owners, developmental workers, communities, and the market itself) in the Lacware sector have consistently turned a blind eye to the crucial issues that have affected the entire industry.

2.2 Garment Industry

During the last two decades, India's textile industry has tremendously expanded, particularly in the areas of ready-made garments and apparels. It is expected to expand much faster with the removal of the Multi-Fibre Agreement trade restrictions, despite the harsh competition from China.[11] (*Deccan Herald*, 2004; FICCI, 2005) This textile industry, as a whole, contributes more than 24% to the total exports and is the next largest employer after agriculture and construction. At the Indian level, it is expected that by 2010, the workforce in textiles would grow up to 12 million workers in the organised sector alone, which makes approximately 25–30% of the entire formal sector workforce. (*Economic Survey*, 2005) In Bangalore for instance, more than 400,000 workers are estimated to work in garments and apparels at present (informal and formal sector estimates). It is expected that the number will multiply as the location not only attracts more clients in the IT industry but is the largest expanding hub for garments and construction as well (Khandwala Research India, 2004). The figure is high, and considering that it does not take into consideration the large number of suppliers and informal sector workers who are contributing significantly to the fast expansion of the garment industry, it is impressive.

Given its relatively low-level investment requirements and the high labour absorption capacities in a labour surplus situation that exists in a country like India, and showing still a small percentage at the global level, the ready-made garment production sector is particularly attractive for Indian industrial policy. (Vijayabaskar, 2002) Though not comparable with the growth rates of the software industry, the annual average growth rate of 11% over the past years in apparels is far higher than average national growth rates in other industries, therefore becoming one of the largest employers in India.[12]

India's entire textile industry (this includes apparels, cotton and yarns and silk fabric, dyeing, weaving, embroidery, etc.) is known for its decentralised nature and diversity. With the exception of a handful fast growing large-scale export houses, most of the enterprises belong to the small-scale industry. The decentralised nature of the industry reflects the very old nature of the textile industry in India. It ensures, on one hand, large-scale coverage and absorption of labour producing traditional materials in rural areas (particularly in weaving and cotton and silk production), while still preserving a great level of regional diversity when it comes to production processes and product designs. The disadvantage, on the other hand, lies in its decentralisation and fragmentation, since sourcing of material for production happens at very high transaction costs, where controlling of production/ manufacturing, consistency of quality as well as timely delivery are extremely difficult to ensure. (AEPC, 2004; Vijayabaskar, 2002)

With the exception of a few large export houses which have increasingly integrated all forms of processes for garment production (e.g., knitting, weaving, dyeing, washing, finishing, etc.), most of the garment manufacturers depend on external suppliers providing fabrics (woven, knit), services (dyeing and printing/washing), making manufacturers extremely vulnerable in the market given the dependency on suppliers. Concentrating geographically in basically 6–7 clusters in India – Ludhiana-Delhi-Mumbai-Bangalore-Chennai-Jaipur-Tiruppur – the garment segment is fragmented yet geographically concentrated in these few sub-sectoral agglomerations. (Cawthorne 1990 in Nadvi et al., 1998) This segment has an estimated 27,000 domestic manufacturers, 48,000 fabricators (job contractors) and only around 1000 manufacturer – large scale exporters who employ more than 10000 workers in their enterprise.[13] (AEPC, 2004)

One of the major reasons why Indian Garment Companies opt for multiple units are the Government policies which favour Small Scale Industry development through particular incentives, subsidies and protection for particular product categories.[14] Another often-quoted reason is the co-existence of multiple unions and their political power, thus turning the company to be too dependent on labour. Consequently, large export houses have built a network of independent producer companies for better control over the workers.

Linkages of Manufacturing Companies to the Small Scale Industry and Informal Economy

There are strong backward linkages between foreign and Indian buying houses/exporters and suppliers of particular production processes and services in Textiles and Garments. According to Gupta, a mere 25 per cent of the total textiles and garment value are produced by the formal Industry.[15] Lack of infrastructure or capital, machinery and sometimes unexpectedly large orders exceeding the production capacities or technical capabilities of manufacturers are often mentioned reasons for outsourcing. As can be seen in table 2, outsourcing takes place at various stages and it correlates with an enterprises' size, its level of in-house capabilities and availability of capital and machinery.

The level of informality of suppliers varies and depends on the technological capacity and the kind of services the unit provides. On one side, dyeing/washing/finishing and any form of handwork (e.g., hand embroidery) still show a very low level of mechanisation and technology use, and is very archaic. On the other side, new services, such as mechanised embroidery that require high-level investment, have a formal status. Similarly, during the last years, many job working units have made investments in high speed sewing machines and production equipment in order to ensure the quality and productivity requirements of export houses.[16]

The informality of the sector also reflects the relationship between the suppliers of materials and services in the industry. Contractual agreements are often made orally and not as binding written documents. Many of the small scale units have little bargaining power to negotiate advance payment and face difficulties to ensure their cash flow due to payment delay of either client, be it international clients or Indian. Economic survival, therefore, basically depends on the relationship between

Table 2: Type of processes outsourced to job work units/home-based garment units

Processes	Buying houses as intermediary for international client	Large garment exporting manufacturers	Small manufacturer	Job work units, stitching
Sourcing material	Most of the time own	Own source	Sourcing company/ buyer	Supplied by export company/buyer
Dyeing	Outsourced to large or small manufacturer	In-house	Outsourced	Supplied by client
Cutting of fabric	"	In-house	In-house	Sometimes cut by client, otherwise in-house
Stitching		In-house rarely outsourced (only if quantities large)	In-house	In-house
Button holing/fixing	"	In-house, rarely outsourced (only if quantities large)	In-house	Often outsourced
Machine embroidery	Outsourced	Increasingly in-house	Outsourced	Pieces received from client
Final embellishment/ beading/handwork	Outsourced to home-based workers via intermediaries	Outsourced to home-based workers via intermediaries; or contract workers within premises	Outsourced to home-based workers via intermediaries	Outsourced to home-based workers via intermediaries
Washing	Outsourced	In-house	Outsourced	Outsourced
Ironing/packaging	Outsourced	In-house	In-house	In-house or client
	Garment goes abroad	Garment goes to client abroad/buying house	Garment goes to client/buying house	Garment goes back to export/small manufacturer company

Source: Own observations and interviews

the client and the producer and the capability of the producer to ensure cash flow and long-term relationship with the client.[17]

While most of the interaction between the large outsourcing company and the sub-contractor and supplier is direct, embellishment made by hand is produced decentralised in either small or tiny workshops or home-based in low-income areas. Intermediaries coordinate and regularly visit the export units and enquire for embroidery/finishing jobs. The relationship between the middlemen and the industry is informal, and irregular.

Finally, at the level of working relations, it seems that status of employment not only correlates with the level of technological capacity but also with the locality, where the processes are executed. As can be seen, dyeing/washing and finishing units tend to work with

casual labourers many times at piece rate conditions. Processes with little advanced technology inputs (machine embroidery/buttoning) having a workforce, such as machine operators, tend to have a more formal, regular employment status of bi-weekly or monthly wages.

Outsourcing of stitching operations again reflects the complexity of the industry. Garment production, being seasonal, requires additional labour during the months of October and March. During these months, a significant amount of stitching operations is outsourced to labour contractors as job work. Mostly, job work is executed in small workshops and workers are paid at piece rate. In this case, the workers stitch the entire garment and not only one particular process is worked on by them. Sometimes, a contractor also takes on job work within the premises of an export house and

Table 3: Forward and backward linkages and status of work in the garment industry

Relationship of garment manufacturer to subcontractor	Type of production	Employment patterns/payment patterns for worker
Semi-formal, direct ←→ Dyeing/washing	Small, low-techn. unit/ (rarely high tech)	Employer low-skilled helpers/low monthly salary
Formal, direct ←→ Machine embroidery/printing	Small, high-tech unit/ increasingly capital Intensive	Employer medium-skilled machine operators, helpers monthly payment
Formal, direct ←→ Stitching	Small – medium units with basic machinery (approx. 30–100 machines)	Employer, regular/ contract labourers, low, monthly payment or piece rate
Semi-formal, direct ←→ Buttoning	Small unit with machine equipment/ increasingly capital intensive	Employer, regular employment, low, monthly payment or piece rate payment
Informal, via middlemen ←→ Hand embroidery	Home-based work or tiny, sheds in slums	Self-emplyed status extremely exploitative piece rate payment
Formal/semi-formal, direct ←→ Ironing/packaging	Small unit, increasingly capital intensive	Employer, contract labourers either low monthly payment or piece rate payment

manages his labour force from there. This particular workforce is neither covered by the labour law nor is there any job security for this semi-skilled operation.

Most informal are home-based tailors, contractual or piece rate embroidery workers. There is however a hierarchy which clearly distinguishes status/gender and income. Highly skilled embroidery and stitching work, though informal in nature is generally done in a small work shed by well trained, male 'hari workers', paid daily salaries which go beyond minimum wage and in some instances (dependent on the skill levels), receiving salaries of an artisan. The artisans work with a simple technology, on frames, the khargas, hand embroidering on fabric cuttings (picture), which are mounted on the frame. However, international price pressure has also affected this profession, turning the skilled artisans into mass-producing manufacturers (particularly in the North

of India, see David, 2003). New market entrants looking for employment in rural areas have become attractive outsourcing alternatives for large-scale manufacturers (see for instance in urban Bangalore and in rural Tamil Nadu), given that minimum wages and social compliances are no aspect of concern outside the premises of export companies.

With some exceptions, most of the hand embroidery caters to the mass market has been mechanised over the last years. Consequently, where embroidery still requires highly skilled labour, the market demand is standardised and mass-produced, a simple final embellishment. Very basic final embroidery is outsourced to another group of workers – the home-based workers – in slums. Embroidery is done on the finished garment, where no technology input is required and skill requirements are basic.

Table 4: Gender based distribution within garment sector, case of Bangalore[18]

Sector	Percentage women (%)	Percentage men (%)	Regularity of work	Appx. monthly salaries (in Rs)*	Social security/ medical insurance
Large export houses					
Operators	90	10	Yes	2000–3000	Yes
Trimming/helpers	90	10	Yes	1500–2300	Yes
Helpers	50	50	Yes	1500–2000	Yes
Ironing	30	70	Yes	2300–4000	Yes
Small industries					
Operators: piece rate or wages	90	10	Yes/No	1500–3000	No
Trimming/helpers	90	10	Yes/No	1000–1500	No
Helpers	50	50	Yes/No	1000–2000	No
Ironing	30	70	Yes/No	1500–3000	No
Informal sector					
Hand embroidery home-based	100	0	No	500–1000/ piece rate	No
Hand embroidery tiny unit (semi-skilled)	20 (semi-skilled)	80 (skilled)	No	1500–4000 daily/piece rate**	No
Piece rate workers stitching	50	50	No	1000–4000 piece rate	No

* Wages and payment are according to market rates, minimum wage being Rs2100 in Bangalore urban.
** In Bangalore, the workers get approx. Rs1500/month for 10–12 hours work/day and Sunday work.
Source: Own observations

Work and Wage Pattern

The Indian textile industry has traditionally been a central employer for particular communities. The industry is known for its splendid fabrics, silk and cottons, the variety in weaving, produced by particular communities in rural and urban areas as well as traditional hand embroidery, mainly practiced by the Muslim community. Tailoring too had traditionally a particular caste connotation. The fast expansion of the textile industry over the last two decades has attracted new entrants, mainly women and also significant numbers of children. Existing caste and particular community linkages which were associated with specific activities serving the textile industry, have been diluted. This can partially be attributed to technological changes and in many ways simplification (through mechanisation) of mass production and production processes in a batch system, having attracted many 'unskilled' workers from urban slums and rural areas to enter the power looms and garment manufacturing sectors.

The textile industry is however highly segregated along caste and gender lines and clearly demarcates a hierarchical position where higher skilled and paid positions are entirely male and higher caste dominated. It can be said that in lower positions, where skills are not too high and where less skills are required, more women are represented.[18] In positions where more income and positional power is given, there will be a small percentage of women working. (see table 5) Besides, there is a noticeable segregation between large-scale export houses and small-scale industries with regard to payment, which reflects in both male and female incomes and other labour standards.

The tendency of many companies to flexibilise work through outsourcing, has led to a situation where small and tiny units have a completely informal character without labour protection. Most of them are casual workers, and more adequately have the status of self-employed workers who are paid at piece rate or work as daily wage workers, in tiny industries as well as

home-based workers. While men are working in small units, women are over-represented as home-based workers. Typical for home-based workers is that they are women who often do not define themselves as workers, and consider their work as time pass done after attending to their household chores and family. Work results in long working hours. There is no distinction between home and work, leading to the enrolment of children into production.

It is striking to realise that with the modernisation of garment export companies on one side, de-modernisation is taking place at the lowest end of the production chain. Since more 'invisible' processes get outsourced, more women get absorbed in the garment finishing and hand embroidery market. However, this is at the cost of exploitation.

Though income security and social protection are provided to these women workers, these differ with the size of the company and the levels of skills acquired in the industry. For the core workforce – operators, shop floor staff, helpers and trimmers – the larger export houses ensure payment according to the labour legislation, though in many instances, overtime would not be remunerated. (Source: women who dropped out of well established companies and enrolled as collective members in MAYA ORGANIC)

Home-Based Embroidery and Tailoring Women

The groups MAYA ORGANIC works with represent the lowest category of the textile industry. The workers belong to ancillaries and are home-based workers who work as casual or piece-rate workers. Work therefore is available dependent on the orders and season of this highly fluctuating industry. Most of the workers used to earn irregular income, which was far below the minimum wage. The majority of the workforce in the tailoring and embroidery industries are underpaid, and labour laws are not applied.

Skilled Male Embroidery

MAYA ORGANIC has started working with the traditional embroidery industry. This is completely under-researched and represents the typical patterns of an artisan craft similar to Lacware. Skills and learning are transferred on the job during long-year apprenticeship within the community from father/uncle to young boys in tiny worksheds, or, within the households, to the daughters.

Picture 2: Hand embroidery

Recruitment of children happens at a very young age in their lives. In clusters where skilled hand embroidery is prevalent, e.g., in Uttar Pradesh, Calcutta, Varanasi, etc., children start work at the age of 4 years where they execute simple orders in tiny and dark worksheds, working for Rs200/month for 12–14 hours a day.[20] Average age to start as an apprentice is 8 years, where boys join a relative who would have started as child labour and then worked as a professional till the age of 35 years, before starting his own unit. At that young tender age, physical strain from this demanding occupation would result in early ending of their professional career with eyesight having drastically reduced and the physical strain of sitting on the floor for 12 hours a day is becoming too tiresome. Some of the workers start their own units and take children into this exploitative apprenticeship.[21] The strong community influence has perpetuated these patterns over the years.[22] (David, 2003)

The absence of formal training and education in this trade which could contribute not only to technical skills

development but also provide additional skills and knowledge required for this highly competitive industry, such as designing and marketing skills etc., the workers get trained as cheap labour force and become skilled yet disempowered workers, who are easily exploited by the large export industries. Low literacy and numeracy levels, as well as poor skills in reading designs and drawing often provide an obstacle to effective price negotiation.[23] These workers depend for modern forms of design and production techniques on intermediaries who can support in product development yet take advantage of the situation.

Picture 3: Hari work

Table 5: Comparison of 3 industries and labour market in the informal economy

Particulars	Lacware	Garment stitching	Hand embroidery
Type of sector	• Manufacturing/craft	• Manufacturing	• Manufacturing
Providers of work	• Tiny unit owner (average 5–6 lathes)	• Small enterprise owner (average 20–30 machines)	• Tiny unit owner (appx. 10 skilled workers) • Intermediary for home-based work
Locality	• Tiny industry	• Tiny industry • Home-based (women)	• Tiny industry (men) • Home-based (women)
Income security	• Dependent on agents	• Dependent on season	• Dependent on season
Average working days/month	• 20 days throughout the year	• 30 during 8 months	• 15–20 (highly seasonal) during 6–7 months
Payment patterns	• Weekly	• Weekly	• Weekly (for skilled) • Daily for unskilled
Working hours	• 12 hrs/day	• 12 hrs/day	• 12–14 hrs/day for skilled • 4–8 hrs/unskilled
Child labour	• Low	• Low	• High
Occupational health and safety	• Risky, impacts eye sight, breathing as dust due to wood turning	• Risky, no measures taken (lighting, space, etc.), impacts eye sight	• Risky, no measures taken (lighting, air, space) impacts eye sight
Payment level (in Rs/day)	• 150/day for independent worker (who buys materials) • 80–120/day for dependent worker	• 50–150/day for salaried workers • 150–200/day for skilled piece rate worker • 20–40/day for home-based piece rate worker	• 200–250/day for skilled worker, yet in rural areas Rs60–100 • 20–40/day for home-based workers
Level of attrition	• Low, if bonded, otherwise high	• High for salaried workers and piece rate workers • Low for home-based workers	• Very high for skilled workers, if not bonded • Low for home-based workers
Lending pattern	• Advance from employer after 15 days	• No advance	• Weekly advance for skilled workers • No advance for home-based workers

Source: MAYA ORGANIC sector studies

2.3 Sector Comparison

The insights into the three selected sectors are indicative of the prevailing patterns in the labour market which characterise the otherwise so heterogeneous Informal Economy. The comparison shows the very similar crisis situation of most workers, particularly at the bottom of the labour market hierarchy which is of immediate interest in this study. The working poor:

● lack income security and social protection (no health or social security, no occupational safety).

● have developed a strong dependency on the intermediaries or middlemen as most of them are financially bonded.

● are low or semi-skilled and lack access to education and training.

● have no collective structure which would represent the rights of the workers.

● have no direct access to markets as terms and conditions are entirely negotiated by intermediaries and clients, resulting in low bargaining power.[24]

Table 5 briefly sketches out a comparison of the three industries at the lower end of the Informal Economy, where (semi-) skilled surplus labour is abundant. It reflects the unscrupulous exploitation of the workers by the unregulated market in the Informal Economy. The absence of any Government intervention to protect the workers from the exploitative mechanisms which have been controlling labour for many years now, will just further support more informalisation of labour in the neo-liberal regime that favours price competition to competitiveness that is based on skills advantages.

Transforming these worker's status quo calls for an intervention, where institutions are created, which empower these workers to meet market requirements as professional partners, while being self-managed and capable of producing high quality products and services.

3. MAYA ORGANIC's Approach

This chapter briefly introduces the overall MAYA ORGANIC Initiative, which is designed in a way that collective action is linked to creation of economic and learning opportunities at a decentralised level, yet being part of strong representative network.

Different entities, their engagement process and responsibilities complement each other for an enabling environment for the working poor to build their self-managed and viable enterprises, while being part of a strong supply chain and represented by marketing institutions which ensure access and integration in the mainstream. I will further focus on the values, parameters and processes that are required for the creation of such an enabling environment and how these institutions and reflective processes have supported change for the working poor.

3.1 Overview of MAYA ORGANIC

MAYA ORGANIC is a hybrid business model, as it is designed to follow market principles, while ensuring empowerment of the poor through more equitable means and re-distribution of profits. (see table 6) MAYA ORGANIC creates an enabling environment to: a) build capabilities of small enterprises to deliver high quality products and services to the fast changing and demanding market and b) provide an umbrella structure, which takes away the complexity of marketing, design and product development for producers.

The intervention focuses on:

● organising, training and facilitating Informal Sector workers to produce high quality products and

Table 6: MAYA ORGANIC's livelihood initiative: A hybrid business model

Market focus on	Social focus on
● Profit and growth-oriented (MOIPL, MEs) ● Output and efficiency-oriented ● Market and cost-oriented ● Competition with mainstream	● Empowerment ● Promotion of self-managed enterprises ● Training ● Cashless health insurance ● Income security ● Local wealth creation ● Surplus re-distribution

develop and run their own self-managed, profitable enterprises.

● supporting umbrella structure for product design, marketing, sales and access to finance through the company.

● setting up and managing a strong supply chain and effective sourcing network through the company.

As visualised in graph 2, there is a clear functional division between MAYA and MOIPL which has been formalised within a strategic partnership agreement, specifying areas of responsibilities. MOIPL develops a fair practice brand, markets and designs, besides ensuring effective supply chain management and raw material supply at cost effective prices. MAYA, the NGO on the other hand enrols groups, provides time-bound technical training in production and quality processes, besides facilitating them to build their own viable micro enterprises and to access required financial capital.

MOIPL further enters into an MOU (Memorandum of Understanding) with the group enterprises, where MOIPL sources products and services and therefore ensures work and cash flow. Collectives on the other hand fulfil production, quality and compliance requirements, as defined in the agreement (e.g., no child labour, commitment towards learning, sending children to school, non-discrimination against gender, community and caste). The MOU further defines the members status as self-employed workers and ensures that IP protected MAYA ORGANIC products would only be sold to MOIPL.
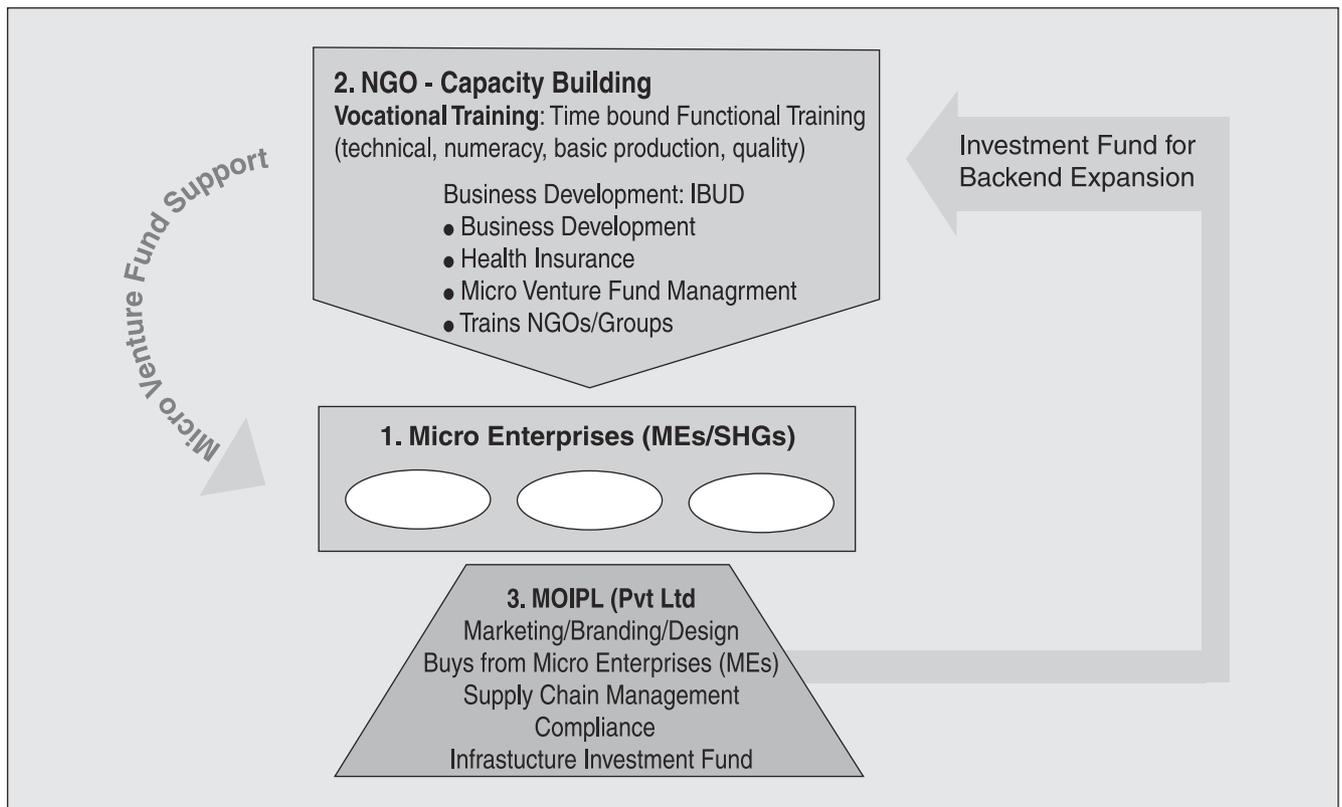
Graph 3 explains the structure and how the livelihood initiative works.

● **Self-Managed Group Enterprises (MEs)**: MAYA facilitators enrol workers into time-bound vocational training and business incubation training. Workers start collaborating and sharing common resources, share common assets, while building their production capacities. They register an SHG for their savings and economic transactions and produce products to MOIPL, the sourcing company.

● **NGO MAYA**: The core function is to train and incubate sustainable group enterprises. It also facilitates financial and business plans and supports access to loans for enterprises. A Micro Venture Fund will be set up which eases access to capital and acts as collateral for enterprises to access loans and credits. Both, the vocational training and business incubation units are cost centres. A learning platform ensures high quality training delivery and systematic documentation of the processes which further consolidates the institutional model. As a part of its expansion plan, MAYA started to collaborate with other NGOs and

Graph 2: Core functions of MAYA ORGANIC livelihood initiative

Market demands
Innovative, high quality, standardised products social compliance

Enterprise development	**Supply chain**	**Marketing/branding**
● Enterprise building process defined ● Training in production, quality, business development ● Status: Scalable model for replication	● Sourcing large scale ● Coordinates production and quality processes ● Compliance ● Status: Replicable process for other clusters across India	● Marketing ● Design ● Branding based on fair labour practices ● Fair practice label engages customers in questions of poverty and fair labour practices

Graph 3: MAYA ORGANIC

provides institutional support for supply chain development and enterprise development.

- **MAYA ORGANIC INDIA Pvt. Ltd.** To reach optimal performance at a social and economic level, MAYA started scaling up marketing and product design activities to meet market demands. Increased investments into building a brand, streamlining operations and building marketing infrastructure were required. MAYA ORGANIC INDIA Pvt Ltd. acts as a buying and design house which purchases from small producers identified by MAYA. The company builds and represents MAYA ORGANIC's brand in the market. The brand represents fair labour practices and high quality goods and services made by well-trained Informal Sector workers and group enterprises.

3.2 MAYA ORGANIC and Bourdieu's Field-Habitus Approach

From a theoretical perspective, MAYA ORGANIC's multi-dimensional approach is one attempt to put Bourdieu's field-habitus into a practical perspective. It is argued that

MAYA ORGANIC seeks structural transformation for the working poor from an economic-political perspective, while creating new opportunities as well as capabilities.

As mentioned earlier, new fields have to be created where reflection and critical thinking are institutionalised and habitus changed. Such institutions facilitate eased access to and effective utilisation of economic (markets, technologies, income and social security), cultural (continuous learning and training for groups and individuals in production and life-related areas) and social capital (new social networks through collective enterprise formation, scalable networks across the county) and are truly representative.

Within the context of MAYA ORGANIC, transforming different forms of capital, while building institutional and individual capabilities can therefore be operationalised in the following way:

3.2.1 Building Economic Capital

Accessing economic capital and markets are certainly central and, as mentioned earlier, ensured through the company's marketing/design effort, besides the NGO's

Table 7

		Existing shortcoming of the poor	**MAYA ORGANIC's intervention**
Economic capital			
	Markets No direct market access	Direct access through marketing & design company (no intermediaries)
	Quality of Work No income security	Work and income security
	No health insurance/social security	Family health insurance
	Exploitative working conditions/no minimum wage	Clear focus on occupational safety and health Living wages as no intermediaries
	Raw materials/technology High production costs Low quality infrastructure	Low production costs through cluster purchase Access to affordable infrastructure
	Finance: no savings/investments	Savings/investments
Social capital			
	Networks	
	Isolated micro enterprises (absence of scalability)	Cluster approach, group enterprises
	No collective structure for negotiation with markets, government, insurance, training providers, etc.	Cluster, group enterprise and marketing representation
	Low level of specialisation and cooperation	Collectives, micro enterprises take advantage of one another's resources
Cultural capital			
	Access to training/learning	
	Low levels of functional skills Low levels of technical skills No business skills No production skills	Vocational training and business incubation through NGO training in scalable production and Quality life skills Numeracy/literacy
	Rights/entitlements	
	Low awareness about civic, economic rights and conflict resolution	Participation in democratic institutions as active equal owners and shareholders
Critical reflection and institutionalised learning for change	Absence of enabling environment Individually perceived poverty	Process of critical reflection, self-directedness at individual and institutional level. Understanding poverty as structural, collective fact and evolve tools to overcome status of helplessness

facilitation to acquire affordable technology and access to financial institutions. The company further ensures cash flow to the enterprises and promotes bottom up social compliance which ensure the safety and health of workers and income far higher than the stipulated minimal wage.

3.2.2 Building Social Capital

Social capital has become a highly debated concept and has been used by different ideological schools, particularly over the last 20 years. The debate got revived by Putnam's work who was strongly promoted by the World Bank, and shed light on how the formation of local assemblies and associations would be central for local economic and social development.[25] Critics, however, show the limitations of this concept, which ignores the social and historical context that forms and perpetuates social capital. Bourdieu's argument of structure determining the positions groups and individual

place themselves in society is therefore completely ignored in the developmental circles which propagates social capital for development. (Braun, 2004; Harriss, 2001) Harriss has criticised the World Bank of simplifying and confusing the debate on social capital, while fostering the trend towards replacement of the State and democratic institutions by private, more conservative initiatives; allowing more influential institutions which are not necessarily representing democracy to dominate and, "let the poorest people organise themselves to provide services which used to be considered the responsibility of the State." (Murlidaran, 2001)

It is argued here that it is not so much the social capital concept itself but the political and analytical utilisation that causes problems. Ignoring power and structural inequalities adds to the reductionist view in Putnam's work that influenced the World Bank's developmental perspective of social capital. The State and civil society could have complementary relevance, and are not necessarily antagonising each other in the process of supporting democracy.[26] (Evans in Harriss, 2001) Recent publications have, however, increasingly been sensitive towards historical, structural and the multi-dimensional nature that perpetuates poverty and therefore social change. Deepa Narayanan's work during the last 5 years has, in the context of social capital and collective action contributed significantly to the debate being more process-oriented, keeping in mind the importance of collective action, social networks and institutions which can be truly representative and impact at political, economic and cultural levels. (ibid, 2005)

3.2.3 MAYA ORGANIC's Attempt to Building Social Capital

MAYA ORGANIC understands itself as a movement that supports bottom up democratic participation and representation. MAYA ORGANIC's intervention builds social capital, if we define it in Bourdieu's terms as being "Die Gesamtheit der aktuellen und potentiellen Ressourcen, die mit dem Besitz eines dauerhaften Netzes von mehr oder weniger institutionalisierten Beziehungen gegenseitigen Kennens oder Anerkennens verbunden sind: …. Es handelt sich dabei um Ressourcen, die auf der Zugehörigkeit zu einer Gruppe beruhen. (*As the sum of actual and potential resources, which is associated with the ownership of a durable network of more or less institutionalised interactions of*

mutual knowing and acceptance……It is about resources which are based on being affiliated to a particular group)." (Bourdieu, 1983, p.190) This particular definition however needs further specification. MAYA ORGANIC has attempted to institutionalise collectivity at all levels – the collective, the cluster and the network levels.

Producer Level: Member-Based Structures with Flat Horizontal Hierarchies

MAYA ORGANIC facilitates the formation of Self Help Groups, (SHG) with a member/shareholder base of 11–19 members and promotes self-managed micro enterprises, where workers, through collaboration, learn how to capitalise and mutually benefit from each other. SHGs provide semi-formal structures through which financial means and technologies or training become easily accessible.

Visibility through formal enrolment and voice for articulation are additional advantages besides providing the forum for professional growth through reflection. Additionally, an environment is created, in which people realise their role as part of the enterprise and understand the concept that the whole is greater than the sum of its parts.

MAYA ORGANIC further encourages collaboration between different workers' collectives and further builds federations which ensure larger presence and capacities. Social capital hence is built within and between collective enterprises and facilitated by MAYA ORGANIC. Finally, to meet the market requirements of large-scale production is possible; as different collectives of workers work under one roof, share tools and machineries and strive towards the common goal of economic efficiency and their members' well-being.

Horizontal Leadership Structures

It was mentioned earlier that in many instances, member-based organisations do not adequately address core values, such as worker's democracy and active participation.[27] (Sridhar, 1999) Member-based institutions seem to reproduce existing hierarchical and authoritarian values of the typical entrepreneurial model, ignoring the potential of a member-based organisation being democratic and transparent, where leadership is purely representational. (Swinney, 1998; Bhaumik, 2001)

Small collective enterprises reflect democratic work places institutionally but require, in order to ensure

empowering and sustainable institutions to the majority of the members, collective ownership and a structure which reflects joint leadership, equity and equality as guiding principles. MAYA ORGANIC encourages more democratic, flat organisations with functional groups of four members in each collective representing one of the four areas of production, business processes, skills and quality, and enterprise vision-leadership. In these groups, all members take clearly defined roles.

These functional groups further allow members to get into the relevant business details, while acquiring these skills in small focused groups over months. Participation increases ownership for the functioning of the group enterprise as a whole. This slowly ensures exposure to understand and respond to market forces and needs, as well as sector-specific issues.

Clusters and NGO/Partner and Representative Umbrella Structures

In today's fast changing environment, where capital and markets tend to concentrate, collectively owned enterprises will have difficulty to sustain unless they are part of a network that represents the critical mass in the market.

For scalability and impact, MAYA ORGANIC has entered partnerships with other NGOs and supports building local clusters of micro enterprises, which further strengthen the social fabric, while sharing resources and mutually benefiting from each other through collaboration. In certain instances, group enterprises share operational costs and facilities, further taking advantage of scale while accessing markets and sourcing raw materials. Clusters certainly support social networks and create additional positive economic and social spillovers for other participants to benefit. Further, social capital supports more horizontal ways of economic collaboration, replacing hierarchical, multiple level working relationship with more regularised, transparent and regular business practices.

Replication and collaboration with other NGOs further ensures the critical mass for any initiative to be visible, powerful and relevant for collective action to be politically relevant as well. "Large numbers of poor people organised as economic players that can be mobilised almost instantly draw the attention of politicians and political parties, particularly in democracies. "(Narayan, 2005: 24)

Representative umbrella structures – In the case of MAYA ORGANIC it is MOIPL, the Marketing and Design enterprise on one hand, and MAYA the Training NGO, on the other, institutionalises and visualises the effort towards a systemic and scalable poverty alleviation initiative. Both entities promote the brand and lobby – in the market and at the political level – for maximum benefits for the working poor.

3.3 Building Cultural Capital

Educational, vocational training, marketable skills and being involved in a continuous learning environment may provide valid indications towards building cultural capital, besides capacity building to adapt to a fast changing environment. MAYA ORGANIC's basis for student-centred learning goes back to over 15-years work on education and vocational training and has consolidated into learning processes which are student-centred, contextual, modular/flexible and institutionalised within a reflective environment. However, institutionalised learning processes, which are a part of a learning culture and organisation are very important. Access to learning, learning resources and institutionalisation of critical reflection are key aspects to build cultural capital.

3.3.1 Learning Principles: Continuous, Contextual Learning from where We are

Learning does not confine itself to a short training course but is part of the entire process of continuous learning within a collective environment (for details see next chapter). Referring to Dewey (1938), for learning to happen, an experience must include two key dimensions:

- continuity: the learner needs to be able to connect aspects of the new experience to what he/she already knows, in ways that modify this knowledge.

- interaction: the learner needs to be actively interacting with his or her environment, testing out lessons developed in that environment.

Learning therefore needs to be continuous and contextual.

Workers with low literacy and numeracy levels form MAYA ORGANIC's target group. Adult learning is learner-centred and clearly differs from traditional training and schooling that is not only very instruction based and often irrelevant.[28] (MAYA, 2001) Myles Horton believed that "you have to start from where people are, because their growth is going to be from there, not from some

abstraction or where you are or someone else is." (Bell et al., 1990, p.131)

MAYA ORGANIC's approach of contextual and continuous learning encourages workers to self-assess and identify their own learning needs, which is followed by training plans. This puts the onus for learning and change on to the workers themselves. In a manufacturing set up, the roles of the workers change from being 'mere producers' in a home-based or a factory setting to entrepreneurs, while the group enterprise moves from being 'mere contract workers' to function as professionally run learning environment. MAYA ORGANIC believes that change is an ongoing process and is guided by the vision that the collective and its workers have for their enterprise. It also sees it crucial to distinguish between individual and group in every aspect of learning, such as vision building, diagnosing learning needs, assessing learning levels and understanding, along with quality and analysis.

3.3.2 Institutionalised Learning

Learning being a part of every process of MAYA ORGANIC, it becomes systemic as is part of the structure and functioning of the collectives and the MAYA ORGANIC network approach. MAYA ORGANIC ensures continuous feedback from the market which, in turn, encourages thinking and acting of the members and the entire unit. A learning environment redefines patterns set in a particular situation where action (non-passivity) is central and complements other aspects of institutionalised learning, such as assessment and reflection on performance.

There has been significant research interest on identifying factors which support and promote institutional success and hence, performance. The concept on learning organisations, popularised by Aegyris and Schön's (1978) contributions on organisational learning in the late 1970s, has again gained popularity since Peter Senge's publication *The Fifth Discipline.* (1990) It is a bestseller contribution to managerial and organisational theory, as it introduces systems learning and worker's participation as components which are crucial for the success of an institution. Senge suggests that for organisations to be successful in the long run, maximal learning opportunities and freedom for employees at the workplace have to replace controlling management.

According to Senge, learning organisations are: "…organisations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together." (Senge, 1990, p.3)

Senge's perspective originates from a political ideology that is different from the cooperative approach propagated by MAYA ORGANIC. However, Senge provides useful insight into workforce participation and how employees would msove towards higher levels of coherence and joint vision to be able to opt for change.

3.3.3 Self-Directed Learning

With its roots in humanistic philosophy, self-directedness as a concept is by no means new; and has been widely discussed and applied in adult education circles by a variety of educationists and psychologists during the last century. (Brookfield, 1993) In its broadest meaning, 'self-directed learning' describes "a process in which individuals take the initiative, with or without the help of others, in diagnosing their learning needs, formulating learning goals, identifying human and material resources for learning, choosing and implementing appropriate learning strategies, and evaluating learning outcomes." (Knowles, 1975, p.18)

Learning, in its fullest context, is a social activity, and the attainment of full personal autonomy – both in learning and outside it – must recognise this interdependence. Adults are powerfully affected by aspects of their backgrounds, including family and prior education, in ways that limit and constrain their ability to be self-directing in certain learning situations. (Candy, in Brookfield, 1993) Similarly, Brockett and Hiemstra (1991) believe that self-directed learning activities "*cannot* be divorced from the social context in which they occur" because "the social context provides the arena in which the activity of self-directedness is played out." (Brockett et al., 1991, p.32)

Miles Horton's and Paulo Freire's political interventions on empowerment through adult education have been the few attempts to bring learning into a political perspective away from individualistic learning approaches, towards learning being seen for a collective purpose. Freire propagated the need of the so far 'oppressed', to enrol themselves into a process of 'conscientisation' through

collective political action, that would result in revolutionary structural change.[29] It is less the revolutionary politicised struggle than Freire's attempt to further investigate and practice individual and collective transformation that has inspired many scholars about Freire's action and writings. It is the self, who without the other, is required for dialogue which enables critical reflection. (Buber, 1958)

Aiming at building capabilities of the workers in many aspects and levels, this approach identifies a real life situation with problems in reflective sessions on production, quality, business transaction and performance or coherence of the collective enterprise, and supports the worker to make informed choices out of various options available to them.

Equity and Equality: Transparent Assessment Systems for Wage Setting in the Collectives and Strong Documentation to Legitimate Wage Differentiation

One major drawback for the Informal Sector workforce is the lack of any standards and certification system which makes wage setting in the labour market non-transparent and exploitative, as wage levels are only based on the arbitrary market value. While each of the members is an equal shareholder and decision maker in the collective, the assessment system and the wage distribution, as an external process provided by MAYA ORGANIC encourages a transparent and effective tool towards performance-based wage differentiation.

Contrary to absolute standards and qualifications as in the traditional sense, the learning outcomes signify a direction towards which each individual and institution can choose to take a particular path/methodology and time for learning, depending on their present levels and priorities. It is seen to help determine future learning based on outcomes set in the interests of the group and the individuals.

The learning audit system is distinct from a test-based assessment as it involves an ongoing process of feedback on learning outcomes through self-reflection, client feedback, market information, specific order/product related feedback, discussions within the group and across groups and during the execution of orders, etc. MAYA ORGANIC also encourages social skills and commitment towards the collective's overall success as an important parameter for individual skills levels.[30] The assessment includes all the data collected during

production and training periods of 3 months and encourages self-assessment of individuals and groups within the collectives. It gives the members opportunity to discuss and negotiate, if ever the person feels wrongly assessed. It is also possible to decide on required learning outcomes in order to improve performance and ensure better achievement in the next assessment.

Assessment, therefore, does not limit itself to externally imposed criteria but encourages the learners to continuously reflect on personal and group performance which is an equally important aspect of the assessment process. Thus, the assessment practice here moves beyond an 'expert' paradigm towards one where learners take ownership of their performance and set, and manage and assess their own learning agendas for better work and more decent living.

Facilitation Instead of Instruction[31]

An approach to self-directed learning involves a radical shift in the role of hitherto 'trainers' or instructors; moving from a premise of instructional knowledge-transfer towards facilitation through educational non-hierarchical critical dialogue. (Freire, 1972; Horton & Freire in Bell, 1990; Rogers 1975) It is well known that instruction based learning has a limited impact, particularly for adult learners, as it discourages self-discovery and self-initiative. The role of a facilitator is to mirror their comments and concerns in a way that encourages the learners to analyse and reflect upon their actions, the reasons behind them, and whether or not these actions should continue in the same manner. Finally, the facilitator works with the workers to build a foundation upon which they can become lifelong learners. (Rogers, 1975)

Facilitators accompany the workers in the process of learning, instead of instructing and defining the path of their development to gain a sensitive understanding of 'invisible' factors that influence learning. For instance, issues of power inherent in gender, class, caste, religion, leadership, or even long years of experience of working in a particular sector, enabling the individuals and groups to challenge internalised beliefs and develop critical abilities through actively seeking and interpreting feedback. (Brookfield, 1993)

One of the biggest challenges for a facilitator, particularly in a work environment, is to allow that members may fail. But by giving back to the learners the responsibility

to solve their own problems, they will have a foundation upon which the members can build their capabilities to manage their own enterprise.

Reflection

Critical reflection has been perceived by many critical scholars as being the effective process for social transformation. Bourdieu, for instance, perceives critical reflection as a process for field and agency to change, therefore providing the argument that critical awareness can translate into action. For Habermas, emancipatory processes can be realised through local initiatives which provide the space for dialogue in a common public space. (1981) Similarly, Freire's approach of overcoming structural oppression is grounded in critical dialogue and praxis, an often-used concept in emancipatory adult education. Brookfield (forthcoming) refers to Merizow's work as being one of the most effective approaches dealing with reflection, empowerment and self-directedness. Merizow has drawn strongly on the work of Habermas to propose a theory of transformative learning "that can explain how adult learners make sense or meaning of their experiences, the nature of the structures that influence the way they construe experience, the dynamics involved in modifying meanings, and the way the structures of meaning themselves undergo changes when learners find them to be dysfunctional." (Merizow, 1991: 5)

Freire suggests that groups and individuals undergo three stages of critical reflection, from overcoming the stage of being: 1) helpless and oblivious of existing structural inequality (intransitive stage) to 2) aware and able to analyse and see (semi-transitive stage) to 3) the transitive stage where tools and solutions can evolve and be applied effectively. (Freire, 1972) Becoming critically reflective, therefore, involves assessing the accuracy and validity of these norms for the contexts of adult life. The pattern of critical reflection that emerges from studies of adult development is one comprising a praxis of action, reflection on action, further action, reflection on the further action and so on in a continuous cyclical loop.

Complementing existing community homogeneity, where similar values and origin, class and caste are shared, MAYA ORGANIC facilitates the creation of more open member-based institutions, where coherence is based on formal rules, agreements and trust.[32] The collective/

group on one side and the support of networks and resource persons available to MAYA ORGANIC's intervention, on the other side, offer the possibility of dialogue, mirroring and reflection for a deeper understanding of reality.

A MAYA ORGANIC workplace provides space for reflection on success and failures as a part of daily functioning. MAYA ORGANIC encourages such initiatives, as they are a part of group learning, planning and evaluation, which in turn builds the learning experience and increases collective's capabilities for the next execution of an order. Going through such reflection processes equips a group and the individual workers to analyse problems, with new possibilities for problem solving emerging.

Work Culture and Environment: Patterns and Planning

The MAYA ORGANIC work culture is one of more 'predictability'. Its new systems are a direct counter to the chaos and unpredictability of the members' lives and previous work, as it is self-determined and foreseeable and more transparent. It creates a structure of planning, saving, and thinking about earlier production, ongoing work and the future that allows members to have a more transparent and predictable work environment. The work culture gives control to the members, rather than them being further controlled by external pressures and instabilities inherent in their lives, such as irregular work, illness and other contingencies. The work culture is institutionalised and omnipresent, therefore going beyond rules and consequences. The environment facilitates processes that provide equity in wages; resources, material, and training; a social safety net; and most importantly, constant work opportunities and therefore, income security.

The decentralised flexible format of collectives enables the group to create patterns that work best for the whole. For example, each collective has evolved binding rules with consequences as guidelines for the member's compliance. Regular and punctual attendance has been a crucial and constant issue within many collectives. Facilitators approached this issue by having discussions on the need for regularity and punctuality, relating it to reliable and timely delivery schedules in production. Most members had a basic understanding of the ramifications,

but were unable to arrive at solutions, develop systems of prevention, or follow up. Facilitators had brainstorming sessions on how to develop systems that the members could easily follow to deal with this problem. The result was a tracking system and attendance ledgers which the members themselves maintained, and which they use in post-production analysis.

4. Expected Outcomes

MAYA ORGANIC seeks, through its multi-dimensional approach, to provide a practical process to build individual and collective capabilities for the poor to become change agents who are able to take advantage of their newly available resources (social, cultural, economic) in a sustainable way. The enabling environment for continuous learning and reflection complements new forms of capital available in a sustainable way. (see graph below) Direct expected outcomes are income, social security, access to markets, savings and finances and raw materials, higher productivity levels and the capability to run their own and self-managed enterprise and start taking advantage of a more autonomous and self-directed life.

4.1 Providing Access to Continuous Learning and Various Forms of Capital for the Poor through Umbrella Structures

As a hybrid business model, MAYA ORGANIC emphasises to balance between economic democracy, market performance and providing the financial and institutional buffer against the market, while creating an environment where sectors and enterprises can benefit from each other. MAYA ORGANIC expects the
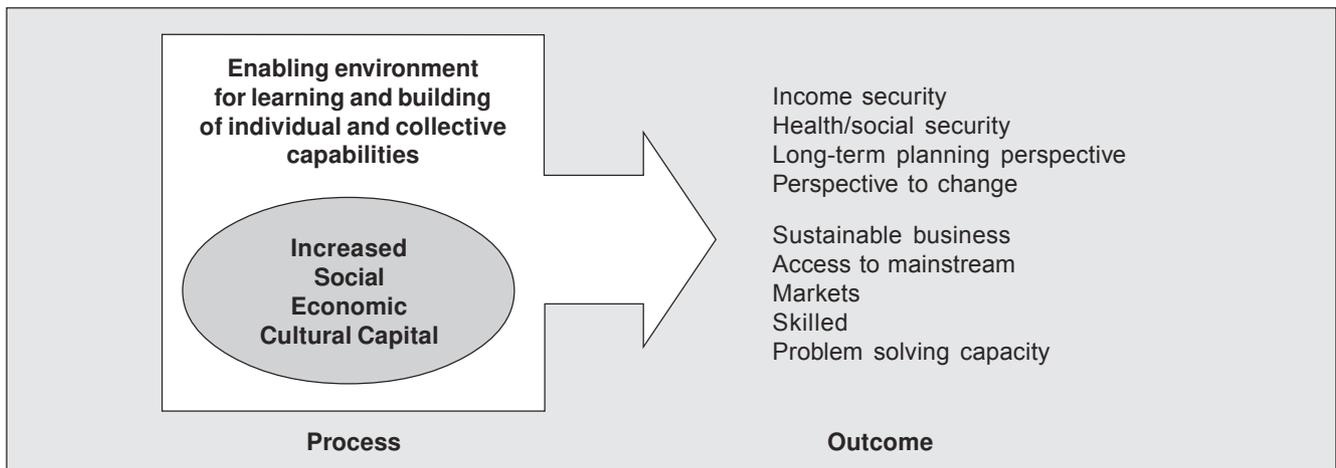
enterprises to be self-managed and self-financed and may expand and federate into larger institutions in order to be sustainable. Further, poor workers' enterprises have access to mainstream markets and have the institutional capability to produce high quality products and services.

MAYA ORGANIC, at an institutional level has consolidated its enterprise initiative and how to build supply chains. Both these aspects are key strategy inputs for other producer groups to adopt and become a part of the network that is marketed by the company MOIPL which keeps expanding and builds a representative brand for self-managed enterprises.

It is expected that MAYA ORGANIC starts scaling up its initiative within the next 3 years and reaches out to 7000 entrepreneurs who are fully engaged and would have built their enterprise within the next 5 years. By then, the programme will expand massively, given the marketing capabilities which have been built within that period. Within 10 years, MAYA ORGANIC attempts scale and reach out to 100,000 entrepreneurs and will have made a solid impact at policy level on how to address poverty in a sustainable way.

The strength of MAYA ORGANIC's approach lies in creating opportunities and access to networks that would not otherwise be available for Informal Sector workers and enterprises. The network likewise creates tremendous potential for manufacturing units to benefit from each other. MAYA ORGANIC encourages a widening network of similar livelihood initiatives to join the movement. Ultimately, MAYA ORGANIC seeks to expand the MAYA ORGANIC approach in the informal

Graph 4: Expected outcomes

Enabling environment for learning and building of individual and collective capabilities

Increased Social Economic Cultural Capital

Income security
Health/social security
Long-term planning perspective
Perspective to change

Sustainable business
Access to mainstream
Markets
Skilled
Problem solving capacity

Process   **Outcome**

manufacturing and service industries on a scale that will contribute towards more equity between the rich and the poor within the country, if not the world.

4.2 Shift Towards Self-Directedness and Problem-Solving

MAYA ORGANIC attempts a process towards self-directedness where workers and their enterprises turn into agents and active participants – more than passive executers who are able to articulate their individual and collective needs in different fora. Capabilities are required which identify and solve problems, utilise and build networks and negotiate terms and conditions. There are three levels of self-directedness which are interrelated and influential for each other:

● *Individual: people are able to move out of a stage of helplessness, resignation and demoralisation and start to take their lives and that of their families into their hand.*

● *Collective: self-directedness means that there are possibilities to evolve new capabilities and change through the collective, where common values are shared and owned and the group sees the advantage of being together.*

● *Structural: Self-directedness is a successful combination of individual and organisational capabilities to address transformation of structures and systems through networks and social capital.*

Self-directedness would, therefore, need to be looked at in the context of institutions and continuous learning and reflection, yet keeping in mind that markets ensure income security and surplus for social protection for the workers. In the process of learning, individuals, as well as the collective on the whole, acquire the capabilities which are related to conflict resolution, mediation and personal assertion, and these in turn become important skills for personal empowerment and are conducive for self-determination.

Another outcome that is expected of the workers is that they are able to address complex and long-term issues that affect the sector and themselves. This calls for skills

of understanding broader issues that hinder development and social mobility while inspecting all the probable causes, and strategising for the future. MAYA ORGANIC sees the collectives taking on complex roles to meet these expectations. Moving from individual to collective work, and networking between collectives enables these groups to address sector issues. Such activities necessitate the collectives to develop skills of networking, organising and managing at a broader level, which MAYA ORGANIC, as it will be shown in the following chapter.

At a business level, the outcome gives the collectives possibility of taking on complex orders in huge numbers. Further, it is understood that processes and strategies help workers function professionally and efficiently with growing roles and responsibilities that are with the collectives, the facilitators and workers as it connects to the group vision.

Such an empowerment process encompasses the shift from being dependent labourers to more self-determined working collectives, where markets are essential and open for negotiation. The process happens in stages and will be shown in detail in the empirical chapter. With the passing of each milestone, the group enterprises further develop the skills to start running their own people's enterprise. (see Graph 5 p.47)

4.3 Ownership and Sustainability to Run Own Enterprise and be Economically Viable

MAYA ORGANIC equates ownership with sustainability. It asserts that when members take ownership for themselves and the collective, they contribute to the movement that makes the sector sustain. This kind of ownership displaces the hierarchical leadership that is seen predominantly in most of the enterprises and organisations representing the Formal and Informal Sector. Though in the initial stages the collectives have to be initiated into taking responsibility for their individual work, and later for the enterprise, it is seen that the patterns of ownership and sustainability would increase with the involvement of members, since they realise that the potential and opportunities to change lies within themselves being supported by the collective structure, where members care for each other.

4

RESEARCH QUESTION

The creation of an enabling environment for learning and building of institutional and individual capabilities to utilise resources and newly available capital through MAYA ORGANIC's intervention, builds the backbone for the success of the initiative. Being in the pilot stage, I therefore decided to focus my research question around these aspects and focus on:

Interdependency between democratically functioning institutions, institutionalised learning and self-directedness at an individual and collective level

The framework in MAYA ORGANIC and parameters defining the process have been outlined in the earlier chapter. I identified the following questions which would lead to a deeper understanding of the above mentioned processes and build the basis for replication at a later stage.

1. Institutional-Collective Level: Structure

- how can the MAYA ORGANIC model ensure that democratically structured institutions provide space for critical reflection and collective learning which contribute not only to a more complex understanding of particular social realities but also to problem solving capabilities?

- what is the required structure of a collective enterprise which ensures maximal participation and active contribution of the groups?

- which factors contribute to ownership and joint vision so that they are fully owned by members and will be sustainable and viable business enterprises?

- how can collectively owned enterprises which share risks and profit be enrolled into a continuous learning process towards professionalisation?

- with increasing maturity of the collective, to what extent do the terms of engagement change between the collectives and MAYA ORGANIC?

2. Learning and Critical Reflection within a Learning Environment towards Self-Directedness

- To what extent do critical reflection and institutionalised learning within a collective structure have an impact on:
  - vision of the collective as an enterprise that is owned by the members?
  - professional functioning of the collective as an enterprise?
  - learning capabilities and interest to further improve and grow?

- To what extent do critical reflection and institutionalised learning within the collective structure have an impact on:
  - individual members so that they encourage critical reflection, henceforth – awareness and problem solving capabilities at the individual level which contribute to the functioning of the collective production?
  - individuals as members learn how to reflect and negotiate within the group and evolve capabilities where members learn how to apply these same techniques in other life situations?

- to what extent do institutionalised learning processes and collective structures which reflect democratic values and principles provide a space so that members become active participants and agents towards taking responsibility for their learning, enterprises and their lives?

3. Changing Terms of Engagement between Member-Collectives and MAYA ORGANIC

- how do the facilitators of MAYA ORGANIC identify different stages of maturity in the groups and identify need for intervention?

- what are the maturity stages of the group enterprises?

- the role of the facilitator: how has it changed over the last 3 years and how does it change with the maturity of the group?

EXCURSUS: Relevance of the Study

MAYA ORGANIC's multi-dimensional and systemic effort of providing a meta-institution and facilitating the development of capabilities at the ground level, and the strong focus on development partnerships between markets and producers, make the intervention an innovative and highly relevant approach that needs to be documented. This case is particularly interesting, as the current Informal Sector policy framework lacks innovative approaches and there are very few interventions which are able to reach out to the working poor in a sustainable, market-oriented manner.

Several bills towards legislation for the Informal Sector have been passed by the National Labour Commission at the Central Government, the Labour Department in Karnataka and several trade unions/NGOs on home-based workers, street vendors and domestic helpers. However, for the effective implementation of these polices, there is no institution which can hold the Government accountable. (Hirway, 2000; Dev, 1998) Further, there is abundance of literature on empowerment and social institutions or on the role social capital plays for development and economic advancement; however, empirical justification of these approaches is still scarce. Most quantitative research is based on low data quality, simplified concepts and assumptions, while qualitative research faces the problem of limited generalisation.

Given the size of the population and the combination between qualitative and quantitative research methods in this study, the findings of this study will overcome these limitations to a certain extent. Yet, we still have to see to what extent MAYA ORGANIC can be replicated and scaled and become part of the mainstream structure (time constraints will not permit this question to be answered in this thesis, as it needs another phase of consolidation, after approximately two to three years).

5

METHODOLOGY AND DATA DESCRIPTION

The study seeks to delineate the processes which support self-directedness of individuals and groups through the creation of an enabling environment. All the aspects are continuous, hence have no absolute value but relative significance. After setting levels, they are once again the basis for further goal setting and development. Yet, as will be shown, institutional functioning, learning and also the understanding of self-directedness have changed its meaning with the progression and maturity of the group. As MAYA ORGANIC looks at large scale intervention, the role of the facilitator has also changed from very specific interactions with few groups to facilitating several groups at the same time.

This intervention is process-and change-oriented and calls for a methodology which is directly involved in problem solving and change of a social problem. Yet, it does not ignore the required research aspect for critical reflection on the approach, impact and effectiveness of the particular intervention. The attempt of this study was to:

- consolidate the first findings of the action programme, identify milestones and different levels of maturity group owned enterprises will need to undergo in order to become independent.

- evaluate the first phase of this pilot project and assess an initial impact of the intervention on the collectives and individuals (see conclusion). Though it is still early to make any conclusion on the overall impact MAYA ORGANIC as an initiative had, there are positive indications that the quality of work and life have improved.

- I further look at directions into which MAYA ORGANIC would have to go for another consolidation of the model for further replication and large-scale implementation (see conclusion).

1. Action Research as a Methodology

Action Research is known to be useful where change and understanding are sought in a situation in which it is usually too difficult to control variables because the situation is concrete, complex and on-going. (Dick, 2000) Action Research, a methodology which yields simultaneous action and generation of knowledge, at the same time, suggest change and social transformation, and provide therefore the ideal form of heuristic and yet systematic inquiry. It provides an excellent methodology to promote a process in which groups of people attain critical understanding and improvement of their situation through participatory planning, practises, observations and reflections within a collective environment. (Mc Taggart, 1992)

Reporting the processes and outcomes of Action Research has shown to be more complex when I compare it with my experience with other forms of research. This appears to be because the processes and outcomes relate as much to changes in the research practice of the practitioner as to changes in the matter

being researched. The challenge, therefore, lies in finding a balance between inquiry, critical reflection and research within a participatory framework, while keeping in mind that even research questions, hypothesis and results would have been modified and re-defined and sharpened over time. While traditional research concentrates on critical inquiry of existing status quo, the advantage in Action Research lies in the capacity of a less reductionist model which is tested and refined and has increased validity through multiple cycles of reflective practice.

In this context I would like to mention that it is the particular research question and the project context which asks for Action Research as the right qualitative methodology. I believe that quantitative and qualitative deductive research methodologies are equally relevant in empirical research, yet need to be selected according to the context of the particular research question. However, this project is in a process and attempts, as an action project, to generate relevant insights and understanding of how learning can be institutionalised in order to impact group enterprises and individuals to become more self-directed agents for their own change. Therefore, this intervention has a strong emphasis on active participatory inquiry, where insights and theoretical understanding are created and re-created at different levels. "The purpose in Action Research is to learn from your experience, and apply that learning to bringing about change. As the dynamics of a social system are often more apparent in times of change (Lewin, 1948), learning and change can enhance each other." (Dick, 1993)

The Action Research cycle in this particular context can also be regarded as a learning cycle. The educator Schön (1983) argues strongly that systematic reflection is an effective way for practitioners to learn. This helps to explain why Action Research tends also to be qualitative and participative. Participation favours qualitative methods, however, given the relatively large sample, and also allows me to use selected descriptive data analysis for further consolidation and later up scaling.

The following chapter briefly introduces the background and history of Action Research, its context where this methodology originates from, where it is generally applied and within which theoretical framework the different methodologies are grounded. I have selected Emancipatory Action Research as a methodology which emphasises critical reflection as well as participation; both supporting social transformation. After a brief description of various methods used during the research period, I will describe the socio-economic background of the members of the group enterprises, the data collection and analysis procedures which would be applied during the empirical part.

1.1 Background of Action Research

The origins of Action Research are unclear within the literature. (Masters, 1995) Authors such as Kemmis and McTaggert (1988), state that Action Research originated with Kurt Lewin (1948), others cite work by Gstettner and Altricher which has a physician named Moreno using group participation in 1913 in a community development initiative with sex workers in Vienna. Other authors assert that the concept of participatory research emerged much before Lewin and was used by social reformists. Despite the clouded origins of Action Research, Kurt Lewin, in the mid-1940s developed a theoretical basis for Action Research (Dick, 1993/2002), which described Action Research as "proceeding in a spiral of steps, each of which is composed of planning, action and the evaluation of the result of action". (Kemmis et al., in Masters, 1995, p.1) Lewin argued that in order to understand and change certain social practices, social scientists have to include practitioners from the real social world in all phases of inquiry. This construction of Action Research theory by Lewin made Action Research a method of acceptable inquiry. Action Research has been widely used in educationalist circles; adult learning, reflective learning, the Group Dynamics movement in social psychology and human relations training. (Masters, 1995).

Three of the many definitions for Action Research are: a systematic inquiry that is collective, collaborative, critical and undertaken by participants in the inquiry. (McCutcheon et al., in Masters, 1995, p.2) Action Research is a form of collective self-reflective inquiry undertaken by participants in social situations in order to improve the rationality and justice of their own social practices, as well as their understanding of these practices and the situations in which these practices are carried out. Within all these definitions there are four basic themes: emancipation of participants, collaboration through participation, acquisition of knowledge and social change. (Kemmis, 1993)

Grundy and Kemmis state that there are three minimal requirements for Action Research. "These requirements

incorporate the goals of improvement and involvement which characterise any Action Research project. Following are the conditions set out as individually necessary and jointly sufficient for Action Research to exist:

- the project takes as its subject matter a social practice, regarding it as a strategic action susceptible to improvement.

- the project proceeds through a spiral of cycles of planning, acting, observing and reflecting, with each of these activities being systematically and self-critically implemented and interrelated.

- the project involves those responsible for the practice in each of the moments of the activity, widening participation in the project gradually to include others affected by the practice and maintaining collaborative control of the process." (ibid. in Masters 1995, p.4)

The rational to choose Action Research as a methodology for MAYA ORGANIC is because:

- MAYA ORGANIC's model emphasises social and economic change.

- the learning model, as well as the institutional model have embedded critical reflection, therefore, they encourage continuous spirals of action and reflection. These data collected and the interpretation made by all participants as well as myself lead to a higher and more refined understanding and critical awareness of individuals and collective about their status quo. They also contribute more to the complex problem of solving capabilities which would ensure change;

- it is by definition participatory as it puts the onus of individual and collective learning and collective functioning entirely on to the target group. Hence, with the participants developing a better understanding of the system, it can lead to immediate improvement. People start changing to make use of that understanding. (Dick, 1993)

- the intervention has a strong focus on emancipation and social transformation and promotes self-directedness.

According to Carr and Kemmis's publication of 1983, there are 3 models of Action Research: technical, practical and emancipatory. Emancipatory Action Research is an approach that emphasises social transformation through critical reflection. (Hughes, 2001; Masters 1995) This is discussed here in detail.

1.2 Emancipatory Action Research

Emancipatory Action Research is one form of action research rooted in the critical theory of the Frankfurt School and aims at expanding both theory and practice. (Masters, 1995) Often used in the fields of adult learning, it also draws a lot of critical thinking from the experiences made by thinkers such as John Dewey's (1938) or Paulo Freire's (1972) critical pedagogy. This methodology distinguishes itself from traditional research approaches in social science and general approaches of Action Research by being:

- people-centred.
- interpretative, as it discusses and uncovers power relations and the limiting factors for equity.
- linking theory with praxis.
- flexible.
- participatory.
- aimed at social transformation. (Hughes, 2001)

Being a means of putting research capabilities in the hands of deprived and disenfranchised people, the research 'subjects' themselves become an active part of the research process as they identify themselves as knowing actors: They define their reality, shape their new identity, name their history and transform their lives for themselves.

Many Action Researchers who use Emancipatory Action Research, base their work on Habermas' thinking of social transformation that is based on a framework within which social critique may be developed. (Kemmis, 1998/1993) "It is through the development of critique that the mediation of theory and practice is possible. The development of action-oriented critique has three phrases: theory, enlightenment and action." (Grundy, 1982 in Masters, 1995, p.6) Emancipated strategic action follows from the disposition of critical intent, or the passing through different stages towards conscientisation in Freire's terms. It is believed that critical intent is the disposition which motivates action and interaction at all stages of emancipatory Action Research and is particularly important in the development of the theoretical perspective which informs and underpins a project. (ibid, p.7)

The next function which Habermas distinguishes in the mediation of theory and practice is the organisation of the process of enlightenment. Here critical theorems are applied and tested in a unique manner by the initiation of processes of reflection carried out within certain groups towards which these processes have been directed. These group processes of reflection will give rise to enlightenment in the form of authentic insights and objective realities The facilitator must not attempt to direct the outcome of the deliberative process by attempting to thrust enlightenment on the participants, but must allow symmetrical communication to occur from which enlightenment will flow. (ibid, p.8)

The organisation of action is the third function which Habermas distinguishes. The organisation of enlightenment has its focus upon the past, while the organisation of action is future oriented. (ibid, p.7) The form of strategic action, resulting from enlightenment is a form of praxis. "Whereas action … was also a form of praxis, the development of 'critical theorems' and the process of enlightenment result in the true praxis for it is action which is freed from the dominating constraints of the environment." (ibid)

The essence of the Emancipatory Action Research Approach[1] is the use of a defined cycle of research, and the use of participatory methods to move closer towards 'emancipation' or 'self-directedness'. The cycle or spiral which they (researchers) describe consists of four steps: plan, act, observe and reflect. This cycle is carried out by the participants – they conceive of Action Research as something done by the clients, not something done to the clients by a researcher. The strengths of this approach are the emphasis on research which liberates those who are researched. (Dick, 1993; Goff, 2001)

It is the questions of power and Habermas' attempt to provide practical solution which makes the approach attractive in this particular context. Emancipatory Action Research has been widely used in educational circles, yet I have not been able to come across any cases where the approach was used for poverty alleviation, enterprise development and institutional learning. The strength lies in its practical implementation, while keeping the intent of discovering and transforming social structure (field) and capabilities through a process of emancipation, or conscientisation through critical dialogue in Freire's expression.

I have opted for this particular methodology, as all the four aspects required for Action Research are covered in our particular case study, while using 'self-directedness' as ideal types and outcomes of social transformation. Though I am by no means able to cover the complexity of Habermas' critical theory here and I feel that this would also exceed the purpose of this theses, the above mentioned functions that enable social transformation have been practically implemented within the MAYA ORGANIC context.

Table 8

Functions	How MAYA ORGANIC intends to address it
Generate critical intent	• Facilitation of meetings, questioning, information, (self-and group) assessments, external assessments, generating awareness
Generate authentic and objective realities	• Introducing new forms of consensus-finding through group discussions and reflective processes • Institutionalise reflection meetings on production, learning, vision, business • Group discussions, self-and group assessments • Facilitation of group processes, external observation, consolidation
Consciously different from the past/break with earlier power structure	• Introduction of new, democratic structure (group enterprises), functional groups • Facilitate meetings on inequality discrimination, different cultures and religions • Facilitation of participatory decision-making processes, strategies and outcomes

These categories are continua and not outcomes by themselves as they can assume different levels of social action dependent on the individual's and group's maturity.

1.3 How to Overcome the Limitations of Action Research

Like any other research methodologies, Action Research has limitations. I am well aware of the general critiques that Action Research and case studies seem to be limited methodologies, when it comes to rigour, validity and generalisation. (Gray, 2004) Further, Action Research is not without its problems for the researcher. The research intentionally seeks to achieve valuable goals for the research subjects and in the role of a catalyst is actively involved in the process. There is certainly a possibility that researchers may become too embroiled in the problem setting, and lose contact with their obligations to develop general knowledge about related theories.

Further, my role as external catalyst, while conducting participatory research clearly demarcates a hierarchical situation, where facilitators as well as beneficiaries might be inclined to project expected data and results while being interviewed, therefore, leading to statements biased towards the hypothesis and expected results generated.

To mitigate these limitations and ensure validity and rigour and further overcome to a certain extent, the limitations of a case study – lack of generalisation – (Gray, 2004), I have used a 4-level validation, combined with triangulation methods such as usage of multiple qualitative and quantitative data and FGDs with members, enterprises and facilitators. Further, in my function as a member of one of the senior management in the initiative, strategy meetings further critically reflected the effective impact of the initiative, given the objectively available data on: a) sales, b) production and quality reports besides the social and economic livelihood indicators of the members.

2. Research Design

2.1 Target Group

The target group comprises of the MAYA ORANIC constituency. Overall characteristics of the target group are their low-income patterns, high level of indebtedness, their informal and irregular work status as well as absence of any form of formal status/social protection. The target

group belongs to the working poor; usually earning less than minimum wage, irregular income and in the case of Hindus, belong to the category of Scheduled Caste and Tribes, or to religious minorities such as Islam. Muslims, as it is a known fact, tend to be more affected by poverty.

The target groups provides a fairly heterogeneous picture, given that MAYA ORGANIC includes multiple industries with their different particularities when it comes to gender, status of employment, work location before joining and community (religion). This further supports the validity of data and basis for certain generic conclusions.

2.1.1 Identification of Industry and Geographical Area

MAYA ORGANIC's selection of sectors was based on the assessment of predominant activities in all the 200 slums which are MAYA's working areas in and around Bangalore. Membership forms from existing cooperatives and pre-schools, representing a total of 10000 members and their families in these slums, provided family data and economic activities of all the members. The main activities identified were construction (men and women), home-based work (beedi rolling/agarbhatti rolling) and domestic work. In Ramnagaram, one of the centres for silk reeling, the main occupations were increasingly replaced by home-based beedi rolling and petty trade as the silk reeling activity underwent a major set back that was caused by China's entry of cheaper and better quality silk into the Indian market. Silk reeling activity virtually reduced from 100% to 20% and caused many reeling units to close down and created additional income insecurity to the city. Channapatna, a small town outside Bangalore and close to Ramnagaram, is a cluster for lathe work (Lacware), providing gainful work to approximately 3000 families. Being a declining industry which is fully exposed to the export market, while not having the institutional capacities to negotiate, this industry looses participants on a daily basis.

MAYA ORGANIC's target group consists of the above-mentioned workers from the particular sectors in urban and rural Bangalore and MAYA ORGANIC started the interventions in the same areas. With the exception of the Lacware sector which MAYA ORGANIC attempts to revive, all the other sectors selected by MAYA ORGANIC

are fast growing and highly labour absorbing. Construction and Garments – stitching and hand embroidery – belong to MAYA ORGANIC's dynamic and labour intensive industries in India. MAYA ORGANIC focussed on women who have basic skills in hand embroidery and either have been working as piece rate workers from home or have the basic skills to do so.

During the last 3 years, the sector teams formed group enterprises. While Woodwork initiated 2 worker-owned enterprises, the other sectors were more advanced to start collective enterprise development and institution building. The Lacware sector has initiated 7 group enterprises with 2 new groups being formed. In garments, 8 collectives were formed and started working and functioning as enterprises, while 2 more are in formation.

The study looks at the findings on basically three sub-sectors – Lacware, Garments stitching and Garments embroidery.

2.1.2 Type of Employment before Joining MAYA ORGANIC

The target group is also fairly heterogeneous when it comes to status of employment and gender (table 10). The constituency in Lacware sector comprises of

Table 9: Collective overview of MAYA ORGANIC

Sub-sectors	No. of collectives formed	Collectives in formation	Total	No. of members in collectives	No. of job workers	Total beneficiaries
Lacware	7	2	9	100	50	**150**
Garments stitching	2		2	40	20	**60**
Garments embroidery	6	2	8	100	30	130
Wood work	2	1	3	60		60
Total	17	5	22	300	100	400

Table 10: Predominant activities and status of work in researched sub-sectors prior to enrolment into MAYA ORGANIC

Sector	Location of work	Activity	Status	Payment	Sex
Lac sector	Small workshops with power-run lathes	Turning & lac application	Dependent worker, regular	Weekly	Male
	Home-based on hand lathes	Highly labour intensive turning	Independent workers	Piece rate	Male/female
	Training centre MAYA ORGANIC	Turning		Monthly stipend	Female
Garment sector stitching	Home-based	Tailors on non-electrical machines	Irregular	Piece rate	Female
	Small, job work units	Garment stitching	Irregular/ regular	Piece rate	Female
	Medium and large formal garment units	Garment stitching	Regular		
Garment sector embroidery	Home-based	Beedi/agharbatti making/garment stitching/embroidery/ hand work/packing	Casual	Piece rate	Female
	Tiny workshed of 4–5 workers	Hand embroidery/ zardosi	Irregular	Daily wages/ piece rate	Men

Source: MAYA ORGANIC membership surveys and slum assessments.

dependent workers working in small workshops under an entrepreneur, and home-based independent piece rate workers working on the hand lathe. While power run lathes are run entirely by men, hand lathes are utilised by both men and women. A group of female trainees also have been formed into a collective, previously trained by MAYA.

Garment workers have either the background of home-based tailoring, piece rate work in units or were casual workers from the formal industry. With the exception of two male embroidery groups who have a relatively high kills level, most of the women workers were low skilled embroidery workers, or had the basic embroidery skills, while working as silk reelers or were active as home-based workers in the Beedi/Agharbatti rolling industry.

2.1.3 Summary of the Target Group Engaged with MAYA ORGANIC

With some exceptions, poverty has been strongly associated with low caste and minority communities and further has been aggravated with women. Further, certain economic activities have been linked to particular castes and minority groups such as with embroidery. Given the sensitivity between communities, MAYA ORGANIC has consciously facilitated collaboration and the formation of group enterprises, including both Muslims and Hindus.

As can be summarised in table 11, the target group represents urban-rural, men-women and religion fairly evenly.

2.2 Cyclic Approach

I followed the cyclic Action Research during the 4-year period of the project; identified patterns around the aspects of group formation, institutionalisation of learning and learning towards self-directedness which

have been consolidated and will be shown in the empirical part.

Kemmis and McTaggart (1988) describe the four phases of planning, acting, observing and reflecting, following the identification of the initial thematic concern or problem. The initial cycle of these four activities leads to a second cycle in which the reflections of the previous cycle inform the plan. Dick (1993) emphasises that the two very important features of Action Research are its cyclic nature and the use of regular critical reflection. This is equivalent to what Gummesson (1991) calls the 'hermeneutic spiral', where each turn of the spiral builds on the understanding at the previous turn. It is these – the responsiveness to the situation, and the striving after real understanding – which define Action Research as a viable research strategy. (ibid: in Dick, 1993)

This key element of cyclic activity described above provides rigour. Dick (1993/2002) suggests that the way in which cyclic activity provides for rigour and thus validity, is through:

- the collection and interpretation of data in each research cycle before testing both data and interpretation in later cycles.

- seeking to disconfirm emerging interpretations in each cycle; critiquing and refining methods of reflection and action in each cycle.

- seeking out divergent data to challenge other data already collected.

- the literature providing an additional source of disconfirmatory evidence as does the process of implementing emergent changes from the Action Research.

As the approach is grounded in critical reflection, it is expected that the intervention increased awareness and

Table 11

Sub-sectors	Rural/Urban	Men/Women	Community Muslim/Hindu	Total
Lacware	150:0	90:60	80:70	150
Garment tailoring	0:60	20:40	20:40	60
Embroidery	80:50	30:100	80:50	130
Wood work	0:60	50:10	20:40	60
Total	230:180	190:210	200:200	400

information levels of facilitators and collective members about their present and their earlier experiences and life situation. Freire argues that through critical dialogue, the 'oppressed' would have to undergo different stages, from an intransitive to semi transitive towards transitive stage of conscientisation (1972). The first level relates to the status quo of people being aware of particular patterns but with problems being systemic, are not able to come up with any solutions to change the existing status quo by themselves. While at the second level, a person is able to understand, analyse a problem and follow a solution, yet not have capabilities for independent problem solving. The third stage would include analytical and problem solving capabilities where people are more empowered and become active agents towards change.[2]

Graph 5 visualises one of the aspects addressed here in this thesis – the overall learning cycle towards self-directedness. MAYA ORGANIC went through similar cycles – equality, ownership and vision building, as well as a better understanding of enrolment and the structure required for MAYA ORGANIC – in our intervention

related to the research questions. As can be seen, the role of the facilitator not only changes but also becomes less interfering with the increasing maturity level of the collective institution. Similarly, with increasing maturity of the group, the group itself will be able to address more complex problems independently, identify, analyse and find solutions to the problem by themselves. The key of the learning model is that the onus for learning increasingly is with the collective, henceforth, the collective itself increasingly knows how to learn and advance and grow to its advantage.

2.3 Research Focus

I structured my research around 3 broad processes:

- the role and learning experience of the 'external' facilitator at particular stages of intervention as one initiates/facilitates a group and hands over the entire process of institution building and business development to the group when it has matured.

- the participants themselves, who undergo various stages of learning towards their common goal, to

Graph 5: Process of learning towards self-reflection and self-directedness in MAYA ORGANIC
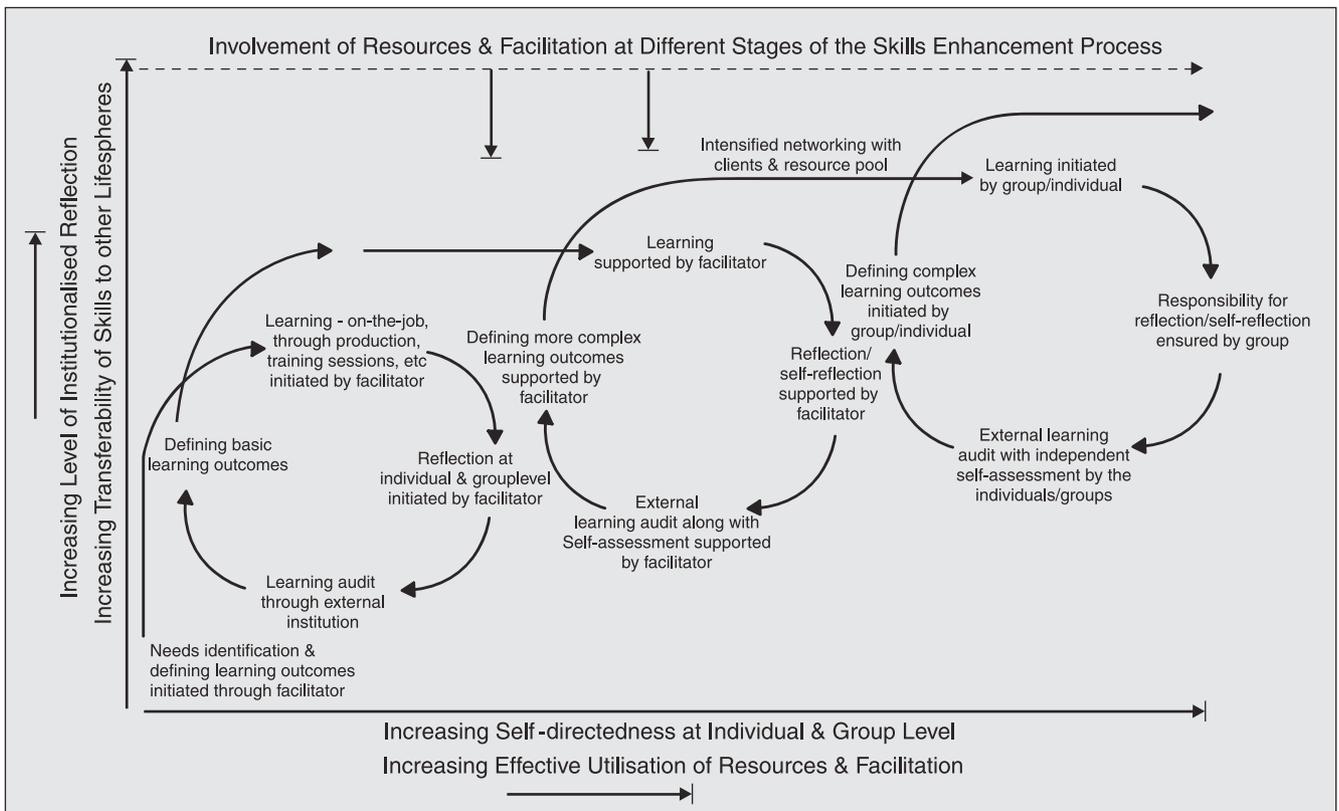
gain more control over their economic activity, their collective institution and even more importantly, their lives.

Each of the particular processes underwent several cycles of planning–action–observation–reflection. The process was highly participatory at each level. The facilitators for institution building and business development in the sectors – Garments, Embroidery and Lacware – were continuously encouraged to hold meetings with the collectives, to reflect upon production, group formation, business processes and learning (as will be shown later in the chapter) and would then consolidate their learning and share them within the teams. As facilitation itself was new to many of the staff, several meetings were held in the presence of an observer who in turn evaluated the skill levels of the facilitators with regard to facilitation and participatory approaches, as well as on the impact the meeting had on the members. Meetings and reflection on facilitation skills in the teams over the last 3 years, has only further sharpened the skills of the facilitators to take the role of a 'mirror' which basically reduces one's activity to reflection, while putting the onus of decision-making entirely on the learners.

2.4 Methods and Data Collection

In the case of the facilitators, I used focus group discussions, participatory planning, observation and feedback. Reflection meetings within the teams were also held. Additional data sources were diaries, minutes and reports. In the case of collectives and members, personal work-related diaries, learning files and assessment reports at the collective level were additional sources that contributed as sources to the research process.

This study was a joint effort between collectives, Sector staff and myself. I basically structured the documentation and made data a part of collective and individual reflection processes. Data were collected throughout the 3-year period at different levels and findings validated through focus group and reflection meetings.

During this period, MAYA ORGANIC staff has developed excellent understanding of the existing group dynamics, vision, strengths and weaknesses and individual performance over time and also sharpened their own role towards facilitation and analysis of particular situations. Similarly, collectives have realised the need for sound documentation and well functioning systems which would ensure more transparency and smoother handling of business transactions.

All the data were used in one way or the other to build capabilities in the groups and teams to attain a deeper understanding of realities and status quo of where 'we' are. The data, as will be shown, have become relevant documents that are a part of the learning institution, and henceforth contribute to the systemic aspect of learning, as they provide learning and reflection mechanisms at each level and stage of action. Making reflection a part of the system ensures the space which is required for critical thinking and questioning and opens the opportunities for further learning and self-directed decision-making.

During this period, the following methods have been used:

2.4.1 Qualitative Methods of Inquiry

Based on:

- focussed group discussions (FGD); PRAs (Participatory Rapid Assessment):

- periodic group sessions and reflection meetings, assessments (group and individuals),
    - weekly minutes of meetings on livelihood related aspects through facilitation in communication.
    - protocols/documentation made by MAYA ORGANIC Sector staff on the learning and decision-making processes within the collectives and by members of the worker's collectives.
    - diaries maintained during production and on member's learning progress.
    - self-assessment and group reflection meetings, and records of it.

2.4.2 Quantitative Methods of Data Collection and Analysis

For an initial evaluation of the MAYA ORGANIC intervention, I also collected some quantitative data. For the purpose of coverage and data validation, we undertook quantitative assessments of the ongoing interventions through standardised questionnaires which are filled out by the representatives of the collectives themselves. Quantitative surveys were undertaken at the beginning (Membership form) and after 3 years of the research phase (Impact form).

- finally, the individual learning and assessment files and group assessment and documentation provide additional quantitative data to depict the learning

Table 12: Overview of action research process in MAYA ORGANIC

	Particular process	Cycles applied till now	Methods of evaluation	Those involved
Role of facilitator	Introduce collective structure and democratic functions through reflective learning methodology	3 interconnected cycles covering ● Enrolment, ● Discussion on ideal structure for collective ● Need for horizontal leadership structure	Regular reflection meetings in team of 6 sector staff in single sectors and 3 meetings between sectors Reports and their evaluation Minutes of meetings	Researcher team
	Introduce concept of common vision and ownership for group enterprise through reflective facilitation and team building methodology.	Many short cycles in order to ● Get a sharper understanding of group and collective ● On ownership and vision ● On effective enrolment process	Regular reflection meetings in team of 6 sector staff and 3 meetings between sectors Reports and their evaluation Minutes of meetings	Researcher team
	Introduce a critical learning process, while institutionalising learning in practically all the operational spheres of the collectives	3 interconnected cycles covering ● Learning processes and group and learning outcomes ● Assessment and self-assessment as part of the intervention	Reflection meetings, assessment reports, learning process reports and their evaluation Minutes of meetings	Researcher team
	Changing role of facilitator	3 interrelated cycles in order to get a sharper understanding on facilitation	Reflection meetings Observations during Facilitation by team members	Researcher teams
Collective/ individual member	Develop understanding and refine collective functioning within collectives to ensure democratic and participative institution	Many short cycles at different stages on ● Enrolment and investment ● Vision and enterprise development ● Productions and effective functioning	Participatory planning and reflection meetings Facilitation of vision building, conflict resolution, group stability Minutes of group meetings and their decisions	Team/ researcher and collectives
	Develop vision and ownership through effective group formation	Many short cycles in order to ● Get a sharper understanding of group and collective ● Ownership and vision ● Effective enrolment process	Participatory planning and reflection meetings Vision building exercises and self assessment on group coherence	Team/ researcher and collectives
	Develop understanding and evolve capabilities of critical reflection, self-assessment and make use of these tools towards self-directedness	Many short cycles in order to ● Get a sharper understanding of group and collective ● On ownership and vision ● On effective enrolment process	Minutes of group meetings and their decisions Participatory planning and reflection meetings Self-assessment and assessments Diaries and documentation by members and groups Minutes of group meetings	Team/ researcher and collectives

trajectory of the individual as active learner and the collective as a learning institution.

- the data were not primarily collected for research purpose, but to enrol and formalise the workers and their families and get a better understanding about earlier work and their income status.

- similarly, the learning files served the purpose of enrolling members into a reflection process of where they are with the groups, their present status and where they have reached. Data, as is shown later, include socio-economic data, family related date and spending and level of indebtedness.

- latter data assessed the first-hand impact of the interventions on livelihood and household welfare after 3 years.

- production reports and assessments.

2.5 Method of Triangulation

In order to ensure optimal validation of the data generated over the research period, I applied the method of triangulation, while using qualitative and quantitative data within the given target group and validating the same through FGDs with group enterprises and their members. The process to generate patterns and steps for learning and enterprise formation is mentioned more in detail in Graph 6.

First Level Data Validation

While at the first level, individual group members are part of the learning process, with individual learning outcomes and performances, they are, as a part of the enterprise, collectively assessed and their wage pattern defined according to their performance as a) a worker and b) member/owners of the enterprise. Focus Group discussions are, besides the individual facilitation and training efforts and effective productivity/quality, data sources for analysis and learning.
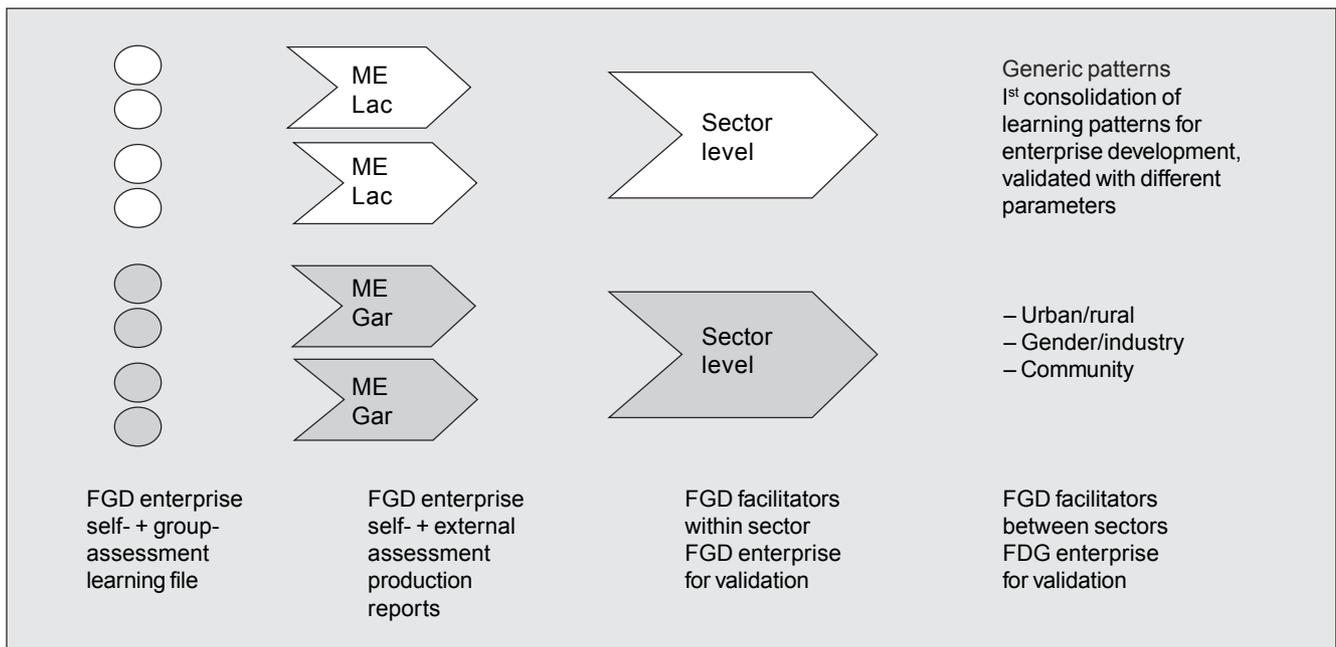
Second Level Validation

FGDs, self-assessment of group performance and validation of their performance through objective data (production outcomes, sales income, quality reports) and discussions about the level of participation of members towards increasing the health of the enterprise, further increased the level of awareness of individual members as workers/owners of the enterprise and their importance as active contributors. Facilitators identify patterns between members within group enterprises.

Third Level Validation

Facilitators identify patterns between group enterprises within a sector, while analysing performance reports and FGD findings and generate generic knowledge. Further, socio-economic data, and individual learning

Graph 6: Multiple level data consolidation, validation

progresses have been utilised to identify the impact and progress of institutions and learning on individuals and collectives. Sector teams validated findings with group enterprises.

Fourth Level Validation

Facilitators finally identified similarities and differences between the sector interventions and their performances. Diaries and minutes, assessment and learning files provided the foundation for team level reflection to consolidate after a period of 3 years the findings into a fine-tuned model, where learning, ownership and enterprise development would evolve in different levels/stages with particular milestones being set.

Qualitative data were less analysed through text analysis or in-depth qualitative analysis but more as basis for participatory focus group discussions and further reflection. A process document was generated and provides the findings of this consolidation phase, to be further discussed in the empirical part. I personally assume that this way of analysing data has given me more qualitative rigour for the findings, which went back for group reflection.

Quantitative Data

On the more quantitative data analysis side, we used membership enrolment forms as baseline information which included socio-economic information on the members at the stage of their enrolment for a descriptive comparative analysis. Similarly, data were collected after 3 years for a) first-hand impact indication on their socio-economic status and b) on skills development and savings-credit and health related aspects.

3. Validity and Reliability of Data

I am very much aware of the fact that Action Research as one qualitative research methodology rarely claims possibility for theoretical generalisation, as it stresses on internal validity rather than on objectivity and is highly contextualised and idiosyncratic. (Hampshire, 2000:202) Further, the absence of similar interventions and therefore, data make it difficult to further support the findings of the case study through methods of a broader based triangulation and hence claim general meaning.

The MAYA ORGANIC intervention itself was designed as a pilot project and further requires to be refined and tested, as it is the case for the enterprise and learning modules and learning processes in order to be scalable and replicable. This study about generating a new knowledge base, rather focusing on validity for a livelihood intervention within its given context:

- shows sustainable economic and social impact on the poor.
- is replicable.
- is scalable.
- is consolidated by the experiences made by the collectives and MAYA ORGANIC's Sector staff during this pilot intervention.

For the beneficiaries/entrepreneurs, this would include the experiences made during the entire process of engagement with MAYA ORGANIC from enrolment to phasing out and being independent enterprises. For the facilitators, the critical understanding of their role would be clarified and effectively utilised in the next phase of intervention, while using much more effective tools and means so that more impact can be generated within less time. Additionally, MAYA ORGANIC staff will be able to directly interact with at least 100–200 collective members, and reach out to much larger groups while facilitating other member-based organisations and NGOs.

It will not be possible to develop a 'generic' approach from this experience, as it is too early to claim the model to work on the basis of a relatively small sample which requires more rigorous testing. It is, however, believed that the theoretical basis for a generic approach has been generated which allows for further refinement and testing in other groups and sectors so that the findings could become more generally valid in the next phase to come.

Similarly, as findings got consolidated, while being sensitive to criteria like rural–urban, gender, communities and different sub-sectors, garment stitching, hand embroidery and lacware artisan craft, patterns and directions could be identified, enabling certain initial conclusions which are suitable for further refinement of these findings and testing at a larger scale. However, more refinement, validation and consolidation will be required for the approach to be generic.

6

EMPIRICAL PART

In this empirical part, I put the events and related issues of the fieldwork of my Action Research into a time sequence, while describing some of the cyclic processes for deeper understanding of the aspects outlined in the research questions. The events and related issues depicted here are the ones that provided for the emergence of my learning outcomes and thus my central arguments.

The choice of Construction, Lacware and Garments provided a good starting point as they represent a significant chapter of the working poor as well as the heterogeneity of the Informal Economy. MAYA ORGANIC works in different industries, rural–urban, both men and women and finally different communities. Henceforth, some first generic conclusions can be made, keeping in mind the given limitations of a case study and qualitative research methodology.

The work was indeed challenging, as MAYA ORGANIC was struggling with two critical issues: a) Human resources and b) balancing between markets and collective enterprise formation.

- **Human resources**: Over the years, MAYA, the parent NGO of MAYA ORGANIC the livelihood initiative, has been able to build a highly motivated and well-trained team that works efficiently in the areas of institution building and facilitation, community ownership, learning and empowerment. MAYA ORGANIC, however, further extended these competency requirements towards market-oriented implementation and sector-specific knowledge demands. The challenge was and still is, to broaden the cultural mindset of the Sector staff, while learning about market efficiency and functioning within the market, without loosing out on the social-developmental perspective that MAYA ORGANIC propagates. This additional burden, coupled with the pressure from the market to be professionally and technically sound in the particular sectors, has been large and fortunately eased. At least in some of the sectors, MAYA ORGANIC started to attract competent and motivated people from the industries who not only have the industrial knowledge required but also share the vision of MAYA ORGANIC and the attitude to do what it takes to make it successful.

- **Balance between market generation and production and delivery**: While at the same time, making concerted attempts towards building strong group enterprises and collective institutions was and still is another challenge. It became clear that without markets there are no collectives to be built and without collective enterprises which work as strong independent institutions, no markets can further be generated. The challenge is even higher in the case of MAYA ORGANIC which encourages particularly the most disfranchised to participate in the intervention, while the industries have the freedom to hire and fire workers if they do not perform. The conscious choice to work with the weakest of the labour market hierarchy further intensifies the pressure for real performance. This 'Catch-22' situation has become a part of day-to-day reality, yet over time could be handled more efficiently, and re-enforces the stated need for a

meta-structure (MOIPL and the sector teams) which creates the market and financial buffer for these institutions (see Chapter III).

The research questions discussed earlier are grouped into 1) institutional/structural aspects, 2) learning processes and 3) the changing role of MAYA ORGANIC and the facilitators during this 3-year pilot period. As mentioned in the methodological part, I introduced 8 processes, of which 4 processes describe the role of the facilitator and 4 cover aspects that are related to groups and individuals. The processes basically attempt to answer the research questions mentioned earlier. The analysis of these aspects provides the basis for a better understanding of the hypothesis, that there is a strong correlation between collective institutions, learning and self-directedness.

1. Processes

While for the facilitators, the findings evolved from discussions and reflection during meetings and documentation, the methods used for assessing the learning in the collectives comprised of a) group discussions and meetings, b) production/documentation and assessment results and c) several interviews held during a movie shooting on MAYA ORGANIC in December 2004.

1.1 Process: Introducing Collective Structure and Democratic Functions through Reflective Learning Methodology[1]

Enrolment: During cycle 1, the teams in all the sectors started enrolling workers into groups and started interacting with markets. The concept of collective enterprises was introduced, which for a significant share of the workers – particularly the women – seemed to be quite a known structure. They were members of MAYA's savings and credit cooperatives or were involved in other activities of MAYA. Leaders evolved and were facilitated by the Sector staff to take responsibility for planning and execution of orders. These orders were undertaken regularly, but over time it was realised that enrolment of large numbers alone through the traditional mobilisation techniques – enrolment, mobilising, formalising status – were not very effective, as the members needed to take on more responsibility within a collective enterprise. Ownership and taking responsibility are essential aspects towards working as a group. The team

noticed the lack of joint vision and coherence within the groups and noticed that workers who were used to operating as piece rate workers within a highly exploitative and competitive environment are working in the same old manner – individualised and isolated. Similarly, the consistency of the groups became a central issue for addressal, as the orders are large and MAYA ORGANIC depended on the workers for timely and quality delivery. Enrolment, as a result, became more selective and focused on members who were serious about coming together as collective enterprises.

Similarly, while the Sector staff's understanding of worker-owned enterprises was somehow an abstract expression at the beginning of the intervention, increasingly, the concept 'collective' or 'group enterprise' got clarified. Over time, the team has realised the advantage of groups working together under one roof while jointly owning, sharing resources, risks and profits. When members still hesitated to see the advantage of collective enterprise development and preferred to be employees of MAYA ORGANIC, the facilitators increasingly became aware of the limitations of an employer-employee relationship and sharpened their facilitation skills and understanding of leading a discussion for enterprise development. While earlier, MAYA ORGANIC actively enrolled members into the collective, in cycle 3, as shown in table 13, facilitators have been approached by new groups which already have enrolled members and established a joint vision towards building a collective.

Ideal Size: With regard to collective size, it was assumed that large people-owned enterprises would be effective institutions that are able to negotiate terms and conditions in the market. While large scale still matters, Sector teams over the years have gained a deeper understanding of the need for a small manageable structure which is embedded within a large network (social capital). Mass matters. Yet as mentioned earlier, unless institutions are built and basic levels of equity are ensured within the structure and they are self-managed, the initiative will not be sustainable. It was noticed that the groups would have to start as small 10–19 people units and later could merge into one unit with a representative body for several collectives which are sharing one location and running costs together so that financial viability and production efficiency are further ensured.

Table 13: Process of understanding of MAYA ORGANIC facilitators on collectives and democratic structure and outcomes at each cycle

Process	Cycle I	Cycle 2	Cycle 3
Enrolment	Large scale enrolment on basis of providing work		
		Selective enrolment of workers who are willing to work together as an enterprise which partners with MAYA ORGANIC	
			A group of workers start approaching MAYA ORGANIC, wanting to partner with MAYA ORGANIC and independently groups together as an enterprise
Collective structure ● **Size**	Large group size as applicable for savings cooperatives		
		SHG structure (10–19) as formal collective bodies and viable structure for horizontal democratic structure	
			Association of 3–4 SHGs/ federation or cooperative due to financial viability criteria
● **Leadership**	Strong leadership (selective and representational) of two/ three leaders		
		Distributed responsibility according to functional responsibility	
			Functional leaders with selected representative group leaders for conflict resolution and representation of group in markets and MAYA ORGANIC
● **Structure**	Vertical according to criteria of division of labour and responsibilities (leader-management/ supervision/worker), rotational		
		Horizontal and based on functional representation. Broad based leadership	
			Horizontal leadership structure, rotational and representational, where leaders and functional groups are accountable.

Leadership/Structure: The understanding of leadership within a horizontal structure has undergone significant changes when it comes to perception of the sector teams about authority and management and group. Horizontal structures have replaced vertical structured production systems with the introduction of functional groups, where each of the group members contribute to one functional responsibility – either production, business processes, quality, training and skills or institution building. Consequently, functional representation became a more appropriate form of leadership during cycle 2 as this horizontal organisational structure seems to be more appropriate than to artificially create clear cut distinction between workers and 'management' as it is reflected in typical Taylorist production units. Working with the functional representatives of a particular collective is shown to be very effective; and has not only contributed to more efficient functioning but also higher awareness about everybody's role for ensuring the success of the collective. Functional groups not only ensured more bottom-up quality processes but enrolled members into taking more responsibility, while producing and meeting delivery standards and timings. Finally, functional groups and responsibilities have contributed to institutionalisation of more democracy and transparency in the institution, as more members are in-charge of particular processes to make the unit work.

While functional responsibilities have been an extremely efficient tool for collective formation and broadening vision and responsibilities shared amongst at least 6–8 members within the group, MAYA ORGANIC also realised that representative leadership is essential to further motivate and realise a strong common vision within the groups towards their collective and individual advancement. Over time, Sector staff noticed – and so did the groups – that the strongest leaders would have to take on the responsibilities for conflict resolution within the groups and for representation of the same vis-à-vis clients and markets. Functional representation for institution building has become a central responsibility which the facilitators have started introducing as tools that ensure an environment that is able to address and solve conflicts in a way, where groups grow stronger and closer through such conflicts and their resolution.

1.2 Process: Introduce Concept of Common Vision and Ownership for Group Enterprise through Reflective Facilitation and Team Building Methodology and Outcomes in Each Cycle

Common Vision: From the experience of working with savings and credit cooperatives on a large scale, the concept of vision initially limited its focus to interacting with individual or particular leaders who would initiate, take forward and shape the vision of a group. It was assumed that building a strong leadership structure – and particularly building the capabilities and vision within a few leaders – would over time trickle down and impact the group. Ownership would consequently be shared by the group. During cycles 2 and 3 however, facilitators realised the complexity of building a vision in a group enterprise which is a process that needs to be actively monitored and only evolves with the maturity of the group/enterprise. It was understood that unless a vision has evolved after an initial phase, the groups will not be able to mature and move towards more coherence and the same goal. Vision needed to be institutionalised and facilitated at different levels and linked up with the process of learning and moving towards independence.

Vision also changed its content and, though it might evolve from a few leaders, will need to be shared amongst the members. This process will not happen automatically but needs facilitation and regular reflection. In cycle 3 finally, the Sector staff realised that vision is related to trust between members as a basis for a group to function together and the readiness of the members to adjust and put their personal behind the collective's interest. As the collectives are more than workplace – space for personal growth and reflection – this contributes to the vision of 'togetherness and strength in the market'. Vision has lots to do with self-confidence and conviction that the group will succeed as an enterprise. Role clarity within the group is therefore absolutely essential and a joint vision significantly increases when there are processes in place which ensure effective conflict resolution.

Ownership: is as a concept strongly linked to vision yet has been another separate aspect, which needs to be understood closer over time so that sustainable institutions are ensured. Similar to vision, ownership was assumed as an outcome of group formation and working

together under one roof, where participation and strong leadership were pre-conditions to such an outcome. However, over time, during production, it was realised that ownership is a continuum and increases at the individual and the group level along with the vision and maturity of the group as a collective enterprise. The members behaved like piece rate labourers and only some took responsibility for production and quality, while not being accountable to the group. As a first step towards ownership, MAYA ORGANIC facilitated the groups to invest Rs500–1000 of a monthly income into their enterprise. This ensured an effective filtering process of members who were serious about joining a collective and the ones who wanted to work as piece rate job workers or trainees. Though the step towards investment would not ensure ownership as an outcome, it was an effective first step towards group formation and ownership.

It was also realised that ownership would increase when workers start building a connection to the work they are doing. Being proud about work and aiming at quality not for the purpose of rejection but as a principle for professional consciousness has been identified as a key process for ownership and taking responsibility for an outcome. The well known alienation process as a consequence of standardisation of production led to the fact that workers, and particularly piece rate workers, got completely detached from any form of personal fulfilment at work as they are misused as cheap and replaceable labour. Gaining back the identity of being workers and less labourers, who have a connection with the product and the artefact one is producing, is another central aspect of ownership which also builds the spirit of a proud enterprise with its professional strength of quality and delivery.

While the cycle 2 focused on the re-establishing of a connection between the artefact and the worker through multi-skilling, rotation and group-wise discussions about the production of parts and the whole, the team worked in cycle 3 on aspects related to how such ownership would be institutionalised. Quality, as well as learning processes within functional groups would be essential additional tools. Further, as with increasing maturity of the group, their roles are clearer and ideas about finances are more transparent, hence the confidence of the groups will escalate that this collective will actually be a successful business venture.

1.3 Process: Introduce a Critical Learning Process while Institutionalising Learning in all the Operational Spheres of the Collectives and Outcomes of the Cycles

Concept of Learning: The long years of experience of MAYA working on learning and alternative forms of education with school dropouts and working children, as well as the vocational training experience has furthered a strong theoretical basis within the teams on learning. Yet the shift away from instructional learning or learning by facilitation with the given curriculum towards a modular, adult education and learning process which is linked to production and group formation has shown to be another extremely challenging area. Most of the adult learners (members) had either no schooling, or if any, they had bad experiences with schools and educational institutions, and were early dropouts. The significant number of the sample group are illiterate or semi-literate and this again posed another challenge to the team as to how to ensure learning to be effective and how workers can be open towards learning, skills development and change. Rarely attributing the right to learn to themselves or realising the relevance of the same, further complicated the institutionalisation process of learning, This had to be facilitated by sector teams as production within an organised and semi-formal environment absolutely requires systems and documentation. Quality standards, measurement processes and financial documentation have shown to be equally important for a sound functioning of the enterprise. Over time, not only the Sector teams, but also the collectives realised the relevance of such processes which ensures professionalism, and more importantly transparency within groups as it avoids unnecessary conflicts.

Cycle 2 focussed on the broader concept of learning and how learning needs to be facilitated and less instructive. The team realised the effectiveness of learning if the onus of learning lies with the members and less with the trainer. During that process, outcomes were supported and decisions facilitated at individual and group levels which further encouraged and enrolled members into the learning process. It was noticed that every member became a learner and that learning is continuous and contributes to personal growth and professional improvement, be it within groups or individuals, encompassing all spheres of life.

Table 14: Common vision, ownership for group enterprise through reflective facilitation team building methodology & outcomes at each cycle

Aspects	Cycle I	Cycle 2	Cycle 3
Common vision	Assumption that vision evolves through interaction, and is driven by few leaders (dependent on leaders)		
		Vision develops over time is a process, which comes along with ownership of the enterprise. It can be intensified with functional groups and institution building processes	
			Vision undergoes stages, being strongly linked to ● Group maturity ● Capability & openness for change ● How it moves from MAYA ORGANIC to few leaders towards broad based vision in collectives ● Role clarity & future perspective of the group ● Group understanding that collective is more than workplace. It is a place where one can grow and find ways of problem solving.
Ownership	● Ownership will evolve over time, while members are working together & sharing risks and profit. ● Ownership is assumed with increasing involvement of group in day-to-day production processes & less involvement of MAYA ORGANIC in the process		
		● Ownership starts with financial contribution – investment into group enterprise. Investment acts as filter segregating 'serious from less serious' members ● Ownership as overall concept penetrating all operational areas: quality, production, delivery, group	
			● Ownership needs to be institutionalised and can be further enhanced through functional groups, training, accountability processes and incentives from MAYA ORGANIC ● Increases with maturity of the group and the understanding of business processes.

Table 15: Institutionalised learning and facilitator's understanding of the various aspects related to this process

Aspects	Cycle I	Cycle 2	Cycle 3
Concept of learning	Instructional concept, where outcomes are set through curriculum and learning modules		
		Facilitation through individual and group learning outcomes within given context	
			Self-driven, based on critical reflection on skills and assessment results and decided by group
Concept of assessment	Assessment as a tool for student and facilitator as basis for technical growth		
		• Assessment of individuals and groups to identify learning needs and monitor learning progress • Assessment by group and individuals together with facilitators leads to higher participation and involvement towards learning • Assessment as central and transparent tool for wage setting	
			• Assessment as useful tool for institutionalisation of learning • Assessment as transparent and meritocratic tool towards ensuring equality through fair and transparent skills audit.
Concept of Self-assessment	Self-assessment as tool towards improvement of skills		
		Self-assessment as tool to ensure personal commitment towards improvement of quality and taking responsibility towards the outcome of work and product	
			Self-assessment as a process for critical self-reflection and disciplined self-monitoring and commitment towards personal growth and advancement of the group
Concept of critical thinking	Critical thinking with regard to production and learning related aspects		
		• Critical thinking and reflection for higher awareness and problem solving capabilities • Critical thinking on personal issues and status quo, emphasising soft skills	
			Critical thinking and problem solving, building the connection between personal-production and group dynamics

Concept of systemic thinking	Promoting social compliance and negotiating in the name of the informal economy		
		Understanding of industry and impact on the workforce and communities	
			People and groups act and are conditioned in a particular way which is the result of the environment they live in. The environment is not isolated and depends on the outside influence, such as industry-markets-community. MAYA ORGANIC's approach is understood as systemic intervention
Concept of institutionalised learning	Learning related to training and skills formation		
		Learning as a process of continuous improvement Learning is paramount	
			Learning needs to be institutional and environment has to be created where all reflective processes and documentation contribute to a learning environment.

During cycle 3 of reflection with the teams, the concept of learning got further refined towards the goal, linking critical reflection and questioning with the concept of learning towards self-directedness. Learning henceforth gets a critical connotation and challenges existing situations as questioning and problem solving, as well as the choice and assessment of content and direction. Learning stays with the members and not with the facilitators.

Assessment: The understanding of assessment as a tool for institution building, while providing at the same time a transparent feedback mechanism for reflection and further improvement, has evolved from a test-based feedback system in cycle 1. However, even during that period, it was utilised less as a deterministic way of measuring intelligence and absolute levels of capability but further motivated a learner to improve on the status quo. In cycle 2 however, in the absence of assessment and skills audit in the Informal Economy, assessment has been identified to be a powerful tool for groups and individuals to mirror themselves through a facilitation process and use this tool for monitoring their own performances on a periodic basis. The wage pattern and hence income are not arbitrary but transparent, as they are based on periodic assessments and encourage the

workers to continuously improve. It was also realised that assessment significantly contributes to the level of participation within the collectives and the level of ownership the groups are taking towards continuous learning and skills upgradation.

Self-Assessment: Self-assessment, in the educational circles is used as tool which encourages students to take responsibility towards the personal learning and outcomes (Boud, 1994).[2] While working with the groups, this process has shown to be another significant contribution towards self-directedness. Self-assessment as a concept has been interpreted initially as a tool to build awareness and critical understanding to the product and work, while observing the work and training products towards improvement of technical skills and productivity and therefore moving towards personal mastery or proficiency. Self-assessment has been further refined as a process to reflect on existing patterns members live in, which makes them be and act in a certain way, effecting production and work quality as well as their contribution within the group and at home. Self-assessment during cycle 3 got finally defined towards building capabilities for critical reflection, where a member understands his/her capabilities and professional and personal limitations, and is able to

reflect on it and is ready to change or might even decide to find a solution for it. It also means to take responsibility for change and do what it takes to make the change happen. Additionally, the member identifies self-assessment as a process of the self within the group, hence realising the relevance of his/her contribution to the group to lead it towards proficiency.

Concept of Critical Thinking: Similar to learning, critical thinking was introduced at the skills development level and during production. While critical thinking for the team stayed related to business and product related aspects during cycle 1, it was soon noticed that the capability to see, understand, analyse and find solutions to problems need to be contextualised and patterns need to be looked at which prevent people from thinking critically and reflect on existing shortcomings. Soft skills, hence, were emphasised and exercises introduced. These encouraged the members to take a detached look of themselves and learn how to abstract, analyse and find solutions to problems which, not only prevent from learning, but foster change and personal growth. An important step was made by the teams to move from the perspective of soft skills and critical thinking and skill or production-related reflection, to start connecting the various life worlds of groups with MAYA ORGANIC's learning environment. It was noticed how strongly they are interconnected and influencing each other. For instance, it was well observed that if members had serious problems at home, their production would be negatively affected and so would the dynamics of the groups and their performance. Exercises to build this awareness and facilitating training to de-link work from home during the day have been a process that supported the members to take on more responsibility at work and build up confidence at the workplace. The Sector staff noticed that groups which responded well to these processes and applied critical self-reflection and problem solving at work, have started applying these new capabilities equally in their daily life.

Systemic Thinking: The complexity of systemic thinking in order to analyse and find sustainable solutions to existing problems and challenges the working poor are facing within given industries and macro-realities has been critical for a sound understanding of the industries and why Informal Sector labour behaves in a particular manner. Outsourcing practices within the industry are characterised through high level of disorganisation, low level planning and high unpredictability. The absence of formal agreements between the manufacturers and suppliers created hierarchies that are re-enforcing unequal negotiation power between the parties. Irregular payment, arbitrary and unexpected price cuttings and rejection or no objective criteria are typical aspects of the industries which had to be understood and solutions to be found for this particular problem. This exploitative practice further extends towards the worker in the Informal Economy of negotiation, hence results in complete absence of any form of autonomy or self-directedness at the worker/micro enterprise level. In cycle 1 thus, understanding of the systemic problems resulted in particular negotiation with clients and evolving systems which would create more transparency and raise the negotiation power for workers through MAYA ORGANIC, while holding employers and manufacturers accountable for their commitments and promoting a bottom-up social compliance. During cycle 2, the Sector teams focused more on the typical patterns which evolved over time in the employers and workers who have been working in the Informal Economy and who were regularly exposed to the informal way of collaboration. The Sector teams noticed that a new environment needs to be created to ensure that these systemic shortcomings which influence workers' lives are addressed through a systemic intervention. An environment that is more predictable, transparent and fair – the omnipresent existence of such an environment is essential, as it ensures a space that conveys security, yet at the same time, demands performance and learning at each stage, which is tuned towards more independent and self-directed decision-making.

Institutionalised Learning: A critical aspect for reflection in the team is the concept of individual and group to understanding of an organisation where learning is systemic and paramount in all the areas of implementation. During cycle 1, learning strictly limited itself to skills formation and assessment techniques for reflection, whereas, during cycle 2, the facilitators themselves started building in reflection and learning in all the processes which contributed either to individual growth or group learning. The institutionalisation process of learning is further sharpened by the facilitators taking particular responsibilities to train functional groups, facilitate learning outcomes, work plans and monitor the same in cycle 2.

In cycle 3, the team started connecting all the aspects defining a learning organisation: structure and processes influencing each other and facilitating a certain outcome, monitoring progress, re-defining outcomes and henceforth increasing capabilities across functions within the enterprise. While horizontal structure and leadership foster ownership and joint vision, they also encourage reflection which is broad based and inclusive. Functional groups, again a structure, contribute to higher efficiency within the enterprise through specialisation, as well as to group coherence, and responsibility with increased maturity of the functional group. This is also true for assessment and self-assessment, as these processes provide transparent ways of skills auditing and encourage active participation as well as encouragement for members to grow and further improve and evolve into active learners. Critical reflection being continuous, it ensures that the onus of learning stays within the group and with the individuals. The facilitator's role to document and critically reflect and facilitate such a process hence has, though being more complex, become more manageable, as these data generated contribute to further understanding of the team for systemic institutional learning.

1.4 Process: Changing Role of Facilitator

The 3-year experience with some of the collectives and MAYA ORGANIC's intention to be able to make a large-scale impact on the industry encouraged the teams to reflect on the efficiency of human resources used for the formation of the collectives. During the initial phase, facilitators took 'charge' of 2–3 enterprises while taking the main responsibility for production, institution building, quality and learning. Multi-tasking within this fast-paced environment, where markets demand immediate delivery, has shown to be not only less effective but also time- and resource-consuming, while not contributing to the expected move of the group to start taking ownership of the processes and increasingly make MAYA ORGANIC facilitation redundant.

Resource efficiency as well as specialisation within the sector teams was therefore the main focus of cycle 2, which was accompanied with specified learning

Table 16: Changing role of facilitators during and outcomes of each cycle

	Cycle I	Cycle 2	Cycle 3
Role of facilitators	Facilitators are inducing process, give direction, are 'in-charge' of production, provide solutions and guide the collectives. Highly resource intensive and often, responsibility of one or two persons		
		Facilitation according to functional group needs; facilitation and capacity building of functional groups. Facilitators act as mirrors in all the areas (production, quality, business development, learning, etc.). Still quite resource intensive, yet more specified roles	
			Facilitators as resource persons, assessing, monitoring and taking responsibility for introducing and accompanying the enterprise development process as a service to the collective. More focus on group facilitation and conflict resolution and vision building. Less resource intensive, as selected and more specialised facilitation (professionals from the industry and facilitators for group and enterprise development)

outcomes for the facilitators to be more comfortable dealing with markets and production. Similar to the groups, team members were assigned with functional responsibilities and moved from one group to another, hence, also indicating to the collectives that they need to approach MAYA ORGANIC for facilitation and less for identifying small problems and shortcomings.[3] The role of the facilitators in cycle 2, therefore, has reduced to reflection and mirroring and not involving in day-to-day functioning. Finally, during cycle 3, when professionals from the industry started coming in, role clarity of who monitors which process led to smoother functioning, as the facilitation would be done around the core competencies of each team member in institution building. For instance, production supervisors and managers, sample developers as well as design and product development are now areas which are handled by professionals from the industry, while facilitation of institution and business development, planning and investment is taken care of by other facilitators.

The institution building and enterprise development team hence could focus more on sharpening their understanding on conflict resolution, group formation and learning.

Increasingly, external groups and NGOs started approaching MAYA ORGANIC for training and marketing. The teams realised the potential for scale through building networks with producer groups. This again redefined the role of facilitation towards becoming resource teams for enterprise and institution building. The questions which arise today are in the area of how to map institutional capabilities, assess, induce processes and monitor progresses through very selective interventions, while taking advantage of already available structures and processes that are within these groups. Refined observation and analytical skills are absolutely required for such an intervention, yet will provide powerful opportunities not only to upscale but to impact industries through the creation of a mass movement.

1.5 Process: Develop Understanding and Refine Collective Functioning within Collectives to Ensure Democratic and Participative Institutions

Enrolment: During the initial period, members were enrolled and perceived themselves as job workers-trainees who would be 'employed' by MAYA ORGANIC.

For many workers, in the absence of the collective enterprise concept, to imagine working together and starting their own enterprise was hardly imaginable and posed a serious challenge for the Lacware and Garment sector workers. While in Lacware and Embroidery sectors, enrolled workers belonged to the 'dependent' and partially bonded worker group, in Garments, many of the female members have been home-based or piece rate, rarely perceiving themselves as main bread earners and declaring themselves as 'not working'. Men in the Lacware sector, if at all, would aspire for a small unit which is a typical outcome for upward mobility: starting as a dependent worker – an independent worker–moving towards becoming a small enterprise owner who hires independent and dependent workers.

The industry is male-dominated and shows strong levels of individualised working patterns and lack of cooperation between workers. There are no modern production processes in place which somehow could contribute to joint planning (such as standardisation). Similarly, piece rate workers experienced the collective concept as a novelty which needed to be discovered over a period of time. As will be shown in the next chapter, when different milestones and maturity stages are being discussed, the groups only realised the need for enrolment when vision and ownership for the group started evolving, as it had to do with being capable to take large scale orders or being financially viable. Similarly, the groups started identifying particular needs for workers when certain competencies to run an enterprise were missing. Enrolment hence is strongly linked with the vision of the enterprise to wanting to grow and ensuring the right capability for their group enterprise.

Common Location for Learning and Empowerment: MAYA ORGANIC strongly encourages a common location as a workspace which is outside the community, as it provides the members of the collective, mostly women, access to a public space away from the domestic space. Being out of the community and having exposure to other members of the collectives, and other religions as well, was realised to be an important empowerment tool. A common workplace gives the members vital access and exposure to the outside world, different cultures, religion and stakeholders, as they meet foreigners and company representatives who come to the workplace;

and sometimes, the members are even sent to other places and companies for training. Prior to the opening of the three Garment units, workers were still locked in their traditional communities where any local leader could interfere in the daily production and control the functioning of the women. Today, both the sectors have a secular environment with almost an equal balance of Hindu and Muslim workers.

> *"The future of our group is that it should grow large… this is a low-income area in Bangalore Rural where most of the women are doing some small work from home. We were all at home previously and we did not know what is happening outside. Now that we have come out of our homes to work, at least we are more aware of things. We know about so many new things regarding work. …Now we go to these women and tell them how if they also come and work in the group (like us) even they will know more about things outside. …"*
>
> *(Interview: in Saujanya Collective, Ramnagaram, by Saiqa, Unit–in-Charge: quality, 2004)*

Picture 4: Embroidery unit in Ramnagaram

> *….The Members realised the need for one single unit being an advantage as costs can be shared for hiring a place, and to transport large quantities of garments to the city. The consequence was a significant increase in production and quality improvement. A common MAYA ORGANIC location helped the women complete and follow up on orders, co-ordinate quality checking and delivery, and improve the overall operations of their businesses. One unit which opened in early 2004, and over time the members saw that by working together in greater numbers, they were indeed able to improve their skills, increase the quantum of work, and their earnings. At the same time, logistics have become more complex and three elected leaders of the collectives have started to manage the entire unit, which has five collectives with a total of 80 women at present.*
>
> *(Source: Process document: 2005, p.53)*

Excursus: Women Collectives and Change of Gender Roles

Most collective members are from traditional backgrounds with particularly, the women not wanting to leave their homes for work. The staff and collective leaders visited many women in their homes and stressed the importance of working together in one location to upgrade their skills. They shared with each other their problems and soon discovered many were common. They supported each other to find solutions. Today, all women work 8 hours a day and have found arrangements, partially supported by MAYA's early child care programme, to combine family and work responsibility.

Further, many women enjoy having control over their own regular income and feel proud to contribute to the family income. This has been a critical change in their perception, as today, working in a public space, they have gained an identity as worker and earning member of the family.

Providing women opportunities to become actively involved in economic activities has further enabled women to even enter traditionally male-dominated crafts, as in the case of Lacware for instance.

Production and Work Sharing: On the production side, members continued with the piece rate system till they realised that for an enterprise to run effectively and efficiently, more functions need to be taken care of.

Functions had to be defined and members were trained with the result that there was significant positive impact on planning and quality.

For the garment women's collectives the shift from a piece rate worker towards a worker who is collaborating and is willing to share responsibilities was rather smooth, while it was challenging for some of the members in the Lacware sector:

> *"Before joining…. Even if either my husband or I fell ill suddenly, to go to the hospital I waited for him. That was the biggest problem. And I had to call him from work. I was not used to travelling by bus on my own and I did not know anything. … I just could not manage. … Then MAYA people told us that it might be good to get out of our homes…. Because if we stay at home things are like this… they told us to come to Gottigere. I was already a part of a cooperative in Gurupanpalya, which gave a little strength and from there I started coming here. Now, if I am told to go anywhere in Bangalore for training or anything else, I have the ability to go there and learn things and complete the work all by myself."*
>
> *(Interview: Fareeda, Cutter, Shakti Collective, Bangalore Urban, 2004)*

> *"I started working with MAYA three years ago. Before, I used to work from home and make beads for a local producer. I had a lot of financial problems and there was nobody to support us. The local producer used to pay me Rs40 a day and it was too little to run the house. After joining MAYA, my life has begun to change for the better. Now I earn about Rs100 a day and my financial problems have lessened. I am able to send my children to school and my husband respects me more. Earlier, I had no say in the family but now everybody respects me, I feel important. I am also able to save a regular amount of my income in the bank. I feel very independent and confident of myself."*
>
> *(Interview: Lakshmi, Lac Beadmaker, 25 years old, Spoorti Collective, Bangalore Rural)*

With the increasing awareness of how to run an enterprise and be aware of the financial implications resulting from lack of collaboration, the collectives appointed functional representatives for business processes, production planning–execution, quality and skills and finally for group formation. As mentioned earlier, functional groups not only provided more broad-based responsibility but also more importantly, accelerated the learning process of how to run a collective enterprise. Over time, it was realised that some members who spent significantly more time on their functions than other members, and needed to be remunerated.

> *"I have been working with MAYA for the past five years and started as a trainee. Now, I am able to earn up to Rs2000 a month. MAYA has helped me to stand on my own feet and become self-independent. My parents wanted to get me married but I wanted to work. I am now contributing towards running the family and my parents are really proud of me. I am even respected more among my relatives who initially used to say that girls should not be allowed to work. … Today, I can very confidently say that there is no difference between boys and girls, both can earn equally. …. I feel very proud and it's a very good feeling to be independent."*
>
> *(Interview: Taseen, Turner Ekta Collective, Bangalore Rural)*

As the members are taking more responsibility in production, quality and other processes, they also have to decide on the output and the productivity targets to achieve in order to be viable.

> *"Some members… do resist these processes. Therefore… All the members who initially were independent piece-rate workers actually began to 'experience' group work with the sub-groups. Sub-groups are structures that are created within larger collective groups. … When the workers get orders, they sometimes get whole product orders. In turn, these are shared among the sub-groups in the collectives…. It is seen that the members function and support each other in the production process, creating an environment of interdependency amongst the members. …*
>
> *(Source: Lacware: Process document: 2005, p.29)*

Picture 5: Stitching unit in Bangalore

Better Understanding of Members within the Group:
While working together in a group, the members started identifying strengths and weaknesses of their partners, thus contributing to their enrolment into the enterprise vision and ownership. The groups slowly realised each other's contribution and strength and identified existing resources for particular roles which they as a group monitored and redefined. For that matter, functional groups have been a very powerful tool and contributed not only to a stronger coherence of the group enterprises but to role clarity and functional responsibility of the members. The feeling of togetherness in a common place has significantly contributed to a common vision and the members' personal growth within the groups.

> *"In other garment units you are not even allowed to speak to each other. Here we work together. …. Even in tailoring, if someone does not know something they learn it from someone else….this is how we help each other. This is how work is to be done…the idea behind forming this collective group is that we are able to help each other…. So we are able to understand each other's difficulties and problems. We discuss and share each other's problems openly. ….Within the collective we are trained in such a way that we understand how one is supposed to help the other person… and we always strive to assist who ever might need that assistance."*
>
> *(Interview: Parveen Taj, Production-in-Charge, Shakti Collective, Bangalore Urban: 2004)*

Democracy and Equity: The concept of wage differentiation was, after an assessment based wage structure, a challenging process which replaced piece rate work. The women groups initially insisted that everyone would be equal within the collectives, with the same income. It was later noticed that wage differentiation would be absolutely crucial for keeping up motivation and ensuring steady ambition to move to higher levels of competencies and productivity. Wage differentiation based on assessment – soft skills and attitude, as well as the level of commitment (functional responsibility) to which the member contribute – was also seen as a useful tool for higher productivity. Members in the collectives have seen the relevance for a transparent assessment system that legitimises differentiation.

> *"If we work in a group then everyone gets help from each other and they also learn something new… if a problem comes up it can be solved within themselves…. The factors like quality and production. We have allotted these to everyone so as to make sure that not only are they made aware of these but are also taking care of these in the product. Bookkeeping…. Quality…. System… if everybody handles different things it will be easier then. If one person has to look after 90–100 people it will be very difficult to handle. So if some persons are taking care of these functions in a group then even if some problem arises it can be solved at that level only… To keep the group involved in all the aspects of this work we continuously encourage them. We encourage them to learn new things and we show interest in learning. Then they also develop an interest and within the group we delegate responsibility for bookkeeping, production, quality, etc. Then in the group they realise their responsibilities and become accountable for these different functions. Then the work gets done within the group and the group acts like a unit.*
>
> *(Interview: Saiqa, Unit-in-Charge: Quality, Saujanya Collective, Ramnagaram, 2004)*

Understanding of Leadership: The early experience with cooperatives and other production units always kept in mind the clear vertical division of labour which would separate planners, controllers and executors of work from each other. This concept, it was realised was not applicable in the collective enterprise context and the learning environment MAYA ORGANIC promotes. While taking and executing orders, the members understood

Table 17: Learning process of collectives on structural and collective aspects

	Summary of period 1	Summary of period 2	Summary of period 3
Enrolment	Enrolment of job workers based on MAYA ORGANIC's suggestion		
		Group starts enrolling members who are serious about work and want to contribute to collective. Enterprise	
			Collective identifies need for enrolment in the context of economic and functional efficiency and ensures that attitude and interest in participating in collective is maintained. Members realise the need for larger numbers as they reduce overhead costs.
Work in common location	Particularly women's group did not see the advantage of working outside their homes		
		Common location as new public space for sharing and reflection and learning, as well as more efficient and higher quality production	
			Common location as public space providing visibility and encouraging independence for members
Production and effective functioning	Production is individual and piece rate within a loose group of members		
		Production is seen within a more complex context where functions are required which have to be executed: individuals have to contribute to the over all welfare of the group	
			Members see the relevance of selecting competent members as functional leaders whom they can hold accountable.
Better understanding of members within group	Loose group of individuals who slowly build trust between each other		
		Realise each other's contribution and strength and are able to identify existing resources for particular roles	
			Functional groups contribute to role clarity
Democracy and equity	All members should earn same income/piece rate income, which clearly demarcates productivity differences		
			Productivity and skills differences are important aspects legitimising different wage levels. However,

			attitude and contribution to overall performance of collectives are equally important criteria.
Understanding of leadership	Leadership is hierarchical; and there are one or two leaders heading the group. The remaining members do not take responsibility		
		Joint leadership, where more members take responsibility for day-to-day functioning	
			Joint leadership holds leaders accountable for one's activities.

the necessity of flat hierarchical structures and horizontally structured functional responsibilities which replace the hierarchical systems that is seen for instance in the Informal Economy.

With increasing quantities and complexities of orders, finally, as mentioned in period 3, the groups decided to appoint leaders who would be paid for particular work they have been doing. Price rational and tough market requirements to ensure quality and delivery encouraged some of the groups in the Garment Sector, to appoint representatives for a group of small collective enterprises and ensure that besides the functional groups, functional representatives at unit levels would ensure optimal quality.

> *In Ramnagaram, the structure of unit-level functional groups has aided the overall production process. From the five collectives, three members were elected as unit representatives for quality, unit level production and bookkeeping. Each collective now contributes to the small additional wage each unit level functional group member is paid. The unit-level management has increased the flow of work and augmented the technical and leadership skills of the participating members. Both the collective-level and unit-level functional groups are a necessity, with each one filling a vital role in the entire process and making clear whom members would first approach with a problem.*
>
> *(Source: Process Document, 2005: p.60)*

Similar processes have been initiated in the Lacware sector where the group enterprises, which are smaller in number (10 members each), work together with mutual benefit while building either a formal producer cooperative or an association of collectives. Sourcing of material,

sharing costs for quality control and packaging, as well as finishing the products and stockkeeping not only provide a platform of critical mass to negotiate with the client but reduce the overall expenditure and contributes to the sector being more organised.

With the increased maturity of the collective, expenses for the building, payment for management (quality, production and bookkeeping management at the unit level), as well as for the Sector expenses is being covered by the turnover of the collectives. As soon as their turnover reaches that maturity level, the collectives can envisage taking over or move out of MAYA ORGANIC's training premises.

1.6 Process: Develop Vision through Effective Enterprise Formation

Collective vision for the enterprise is crucial for their sustainability. Over the period of 3 years, the intensive involvement with the groups during production and the increased focus on group formation led to more emphasis on vision building and further planning. While during the initial phase, the workers perceived themselves only

Picture 6: Training session in Channapatna

as 'employees' of MAYA ORGANIC, a collective, increasingly, as the terms of engagement between MAYA ORGANIC and the collectives got clarified, work relationship saw more clarity. The shift was particularly effective in the collectives which have never been 'trainee' collectives. As the groups got into the routine of well-organised production, where roles and functional responsibility were clear and transparent, a visible shift took place towards more ownership with a shared vision to make the collective work successfully.

> *"Now we are 25 of us and we have each invested Rs1000. Now that we have also invested here, our sense of accountability and responsibility has also increased. Because of our sense of ownership we take more interest in how we should carry forward the work because our money is also invested here. Maybe later if 50 people are there, then the investment might increase to Rs50,000 and we hope that later we will own the place and through MOIPL we will be able to take job orders directly and execute them totally on our own. This is our hope, our dream. And we are working very hard towards that goal…. Within one year we have achieved quite a lot and in the following year we are looking forward to ownership….whereby we will be able to source orders on our own…. Make the sample ready ourselves and call this our company. ...*
>
> *(Interview: Parveen Taj, Production-in-charge, Shakti Collective, Bangalore Urban: 2004)*

Similarly, there is a strong relationship between vision being driven by strong leaders and leadership being broad-based within collectives and the dynamics and drive and confidence of the group to succeed as a collective enterprise. Hence, strong leaders taking the group forward and strong functional group representatives are key for a forward-looking collective.

Similarly, as a leader from Ramnagaram states:

> *"Previously we were working from home. We were not earning well. Then we formed a small collective. At that time we were very few people…. But now we are about 80 people working in the same place. It should grow more and become larger. There are so many women who are still sitting at home without any work. We have to bring them and teach them…. We have to give them work so that they can progress and along with them we can. … Now in Ramnagaram we have one unit. It should grow into two to three units… we hope so…. Right now the orders come and we deliver… it should grow in such a manner that even they (clients) come to see our style of working so that even they keep increasing their orders to us and get work for us continuously….*
>
> *(Interview: Komala, Unit-in-charge: production, Vandana Collective, Ramnagaram, 2004)*

1.7 Process: Develop Understanding and Evolve Capabilities of Critical Reflection, Self-Assessment and make use of these Tools Towards Self-Directedness

Learning: Initially members assumed that learning would only happen through instructions either through teachers or master craftsmen within particular premises. They did not notice that learning happens everywhere and any time,

Table 18: Collective vision and enterprise development

	Cycle I	Cycle 2	Cycle 3
Vision and enterprise development	Members consider themselves as employees of MAYA ORGANIC		
		While investing and saving, collectives have built trust between each other and look forward to collective work. Similarly, they realise their strength as a group for negotiation etc.	
			Collectives, with increasing maturity in taking and executing regular orders from MAYA ORGANIC, feel confident in running the enterprise independently.

provided a learner has the capability of making a productive connection with his/her experience and knowledge. Most of the members in the collectives had learning apprehensions of either not wanting to learn or thinking that they are too old for learning. While functional skills in the Lacware sector were quite sufficient to directly go into production, the women stitching, and the lacware and embroidery groups needed to be trained. It was noticed that the openness for learning with the women's group was significantly higher and encouraging.

Many of the women groups appreciated the continuous exposure to learning, yet faced difficulties for quite some time to discipline and involve themselves as active learners in the process of learning. Expectations of instructors telling what is right and what is wrong were typical aspects instead of making use of existing self-assessment techniques and self-enquiry or active reflection with other members in the collectives. However, given the limited MAYA ORGANIC training resources, the groups slowly understand their power of learning within themselves and started taking initiative, while utilising existing training and learning opportunities.

Picture 7: Woman getting trained in hari work in Ramnagaram.

"Previously at home we were stitching only blouses and Kutras and that too when we get an order. But here we are exposed to different kinds of products and here we have new samples….We are learning to stitch these. Now we are able to teach others as well. If somebody does not know then first we see in what level we can teach them….We support them even if they make mistakes and encourage them by saying that earlier even we were like this but now have improved … we tell them we are like you, so if all of us work hard together, it will be good for us all. We encourage them like this and ensure work gets done.

(Interview: Suraya, Shakti Collective, Bangalore Urban, Sample Maker, 2004)

"For the first few months, Saiqa and Mubeena, two of the most experienced members in Ramnagaram, trained other members in the group on what they already knew. After a few months, a facilitator from Bangalore was appointed to train the women in improving quality and learning a variety of stitches. She worked with selected members in all the 6 initial collectives, who in turn passed on their training and learning to their groups' other members. The facilitator only concentrated on the various quality issues, including distance of stitches, neatness, cleanliness and appearance during her weekly visits…After a while, the embroidery collective was approached by two groups of women who wanted to get trained in embroidery. Mubeena and Saiqa decided to impart daily training to them; applying the methods they learned from the facilitator. These members for the training and assessments they have introduced paid both the trainer women. The newly trained women formed 2 collectives and work within the same premises like the first collectives.

(Source: Process Document: 2005, p.57)

"I have worked for ten years in the Garment industry. We kept doing the same work on the same machines…. What work we were given we used to finish that….After coming here we have learnt so many things, I did not know how to stitch pants and bags…. Now I know how too. When I go back home I stitch dresses nicely for my daughter also. If I have the time I can stitch for others also. …. Since I like the work here I am also more regular and do not feel the need to take leave…. Besides I also understand the work pressure here and realise the difficulty I might cause if I take leave. Earlier, when I was at the other units, I was fed up of the work and used to take leave frequently."

(Interview: Aruna, Shakti Collective, Bangalore Urban, Machine operator, 2004)

Similarly, in the stitching collective, workers realised the power of engaging themselves into a continuous learning process that focuses on standardised mass production as well as on diversity of skills.

Over time, the groups realised the omnipresence of learning and that in all operational areas there was need to be professional. Continuous reflection and attempts to find solutions not only encouraged the members in being able to solve problems by themselves but also turned them into active and alert learners, wanting to improve and develop an aspiration to exceed the existing levels towards higher skills and competencies. This interest in learning has further led to finding solutions at home whenever problems would arise and benefit the entire family.

> *"While working from home earlier the work never really interested me so much. But after joining work here I have also developed interest for the work. Now I get up early and finish all the household chores in time, send the children off to school and then come here on time for work. Besides, even the children are now going to school on time, and this has helped them also."*
>
> *(Interview: Ashrafanissa, Shakti Collective, Bangalore Urban, Machine operator, 2005)*

Assessment and Self-Assessment: is the backbone of MAYA ORGANIC's intervention, as it provides the relevant tools for reflection on the capabilities and performance of the members and the collectives. They are much more than simply an evaluation of the technical skills of the members. Group assessments consist of both reviews of past work (reflecting on the member's attitude and contribution to the collective and one's skill improvement) as well as a plan for future learning. The overall purpose of individual assessments, on the other hand, is for the establishment of a wage pattern based on assessed skill levels for personal learning and as a basis for training and work plans. Given the focus of MAYA ORGANIC on personal and group empowerment, assessment is a key method for building confidence, and fostering in the workers a desire for overall improvement and motivation to learn and become more productive. It also builds group cohesion, as the members work together to bring everyone up to a higher level of work, quality, and responsibility in order to reach higher outputs and, hence, earn more.

At the personal level, self-assessment and self-quality checking have become incorporated as part of the collective's day-to-day functioning. The workers keep diaries during the training and production process and members are continually encouraged to look at their work and assess quality. Self-assessment is crucial for the member to develop an intellectual distance to one's work and professionally judge the product being made by him/herself. A member is supported by the functional group's feedback regarding quality. It is through this learning process that the members have started taking ownership for their work and develop an understanding of why the work is good (or if it is not good, why it is not) and to think about ways to improve them. Increasingly, the members identify their learning requirements themselves along with the functional group and work out their plans regarding work.

> *"Earlier, I did not know how to reject or pass a piece. Now after training I have understood this. If there is a problem with the garment, it has been rejected then we get together in the group and discuss the problem and resolve it to ensure that the piece does not get rejected. After a discussion with everybody the problem is solved and the alteration is made and once again I do the final checking and only then the piece is dispatched."*
>
> *(Interview: Naseema, Shakti Collective, Bangalore Urban, Quality-in-Charge, 2004)*

Similarly, at the group level, MAYA ORGANIC's assessment and the self-assessment of the collectives are undertaken once in three months. Initially, the Sector teams introduced assessment as a technique and set the criteria. These criteria have however been revised over the course of MAYA ORGANIC's intervention, as the Sector teams have identified problems during production and training. The assessments aim to create a sense of ownership of, and responsibility towards the work undertaken as members reflect on their work, their learning, their improvement and their future. While the members initially equated assessment wih exams which determine the status quo of skills, today they perceive it as guidance and skills audit that basically reflects, and ensures a commitment towards further improvement.

> *The facilitators create charts for each group and assign levels from 1 (completely dependent on MAYA ORGANIC) to 10 (completely independent) for each category. The groups also grade themselves and discuss their assessment with the facilitators in a group meeting. From the assessment, they plan what they should next concentrate on in terms of training. A similar process occurs at the individual level, although an added component is peer assessment. In the post-assessment meeting, group members discuss each individual's work, including any problems, and evaluate the member's work within her or his functional group. On a group level, the facilitators lead a discussion to review the groups' last learning goal, including targets of number of members to reach a certain assessment level, and evaluate whether they have met that goal. The groups and facilitators work together to set new learning goals for both individuals and groups and fix a timeframe in which the groups should meet their next target."*
>
> *(Source: Process Document: 2005: p.58)*

1.8 Process: Change of Terms of Engagement between Groups and the MAYA ORGANIC Sector

Over the 3-year period it became increasingly clear how the Sectors had to approach new groups and individuals to form their collectives. They offer a business proposition which is fair, provides income and social and health security and a place for learning that truly benefits the workers. With the increased maturity of the group enterprises, the terms of engagement have changed towards a more business-like working relationship. The MOU is signed between the collective and MAYA ORGANIC which includes production and quality aspects, as well as terms of partnership and a clear declaration from the groups towards social compliance and continuous learning which also includes that the members do not exploit anyone in and outside the collectives, as well as a commitment from the members to send their children to school. Besides the MOU, purchase orders and documentation on production and transparent bank transactions are additional instruments that document the terms of engagement between the industries and the collectives.

Particularly, the Lacware and the older embroidery and the stitching collectives have taken more active role in independently running their units and look at the industries as a partner who only provides support as and when required. Dependency on facilitators has drastically reduced in the areas of production, but increased in the areas of documentation, business skills development, and group formation/conflict resolution. The groups, as they matured, have been confident to take orders independently and execute them according to the required standards. However, they have realised that MAYA ORGANIC's role still continues to be significant in the areas of investment and business and market development.

2. Concept of Milestones for Institution Building and Enterprise Formation

The Enterprises pass through several stages, or levels, on their learning path to become independent enterprises. Learning happens within the functional areas of business processes, production, quality, skills and training and finally group development, as well as at the individual livelihood related level. Learning is not linear but cyclical and contributes to an accelerated learning process in different areas at the same time (cross-learning) from one stage to another, if accompanied with an increased level of awareness about one's self (consciousness). Learning, as it is defined, is a continuous process where built-in space for reflection is given before, during and after production and where alternatives are encouraged for further growth in other life-related areas.

The above-mentioned differences between the industries show in the setting of milestones and stages of maturity of the collectives. Each industry is facing its own challenges. The Lacware industry for instance, has the challenge of men working together who hardly interact in the initial stages, yet at the level of skills and work culture, are to a certain extent established. Most of them started as child labourers and lack literacy and numeracy or any skill that is not directly related to turning. The challenge therefore lies in engaging them in learning and starting to take advantage of collaborating with each other.

Similar features are noticed in the embroidery men's group of the garment initiative. Women on the other hand face the challenge of low technical skills and in many ways have not been exposed to a work culture. Though

Table 19: Collective's perception on learning, assessment and self-assessment

	Period I	Period 2	Period 3
Understanding of concept of learning and resources for learning	Learning needs instructors who are present and give guidelines for skills enhancement		
		Local resources are available and can be used. Similarly, feedback and learning happens through group members where required. Learning happens from within a person and cannot be ensured through instruction.	
			Learning and reflection are central and contribute to continuous improvement and change
Assessment	Assessment is a test, an exam which determines a level		
		Assessment is another tool for learning and provides unbiased information for performance	
			Assessment is the basis for further learning and makes the members commit to define their learning outcomes and progress accordingly
Self-Assessment		As monitoring tool for own pro- or regression, encourages critical reflection and puts onus on members themselves.	
			Tool that ensures critical reflection and evolves capability to distance oneself from the work while rating the work for the workmanship.

Table 20: Changing terms of engagement with MAYA ORGANIC

	Phase I	Phase 2	Phase 3
Terms of Engagement between collectives and MAYA ORGANIC	Formalisation of each member through MAYA ORGANIC membership form. Work as job workers/trainees under MAYA ORGANIC		
		MAYA ORGANIC Sector signs MOU with collective enterprise, when members are ready to build SHG and invest	
			MAYA ORGANIC Sector out-sources work to collective, which runs own enterprise. MAYA ORGANIC Sector reduces its role to selective interventions and facilitations and to training where required MAYA ORGANIC Sector facilitates access to finance, training and health and social security.

women workers are more open to interact with each other and profit from the local learning resources available, for them working as professional teams where personality clashes are minimised and social interaction is more rationalised through formal agreements, has been one area that needs to be further emphasised.

The following chapter will discuss some of these milestones that have evolved as consolidated outcomes of team discussions between sectors and with the collectives over the last 3 years. Though the milestones and different maturity levels are still to be further consolidated and validated, they have provided useful tools for further improvements of the collective's performances. Both the sectors focused on the institutional criteria of the groups describing the maturity of the groups. The learning processes in both the sectors can be described in table 21.

3. Institutional Phases and Maturity Levels in Lacware Sector

3.1 Group Formation Phase[5]

Collectives are facilitated to formalise their status as a declared SHG after enrolment and being oriented to understand the concept of MAYA ORGANIC and the scope it offers. At the production level, they also start identifying ways of sharing work through the creation of systems and sub-structures (functional groups and smaller groups for sharing responsibility) and are oriented towards maintaining the relevant documents concerning their collective. The sub-structures support the members in experiencing group work and starting to cooperate for the completion of orders while sharing common risks and benefits. The functional groups aim at replacing the hierarchical systems of leadership. At present, collectives have identified the functional roles of quality

management, bookkeeping, skills and skills development, and production.

Collectives are oriented towards following systems and documentation connected with production and business like job cards, stock indents, purchase orders, and savings books and slowly realising their relevance. Workers get enrolled in the reflection process on their skills levels by analysing their production, using their job cards for reflection. Aspects such as speed, quality of work, ability to maintain records, and consumption of material (a skill that they use for costing) will be used for that purpose. Based on this, the workers are encouraged to develop individual and group learning plans. This, in many instances, includes plans to learn basic literacy and numeracy skills, along with the ability to produce faster and better. The members are also oriented to basic banking transactions.

The collectives are also trained to develop basic guidelines and rules concerning the functioning of their groups by way of entering into a Memorandum of Understanding (MOU) between themselves and between MAYA ORGANIC and the collective. Though the MOU is initiated at the formation stage, the complexity of the document increases as the collective progressively moves to another level.

Finally, the groups register as SHGs, thereby 'formalising' the collective through which savings are initiated and financial transaction towards the payment of the group can be made.

3.2 The Contractual Phase

Indicates the group's capacity to book and execute orders and deliver quality products quite independently. The groups enter into a dialogue with MAYA ORGANIC about pricing and delivery through formal purchase orders. The

Table 21: Phases and milestones[4]

Lacware Phases	Garments Phases
	• Enrolment
• Group formation	• Forming SHG and readiness to invest
• Contractual	• Stabilisation of group
• Investment	• Maturation of group
• Phasing out (readiness to run own company)	• Readiness to leave premises of MAYA ORGANIC
	• Readiness to run own company

Sources: Milestone overview, see annexure

collectives are supported to make a plan for their enterprises as an exercise that would facilitate more self-directedness. They are also supported to develop a formula for fair wage distribution that goes beyond basic production. As mentioned earlier, assessment includes technical, production skills as well as quality, productivity and attitudinal aspects (attendance, attitude towards collective members, taking responsibility). Groups are encouraged to understand the roles of the representative bodies or the functions clearly enough to demand accountability and transparency.

The workers are also increasingly able to analyse their monthly expenditure and develop production and business plans. The group work in a system of taking new, more complex orders acts as an incentive for learning. These processes of analysis and assessment also contribute to the development of the group and individual learning plans.

3.3 The Investment Phase

At this stage, the groups are encouraged to invest in raw materials and carry on preparations to work as collectives that are independent from MAYA ORGANIC, when it comes to execution of orders, planning, savings

and investment and running the enterprise. Discussions are held around developing a MOU between the member which clarify property rights, ensuring equity, transparency and provide guidelines for profit and loss sharing. The collectives are trained to conduct an internal audit of their books, develop business analysis procedures which support them to visualise their moving out and investing in their own machinery, location and business. During that period, the collectives have significantly improved their skills in costing by learning to calculate overheads of production. At this stage, soft skills are addressed which are directly liked to the overall benefit and welfare of the collective and their families. This could include the creation of health funds for emergencies or for their children's education.

3.4 Readiness to Move Out

The next stage emphasises the significant step towards physical independence from MAYA ORGANIC, while leaving MAYA ORGANIC's premises and setting up an own unit. The collectives will have decided whether they would want to share premises with another collective on grounds of financial viability, have accessed loans and made significant investments and savings into their unit.

Table 22: Overview of existing lacware sector collectives

Locality of collective	Present activity	Gender	Time of initiation	No. of members	Job workers	Techn. skill levels	Accum. investments (Rs)	Savings (Rs)
Nisagra	Turning & assembly	Men & women	Jan 04	10		**4**	9000	11800
Ekta	Turning	Women	Jan 04	11		**2.5**	4000	6000
Roshini	Turning	Women	Jan 04	11		**2.5**	4000	6000
Swarna	Assembly & quality checking	Men & women	May 04	9		**2.52**	4500	4000
Spoorthy	Turning assembly	Men	Sept 04	14		**3**	8000	3500
Sneha	Turning hand lathe	Men	Jan 04	7		**4**	4000	1600
Prukruthi	Turning		July 04	8		**4**	7500	4200
Small enterprises	Turning	Men	July 04	4	50	**3–4**	NA	NA
New groups	Assembly/ wood work	Women	Forming	26		**2.5**	NA	NA
Total				**100**	**50**			

Source: Process document, 2005.

Maturity Levels Reached by the Collectives

Over the last 4 years, the MAYA ORGANIC lacware industry has enrolled approximately 100 men and women into seven group enterprises. Two of the collectives comprise men, three have both men and women and two are exclusively women's collectives.[6] The oldest is the Nisarga Collective and is the highest skilled group, comprising of only men and specialising in turning on the lathe.[7] This collective has responded very well to the group enterprise concept and managed to save over Rs11800 for personal emergencies and made an initial investment of Rs7000.

Table 22 shows the profiles of each of the collectives as well as their savings, investments and earnings and skills sets. There are, on an average, ten to twelve workers in each collective, with a range of experience from virtually nothing to 25 years. Investment and saving levels differ with the period of the sector's engagement with the collective as well as with the skills levels and the maturity of the groups. Ekta and Roshini,[8] the training collectives have 11 women trainees each and were able to accumulate approx. Rs6000 savings in each of the collectives and a total of Rs4000 investments each. Swarna,[9] a small collective has specialised on assembling and turning where required and is financed by the other collectives to assemble and ensure the quality standards that are required to meet MAYA ORGANIC's quality criteria. Spoorthy,[10] a collective of men and women and specialises in pure hand turning and has integrated assembling in their functioning and started making investment in raw materials. It specialised in small beads made on the hand lathe. Located in a small village outside Channapatna, the entire village is enrolled into hand based turning. So far, the collective invested Rs8000 and has accumulated savings up to Rs3500. Prukruthi,[11] a purely male group has made investments of Rs7500 into the group and started savings of over Rs4000. Finally, Sneha[12] the youngest group, also entirely male, is in the process of establishing savings as a first step towards raw material investment and will invest Rs4000 into the collective enterprise by September of this year.

Table 23 shows the maturity levels of the groups and their actual stage where the collectives are at present. As can be seen, there seems to be a relationship between the technical skill levels of the groups, their production skills and the structural/group related levels.

Particularly, the more skilled groups such as Prukruthi, Spoorthy and Nisagra have been able to generate more income and better production outputs, and have also evolved stronger vision and functional role clarity. It can be said that in general, the groups which were formed with independent workers and not with trainees, after an initial difficult phase, have responded rather well to teamwork and functional responsibility. Where skills levels are higher, the collectives seem to respond better to production processes and systems. Reading of drawings, similarly, though a very new learning for all the groups (as most of the sampling is done based on another sample), is being done fairly independently despite some of the groups being weak on literacy and numeracy. This also indicates that learning processes need not be directly linked with the numeracy and literacy concept, though the groups actually acquire these skills directly on the job. As their financial and business plans, and other business capabilities show, Prukruthi, Spoorthy and Nisagra are not too far from their own enterprise. The training groups and the newer collectives like, Swarna and Sneha, though they have taken more time to get enrolled into the business idea, they have responded well. All the groups show a high level of role clarity and capability for functional differentiation.

First Hand Impact on Skills Level

It was mentioned earlier that the Lacware industry, being a craft and traditional industry was increasingly absorbed by the international export market for the production of simple standardised products within a limited range of two or three products. The industry hence has faced the problem of de-skilling and cut throat price competition, in the long run resulting in a high drop out rate of artisans opting for other forms of work. Slowly, over the last 4 years, however, the design input of MAYA ORGANIC and the attractiveness of the products in the market have brought back a certain interest in the cluster to re-look at quality and product diversification.[13]

As in table 24, the learning impact on the collectives with regard to skill diversification has been significant and does not limit itself to the technical skills that prevent so many Informal Sector workers from skills upgradation and professional growth or from effectively negotiating with markets. Besides accounts and basic business and production skills, numeracy and literacy training has been an important learning input during this period, specially

Table 23: Maturity levels of already formed collectives in lacware sector

Locality	Structure/Group						Training/Skills			Production		Business process			Quality	Overall
	Functional role clarity	Vision	Leader-ship	Team	Conflict resolving capability	MOU	Enrolm. in learning	Literacy & numeracy	Reading of drawings	Sample develop.	Execution of orders	Costing	Systems/ docum.	Financ. planning		
Nisagra	3.5	3	3	3.5	3.5	2.5	3	1	2.5	3	3	3.5	3	3.5	3.5	3
Ekta	3.5	2	2	2.5	2.5	2	2	2.5	2	1	2	2	2.5	2	2.5	2
Roshini	3.5	2	2	2.5	2.5	2	2	2.5	2	1	2	2	2.5	2	2.5	2
Swarna	3.5	2	2	2	1	2	2.5	2	1	2.5	2.5	2	1	2.5	2	2
Spoorthy	3.5	3.5	2.5	3.5	3	2.5	3	2	2	3.5	2.5	3.5	1.5	3	3.5	3.5
Sneha	2.5	1	2	2	2	1	2	1	2	2	2	2	1.5	2	2.5	2
Prukruthi	3.5	2	3	2.5	2	3	3	2	3	3.5	3	3.5	2.5	3.5	3.5	3

Note: Rating is done assuming that there are 4 levels till the groups are ready to independently function as an enterprise and move out of MAYA ORGANIC's premises.
Source: FGD with facilitators and collectives: see Process document 2005
Note: Values in this table indicate an average level that is related to the phases discussed earlier.

Table 24: Tentative impact on technical skills

	Type of products made before joining	Type of products made after joining	Additional skills acquired
Nisagra	Napkin rings	25	• 20% of the members maintain books • 80% of them can produce referring to drawings • 50% are able to make new samples
Ekta	Small beads and no application of colours	12	• 40% of the members are able to maintain records • 50% of the members are able to make samples
Roshini	Small beads and no application of colours	12	• 40% of the members are able to maintain records • 50% of the members are able to make samples
Swarna	Assembling and quality checking		• 30% of the members in the group maintain books • 80% of the members assemble all products • Majority of them are able to cost and have banking skill
Spoorthy	Beads	Key chains, turning, assembling Learn to work on power lathe	• 40% of the members are able to maintain books • All members in the team know costing • All have banking skill
Sneha	Napkin rings	5	• 20% of the members are able to maintain books • Are not yet involved in sample development
Prukruthi	Napkin rings	12	• 30% of the members are able to maintain books • 70% of the members skill of turning by referring drawings • 30% of the members are able to make new samples

Source: Sector notes, process document and collective notes

with bookkeeping and documentation requiring well-versed competencies.

The overall impact on skills that are related to the Lacware business is shown in the table 25. All the collectives have diversified their skills range during MAYA ORGANIC's involvement, at different paces. More skilled and experienced groups as expected could diversify easier, yet there are again different levels of openness towards learning, as some of the variations the table suggest. While Nisagra responded very well in all the learning areas and has the technical capabilities to produce a variety of 25 products, is able to read and copy drawings or sample making, the equally experienced group like Prukruthi shows much less skills diversification, yet again more than Sneha. Enterprises which enrol themselves into the learning process and share a common vision towards collectives, perform higher in production, and are also more skilled in business development.

First Hand Impact on Income Levels

As mentioned earlier, the electricity and raw material problems in Channapatna aggravated the financial viability of the Lacware industry. Daily, extensive power cuts for 2–3 hrs and lack of quality and seasoned wood available significantly impact the work flow, forcing turners to work for more than 10 hrs a day and earning, as skilled workers just around the minimum wage, if at all. The purchases of generators and material stock purchases by the Lacware sector led to significant income changes in the collectives, as the lost working hours could not only be productively used but also better quality of materials led to higher quality output and productivity. The impact on income however is expected to be even higher with the collectives getting more quality conscious and having more diversified skills to quickly adjust to design changes. As shown in table 25, particularly, the skilled groups showed a significant improvement in the average monthly income. Undoubtedly, the technically lower skilled groups will move towards the same income levels as soon as their technical and operational skills are more developed.

First Hand Impact on Health and Welfare of Members and their Families

The low health and safety awareness of the workers and entrepreneurs is but another characteristic of the entire informal industry. Lighting, ventilation and noise are the main factors affecting workers at their workplace, causing occupational health problems. Occupation related illnesses such as asthma, eyesight problems as well as muscular problems from turning, have been identified as clear occupational hazards in the industry.

MAYA ORGANIC is addressing low health awareness at the workplaces and the workers' low nutritional knowledge. Training on nutrition, ergonomics, housekeeping and occupational issues have been introduced and have shown significant progress. With the health status of the members improving currently, absenteeism has reduced, resulting in productivity levels escalating.

MAYA ORGANIC has enrolled all members with their family into a health insurance scheme, where basic

Table 25: Changing income levels

Locality	Work status earlier	Average income levels before joining (Rs)	Average income levels after joining (Rs)
Nisagra	Regular yet production interrupted by power cuts (2–3 hrs/day)	1800	3000
Ekta	Trainees	600	1500
Roshini	Trainees	600	1500
Swarna	Regular yet production interrupted by power cuts (2–3 hrs/day)	600	1800
Sneha	Regular	2000	3000
Spoorthy	Regular yet production interrupted by power cuts (2–3 hrs/day)	1000	2000
Prukruthi	Regular yet production interrupted by power cuts (2–3 hrs /day)	1800	3000

Source: Process document and collective notes

health care is financed and cashless. It is expected that with this insurance, health emergencies which often result in financial problems, can be eased for the workers and their families.

Overall Impact on Group Enterprises in the Lacware Sector

A significant outcome, indicative of the progress of the group enterprises, has been the overall shift towards collective production, profit sharing and the development of amicable relationships within the groups. The beginning of joint planning for the future course as worker owned enterprises are other achievements. Working as collectives has ensured that greater attention is paid to the co-ordination of production and timely execution and quality, resulting in the doubling of production capacities. The work quality has significantly improved and the complexity of orders has increased. For instance, while earlier, turning of napkin rings and low quality products was the production reality, today, orders vary according to the product range provided by MOIPL. Product diversification initiated skills diversification and the systems introduced by MOIPL encouraged workers to start reading and following product dimensions and drawings and taking orders in a systematic way. Templates introduced provided further tools for quality assurance and self-confidence to the groups to produce professionally with minimal rejections, hence, minimal financial losses.

Workers have also begun to invest and initiate steps towards functioning as independent group enterprises. The definite terms of engagement between the enterprise and MAYA ORGANIC industries at the time when the groups are ready to move out are being worked out during the next phase.

The big challenge for the next phase is the identification of the right structure and size of the groups to ensure financial viability. The type of structure will significantly influence the functioning of the group enterprises and their sustainability as well as their dependency on the sector– whether group enterprises will build an association or federate into a producer company with the structure of a cooperative. A larger structure will be able to form representative leadership positions and be a platform to negotiate in the interest of the groups with the markets and Governments, be it for sourcing of material, infrastructure or orders.

In addition to the group enterprises, the Lacware sector has increasingly interacted with existing micro enterprises which are open to increase workforce participation and introduce a bottom up social compliance process within their enterprises. The sector also looks at other terms of engagement by working with existing enterprises and building up skills as well as business practices so that the enterprises evolve the skills required to effectively negotiate in the market. Exploring such alternatives will have the opportunities to represent the industry in a more inclusive way in the market as the network of groups will become larger and hence there is scope for impact on the sectoras a whole.

4. Institutional Phases and Maturity Levels in Garment Sector

4.1 Enrolment/Initiation of Group

While signing a membership form, members are enrolled as trainees-cum-workers in MAYA ORGANIC's intervention of collective enterprise development. During the enrolment phase, they begin to learn about MAYA ORGANIC's systems and rules, start getting trained in basic technical skills and get involved in a continuous learning process as well as simple production. Crucial for this phase is the establishing of a work culture where members take responsibility for their attendance, punctuality and reliability. At the end of this phase, the members have a better understanding of them functioning as a group and see the advantage of working together as a group under one roof. A certain level of trust has evolved and the workers perceive themselves as individuals within a group where they start taking on functional group responsibilities. The other milestone is that the group commits to financial investment and formation of their status as a collective enterprise which indicates a first step towards taking ownership for their collective. They take on more responsibilities and even run simple productions independently, yet still predominantly perceive themselves as piece rate job workers. Yet, MAYA ORGANIC at this stage takes on entirely the responsibility for quality and production related aspects.

4.2 Formalisation Phase

Leaders are identified who represent the group (SHG) as formal identity for bank and business transactions. A rulebook is made as a binding document for the

members to be followed and respected. Functional groups are further strengthened and contribute to the deeper understanding of a group enterprise and business as such. During that period, the MAYA ORGANIC Garment Sector enters into an MOU with the collective which re-enforces the commitment from the group towards learning and democratic, transparent functioning that contributes to all the workers associated with the collective. First orders are being outsourced to the collective. By the end of this period, at least 50% of the members have invested and share a vision towards the collective enterprise.

4.3 Stabilisation Phase

Membership in the collective is getting stabilised and all members have invested into the collective. The collectives have experienced the advantage of careful selective enrolment of new members and have built a strong horizontal leadership structure. The vision of MAYA ORGANIC within the collective is actively taken forward by at least 50% of the members. Wage patterns are defined and members and groups assessed, which further enrols the members into continuous learning and ensures a transparent way of financial transaction within the members and sharpens the terms of engagement with the MAYA ORGANIC Garment Sector. The members have greatly increased responsibilities in production and are able to execute simple orders, independently, by making adequate quotes, planning the production and delivering good quality in time. The collectives, at that stage, have started defining their own learning outcomes and making use of local learning resources. All members have reached a minimal technical skills level which ensures them the shift from the status of a trainee to a full-fledged worker.

4.4 Maturation Phase

In Level 4, the collective is advanced both in terms of skills and level of independence and self-reliance. They take large and more complex orders and are able to manage and execute them at group as well as the unit level. On the production side, rejection has decreased towards lower percentage than market average. On the business development side, the groups are getting closer to market realities and are capable to quote market adequate rates and pricing.

During that period, the collectives understand and are capable to assess and define rules, and function according to their requirements and will also allocate existing human resources according to the effective individual competencies in the interest of the group enterprise. The strongly shared vision reflects in regularity as well as high group stability. The collective has established well functioning conflict resolution mechanisms which are followed. Besides, role clarity, wage patterns and payment structures, as well as rules for profit sharing are clear. They have started private savings and health insurance. Some re-investment into working tools and machinery is made.

Financial viability is a central factor to the groups' competency at that stage. The groups have the capacity to cover, initially a part, but increasingly the running costs and expenses of the MAYA ORGANIC Garment Sector. On the learning side, the group enterprises have developed the capabilities to learn and start being aware of their own drawbacks and strengths.

MAYA ORGANIC's sector role will be limited to conducting formal assessment and to marketing but will be increasingly engaged with the collectives when it comes to facilitation of conflicts, profit distribution and vision building, as well as preparing the group for independence and starting their company outside MAYA ORGANIC's training premises.

4.5 Readiness to Run Own Enterprise

This is the stage where the collectives have not only developed professional competencies in executing production, business processes and quality, but are clearly envisaging themselves running an independent enterprise. By that time, business and financial viability plans have been developed and financial institutions or Government is approached for financial or infrastructural support. The group enterprises are aware of their need to move towards financial viability and have made decisions about how they are going to function: by taking up workshops as one single collective or building a higher-level structure at a unit level where collectives share their overheads and responsibilities so that running costs are minimised. By then, their rules and terms of engagement between each other are clearly defined and transparent and functional.

The terms of engagement at that stage is clearly defined as client-producer partnership and the collectives will pay for whatever additional support they would require. As a part of the long term MOU, sector teams will take care of assessments and skills audits, identifying resource persons for further training processes and facilitate group processes where required. The collectives, as a part of the MAYA ORGANIC network will also benefit from easier access to large material sourcing and finances and welfare support that is accessible to MAYA ORGANIC, which represents a large number of Informal Sector workers.

Status quo of the Garments Collectives

Over the period of 4 years, the MAYA ORGANIC Garment initiative, together with local women leaders, identified and enrolled a total of 200 women who were engaged in hand embroidery and other forms of 'hand work' in addition to those who did home-based stitching or dropped out

from garment factories. In Ramnagaram, a silk-reeling cluster, where employment generation has decreased to almost zero over the last few years, MAYA ORGANIC has enrolled 100 women and built women collectives. Their basic skills were hand embroidery and low-skilled hand work. As shown in table 26, 10 collectives were formed or are being formed into group owned enterprises and registered as SHGs. The average size of the groups is around 15 members per collective; this excludes the 3–4 job workers who mostly are getting enrolled as members into the collectives or, at a later stage, form their own enterprises. The four collectives, Saujanya, Spoorthy, Chandana and Vandana form a production unit in Ramnagaram. All these groups are women's groups and specialise in hand embroidery and any form of hand work on fabrics and garments, and now are increasingly gaining skills on the frames as the male embroidery professionals are doing. The other two production centres of MAYA ORGANIC, Mysore Road and Gottigere, provide

Table 26: Overview of existing garment sector collectives

Locality of Collective	Present activity	Time of initiation	No of members	No. of job workers	Tech. skills levels	Accum. investments (Rs)	Savings (Rs)
Saujanya, Ramnagaram	Hand embroidery Hari work	August 2003	17	5+	3–3.5	7000	Yet to start
Spoorthy, Ramnagaram	Hand embroidery Hari work	August 2003	13	5+	3–3.5	6500	Yet to start
Chandana, Ramnagaram	Hand embroidery Hari work	October 2003	13	5+	3+	5000	Yet to start
Vandana, Ramnagaram	Hand embroidery	October 2003	15	5+	3–3.5	7000	7500
Deepa, Mysore road	Hand embroidery	June 2004	15	10	2.5	5000	6500
Meithry, Gottigere	Hand embroidery	July 2004	15	10	3	7500	2000
Gottigere (2)	Finishing unit	Jan 2005 forming	11	10	2.5		
Shakti, Gottigere	Stitching	December 2003	19		3–4	15000	5000
Gottigere 2 (stitching 2)	Stitching	Jan 2005	15		3		
Male collective	Hari work	May 2005	10	10	4–5	Yet to start	Yet to start
Total	10 collectives		130	60			

Source: Process document, 2005, Garment sector data.

work and training place for a total of 6 collectives, while the men's collective works from their own premises. Mysore Road accommodates embroidery collectives with 1 registered collective and another collective in formation, while Gottigere is an industrial learning centre for stitching, cutting, finishing and embroidery. Shakti, the stitching collective is about to split into 2 stitching collectives. So will Meithry, of which one has specialised in embroidery and the other one is specialising in finishing processes of garment making (buttonholing, trimming, final quality checking, ironing and packing).

Till now, 8 collectives have made investments of Rs500–1,000 per person, opened a bank account and signed a MOU with MAYA ORGANIC Garment Sector. As can be seen from table 26, total investment made by the collectives range from Rs5000 to 15000 per group. This provides the basis for further accumulation of capital. All the groups started monthly savings and keep aside some money for emergency related transactions and buffer finances for the members involved.

Maturity Levels reached by the Collectives

The collectives, over this period have reached different maturity levels, reasons being different skills sets, group vision or the age of the group. Another challenge faced by the intervention was to get regular work, and this has in various cases affected the stability of the groups. Table 27 summarises the status quo of the collective with regard to their structure, vision, business and production skills, referring to the different phases groups undergo.

As can be seen, particularly the older groups have gone through significant learning processes in all the areas –business process, production, learning quality and group formation. Similarly, younger groups which have recently joined, are catching up at the production side, yet need strong facilitation on vision building and structural aspects as well as business development. Overall, the groups responded very well to aspects related to planning and executing production, as well as bookkeeping and systems, and see the advantage of horizontal leadership and distribution of responsibility within the groups. On the costing side, particularly the Ramnagaram groups have developed professional skills in adequate pricing and started contributing to the financial overheads of MAYA ORGANIC. As costing in embroidery is

significantly less complex than stitching, this explains that the stitching collective is still weak on the business and financial side, despite strong leadership structures and role clarity. Further, all the collectives need to pay attention to quality improvement.

With regard to training, all the groups have responded well to learning as such, yet still require more facilitation from MAYA ORGANIC; less in the identification of learning outcomes and learning needs than in the monitoring and identification of learning resources and self-assessment tools for personal monitoring. However, all the groups keenly apply the tools suggested by professionals and feel personally encouraged to continuously improve.

The table also reflects that over time, quite a few groups were able to stabilise their collective size and enrol new members into the collective enterprise. Horizontal functioning where leadership is jointly taken care of and driven by a few leaders, instead of one taking the vision forward, is further indicating a more inclusive and participative structure (levels 3–4).

The overall average of group maturity levels indicates that particularly the older groups have reached the stabilisation phase and are moving, as the strong higher group indications show, towards maturation phase. The matrix provides a useful tool for discussion with the groups to focus their learning efforts towards their weaknesses. The Ramnagaram Collectives, for instance, would require quality related training, exposure visits and processes which ensure intensified quality control and assurance, while all the groups in Gottigere (stitching, finishing and embroidery) further require strong inputs on the technical skills level as well as in costing and financial calculations, to ensure the institutional growth and maturity level that is required to become independent.

The challenge with the male group will be to further enrol them into the learning process so that at all levels, the group has the capabilities to meet the market requirements. So far, most of their work was surrounded by technical skills and capabilities, while costing and business negotiations were ad-hoc and business negotiation were in no way protecting workers from exploitation. Catching up with quality processes, documentation and accounting skills are, the key aspects of intervention in the months to come.

Table 27: Maturity levels of already formed collectives in garment sector

Name of collective	Structure/Group				Training		Production		Business processes		Quality		Overall level
	Functional role clarity	Vision	Stability of group	Leader-ship	Attitude towards training	Ability to identify learning outcomes	Pre-production	Execution of production	Costing and financial planning	Financial viability	Rejection/quality	Overall quality	
Saujanya, Ramnagaram	4	3.5	3.5	4	3	3	3.5	3.5	3	4	2.5	2.5	3.3
Spoorthy, Ramnagaram	3	3	3	3	3	3	3	3	3	3	2.5	2.5	2.9
Chandana, Ramnagaram	3	3	3	3	3.5	3	3	3	3	4	2.5	2.5	3
Vandana, Ramnagaram	4	3.5	4.	4	3.5	3	3.5	3.5	3	4	3	3	3.5
Deepa, Mysore road	2.5	2.5	2.5	2.5	3	2.5	3	3	2.5	2..5	3	3	2.7
Meithry, Gottigere	3	3	3.5	3	3	3	3	3	2.5	2.5	3	3	3
Gottigere, (2) stitching	2	2	2	2	2	2	3	3	2	2	2.5	2.5	2.3
Shakti, stitching Gottigere	4	4	3.5	4	3.5	3.5	2.5	3	2.5	2.5	2.5	2.5	3.2
Gottigere 2 (stitching 2)	3	2	2	2.5	3	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Male collective	1	1	3	1	1	1	4	4	3	4	4	4	2.6
APD	1	1	3	1	3	1	2	2	1	1	2	2	1.7
Mysore road unit 2	1	2	2	2	2	2	3	3	1	3	3	3	2.5

Level 1 would be completely dependent on MAYA ORGANIC, while level 6 is completely independent from MAYA ORGANIC. MAYA ORGANIC would envisage that at level 4 and 5, collectives would start their own units, and take completely independent orders, process them and take care of their finances.
Source: FGD with facilitators and collectives, process document, 2005
Note: Values in this table indicate an average level that is related to the phases discussed earlier.

First-Hand Impact of MAYA ORGANIC's Intervention on Informal Sector Garment Workers

Though it is difficult at that stage to conduct an impact assessment, given the short period of the intervention, there are some indications from the collective members which assure that the approach has induced a change in these people's and their families' lives.

First-Hand Impact on Technical Skills

There is no doubt that all the collectives have significantly increased their technical skills. Though the women were working as home-based workers or piece rate tailors earlier, their finishing, quality, skills diversity and speed have overall improved from trainee status to solid worker status. All the embroidery workers have diversified their skills from doing simple hand embroidery to a range of embroidery stitches (30), to hand button making and started working on the otherwise male dominated kargha frames which not only led them to accessing new products but entering into a higher value-added and more skilled market.

As can be seen from table 27, the older groups have skills sets that are equivalent to a semi-skilled to skilled worker (level 3). Particularly two of the Ramnagaram groups, Sajuanya and Spoorthy have been involved in higher end work for the last 12 months, leading to regular and better fetching returns and incomes than simple mass embroidery. It is easy to observe that with increased experience and training, the embroidery groups have been able to adjust to each order much faster than at the time of joining. There were instances where the women's groups took 1 month to prepare a large-scale order. Today, most of the orders are prepared and reach the required productivity levels within 2–3 days at maximum.

Some of the groups did not bring in any hand embroidery experience but have worked as home-based tailors or as Beedi or Agharbatti rollers. Their capability of learning from other groups and catching up with most of the skills required for professional hand work was impressive, particularly in Ramnagaram, where groups hired women as trainers to teach them all the stitches and work-related skills these groups acquired during their interaction with MAYA ORGANIC.

The stitching and finishing collectives, as the quotes indicate in the earlier chapters, have similarly been able to diversify their technical skill sets, making them not only more versatile workers but also more interested and

adjustable workers. Each of the tailors has reached a skills level, where she understands all the processes of making a garment and realises that she can execute all the processes if she involves herself actively into the training process. The transparent assessment criteria have contributed to the understanding that to reach a certain level, certain skills sets need to be achieved to a satisfactory level. Speed and quality are for that matter central feedback indicators. Similarly, on the finishing side, the members realise the financially lucrative business that comes along with specialising and providing additional services to the market such as hemming, final checking, button fixing, trimming and ironing/packaging. The group, however, is still young and yet, many members clearly indicate their interest to further increase their skills sets.

The male group, though highly skilled technically had problems with finish, tracing and consistency of work to tackle, besides lacking any basic business skills. The short interaction MAYA ORGANIC had with the group already indicates significant improvement in how to process orders, how to trace and how to self-assess the aspects related to good quality work.

First-Hand Impact on Income Levels

As shown in table 29, all the collectives have been able to increase their income by at least 100–200%, as they had access to more regular and better paid work that was marketed and negotiated through MAYA ORGANIC. Though the target of full-time orders throughout the month has yet to be reached, income security has improved. It is the women in particular who have faced a significant income increase which is of course also a result of training and regular skills enhancement. Incomes are distributed according to skills and productivity levels and hence differ within the groups. This explains the significantly higher income levels of the male hari workers. Their long-years of experience as well-trained workers ensures them more than double the income the women workers have been able to generate so far. We should however not forget that all the male workers started work as boys and have been in this activity for the last 15–20 years.

First-Hand Impact on Health and Welfare of Members and their Families

A central focus of MAYA ORGANIC is a holistic approach towards health and social security access

Table 28: First hand assessment for technical skills

Collective name	Technical skills sets before joining	Adjustment speed to orders on average at moment of joining	Technical skills sets today	Adjustment speed to orders on average
Saujanya, Ramnagaram	Basic bead work skills, Basic hari skills (on small wooden hand frames)	Very slow: 5–6 days for each orders	Higher speed and quality Hand buttons/other hand works Hari work experience	1–2 days
Spoorthy, Ramnagaram	– " –	– " –	– " –	– " –
Chandana, Ramnagaram	Nil	Nil	– " –	– " –
Vandana, Ramnagaram	Nil	Nil	– " –	– " –
Deepa, Mysore road	Basic bead work skills, Basic hari skills (on small wooden hand frames)	Very slow: 5–6 days for each orders	– " –	– " –
Mysore road (2)	Basic bead work skills, Basic hari skills (on small wooden hand frames)	Very slow: 5–6 days for each orders	– " –	– " –
Meithry, Gottigere	Nil	Nil	– " –	– " –
Gottigere, finishing unit	Nil	Nil	Basic skills in finishing	
Shakti, Gottigere, stitching	Low skills level, specialised, slow, low quality	2–3 days	Diversified skill sets, members have more complex understanding of products	1 day
Gottigere, stitching (2)	Low skills level, specialised, slow, low quality	2–3 days	Better finish and quality, more diversified skill set	
Men's group	Versatile skill sets yet poor quality finish		Quality aspects improved, finish, tracing, marking improved	

Source: Process document and collective notes, assessment results

for the workers, while ensuring occupational safety and health measures, good lighting, ventilation and spacious places at the work.

MAYA ORGANIC noticed the low health status of the workers, their poor nutrition levels and high risk towards health related crisis within the families.[14] Practically all the women were anaemic, many of them suffered from poor eyesight and low blood pressure. Over the last 10 months, MAYA ORGANIC has organised regular health check-ups in Gottigere, eye camps and seminars for higher awareness of the workers about reproductive health and general health and nutrition. The health initiative has further been implemented in all the collectives. Glasses for women with poor eyesight were provided, and where required, supplementary food and medication given at subsidised rates. MAYA ORGANIC has already signed an MOU with a health insurance company, where all the family members are covered under the insurance and are entitled to cashless services. Though it is too early at this stage to draw any conclusions on the impact of work on the health status of the members, there are indications of improved health, as absenteeism is significantly lower now than it was the case earlier and even less than in average garment factories.

Table 29: Income changes during MAYA ORGANIC partnership

Collective name	No. of working days earlier	Average income levels before joining	Average income levels after joining
Saujanya, Ramnagaram	Irregular; 10–15 days/month	Rs500–800/month	Appx. 15–20 days: Rs1500–2500
Spoorthy, Ramnagaram	Irregular; 10–15 days/month	Rs500–800/month	Appx. 15–20 days: Rs1500–2000
Chandana, Ramnagaram	Irregular; 10–15 days/month	Rs500–800/month	Appx. 15–20 days: Rs1500–2500
Vandana, Ramnagaram	Irregular; 10–15 days/month	Rs500–800/month	Appx. 15–20 days: Rs1500–2500
Deepa, Mysore road	10–15 days/month/piece rate	Rs500–800/month	Appx. 15–20 days: Rs1000–1500
Mysore road II	Irregular; 5–10 days/month	Rs500–800/month	Appx. 15–20 days: Rs1000–1500
Meithry, Gottigere	None	Nil	Appx. 20 days: Rs1500–2000
Gottigere, finishing unit	None	Nil	Appx. 20 days: Rs1500–2000
Shakti, Gottigere, stitching	Irregular; 15–20 days/month	Rs1000–1200/month	Appx. 20–25 days: Rs2000–2600
Gottigere, stitching II	Irregular; 5–10 days/month	Rs1000–1200/month	Appx. 20–25 days: Rs1800–2200
Men's group	Irregular; 15 days/month	Rs3000–4000/month	Appx. 20 days: Rs4000–5000

Source: Payment data, process document

First-Hand Impact on Family related Aspects

Sharing of responsibilities at home: Regular soft skills sessions with the women groups on attitude, reliability, punctuality or on their status as working women within the community and family, have shown to be very effective for the women who initiated discussions and re-negotiated role responsibilities at home.[15]

Though not all the members, many received active support from their family members to share the household responsibilities in the mornings and evenings. Most of the women found solutions which eased their double burden and contributed to their capability to be on time and be regular in attendance.

> *"The idea behind forming this collective group is that we are able to help each other…. So that we are able to understand each other's difficulties and problems. We discuss and share each other's problems openly. … Within the collective we are trained in such as way that we understand how one is supposed to help the other person. And we always strive to assist whoever might need that assistance."*
>
> *(Interview: Parveen Taj, Shakti Collective, Bangalore Urban, 2004)*

Spending on education and more regular attendance for children: The enrolment of the members into continuous learning at their workplace, and additional income was by several members perceived as important for better planning and setting education as the priority for their children. Similarly, with members having learned to plan and structure their day, it influenced children's school attendance and punctuality.

Control over money and spending: The findings here support the numerous studies[16] which claim that with workforce participation and income security, women feel more autonomous and seem to have more control over their lives and financial spending.[17]

This corresponds well with the findings of Kabeer that working women who earn their income outside their homes and regularly work in a formal set up, feel significantly more under control over themselves than others.

Women clearly state that their increased financial independence has bought them more respect and acknowledgement in the family and increased their involvement in issues related to spending. (read below interview with Mubeena, 2005) Many of the women started investing into their own assets and most of them refer to control over their own money and truly enjoy their independent status.

> *"I don't need to ask for money anymore as I have my own income. This gives me a good feeling of independence."*
>
> *(Interview: Mubeena, Saujanya Collective, Ramnagaram, Leader 2004)*

Overall Impact on Collective Members

Using learning and critical reflection methods as tools for facilitation, the members have changed from individualised job workers (who initially did not take responsibility for quality) into active group members (who assume ownership for their collective's performance as an enterprise). MAYA ORGANIC has facilitated a learning environment which improves planning and provides the guidelines for professional and effective functioning. There are indications that a more planned environment coupled with more income security and more autonomy for the worker to plan work has also had an influence on how they make decisions and plan their finances and investments. These changes opened up new perspectives not only for the members but also for their families. In most cases, initial suspicion turned into active support for the members and the collectives. The solidarity between members to support each other in critical situations has been impressive and only reflects the positive buffer a collective institution can provide for individuals in need.

With the increasing amount of orders, the enterprises have started taking initiative to further improve systems, documentation and processes and changed what MAYA ORGANIC staff introduced earlier. Rules and regulations, earlier facilitated by MAYA ORGANIC staff have undergone further changes and are today, much more binding as obligations towards the collectives. Sanctions and incentives are set by the collectives themselves and practised more effectively in those enterprises where horizontal leadership is strong and the vision towards independence is well developed. At least 6 of the old collectives show strong-shared leadership with a core team of at least 8–10 members taking the initiative forward. Functional clarity and conflict resolution mechanisms are in place, where decisions are shared and solutions jointly explored. These groups have also shown significant member stability.

Similarly, collectives with stronger vision and leadership levels perform very well in production and business development processes and are strongly enrolled in continuous learning. It was also realised that the commitment towards the functioning of the enterprises is strongly dependent on the groups' technical capabilities and its commitment to execute orders well. For instance, Saujanya and Vandana, two Ramnagaram based collectives, have a strong structural base, and usually perform better in production, meet the targets and are the most independent and forward going groups in embroidery. The stitching group shows high potential and shared leadership, performs quite well in production and the execution of orders even though it faces major challenges at the technical level.

While technical skills levels, production and business skills have significantly increased and a broad based understanding on how to run an enterprise has evolved, quality still remains a major aspect of concern in all the collectives. Quality, being a part of each process, needs to be further emphasised, refined and built into the learning processes of the institutions. Though quality during production (rejection) is in many instances managed by the collectives, the overall commitment to a perfect finish, to clean premises, a neat workplace, perfectly maintained toolboxes or material management needs more involvement from the collectives. This certainly needs more focus as low commitment to quality is time consuming and cost ineffective, resulting in higher rejection rates, slower production and higher wastage of material.

Mobilising their own learning resources and identifying their learning needs have so far been in the hands of MAYA ORGANIC Sector staff. However, increasingly, the collectives started using their own learning resources in order to further train and professionalise their enterprises. The Ramnagaram group has evolved lots of initiatives to make use of their own existing resources, partially mobilising financial resources to realise the learning.

With the increasing number of orders, some new groups have come forward to join as a member of the MAYA ORGANIC network. This is a significant step as these groups have already decided to work together and function as a collective and have taken up a location from where they are working. Till now, most of the collectives have been formed with the initiation of MAYA ORGANIC Sector staff, and only over time, were willing to consider working as collective enterprises. However, today, most of the groups have started enrolling job workers whom they trained and either keep them as job workers or absorb them into their collectives. To invite some members into the collectives also requires a good amount of discussions about the extent to which this potential member would make positive contribution to the collective.

Overall, it can be concluded that the impact of the intervention on the members themselves and their self-esteem and confidence has been significant. Today, the women identify themselves as independent workers, who earn their own income, have control over it, can travel, negotiate and execute large-scale orders independently. Their communication and negotiation skills have drastically improved and further encouraged the members to learn and catch up with whatever has been missed out earlier. Many incidents show that the workplace has become a place where members prefer to be and find relief from the problems they face at home. Finally, as problems are not ignored but addressed in a pro-active way, certain changes could be identified which further eased the pressure on the members at home.

However, it needs further to be seen how the groups will interact when they work as independent enterprises. The challenge to share and acknowledge and feel an advantage by working together and sharing risk and profit will certainly be intensified when the groups are moving out from MAYA ORGANIC's premises.

5. The Interdependencies between Democratic Institutions – Institutionalised Learning – and Self-Directedness

The processes, milestones and first-hand impacts of the initiative on the groups and individual members provided the empirical background for the research questions. While identifying causalities between the different variables, I noticed that none of these aspects are static and hence influence each other, and thus contributing to the dialectical transformative process that is shown in its cyclical form earlier. Rather, overall the capabilities to utilise increased and better available capital resources (social, economic and cultural capital as discussed earlier) improved significantly within a dynamic and reflective learning environment. Self-directedness, being itself a continuum is, however, an outcome that comprises of available resources and capabilities to effectively utilise the same. Henceforth, this interrelation is clearly valid at different levels and interdependent.

Concretely, at a collective level, there are indications that over time the members have seen an advantage of social capital, while collaborating and jointly owning an enterprise, as resources, risks and profits are shared. They further realised the autonomy as owners as compared to employees. The members have noticed that owning creates a new identity and independence for workers, who earlier, mostly had been highly dependent.

Significant shifts have been observed by the facilitators that collectives started addressing issues and are able to name problems, while taking initiative towards changing the same. Limitations are noticed and acknowledged, yet are not considered to be unchangeable but a challenge that can be overcome. Reflection within and between collectives and utilising available learning resources has significantly contributed to a higher level of self-awareness and self-confidence in learning. The groups realised that many technical problems can be solved from within or else, there is sufficient support available outside if one actively inquires and looks out for solutions. Self-assessment methods such as diaries have been actively used and members discussed quality and problems in the group. Increasingly, learning outcomes have been independently defined and needs identified, leading to training plans and commitment to consistent and regular practising.

The collective members, who have become aware of their support from within the collective and their responsibility to provide the same to the group, have evolved such a base for more complex interaction than what has been envisaged before. Mutual trust and respect for what people within the groups are capable of, coupled with effective and critical reflection and self-assessment on strengths and weaknesses facilitated by MAYA ORGANIC staff, have actively contributed to the maturity of the collectives and further enforced joint vision for their enterprise. Hence, structure, as it influences self-directedness and behaviour, got equally modified and complex, when members realised that new and more contextualised decisions needed to be made which ensure the enterprise to be successful (see graph). Over time, rules and regulations were refined or changed, and leaders have been replaced and new responsibilities evolved, as the group matured and understood the importance of particular functions and responsibilities. This was the moment for the next cycle to evolve where groups generated the capacities of reforming their structure and learning environment for their own benefit and to reach a higher level of collective understanding.

Therefore, while the sector teams might have initiated structure and institutionalised learning, the groups themselves, over time started refining and adapting

these processes towards their own requirements. For instance, the result today is that all rules and regulations and the MOU have become more binding and consequential, with roles much more clarified, transparent and accountable.

Indications towards more self-directedness of the group enterprises and individuals to take ownership of their activities and lives have been clearly identifiable and are reflected as an outcome of agents within a collective structure and institutionalised learning processes. How groups and members raise questions, take care of business and production and act and decide today about learning, investment or payment related aspects, are completely different from the time when they joined. As shown in graph 7, self-directedness being a continuum, however, will not limit itself to these outcomes and further refine structure, learning. It will then get transformed into higher levels of consciousness and problem solving capabilities, where the members and collectives will be able to decide between existing choices available, while anticipating potential benefits or shortcomings for certain choices made in the long run. When the groups have matured to that level and act within their long-term interest as collectives within their own capabilities, this will be the moment for a true breakthrough for the collectives towards sustainability and more autonomy.

Graph 7: Milestones of enterprise formation
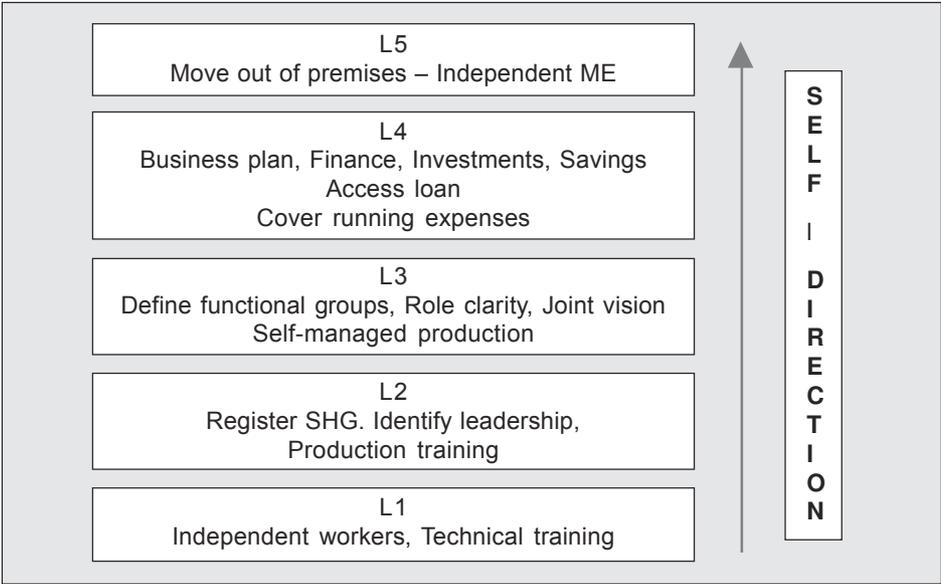
7

CONCLUSION: REFLECTION AND STEPS TOWARDS THE FUTURE

The thesis is a first attempt to seek some answers to the challenges faced by the development circles and policy makers to address the shortcomings of policies, society and economy in order to create equal opportunities for the working poor in a sustainable manner. For India in particular, where the vast majority of the workforce is active in the Informal Economy and has not obtained educational levels which are required for any form of formalised training, the future depends on flexible, effective and market-oriented solutions. Social, cultural and economic inclusion are crucial in this process and has been acknowledged by the Indian Government to be the key focus of its 10th Five Year Plan.

As was pointed out in this thesis, for any development programme or policy to succeed, it is critical that systemic shortcomings are addressed and a multi-dimensional perspective is taken into consideration. Poverty and training must be integrated into economic or development policy and identified as the key concern that might slow down India's speed of development. While an enabling policy framework is central, it is not sufficient to create an enabling environment for the poor to move out of poverty. There is the need for umbrella structures which are democratic and represent the interest of the excluded, while acting as catalysts and channels for delivery and therefore, to increase access to various forms of capital. Given the multiple levels of disempowerment of the poor – lack of income and social security, low

educational and skills levels, lack of social and economic networks, no access to finance, technology or learning – access to these newly available resources needs to be further supported by a learning environment, which builds capabilities for effective utilisation and consequently improves the overall quality of the working poor.

MAYA ORGANIC's enterprise initiative is the case study I looked at, as it intervenes at multiple levels, addresses systemic aspects of poverty and seeks to build social, economic and cultural capital for the poor, while facilitating institutional and individual capabilities to effectively utilise these resources. Sen's capability approach and Bourdieu's field-habitus theory proved to be highly relevant and useful to explain how structural and systemic shortcomings can be overcome, provided: a) availability of resources increase – i.e., economic, social and cultural capital and b) capabilities are built to effectively utilise these resources.

The action research then elaborated on the capability part of the initiative and emphasised on how democratic structure and institutionalised learning had induced processes towards more self-directed actions of the collectives and the individuals. The relationship is dialectical and the variables are continua and clearly influence one another, albeit each time at a more complex and higher level of critical understanding. Therefore, while MAYA ORGANIC staff initially might have set certain

parameters for the overall democratic functioning, it was the collective's initiative to re-define rules and regulations in order to ensure that these aspects became binding and part of the nature of the collective. The outcome was higher levels of understanding and generative learning.

1. Reflection

Playing an active role in a development initiative which intends social transformation through enterprise development, while taking on the role of a researcher for the generation of theoretical meaning, has certainly been very challenging and complex. For one, as a change agent and team builder/trainer I have undeniably directed and influenced strategies and outcomes of the initiative; hence my independent and objective role as a researcher was not easy, given my close relationship and involvement with the team and the target group. This certainly was even more challenging, as in a dynamic environment, where shortage of human resources co-exists with market requirements, deadlines, funding crunches, etc., documentation and research tend to become secondary, as the viability of the enterprise and hence the survival of the initiative is at stake. All of which I had to overcome. The time frame of the research process was another constraint. Further, in order to obtain generic knowledge from the initiative as a pilot initiative and case study, and also ensure the rigour and objectivity required in any research process, I struggled to be able to generate objective patterns, given the relatively small sample of informal manufacturing at micro enterprise level.

I tried to overcome these potential limitations through multiple ways. First, there are tangible and measurable impact indicators at individual and group enterprise level which support the argument of increased self-directedness, therefore, higher capabilities to access newly acquired social, economic and cultural capital. Today, most of the group enterprises and workers have higher order complexity, order volumes, multiplied and secured income, which is an outcome of the intervention's design. In concrete terms: Today the enterprises are selling a quality product at a higher price and are able to produce at scale, while earning significant higher and regular incomes through improved productivity, better production processes and skills sets.

Second, the target group, by nature, has shown to be quite heterogeneous, as stratified by criteria such as urban–rural, industry, gender and community, which,

particularly for the lowest rank of informal manufacturing enterprises, seem quite representative. Third, using multiple data sources and methods of triangulation while repeatedly validating the findings within Focus Group Discussions, within and between two industries and at the facilitators, collectives and core team member levels, enabled me to evolve a fairly detailed understanding of my research question: the relationship between democratic structure, institutionalised learning and self-directedness.

Despite the preliminary indications that the collective enterprise structure as such has shown its strengths as a supportive environment for personal and collective self-directedness, one yet needs to further consolidate and undertake in-depth research on a much more refined learning model, than the one which is being implemented. This requires another consolidation with a large and more diversified target group and is planned for the next three years to cover over 2000 workers. The consolidation also includes standardisation and systematisation of training processes, development of training modules, assessment frameworks which are scalable and replicable. Institutional and financial viability are two core aspects to be taken into account and will be central for the next phase, when the time is ripe for collectives to start business outside their premises.

2. MAYA ORGANIC's Challenges for the Future

Though MAYA ORGANIC as the programme has not fully been researched in this thesis, it is crucial to discuss some challenges MAYA ORGANIC has been facing and will be facing in the near future.

2.1 Collective-Group Enterprise Model

Though the sector teams and the collectives have started to see the structure of collective enterprises as an advantage, it will be crucial to build in mechanisms into the institutions which ensure their sustainability. A single entreprenuer's vision has to evolve in the same way in the collective and needs to manifest in a joint vision which is well refined and pursued and taken forward by all the members.

2.2 Institutional Sustainability

The group enterprises are at present still working in MAYA ORGANIC's premises. The challenge is their

sustainability after the collectives invest into their own unit and move out of the premises. However, till now, the groups increasingly indicate self-confidence to take their collective enterprise forward into the future.

2.3 MAYA ORGANIC's Overall Impact on Target Group

There are indications that MAYA ORGANIC had a positive impact on the members' income, their learning, production capability and access to markets, technology and finances. Additionally, most of the members today ensure regular school attendance of their children. However, it needs to be further seen to what extent the initiative is effective enough to improve the overall wealth of their families, and if possible, even has an impact on the communities. Health status, level of financial indebtedness, saving and spending patterns and indications of long-term planning and investments will be important long-term aspects which need to be further researched.

2.4 Conflict Resolution

Conflicts will arise and will test the collective's capabilities to deal with these conflicts, particularly from the moment when the enterprises start making profit and earning well. For that matter, MAYA ORGANIC is looking at some representative structure for the collectives – a forum for conflict resolution and legal issues. This forum can serve the collectives in cases where conflicts cannot be settled within the group itself.

2.5 Financial Sustainability

In order to run their units effectively and cover their running expenses, MAYA ORGANIC will have to ensure further handholding in the areas of marketing and design support, as well as in linking the collectives up with government schemes, technologies and credit facilities. Collectives need continuous orders to get confidence in them working together and improve their productivity and efficiency levels. This will ensure that the momentum of the group working together is maintained. Similarly, MAYA ORGANIC will interact with the groups on a regular basis, and encourage further learning and assessments, reflect on questions of productivity improvement or technical innovations which would lead to higher quality, productivity and better finish of the product. MAYA ORGANIC can still accompany the groups in this way and facilitate, where required.

2.6 Sustainability of the Entire Initiative

The initiative depends on collaboration and on building large-scale networks with other partner organisations which adopt the enterprise, and learning model, besides the supply chain support they get from MOIPL the marketing company. The challenge lies in ensuring that the vision is systemic and shared by all stakeholders. Strong enrolment of staff and worker's representatives into the vision will be absolutely crucial.

2.7 Professional Staff for Efficient Production and Market Penetration

As mentioned earlier, one of the big challenges has been to find professionals who are committed and loyal to the initiative. Today, well skilled professionals in marketing, sales and production are in high demand in the private sector. Rarely, sector professionals share the political mindset of development workers, and hence, are not ready to work at lower costs in an NGO. Retaining professionals is equally challenging, as staff is usually offered, at least double, if not three or four times the salary in other organisations.

2.8 Marketing

The brand of MAYA ORGANIC while representing products and services in and outside India with a very small budget, is another challenge which comes along with rather fast expanding sector capacities. The MAYA ORGANIC Brand has gained a certain market presence, yet needs to further prove whether it can generate the fair price mark up which is required for re-distribution of surplus back into the community. Till date, the margins are maximised at retailer and agent level. To look at alternative marketing channels which are cost effective and have the same, if not higher impact on customers while promoting the fair practice and cooperative model in the mainstream market, will be another point to look at. Ideally, terms of trade should change from 1:5/6 to 2:3, so that producers are able to earn some profit.

3. Scope for Scalability and Replication of MAYA ORGANIC

MAYA ORGANIC, as an approach looks at systemic changes and has to evolve with large-scale strategies which can impact the industry and probably at a later stage, policy as well. Though it is still too early at this moment to clearly describe strategies and directions of

how MAYA ORGANIC would influence training and employment policy at the central level, there are basically three areas where MAYA ORGANIC will focus during the next years.

3.1 More Outreach with Less Facilitation

It is envisaged that at a later stage, facilitators will manage approximately 100–150 workers, approx. 6 collectives parallel and build collective enterprises within 1–1.5 years.

3.2 Building a Large Social Network, while Enrolling NGOs and MBOs

MAYA ORGANIC has mapped over 20 partner organisations across India and developed partnerships with some upcoming organisations and was approached to become a livelihood resource centre in India that supports other NGOs and cooperatives to partner and develop the network. Similarly, MAYA ORGANIC has been approached by many NGOs involved in income generation and micro finance, to facilitate and train NGOs and their partners to form collective enterprises and sustainable livelihood initiatives. As a part of this training process, new sectors and products will be added which contribute to the diversity of the product range that MOIPL will market. Similarly, MAYA ORGANIC will benefit from the capabilities of other NGOs and member-based organisations which contribute to a better coverage of the movement to address the interests of the working poor.

3.3 Expansions through Collectives

Collectives themselves become resources and facilitators to start their own new collectives or enlarge the same. This process of enlarging the network ensures another multiplier effect.

3.4 Impact on Policy

Similar to other programmes of MAYA – such as the Educational Reform Programme or the Pre-school Programme – MAYA ORGANIC has started to lobby and collaborate with Governments and the Planning Commission to seek practical solutions for an enabling policy framework that supports sustainable enterprise and Informal Sector interventions. It is further planned to start a national campaign on Informal Sector workers and scalable solutions with the network MAYA ORGANIC builds, while collaborating with other NGOs across the country.

The directions are set, plans for scales are made, it is however too early to conclude that MAYA's livelihood initiatives have made a significant dent in the Indian labour debate. Only, when large numbers of the working poor can benefit from this initiative and when the worker's have established their own forum for political articulation, the MAYA ORGANIC intervention will have an influence on labour and development policy.

"Dialogue and cooperation, freedom and commitment constitute
effective methods in the conjunction of wills and efforts to
organize and manage human work, and, consequently,
to humanize the economy."

– J M Arizmendiarrieta: Reflections, 2000, p.51

Endnotes

Chapter 1

1. This does however not ensure integration of everyone into the world economy. According to trade statistics, the market integration has intensified particularly between the countries of the TRIAD and some newly industrialising countries.

2. http://www.globalpolicy.org/ngos/role/econindx.htm#articles/http://www.globalpolicy.org/ngos/role/globaljustindx.htm

3. De Soto makes an interesting observation that capitalism in its own way has evolved particularly in industrialised countries as he argues that the property laws and regulations were particularly conducive for capitalism to evolve and the labour market to be absorbed. However, in developing countries, and enforced by the faster speed of global market integration and development, such achievements have not evolved in developing countries (ibid.: 2000).

4. This list is by far not exhausted. I only mentioned some of the authors whom I am going to refer to in the next section.

5. Migration of well educated Indian workforce to industrialised countries and the Middle East is significant, and remittances have accounted for a significant financial contribution to the families staying back in India. (Ahmjad, 1989).

6. As per the recent *Human Development Report*, India ranks at 127 and has not been able to really change the low level performance with regard to development of the poor. For details see HDR, 2005.

7. However, the success was limited, as two central trade unions boycotted the 2nd National Labour Commission. They argued that the commission was pro-capital and least representing the interests of the workers.

8. The Decent Work debate was initiated in 1999 by C Somavia, DG of the ILO as a statement and moral commitment of the ILO towards global improvement of overall labour standards and quality of work. For more details about the debate on the 'Decent Work' concept see, www.ilo.org; Ghai, (2003).

9. Many authors refer to the early Industrial Revolution in Great Briton in the late 18th century as being the origin of cooperatives to protect the interests of the less powerful members of society – workers, consumers, farmers, and producers who migrated into cities. Rochdale Equitable Pioneers Society was formed in 1844 and is considered one of the first and durable cooperatives. In *Zimbelman: Employee Orientation Handbook on Co-op History*. http://www.cooplife.com/coophist.htm; http://www.ica.coop/coop/history.html

10. The Kibbutz movement in Israel clearly reflects the political aspects of the collective movement as anti-capitalist choice of living, while assuring the democratic principles within this community. See http://www.gsb.stanford.edu/facseminars/conferences/oe_conf/pdfs/kibfound.pdf.

11. For good discussion on cooperatives and their success and failures see Birchall (2000), Taimni (2000).

12. MAYA=Movement for Alternatives and Youth Awareness.

Chapter 2

1. Diverse literature supports the argument that economic growth, in most cases, has a positive impact on poverty reduction, however, in different levels/pace and success; other factors, such as education, health, and social security, as well as the efficiency and strength of local governance are equally important as distributional aspects are addressed. World Bank (2000).

2. Literature on this aspect is plenty and most of it is critical of the outcome of the economic liberalisation and economic reforms. See for instance *Ahluwalia Report* (2001) or Dev (2001).

3   A useful discussion about the existing labour market situation, policies and programmes related to employment generation, poverty alleviation programmes, and suggestions of what strategies the Indian Government should take can be found in the Ahluwalia Report published by the Planning Commission in 2001.

4   Two Commissions were formed since 2000: the National Commission of Labour (NLC) in the Labour Ministry and the National Commission of Informal Sector Enterprise Development in the Planning Commission in 2003. Both the Commissions kept the informal or unorganized sector as the central focus. The NLC emphasized the welfare of workers, while the latter looks at the obstacles and difficulties informal enterprises are confronted with. For more information: www.nic.in.

5   See for instance Breman (1977) or several ILO publications. The meaning and definition of what we should understand under the informal sector is anything but clear and is used by academicians and politicians in many different ways. The informal sector is difficult to define due to its heterogeneity and lack of an analytical framework. In the case of India, policy makers and academics understand this particular sector as a residual of the formal sector, where it is assumed that through modernization, labour would be absorbed in the formal sector. See for an interesting debate on this dichotomy approach and the argument that we should dismiss this approach and replace it by a continuum approach in Harriss, 1990.

6   Indian Factory's Act, 1948.

7   Statistics on the size of the unorganised sector in India however are problematic. The 92 per cent figure derives from the assumption that the unorganized sector is a residual to the organized sector. Exact data on the size and contribution of the informal sector to the GDP are still grey areas. For detailed discussion on the measurement and estimation of India's informal sector, see Kulshreshtha et al. (2001); Suryanarayanam (1998); Parthasarthy (1996).

8   I would like to mention that having the status of self-employed in this context may cover small family businesses, but rather refers to a forced status of being a worker who does not have the entrepreneurial status of a self-employed but works as piece rate or subcontracting unit with small assets as a small petty commodity producer or trader. "They exploit their own household members and often both hire in and hire out labour according to seasonal peaks: their independence conceals sundry forms of wage labour. One recent estimate is that 56 per cent of all Indian workers are 'self-employed' …. 29 per cent are casual wage labourers and just 15 per cent are in any kind of regular wages of 'salaried' employment, whether organised of not." (Harriss-White, 2004, p.19)

9   According to Subramanyam et al, (1988), 96 per cent of the women work in the informal sector. Other studies show that women from backward castes are represented in the lowest levels of the working hierarchy, where work is irregular and highly exploitative (Mukhopadya, 1999; Rothboeck et al., 1999). See for more details Harriss-White (2004).

10   See Kundu et al. (2001); Shah (2001); Bose (1996); Holmstroem et al. (1998) for several industrial case studies.

11   This area is well researched and documented. For an overview on impact of economic growth on poverty, see for instance, *World Development Report, 2000*; SAAT (1997); SAAT publication indicates that countries that focused on heavy industrialisation, therefore less labour intensive growth with a strong focus on agriculture, had a stronger impact on poverty. Examples in Asia are China, Indonesia, Malaysia, and Thailand. Other factors, of course such as export orientation or spending into social sectors would need to be mentioned as well, since the earlier factors would not suffice to make this argument comprehensive enough.

12   The move towards a multi-dimensional definition of poverty during the last two decades is also increasingly reflected in the development strategies of the international community and National Policies for Poverty Alleviation. For instance, the rather exhaustive *World Development Report, 2000* refers to aspects of 1) promoting opportunities through reforms and investments which are sensitive to structural and institutional conditions (eg., material, infrastructure, health services, skills at work), 2) facilitate empowerment through (local) governance and strong public and social institutions representing the interests of the poor, while even modifying and re-defining existing policies, institutions and strategies towards a more inclusive society and 3) enhancing security (reducing vulnerability

to economic shocks, natural disasters, ill health, disability and personal violence) through insurance (Worldbank, 2000: 1-12). While the Worldbank has an asset-based approach, the ILO looks at various aspects of social exclusion and deprivations, which result in many forms of insecurities poor people face. This concept is based on Sen's notion of 'unfreedom' (Standing, 1999; Rodgers, 1994).

[13] For details see Hirway et al. (2000).

[14] It is suggested that besides economic growth, active policies in agriculture, and industrial policies were somewhat introduced at a later stage. Social sector spending and investment into infrastructure were other efforts to improve the agricultural performance. This experience made in China, Malaysia, Indonesia and Thailand, is that agriculture has reached a certain level of productivity and diversity, where it looses its relevance of being a principle employer, thus leading to higher absorption of the labour force into industrial and service related activities (Dutta, 1997). Similarly, the creation of rural infrastructure, roads, electrification and marketing facilities had an enormous impact on incomes of rural households in these particular countries (ibid;32).

[15] For instance the Employment Guarantee Scheme, which was implemented in Maharashtra is being discussed in Parliament for implementation on a pilot basis in several states and districts in India (see Joshi, 2005).

[16] For a detailed and actual assessment on these programmes, see GOI, 2001, Chapter 5.

[17] NSSO: National Sample Survey data: sampling survey is conducted every 3 years in selected districts and emphasises on labour and enterprise related data generation.

[18] The definition of marketable skills would stand for skills that have been acquired in formal institutions.

[19] I would like to refer to the *World Developemnt Report 2005* on the removal of trade barriers as a main strategy for poverty alleviation and more sustainable development in developing countries. Though there are some references made on skills development, again, it is basically access to finance, investments and even more removal of any barriers and regulations within the developing countries, as they are considered obstacles for effective market development. I would argue that this purely neo-liberal perspective again is indicative of the negligence of crucial market discriminating and distorting factors that influence capabilities of people, and hence make the race in a purely competitive market even more unequal.

[20] This excellent working paper focuses on how multiple discrimination impacts labour markets and that literature so far looked very rarely at the multiplicity of discrimination as a complex mechanism of perpetuation of labour market inequalities.

[21] Sen's highly acclaimed publication *Development as Freedom* emphasizes the interrelation between human development, social opportunities and its impact on human capability and quality of life. Going beyond income related distributional questions, he argues that inequality has shifted to 'substantive freedoms and capabilities' which determine the capability of a person to convert these assets for one's own benefit. The capability perspective attempts to broaden the concept of deprivation towards a more comprehensive understanding of what leads to social exclusion or for that matter poverty. Within the theoretical framework towards social justice, he argues that un-freedom is gradual and highly context based. (Sen, 1997; 119)

[22] Sen would in this context refer to human capital, where for instance women's education not only will enhance economic value through higher income but impact on (reproductive) health, children's education, nutrition, access to finances, etc.

Chapter 3

[1] For an interesting overview on the debate on civil society, NGOs and their contribution towards democracy see Baccaro (2001).

[2] India of course has a long history of social movements and grass roots initiatives that have influenced national and state level policies, which would benefit the poor. However, in many instances interventions have their limitation that they cannot be upscaled. NGO's influencing policy could only make marginal impacts

on the real life situations of the poor, as though on paper, implementation hardly got realised. See earlier discussions.

3   See. www.mayaindia.org; concept note; Annual Reports, 2002/2003; 2003/2004; 2004/2005.

4   There are excellent studies on the informal economy, analysing the strong linkages between formal and informal. See for instance Harriss (1990); Shah (2001); Kundu 2001); Schmitz for international comparison (1998).

5   Here however, again, the Indian formal sector company is at a weaker position as international clients are pushing down pricing to a level which again impacts the negotiation at the local level.

6   As will be detailed in the sectoral description, lack of income security and social protection leads, in almost all cases, to indebtedness to either a financial middleman or dependency on the employer, as there is no financial buffer which could absorb emergencies. In many instances, re-payment gets perpetuates over generations, where family members and entire families are forced to work for the same employer.

7   For more detailed information on the Lac sector, see the process document under www.mayaorganic.com

8   Lacware refers to wooden articles that are turned on the lathes and finished with Lac, the sap of an insect on a tree that is mixed with colour pigments and coated on products to give them a sturdy and glossy look.

9   For instance, there are some clusters in Maharasthra, Andhra Pradesh and in Rajasthan besides Channapatna in Karnataka. However, data are very poor to come by.

10   Channapatna belongs to the Bangalore rural district and is 65 km away from Bangalore towards Mysore.

11   There are also arguments that due to the scattered and decentralised nature of the industry, India might loose out to more competitive nations. India's high transaction costs and low levels of productivity might have a negative impact on the garment industry expansion. However, till now, the trend shows rather fast expansion and indicates that India has fairly well adjusted to the global trade liberalisation and the companies are optimistic that the liberalisation would actually benefit the Indian Garment Manufacturing. According to FICCI's survey undertaken in 2004 with 60 large-scale producing companies, more than 80% of the surveyed companies see an advantage in the removal of trade restrictions for India (FICCI, 2004). However, the challenge lies in the productivity levels of Indian companies, resulting in higher per-piece costs than as compared to the Chinese. Similarly, the growth rates in terms of market expansion since January 2005 show a mere 50% of Chinas growth rates (FICCI, 2005).

12   Preference for the sector reflects strongly in the allocated budgets by the central and state level government during the last years. The lifting of the quota has further enhanced political priority, see www.nic.in; FICCI (2004).

13   The weak database on textiles and garment productions, as well as on manufacturing units that are provided by government institutions only reflect the scattered and decentralised, and hence often informalised nature of the industry. It is believed here that there is a clear underestimation of size of companies, given the fact that most of the large-scale exporters have set up small units.

14   With the removal of quota through the Multi Fibre Agreement which was introduced on January 2005, this support was removed internationally, lifting all trade barriers by 31 December 2004.

15   See http://www.cerleton.ca/ctpl/library/booklibrary/01-01-023-11.htm. Since secondary data at the macro-level are hardly available, it is difficult to specify the figure clearly, yet indications are there that the majority of the total value of the garments have been generated within the informal economy (Vijayabaskar, 2002).

16   However, for the Indian market, garment sewing machines by foot pedal machines are still very much used. Poor infrastructure in rural areas and the rather high demand on tailor-made garments (therefore, relatively low requirement of ready made garments) in India are reasons for it.

17   Interviews made with small scale suppliers.

Chapter 5

1   Similar observations made Vijayabaskar (2002) for the knitwear cluster in Tiruppur.

2   Own experiences, market rates, based on several interviews with export houses and local companies.

3   Within this context, I would like to mention the stark regional differences, which are further enforced by the gender-based division of labour. It is well known that many women are involved into high-end embroidery but work from home, while earning significantly less than men workers (David, 2003). The working hours are long and strenuous and regularly exceed 10 hours.

4   Interviews with specialised Hari workers and embroidery designers.

5   See Labour File (2003).

6   For instance, as there are no written agreements between the export companies and the outsourcing workers, the companies tend to delay payment and deduct arbitrarily, taking advantage of the situation for their personal benefit. Harassment by middle management in manufacturing units happens on the costs of the small unit owners, where delays of material are accounted to the producer or less material is provided, leading to a delay in delivery which will be deducted from the production. However, many of these small unit owners entirely depend on intermediaries, as they do not have the required skills to negotiate or read.

7   In this context we would like to mention that these patterns also affect skilled labourers in a similar way, though their market value is high as there is demand for good workers. The absence of any social protection, and regulated income security are similar, affecting them in the same way.

8   As Harriss points out, the discussion of social capital which significantly contributes to economic development, has till Putnam's publication rarely been debated outside sociological circles (Harriss, 2001).

9   Harriss questions to what extent social capital, which Putnam defines as voluntary associations, would be the right agents of democracy. He argues that public action is a more useful concept as it keeps in mind the historical and structural dimensions which might prevent or foster democracy (2001).

10 The report on efficiency of cooperatives in South Asia depicted the strength and weaknesses of existing cooperatives in South Asian countries which have been only partially successful. Government dominance and mismanagement are some reasons which are mentioned besides lack of information and transparent structures available to the members. See Sridhar (1999).

11 Many educationalists refer to the limited learning impact, if learning is not contextual and relevant to student's personal experiences. See in later section more in detail. For more detailed reading on learning model (2002) see www.mayaorganic.com

12 For further reading on Freire's discussion on the various stages towards conscientisation through dialogue and praxis (Freire, 1972).

13 Therefore, individual assessment combines aspects such as technical skill levels; productivity and quality as well as absenteeism. Taking responsibility for the collective's performance are considered as equally important measures for the wage level of the members.

14 For excellent literature on facilitation, see Bell et al. (1993); Brookfield (1993).

15 I would like to refer to Fukuyama's argument on trust where he reflects the principles of coherence being an advantage to economic growth. Though he makes his argument at the macro level, it is indeed an important argument, Cultural and social capital do not always provide an advantage, but can actually turn into a disadvantage and prevent groups or communities from growth, when community based institutions and social networks dominate people from change.

Chapter 6

1   The Deakin University in Australia has evolved a tradition in action research with a particular focus on the emancipatory action research methodology over the years. Some of the key researchers are for instance Mc Taggart or Kemmis, Both propagate action research as a methodology through which emancipatory processes and social transformation can be induced and realized.

2   Similarly, Habermas, though grounded discourse, has evolved a 3-stage process towards emancipation. Habermas (1973) directs his attention to developing authentic communication amongst participants in a learning environment. At a second level he seeks to understand the norms underlying interactions. Learning at this level manifests itself for him as "Practical discourse ... a procedure for testing the validity of norms that are being proposed and hypothetically considered for adoption" (Habermas, 1992, p.103). Multiple stage models towards higher learning levels are also proposed by Merizow (1991). The first learning level deals more with interpreting experience rather than referring to the learning that takes place. He implies no change but infers an increase in understanding of new experiences in terms of already held worldviews. Transformative learning would be higher level learning and is consistent with what Freire would term transitive. It again involves interpretation or reinterpretation of experience.

Chapter 7

1   The detailed stages which groups undergo are partially mentioned in this chapter.

2   In his discussion on whether self-assessment is liberating or oppressive, Boud rightly points out that it depends strongly an the methods and context in which learning and self-assessment happen. Self-assessment can be liberating, provided the learners take ownership for the process and are involved in the defining of learning outcomes. The methods being used for effective self-assessment differ entirely with the existing concept of assessment that is external and mostly not in connection with the assessed (Boud, 1994).

3   Though this is not exclusively the case as in many instances, MO Sector staff provoke the groups to raise questions, since the task of these facilitators is to play a catalytic role at different stage.

4   Excerpts from the process document.

5   See Process Document.

6   All development initiatives in this region have hitherto overlooked women (the popular notion here, as in many other places, being that girls are unable to work on machines). MAYA has focused its efforts on offering vocational training to introduce girls to the Lacware sector, an initiative that is now being consolidated in the form of worker-owned enterprises run exclusively by women.

7   Source: consolidation note Lacware sector: December 2004.

8   ibid.

9   Source: consolidation note Lacware sector: December 2005.

10   Source: consolidation note Lacware sector: December 2004.

11   ibid.

12   ibid.

13   Moogly toys is the brand name of MAYA ORGANIC's Lacware sector. The brand has been awarded the UNESCO award for the most innovative craft and quality product in 2004.

14   Source: health records of all the members.

15   Source: soft skill session documents.

16   See for instance an excellent study by Kabeer on the Bangladeshi Women Garment Workers in EPZ – Export Processing Zones (2000).

17   This corresponds well with the findings of Kabeer that working women who earn their income outside their homes and regularly work in a formal set up, feel significantly more under control over themselves than others.

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Curriculum Vitae of Sandra Rothböck

Sandra Rothböck was born in Bludenz (Austria) on 2 October 1968. She studied Economic Sociology and Economics at Zurich University and attained a Masters Degree in Quantitative Research, Labour Market Economics and Economic Sociology in 1994. She then worked as a lecturer, researcher and advisor for postgraduate students at the Sociological Institute in Zurich between 1994 and 1998 and focused on labour market mobility, development theory and technological change. She then joined the International Labour Organization (ILO) in Delhi, where she worked as a labour market, training and poverty expert for four years. During that period she got increasingly involved in vocational training, enterprise development and informal sector related questions which led her to join MAYA, a Bangalore-based training organisation in 2002, where she has been one of the senior managers and a core team member. Sandra Rothböck is one of the co-founders of two livelihood initiatives, LabourNet and MAYA ORGANIC and is one of the directors of the Social Venture Company MAYA ORGANIC INDIA Pvt. Ltd (MOIPL).