

Economics Seminar, Indian Statistical Institute, New Delhi.

SPEAKER: **Shareen Joshi**, Georgetown University

TITLE: **Collective Action and Community Development:
Evidence from Women's Self-Help Groups in Rural India**

TIME: 3:30 PM - 5:00 PM.

DAY & DATE: Tuesday, 31st July, 2012

PLACE: Seminar Room 2

Abstract:

In response to the problems of high coordination costs among the poor, efforts are underway in many countries to organize the poor through “self-help groups” (SHGs)—membership-based organizations that aim to promote social cohesion through a mixture of education, access to finance, and linkages to wider development programs. We randomly selected 32 of 80 villages in one of the poorest districts in rural India in which to establish SHGs for women. After two years of exposure to the intervention, women in treatment villages were more likely to participate in group savings programs, exerted greater control over household decisions, and displayed greater civic engagement than women in control villages. To investigate the sources of cooperation further, we conducted a simple multi-round public-goods game in 14 villages. We find that players who have been exposed to SHGs converge towards a cooperative equilibrium faster than those who have not. We also find that SHG women discount the risk of non-cooperation by others more than women in control villages. We conclude that SHGs and other membership-based organizations for the poor, where they promote collective action do so not by enforcing a commonality of tastes, but by reducing uncertainty surrounding cooperation.

<http://www.isid.ac.in/~pu/seminar.html>