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Short-Circuiting Neoliberal Development: A Case Study of the Usha Multi-Purpose Cooperative

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Short-Circuiting Neoliberal Development: A Case Study of the Usha Multi-Purpose Cooperative

Abstract

Background: While economic insecurity adversely affects the well-being of sex workers, few studies examine economic interventions in this community. Extant interventions employ microfinance approaches and are limited in scope, scale, and sustainability. Critiques of microfinance initiatives highlight their inability to achieve economic and gender empowerment. Moreover, microfinance interventions among sex workers often fail to address structural causes of economic disempowerment, and do not increase economic agency. This dissertation examines an alternative economic intervention: the Usha Multi-purpose Cooperative Society (Usha), a bank operated by a sex worker’s union in Kolkata, India. Examining the organizational structure, culture, and operations of the bank I explore the manner in which Usha addresses the critiques aimed at microfinance initiatives, and the manner in which it cultivates economic and political agency in the sex work community.

Methods: Utilizing a mixed-methods case study design, I conducted 80 semi-structured interviews with Usha members (n=60) and staff (n=20), participant observation and document analysis. Additionally, I conducted quantitative analyses of the bank’s administrative database (N=14,382). Modified grounded theory and regression models were utilized to analyze the qualitative and quantitative data, respectively.

Results: Usha facilitates empowerment through two intersecting operational approaches: its interventions operate at the individual and community levels, while targeting logistical as well as political outcomes. Specifically, Usha offers individual logistical financial support to sex workers through savings and loans programs which reverse predatory practices used by other microfinance initiatives. Community-level logistical financial support is provided by investing in businesses and social programs which benefit the sex worker community. Usha fosters individual sex worker political agency by supporting professional identity, independent decision-making, and sex worker leadership. Community-level political agency is developed by undermining the influence of financially coercive community power-brokres such as madams and pimps, providing labor protections, and facilitating access to civil society institutions.

Conclusion: Usha challenges neoliberal approaches that attribute poverty to individual shortcomings, and resists the neocolonial framing of sex workers as victims. These results advance our understanding of how microfinance interventions can support social movements and effect structural change.

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SHORT-CIRCUITING NEOLIBERAL DEVELOPMENT: A CASE STUDY OF THE
USHA MULTI-PURPOSE COOPERATIVE

Megan Stanton

A DISSERTATION

in

Social Welfare

Presented to the Faculties of the University of Pennsylvania

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ABSTRACT

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Megan Stanton

Toorjo Ghose, Ph.D.

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CHAPTER ONE

Introduction

There are thousands of organizations and institutions world-wide whose mission is to fight global poverty. These organizations are united in the way they conceptualize poverty and its solutions. For most organizations, the solution to poverty lies in achieving the correct balance of macro and micro economic growth, a goal attained by implementing various development programs. According to this mainstream view of development, such programs are best created in the ‘developed’ world, which possesses an advanced understanding of economics, and implemented in the ‘Third World’ which, for various reasons, has lagged in generating economic prosperity. Development programs are overseen by a cadre of experts who skillfully deploy the tools of capital, science, and technology to combat global poverty. Recipients of poverty interventions, though often asked to participate in local program implementation, generally must trust the guidance of development experts.

Arturo Escobar (1995) suggests that this vision of economic development has reached a hegemonic status such that the need for ‘development’ is self-evident. He argues, however, that the modern definition of development is not self-evident. It is a discourse and as such is constructed and reconstructed by the production and dissemination of knowledge and the implementation of action. Escobar’s formulation indicates that a discourse which is constructed, can also be deconstructed, interrogated, and alternatives uncovered. Scholars have pointed to the need to deconstruct this
hegemonic discourse (Hickey & Mohan, 1995; Mohanty, 1988; Pogge, 2010) and there is strong evidence to suggest that alternatives to mainstream development must be sought.

Despite the massive amount of resources dedicated to mainstream development in its post-World War Two inception, the situation of the world’s poor remains deeply troubling. About a third of all human deaths annually are attributable to poverty-related causes, and about half of those poverty deaths are children (Pogge, 2010). Global inequality is widening, with the ratio of income between the top and bottom decile at 273:1 (Pogge, 2010). Whatever economic growth might be occurring is clearly not proportionally benefiting the resource poor people of the world. Many have deemed mainstream economic development a monumental failure with fatal outcomes (Pogge, 2010).

There are myriad potential questions to investigate regarding the development discourse and its impact on communities and individuals. As a scholar of social welfare I am interested in praxis; how the theoretical is applied to the lived experience. I am interested in alternative development discourses, but, importantly, also alternative actions. However, Escobar suggests that there is limited utility in seeking generalizable models to solve the development puzzle. He writes, “instead of searching for grand alternative models or strategies, what is needed is the investigation of alternative representations and practices in concrete local settings, particularly as they exist in context of hybridization, collective action, and political mobilization (1995, p. 19).”

This dissertation is one such investigation. I will explore these issues through the systematic analysis of a single case- the Usha Multipurpose Cooperative Society (Usha), a cooperative bank created by and for sex workers in Kolkata, India. Usha is a
community-led economic intervention that provides banking services to the sex work communities of Kolkata (ushacoop.org, 2014). Usha is also the financial arm of the Durbar Mahila Samanwaya Committee (DMSC), a worker’s rights collective organized by sex workers in Kolkata and surrounding areas (Durbar.org, n.d.). As I will argue, the Usha cooperative stands in contrast to interventions supported by the mainstream development discourse. Specifically, the Usha organization is run collectively by the members of the community it serves, not by outside ‘experts.’ Additionally, Usha is a part of a worker’s collective and as such is in tune with the social and political circumstances of its members, not just their immediate needs. The study will examine how this unique organization fits into and resists the development status quo.

In Chapter Two I examine how the theory and practice of neoliberalism has dictated the terms of contemporary economic development. Reviewing the literature in the field, I argue that the ethos of neoliberalism has permeated the social imaginary to bring all aspects of society into the fold of individual market rationality. Microfinance, a major tool of economic development of the last twenty years, is an illustrative example of neoliberal development. There has been a growing body of literature critiquing microfinance which exposes the ways microfinance does not meet the economic needs of poor people and in many cases has detrimental effects. I examine how these critiques draw on the neoliberal logic of mainstream microfinance. In this chapter, I situate microfinance as a form of what Foucault (2003) defines as governmentality, a form of management and surveillance that originates in bureaucratic machinery, and has a stunting effect on political mobilization, socially transformative action, and structural change.
Chapter Three extends this analysis to mainstream economic interventions available for sex worker groups. I argue that under the prevailing terms of these interventions, sex worker economic agency is only conceptualized as part of a neoliberal market enterprise that “rescues” sex workers and channels them into the formal market system. I conclude Chapter Two by introducing the Usha cooperative. Given its location as a collective and part of a self-identified union, and the fact that it inhabits the intersection of the competing discourses I have described above, I argue that a study of the cooperative will shed light on the manner in which its economic development initiatives counters, or is subsumed by, the neoliberal market agendas that are prevalent in the field of microfinance.

In Chapter Four I present the research questions and hypotheses that will drive my data collection and analysis. These hypotheses were derived from the literature and my preliminary work in the field. The hypotheses describe the manner in which Usha influences development outcomes at individual and community levels, through logistical and political pathways.

Chapter Five outlines the specific methods I will use to empirically investigate these hypotheses. Using case study method (Yin, 2008) I will draw from quantitative and qualitative primary and secondary data to analyze the Usha organization in relationship with my research questions. Scholars and activists have contributed thoughtful critiques of both microfinance and abolitionist sex work interventions; however, there is almost no research on community-based microfinance alternatives or on economic interventions that support the economic agency of sex workers. This research will begin to address this
gap, thereby contributing to a growing body of critical development literature that challenges hegemonic modes of development.

Chapters Six through Nine detail the results of the mixed-method case analysis. These results chapters analyze the organizational structure and culture of Usha with respect to the overarching research questions. The final chapters bring these findings back into conversation with prevailing modes of neoliberal development and discourses of empowerment, examining the extent to which Usha short-circuits mainstream development approaches.
Neoliberalism and social welfare.

Neoliberal economic theory champions the extraction of the state from the functions of the market (Harvey, 2005). Economic growth and stability, it is claimed, is achieved by freeing restraints on trade and creating a healthy ‘business climate’ by reducing regulation and tax on businesses. According to this paradigm, the state is the only institution possessing the legitimate use of violence and the power to define law and should use both of these powers to support and protect individual, market-based freedoms (Harvey, 2005). With these individual freedoms protected, the individual is, in theory, in a position to maximize their own welfare in the market system. Success or failure in personal welfare, therefore, results from “entrepreneurial virtues or personal failings (such as not investing in one’s own human capital enough through education) rather than being attributed to any systemic property (such as class exclusions attributed to capitalism) (Harvey, 2005, p.65-66).”

Neoliberalism in practice. Key tactics of neoliberalism include the privatization of once communally or state owned resources, rolling back the welfare state, undermining union or other collective power, opening trade to encourage foreign investment, promotion of proprietary law (such as intellectual property rights), implementation of regressive tax codes, maximization of competition and flexible specialization of labor (Harvey, 2005). These tactics are promoted in the name of freeing
capital, encouraging entrepreneurial innovation, and, supposedly, wide-spread economic growth and wealth generation (Brown, 2003; Harvey, 2005).

Neoliberalism, however, is a construct rather than ontological fact; neither the market, nor competition, nor rational economic behavior is the natural state of human existence (Brown, 2003). Neoliberalism, therefore, must be actively facilitated. In fact, Brown argues, neoliberalism has become such a core part of our current understanding of the structure of society that it is not simply that the state supports the market, but the market legitimizes, and in many ways controls, the state (2003). Additionally, the state itself must operate according to the entrepreneurial ethos of market rationality; all state actions must survive the market calculus of strict cost/benefit analysis, maximum efficiency, and profitability (Brown, 2003). Neoliberal ideology does not just concern itself with the market, but applying market rationality to all aspects of social life (Brown, 2003). Through the promulgation of market ethics and the power of governmentality citizens are manufactured as neoliberal subjects, bound within the limits of constructed social potentialities.

Though neoliberal mandates have shaped many aspects of international development, I will specifically consider microfinance. I argue that microfinance is an instantiation of neo-liberal development. However, as we will see, microfinance, with its roots in community centered work, is a potential point of access for alternative paradigms of community-centered economic intervention that can rupture the narrative of rugged individualism and reconnect microeconomics with the politics of structural inequality.

**The Microcredit Revolution**
Microfinance institutions (MFIs) take many different forms, but the common goal of all MFIs is to provide financial services, of various kinds, to people who otherwise would not have access to a formal banking system, particularly women (Armendariz & Morduch, 2010). Muhammad Yunus of the Grameen Bank, considered by many to be the father of microcredit, envisioned a banking system that would end poverty and create a more just society (Rutherford, 2009). Several characteristics are specific to the Grameen lending approach. Loans are targeted at the poorest sectors of the population, given without collateral, rely on lending groups to exert social pressure to enhance loan repayment, are repaid in regular installments, are based on group trust and accountability, and have bank branches that are located within the community (Armendariz and Morduch, 2010; Grameen Bank, 2011). Additionally, the original Grameen approach encourages members to take advantage of the lending group community structure to pursue social development goals including literacy, health education, and environmental stewardship programs (Grameen Bank, 2011).

Research throughout the 1990’s provided evidence of the successes of microcredit as a tool of poverty alleviation and women’s empowerment (Amin, Becker, & Bayes, 1998; Cheston & Kuhn 2002; Hashemi, Schuler, & Riley, 1996; Pitt, Khandker, & Cartwright, 2003). By the turn of the millennium the development world had embraced microcredit as a near panacea of economic and social development (Ghosh, 2013). The United Nations declared 2005 the “Year of Microcredit” and in 2006 the Nobel Peace Prize was award to Muhammad Yunus and the Grameen Bank (Sengupta, 2013).

**The rise of commercialism.** Interestingly, just as Yunus was receiving these accolades, the foundation of social development upon which the Bangladesh-style
microcredit was built was being fundamentally undermined by a ‘new wave’ of microcredit programs emphasizing ‘full cost recovery’ over social development (Ghosh, 2013). After the successes of microfinance became apparent, major institutions such as the World Bank became interested in the potential of microfinance, but criticized the use of donor subsidies and promoted the liberalization, commercialization and privatization of microcredit (Cull, Demirgüç-kunt, & Morduch, 2008). BRI in Indonesia and BancoSol in Bolivia were some of the first microcredit institutions to undergo neoliberal reform, rejecting supportive subsidies, adopting market interest rates, setting broad outreach and expansion goals, generating profit, and highly compensating managerial staff, including the option of shareholding (Bateman, 2010). The emergence of a commercial market for microfinance revealed the potential of for-profit companies to make money while providing a social good; an appealing proposition for the business world (Cull, Demirgüç-kunt, & Morduch, 2008). The focus of microfinance shifted from social development to the provision of bare financial services, the minimization of risk, and the maximization of scale, efficiency and reward (Rankin, 2002). Proponents of commercialization claim that the ‘financialization’ model encourages accountability not found in donor based social programs (Cull, Demirgüç-kunt, & Morduch, 2008). This new form of microfinance saw a flood of support from private investors and commercial banks. An executive from ING was quoted as calling microfinance the ‘new financial frontier,’ stating that banking to the extremely poor would create a ‘niche market with competitive profits in ten years (ING 2008, p 35 quoted in Roy, 2010, p. 30).’

As the commercialization model began to take off, Bangladesh-style social development NGOs began to feel the pressure to adopt neoliberal reforms (Ghosh, 2013).
Though still critical of fully commercial banks (Hudon & Sandberg, 2013) NGOs began to take on the traits of private banks such as increased flexibility, higher interest rates, and increased pressure to take or ‘top off’ loans (Augsburg & Fouillet, 2010; Rutherford, 2009).

Creating a discourse. The acceptance and promotion of microfinance as an effective development tool has been supported by major knowledge producing organizations such as the Consultative Group to Assist the Poor (CGAP), a World Bank group whose mission includes the development of ‘responsible’ markets and to “increase access to the financial services the poor need to improve their lives (CGAP, 2014).” The World Bank, CGAP, and other institutions have invested considerable resources in the research and development of ‘best practices’ in line with the commercial model (Karim, 2011).

Microfinance as an Instantiation of Neoliberal Development

Microfinance relies on the assumed latent entrepreneurial talent of the poor which can be unlocked with the appropriate set of conditions and supports. The goal of most microfinance projects is to provide sufficient start-up capital for poor people to invest in individual income generating projects. Microfinance institutions assert that they provide capital that is free from the regulations of corrupt governments and the restrictions of donor subsidized NGOs, who condescend to their clients by demanding paternalistic rituals, meetings, and rules (Roy, 2010).

Some have argued, however, that microfinance has been promoted to ameliorate and distract from the consequences of the aggressive financial liberalization policies exacted on post-colonial countries at the end of the 20th century (Rankin, 2002; Sengupta, 2013; Weber, 2001). Roy explains, “the hand maiden of, rather than alternative to, neoliberal
globalization and free-market ideologies, microfinance serves as the safety net for the devastating programs of structural adjustment (p. 29, 2010).” This safety-net is imbedded in individualistic free-market principles of self-help and entrepreneurialism (Weber, 2001). The flip side of the promise of individual success is the individuation of failure and responsibility (Sengupta, 2013).

**Outcomes of microfinance participation.** Individuals are expected use the tools provided by microfinance to accrue sufficient human, social, and financial capital to thrive in society. However, as studies evaluating the economic effectiveness of microcredit interventions become more rigorous, evidence of economic transformation is scant. Most studies find, at best, modest financial gain in treatment groups (Angelucci, Karlan & Zinman, 2013; Banerjee & Duflo, 2011).

So why isn’t microfinance the magic bullet so many had hoped it would be? Firstly, the project relies on the assumption that poor people want to start a business. In their extensive research on the financial decision making processes of poor people, Banerjee and Duflo found that many poor people are not interested or able to start a business (2011). Many people would rather have a steady job with a steady wage and predictable hours than become an entrepreneur.

Bateman (2010) discusses the trap of informal sector employment in general. He argues that the informal market has been used since the Industrial Revolution to keep poor people actively engaged in petty survival-based trades and out of transformational activities that would “upset the social order (p. 32).” Microenterprises taken on today with the help of microfinance are largely unregulated and un-protected businesses that do not have organizational support (such as a union) or management toward which one can
direct demands. Participation in an uncertain and unregulated informal sector is positively reframed as ‘flexibility’ of labor and ‘entrepreneurialism’ in the neoliberal discourse (Harvey, 2005).

Many people choose not to participate in microfinance even when they have access to it. People cite the rigid lending and repayment rules (Augsburg & Fouillet, 2010; Banerjee & Duflo, 2011), program structures that are unresponsive to client need (Mahajan, 2007), and limited services into which clients with various needs are forced (World Bank, 2009) for this lack of interest. Furthermore, rhetoric suggesting that microfinance improves the lives of the poorest members of society has proven to be largely fallacious. There is evidence that many commercial microfinance organizations find it challenging to lend to poorer segments of the population (Cull, Demirgüç-Kunt, & Morduch, 2008) and those who successfully benefit from microloans tend to be women who already enjoyed higher levels of education, business experience and autonomy outside the home (Angelucci, Karlan, & Zinman, 2013; Karim, 2011).

**Empowerment outcomes.** The effectiveness of microfinance for the empowerment of women is a widely believed narrative (Weber, 2001). However, research questioning the empowerment thesis began to emerge fairly early in the microfinance literature. For example, there is evidence of an increase in intimate partner violence experienced by women obtaining MFI services (Rocca, Rathod, Falle, Pande, & Krishnan, 2006; Schuler, Hashemi, Riley, Akhter, 1996) and the extortion and misuse by male family members of loans disbursed to women (Fernando, 1997; Garikipaki, 2008; Goetz & Sen Gupta, 1996; Rahman, 1999). Others have found that microfinance participation may exacerbate, rather than narrow, the structural inequalities faced by women and other groups (Rankin, 2002).
Karim (2011) found that microfinance organizations rely on an “economy of shame” in which loan repayment is enforced through leveraging the negative social consequences of shaming one’s family and community through loan default. Fear of such consequences led to intense intra-community policing (Augsburg & Fouillet, 2010; Rahman, 1998). Microfinance has been generally criticized for having weak systems in place to monitor accountability of loan officers and bank managers (Dixon, Ritchie & Siwale, 2006).

Notwithstanding the price borrowers pay in terms of social pressure and shame, microloans themselves are expensive. D’Espallier, Hudon, and Szafarz (2013) found that to compensate for lack of subsidies, commercial microfinance organizations raised interest rates and, overall, lack of subsidies worsened social performance. Though many dispute that high interest rates and commercialization necessarily lead to negative social outcomes (Karlan & Zinman, 2010; Mersland & Strøm, 2010; Rosenberg, Gonzalez & Narain, 2009) the debate around interest rates and microfinance revenue has grown more heated in the last five years. High interest rates are justified by microfinance groups because profits supposedly increase the money available for lending (Rosenberg, 2007). Put another way, poor people are not only responsible for overcoming their own poverty-they are paying high interest rates to support the welfare of other poor people, without community-level protections (Bateman, 2010). Making loan payments has proven difficult for microfinance participants and microfinance has been shown to promote over-indebtedness in clients (Ghate, 2007).

In light of the critiques and limitations of microfinance, how has it maintained its position as a quintessential tool of poverty alleviation in the modern era? I argue that through the power of governmentality, microfinance has been constructed as one of very
few options for individuals to assist themselves in securing their own welfare. In the following section I provide a brief overview of the power of governmentality, consider how governmentality moves through microfinance, and explore the de-politicizing effect of microfinance on the potential collective action of microfinance recipient populations.

**Governmentality: An Overview**

Foucault identifies governmentality as a modern mechanism of state power and situates it in relation to two other mechanisms of state power, sovereignty and discipline, which he had analyzed in previous works. The apparatus of the power of government, articulated by Foucault as security, is directed not at individual bodies, but at the multiplicity of people as a generalization; the population (Foucault, 2003). Birth rate, death rate, health and longevity reflect trends in a population and are the objects of knowledge and targets for the biopolitics of security (Foucault, 2003). Foucault argues that government is involved in arranging the “complex of men and things (2007, p. 97).” These relationships shape the processes by which the government exercises the technology of security. The goal of security is not to “modify a given individual insofar as he is an individual, but, essentially, to intervene at the level at which these general phenomena are determined, to intervene at the level of their generality (2003, p.246).” Foucault goes on to say, “We now have the emergence, with this technology of biopower, of this technology of power over ‘the’ populations as such, over men insofar as they are living beings. It is continuous, scientific, and it is the power to make live (p.247).” Governmentality is therefore the power to set conditions such that some life, or aspects of life, is supported and made to thrive, while others are neglected and left to die.
The governor must rule through “the delimitation of phenomena within acceptable limits (Foucault, 2007, p. 66).” Foucault outlines three key characteristics of a proper governor; patience, wisdom, and diligence. Patience is the ability to deploy mechanisms of power without force and willingness to tolerate the slow pace of governmental power. Wisdom indicates knowledge about the myriad ‘things’ with which men are involved, and ways that different situations and dispositions can be constructed to obtain the objective of government through the arrangement of men and things. Finally, the quality of diligence implies that the governor should act in the best interest of the population. The population should therefore feel as though the mechanisms of security are working in their interest; a situation that lends an essence of voluntariness to the process of being subjected to governmentality. Governmentality is not just concerned with governing, but guiding the ways one governs oneself (Lemke, 2001).

**Governmentality as a tool of neoliberal power.** Under neoliberalism individuals ‘choose’ the ways in which they will provide for their own welfare. It is through this freedom of ‘choice’ that the power of neoliberal governmentality operates. Neoliberal governance constructs the world of rational choice options for individuals in the market, actively shaping the relationships between ‘men and things.’ Brown writes,

“neoliberalism does not simply assume that all aspects of social, cultural, and political life can be reduced to such a calculus (*of rational choice analysis*), rather it develops practices and rewards for enacting this vision. That is, through discourse and policy liberalism produces rational actors and imposes market rationale for decision-making in all spheres (2003, np, parenthetical added).”
Thus, by delimiting choices available to populations, neoliberal governing institutions can control individuals while avoiding responsibility for them (Lemke, 2001). In this way “neo-liberalism encourages individuals to give their lives a specific entrepreneurial form (Lemke, 2001, p.202).” In short, the state and other powerful institutions, through neoliberal governmentality, lead individuals to live according to entrepreneurial values of self-help while simultaneously obscuring their role in the process and absolving themselves of responsibility for failure.

**Microfinance and governmentality.** Microfinance is an effective conduit of the power of neoliberal governmentality and has therefore been protected and promoted. The overarching governance goal of microfinance is to shape the choices of poor people by encouraging the characteristics of entrepreneurialism, thrift, and investment to thrive in the population. The cultivation of these characteristics is achieved through shaping the options available to poor people. By constructing microfinance as one of limited options, the population is driven to act in a way that supports the project. In this way, governmentality shapes the wants and needs of the population. The intervention is therefore justified by the ‘needs’ of the population (Bateman, 2010) and the population is shaped by the intervention.

Processes of governmentality also dislocate the management of the population from the lived experience of the population by necessitating a specific and technical knowledge. The supremacy of the neoliberal microfinance intervention is protected by institutions designed to produce and disseminate certain forms of ‘truth’ regarding ‘effective’ poverty alleviation programs (Karim, 2011). Organizations like CGAP are committed to creating a ‘facilitating environment’ for their brand of development
(Weber, 2001). A Senior C-Gap official was quoted as saying, “What is measured, is what is managed. We script. We manage. We control (p. 46, Roy, 2010).”

There are several ways the production and control of technical knowledge regarding microfinance aides the process of neoliberal governance. Firstly, the knowledge that is created, mostly positivist in nature, captures rates and commercial outcomes but cannot capture social processes, dynamics of power, and political consequences of microfinance programs (Meyer, 2007). Because these forms of knowledge are denied relevance, microfinance is encouraging characteristics of entrepreneurialism in the informal sector, while allowing collective forms of social welfare activities, such as labor organization or communal forms of resource management and production, to die. Secondly, the technical knowledge used to manage the population rests exclusively with the expert class. Microfinance participants do not understand the statistical analysis of the population as a whole and therefore, even in groups, can’t be trusted to manage themselves appropriately. Non-experts are not equipped and therefore are excluded from the decision-making processes. This is made clear in major microfinance training conferences that are conducted in English even when taking place in the global South (Karim, 2011) and ethnographic work demonstrating that ‘local’ opinions, even the perspectives of local ‘experts’, are often dismissed in favor of the thoughts and opinions of the leaders of major Western governing bodies such as CGAP (Karim, 2011; Roy, 2010). The population, therefore, must rely on the good intentions of the governor because it is denied its own voice. The governor promotes the acquiescence of the population by 1) promising to work in its best interest and 2) suffocating alternatives.
Some have argued that through neoliberal governance, microfinance and other
development interventions have led to the ‘depoliticization’ of development (Bateman,
2010; Murray, 2007). There is no mention in the mainstream microfinance discourse of
structural inequalities that systematically reproduce poverty or macro-economic policies
that could address this intractable problem (Pogge, 2012; Rankin, 2002; Sengupta, 2013).
Abuse of power in the formal sector, lack of protection in the informal sector,
vulnerability in migrant labor, government regulation of trans-national business, the
impact of trade agreements on the bottom of the supply chain, and many other issues that
affect the livelihoods of the world’s poorest are whitewashed by the eternal optimism of
individual entrepreneurialism. The acceptable discourse of poverty and development has
been removed from the context of the political economy and into the realm of technical
intervention. Microcredit, then, becomes a ‘political safety net’ to mitigate resistance to
the implementation of neoliberal policy and the consequences thereof (Weber, 2001).
Brown describes this process,

“The rationally calculating individual bears full responsibility for the
consequences of his or her action no matter how severe the constraints on this
action, e.g., lack of skills, education, and childcare in a period of high
unemployment and limited welfare benefits. Correspondingly, a "mismanaged
life" becomes a new mode of depoliticizing social and economic powers and at
the same time reduces political citizenship to an unprecedented degree of
passivity and political complacency…A fully realized neo-liberal citizenry would
be the opposite of public-minded, indeed it would barely exist as a public. The
body politic ceases to be a body but is, rather, a group of individual entrepreneurs
and consumers (2003, np).”

Economically marginalized groups, therefore, become occupied with self-managing their
own welfare, using tools such as microfinance, and are less able to collectivize as a
public to change structures of social inequality through collective action and/or civic participation (Chatterjee, 2004; Weber, 2001).

**Potential alternatives to neoliberal microfinance.**

The dominant neoliberal discourse obscures the great heterogeneity of economic interventions developed in communities to protect against financial uncertainty such as rotating savings and credit associations (Anderson & Baland 2002; Donoso, Altunbas, Kara, 2011; Gugerty, 2007; Handa & Kirton 1999) and cooperative banks (Ghosh, 2013) that have all but disappeared from the discussion of economic interventions for the poor. Credit cooperatives are member-owned, not-for-profit banks. These banks mobilize member savings to generate funds that are invested back in the community in the form of loans and sometimes other income generating projects (Bateman, 2010; Ferguson & McKillop, 2000).

Sengupta (2013) envisions a model in which economic interventions are but one of many tools used by larger member-run organizations aimed at addressing structural inequalities at the root of poverty. Reclaiming the social-transformative definition of solidarity, an economic intervention could be a springboard to political conscientization (Rakin, 2002). Several studies suggest that such an organizational model could be a powerful point of resistance to the dominant paradigm of microfinance and open up new ways of conceptualizing empowerment in a neoliberal development environment (Achwan, 2012; Sengupta, 2013). Could such model short-circuit the neoliberal governance of microfinance and reclaim the social development potential of the microcredit revolution?
The Usha cooperative bank incorporates many of these alternative ways of conceptualizing economic interventions and the investigation of Usha will pose this very question. Before turning to the specific research questions that guide the current study, however, I will transition from theory to praxis and examine how neoliberal governmentality becomes operationalized through interventions that have been implemented on sex work populations.
CHAPTER THREE

Sex Worker Economic Interventions: Current State and Alternative Models

The previous chapter examined logistical and political critiques of microfinance, positing the intervention as a tool of neoliberal governmentality. The microfinance discourse suggests that participants, particularly women, are liberated from poverty and reclaim their agency through free market participation. This specific form of economic agency becomes the working definition of ‘empowerment’ in neoliberal development. In this chapter I will specifically examine microfinance as it has been implemented on sex work populations as a part of the popular ‘raid, rescue, and rehabilitate’ intervention model. This analysis illuminates the limitations of ‘agency’ and ‘empowerment’ under neoliberal development.

Microfinance with Sex Workers: Rehabilitative Alternative Employment Schemes.

Microfinance is most often introduced to sex workers as a vehicle for alternative employment. Such interventions could be categorized as part of the raid, rescue and rehabilitate (RR&R) approach to intervening with sex works. RR&R interventions are organized by the state or an NGO, often enlisting the help of local law enforcement for the ‘raid’ portion of the program (Ahmed & Seshu, 2010; Magar, 2012). Sex workers are ostensibly ‘rescued’ because it is assumed that the women do not want to be sex workers. Detained workers are sent to either a non-profit run rehabilitation center or a state run safe-house (Ahmed & Seshu, 2010; Magar, 2012; Soderlund, 2005). Women then engage in rehabilitative activities, such as learning to make canvas bags or other small trades, as a pathway to alternative employment (Ahmed & Seshu, 2010). Several such alternative employment schemes are described in the literature (Odek, Busza, Morris, Cleland,
Ngugu, Ferguson, 2009; Sherman, German, Cheng, Marks, and Bailey-Kloche, 2006; Sherman, Srikrishnan, Rivett, Liu, Solomon, and Celentano, 2010; Tsai, Witte, Aira, Altantsetseg, and Riedel, 2011) and constitute the bulk of the economic intervention research for sex workers.

**RR&R and neoliberalism.** RR&R interventions are promoted by a network of organizations supporting the abolition of sex work as a part of the modern-day anti-slavery movement (Bernstein, 2007). The abolitionist perspective asserts that all exchange of sexuality for money or material good is an inherent act of violence against women and forecloses the potential for consenting sex work (Farley, 2006; Jeffries, 2009). Thus, according to abolitionist theory, the RR&R model extracts women from an environment of inherent exploitation to one of legitimate entrepreneurial activity. The imagery employed by abolitionists contrasts the oppressed third world sex slave with the liberated artisan working to produce goods for mainstream consumption (Bernstein, 2010).

Bernstein (2010) highlights how the options available for public participation in the anti-slavery movement promote a very specific vision of carceral and neoliberal solutions to the problem of prostitution. Individuals can give money to an organization that runs raids, allowing the donor to live vicariously through the rescue of a sex worker and the incarceration of her enslaver. An individual can also purchase items made by former sex workers participating in aforementioned alternative employment schemes, thereby playing a personal role in the sex worker’s economic salvation through the liberating power of the free market. Bernstein argues that the abolitionist coalition perceives these two tools, the carceral and the consumer, as the main routes to achieve
global social justice. The use of free market ideology and the power of individual consumer-activism assert the superiority of Western, market-based approaches and justifies its imperialism. The RR&R model has been heavily publicized and dominates public common knowledge about sex work (see, for example, the ‘Half the Sky’ Movement, halfthesky.org). However, research investigating the experiences of sex workers themselves highlights important limitations and critiques of this model.

**Logistical Critiques of the Raid Rescue and Rehabilitate Model**

Evidence suggests that raids are often conducted based on faulty information, at times incorrectly citing underage workers on the premise (Ahmed & Seshu, 2010; Kinney, 2006). Raid violence has been reported including the assault of sex workers by raiding police (Ahmed & Seshu, 2010; Busza, 2004; Magar, 2012). Rehabilitation centers to which sex workers are sent vary greatly, with reports of some safe homes described as “jail like” by sex workers (Ahmed & Seshu, 2010; Jayasree, 2004; Misra, Mahal, Shah, 2000). Forced rescue impedes workers’ ability to make money and workers are not compensated for lost time due to raid and relocation (Ahmed & Seshu, 2010). This may lead to increased risk taking in sex work later to make up for lost money (Busza, 2006).

Alternative employment’ opportunities are constructed for the sole purpose of exiting from sex work. This is not a problem in and of itself. Many sex workers might prefer to leave sex work if lucrative employment options were available. However, this approach has several limitations and consequences. Alternative employment programs often have limited and unstable funding (Chapkis, 2003; Vuylsteke & Jana, 2001). Employment programs, therefore, have questionable sustainability and rarely offer income equivalent to sex work. For example, one program (Sherman et al; 2010) is
dependent on capacity of the NGO to support manufacturing production, in that instance offering a maximum of 20 hours a week to former sex workers. Additionally, many of these programs are highly restrictive about what women can and cannot do with their money, which can be interpreted as paternalistic and further stigmatizing of sex workers (Canadian HIV/AIDS Legal Network, 2007; Jayasree, 2004)

Perhaps the most telling critique of the RR&R model is the rate at which rescued workers return to sex work (Busza, 2006). A Human Rights Commission Report from the government of India reported that over 25% of those who were ‘rescued’ in a RR&R program had been rescued at least once before (Magar, 2012). As noted above, many women cannot provide for their families based on what they make in supported employment programs. Other women prefer sex work to other options open to them (Augustin, 2007). Domestic workers, for example, also face potential labor and sexual exploitation but have less freedom over work-life, mobility, and significantly lower earning capacity than sex workers. This last point is particularly important as many women are keenly aware of the reliance of family members on remittances from their earnings (Kinney, 2006). There is a mounting body of evidence therefore that, for many sex workers, their participation in sex work is not forced or coerced, it is a decision made within a constrained set of choices (Agustin, 2007; Doezema, 2002; Ghose, Swendeman, George, Chowdhury, 2008; Jayasree, 2004; Sanders, 2008; Saunders 2005).

**Economic needs of active sex workers.** Research has shown that almost all sex workers enter the profession to make money, citing reasons such as economic need and higher wages of sex work compared to other professions (Basu, Jana, Rotheram-Borus, Swendeman, Lee, Newman, Weiss, 2004; Bilardi, Miller, Hocking, Keogh, Cummings,
Chen, Bradshaw, Fairley, 2011; Booranapim & Mainwaring, 2002; Chipamaunga, Muula, Mataya, 2012; Devine, Bowen, Dzuvichu, Rungsung, Kermode 2010; Reed, Gupta, Biradavolu, Devireddy, Blankenship, 2010). When asked, sex workers cite economic independence and access to banking as some of their most pressing goals (Ghose et al., 2008; Mahal, Seshu, Mane & Lal 2012). The few extant studies examining active sex workers’ economic experiences found that while most sex workers have savings goals (Booranapim and Mainwaring, 2002; Tsai et al., 2013), few had access to secure mechanisms to save (Mahal et al., 2012; Tsai et al., 2013). Sex workers also lacked access to affordable credit (Mahal et al., 2012; Tsai et al., 2013), had little protection from microeconomic shocks such as missed work (Booranapim and Mainwaring, 2002; Mahal et al., 2012), and were particularly economically unstable as they aged (Mahal et al., 2012). This evidence suggests a need for economic interventions supporting sex workers while they engage in sex work, especially in light of the effect of economic instability of sex worker health and well-being.

**Economics and the well-being of sex workers.** Research has linked HIV risk with unsupported indebtedness (Reed, Gupta, Biradavolu, Devireddy, & Blankenship, 2010; Tsai et al, 2013) and economic dependence (Blankenship, West, Kershaw, Biradavolu, 2008; Tsai et al, 2013). It has been documented that clients are willing to pay more for unprotected and risky sex (Deering et al., 2013; Gertler, Shah, Bertozzi, 2005; Karim, Karim, Soldan, Zondi, 1995; Kerrigan, Moreno, Rosario, Gomez, Jerez, Barrington, Weiss, Sweat, 2006; Rao, Gupta, Lokshin, Jana, 2002) and that economic need drives sex workers to take more money for riskier sex (Chipamaunga, Muula, Mataya, 2012; Karim, Karim, Soldan, Zondi, 1995; Varga, 1997). This leads some researchers to conclude that
interventions, such as savings programs, that help sex workers build assets and regulate money available for consumption needs could help reduce HIV risk (Rao Gupta, Parkhurst, Ogden, Aggleton, Mahal 2008; Blankenship, West, Kershaw, Biradavolu, 2008). Despite the relationship between economic security and health there is no research, to my knowledge, examining the potential for an economic intervention supporting active sex workers.

The previous section outlined the practical limitations of the RR&R model as well as the need for an intervention that financially supports active sex workers. As we saw in the broader discussion of microfinance, there are also political critiques of the RR&R model with sex worker groups.

**Political Critiques of the RR&R Model**

**The RR&R model and sex worker agency.** The RR&R model does not leave space for sex workers’ agency in the decisions made about their futures. Sex workers are seen as victims in need of rescue and redirection, not rational actors navigating a complicated and challenging labor market to maximize the welfare of themselves and their families. The sex worker’s economic agency is only legitimate when it is exercised to take advantage of restrictive rehabilitative alternative economic programs designed for exit out of sex work. Then, it is lauded as the very definition of ‘freedom’ (Bernstein, 2010).

**RR&R and de-politicization.** The abolitionist anti-slavery movement has defined ‘sex slavery’ as an individual and technical problem, not a structural economic one. Given the macro effects of global economic policies on developing economies, the
preservation of this binary plays an important political role in the larger neoliberal project. Bernstein writes,

“the dichotomy between slavery and freedom poses a way of addressing the ravages of neoliberalism that effectively locates all social harm outside of the institutions of corporate capitalism and the state apparatus. In this way, the masculinist institutions of big business, the state, and the police are reconfigured as allies and saviors, rather than enemies, of unskilled migrant workers, and the responsibility for slavery is shifted from structural factors and dominant institutions onto individual, deviant men (2007, p.144).”

By framing sex work as a moral problem caused by individuals, rather than a complex and global issue of income, labor, and livelihood, the abolitionist movement has privileged a simplistic conversation of individual protection (Bernstein, 2010). The abolitionist discourse does not entertain the potential for an alternative path to sex worker empowerment through collective rights-seeking, political action, or other forms of structural change. The RR&R model therefore, like microfinance interventions more broadly, can be seen as a tool of governmentality. The intervention guides sex workers to engage in entrepreneurialism as governing institutions (NGOs and the state) see fit by forcibly limiting the option available to them. This is done in the sex worker’s best interest, securing her ‘freedom’ for her and capping the terms of her agency. A hallmark of depoliticizing forms of development, the RR&R model puts leadership in the hands of outside ‘experts’ who are trained to manage sex worker populations.

Not all sex work interventions in the literature fit the RR&R model, however. Community-led structural interventions (CLSI) have become the gold standard in public health approaches to HIV prevention with sex worker groups. The CLSI model illustrates
how community approaches have resisted mainstream narratives of sex worker victimhood.

**Community-Led Structural Interventions with Sex Workers**

Broadly defined, structural interventions in the field of public health are interventions that alter the contextual and environmental factors that influence health and health behavior (Blankenship, Friedman, Dworkin, Mantell, 2006; Rao et al., 2008). To be effective, relevant, and sustainable, interventions designed to alter structure must work within a complex understanding of context (Rao et al., 2008). For this reason, community-led structural interventions (CLSI) have gained traction in the last several decades as a critical piece of the HIV prevention puzzle (Blankenship et al., 2006). A key component of the CLSI is community mobilization, which aims to “alter the power relations between marginalized and dominant groups (Blankenship et al., p. 63, 2006).” This is accomplished through activities that assist groups in identifying and demanding their rights and addressing socio-political barriers to positive health behaviors (Blankenship et al., 2006).

**Community-led structural interventions with sex workers.** Over the last decade there has been increasing documentation of the use of CLSI to address HIV risk and prevention with commercial sex workers (Blankenship, West, Kershaw, Biradavolu, 2008; Ghose, Swendeman, George, Chowdhury, 2008; Kerrigan, Moreno, Rosario, Gomez, Jerez, Barrington, Weiss, Sweat, 2006; Shahmanesh et al., 2008). Positive HIV health outcomes of such interventions have been well documented (Blankenship et al., 2008; Halli, Ramesh, O'Neil, Moses, Blanchard, 2006; Kerrigan, et al., 2006; Swendeman, Basu, Das, Jana, Rotheram-Borus, 2009).
Research suggests several explanations for these positive outcomes. Firstly, CLSI can lead to a sense of professional identity in workers (Ghose et al., 2008). In stark contrast to the stigma and social marginalization most sex workers regularly face from both health intervention organizations and the society at large, pride in work fostered by CLSI can inculcate condom use as professional conduct (Basu & Dutta, 2008; Ghose et al., 2008). Interventions led by sex workers also develop trust within the community more readily than outside organizations (Basu & Dutta, 2008; Blankenship, Biradavolu, Jena, George, 2010). CLSI address issues according to community priority. Context-specific barriers are therefore foregrounded and underlying structures central to HIV risk, such as power imbalances within the community or tenuous police relations, are recognized and addressed (Blankenship et al., 2010). Finally, a discursive reframing of agency happens in sex worker-led structural interventions. Community members are encouraged to reject outside judgments of sex workers as vectors of disease and instead are galvanized to act as key agents of change in the fight against HIV (Blankenship et al., 2010). Raid, rescue and rehabilitate interventions are not only the antithesis of the CLSI model, but they directly undermine the work of CLSI with sex workers through diverting resources (Busza, 2006; Kinney, 2006), destroying hard won and precarious stakeholder relationships (Busza, 2006), and creating mistrust in the community (Magar, 2012).

Sex worker groups have struggled to invert deficit narratives in economics as they have in public health. Despite a call for research examining the potential of community led economic structural interventions (Blankenship et al., 2008; Rao et al, 2008; Vuylsteke & Jana, 2001) there is no literature, to my knowledge, which addresses community-led economic interventions with sex workers. Weldon (2010) suggests that
when money is addressed in relation to sex work the discussion generally re-inscribes the victim archetype by painting a picture of sheer economic desperation. She goes on to say, “the financial experience the women are having is often assumed to be completely irrelevant compared to the sexual experience the men are having; the experience of the men is taken to define the exchange” The majority of researchers focus on the “sex” and ignore the “work” (Weldon, 2010). Koken, (2010) refers to this discursive limit as what remains “unknowable” when one subscribes to an abolitionist paradigm in which consensual sex work does not exists. Agustin (2010) notes that the majority of research is forced to fit into three conceptual molds: “AIDS prevention”, “violence against women” and “trafficking.” Work that tries to go beyond these boundaries struggles to access material and symbolic support.

Potential alternatives to the dominant discourse. Research examining the lived economic realities of sex workers could create room for multiple truths that dismantle the imagined victim of the abolitionist paradigm. This is an act of resistance against the “post-colonial erasure” perpetrated by media and academic research that ignores economic agency in their portrayals of sex workers (Shah, 2013; Sircar & Dutta, 2011). Research on sex workers’ economic experiences would join a small but growing field of literature that does not deny workers their agency, hide the benefits they receive from sex work, or maintain centuries-old “acceptable” theoretical frameworks for discussion of sex work; disease, violence, and salvation.

Pushing past individual experience, research can follow the trail blazed by sex worker-led groups that have subverted the mainstream public health agenda to mobilize around the social determinates of health. Might sex workers act collectively to address
the economic challenges they face as individuals, communities, and members of a stratified society? In doing so, could they create programs that offer an alternative to neoliberal and neocolonial rehabilitative schemes that aim to govern their actions? Such interventions could relocate the power to define the experiences of sex workers away from outside ‘experts’ and back in the community.

To do this would necessitate the development of an economic intervention other than traditional microfinance, for the reasons articulated in Chapter Two. Put simply, the collective social, political, and economic good will not be achieved through neoliberal technical development interventions. Brown theorizes how an alternative vision of ‘the good’ might look.

“In its barest form, this would be a vision in which justice would not center upon maximizing individual wealth or rights but on developing and enhancing the capacity of citizens to share power and hence, collaboratively govern themselves… However differently others might place the accent marks, none of these values can be derived from neo-liberal rationality nor meet neo-liberal criteria for the good (2003, np).”

Brown submits a tall order in this vision of the public good. However, there are organizations that are making inroads to a different form of collective social welfare. The final section of this chapter will describe one such group, the Durbar Mahila Samanwaya Committee, a sex worker’s collective in Kolkata, India working to creatively fulfill the needs and goals of the sex worker community through the activities of a community-based organization. This organization is also the setting of my dissertation research.

**The Durbar Mahila Samanwaya Committee.**

The work of the DMSC and its precursor, the STD/HIV Intervention Project (SHIP), has been well documented in public health literature (Jana et al., 2004). Moving away from
the traditional focus on the individual, SHIP took a multi-level approach to HIV prevention and intervention by considering the ways that HIV risk played out at the individual, social network, community, and structural/environmental levels (Jana et al., 2004; Swendeman et al., 2009). Positive HIV health outcomes of SHIP have been well documented in the public health literature (Basu, Jana, Rotheram-Borus, Swendeman, Lee, Newman, Weiss, 2004; Swendeman et al., 2009; Ghose et al., 2008) and the program has been used as a model to replicate elsewhere in India (Swendeman et al., 2009).

Once under community leadership, the original HIV focus expanded to include other issues that affected working conditions such as stigma, community violence, and community political disenfranchisement. The resulting organization is the Durbar Mahila Samanwaya Committee (DMSC), a sex worker-led trade union (Ghose et al., 2011). The DMSC currently continues its political lobbying work, including sex worker’s rights advocacy and the development of creative community approaches to local challenges (Evans & Lambert, 2008). The organization has also developed branches to address other relevant aspects of sex worker’s experiences. The Usha Multipurpose Cooperative Society (Usha) is a cooperative bank that was developed as the financial arm of the Durbar sex workers collective.

**The Usha Multipurpose Cooperative Society.** Usha is a community-led economic intervention run by and for sex workers and is borne out of this rights based movement. As such, it may provide insight into potential alternatives to the neoliberal governance of microfinance and ‘rehabilitative’ alternative employment interventions currently available to sex workers. My dissertation research will be an in-depth case
study of the Usha Cooperative of Society and will be guided by the following central research question; does Usha, a sex worker-led cooperative bank situated within a worker’s rights collective, short circuit the neoliberal economic development agenda? Specifically: Does the Usha bank address critiques aimed at microfinance initiatives? Does the Usha organization engender individual and collective economic agency in the sex work community?
Before turning to the specific hypotheses that will guide my data collection and analysis, it is worth distilling the preceding chapters to the core logic of their arguments.

**Microfinance**

In Chapter One, I argued that, as an economic development intervention, mainstream microfinance is a vehicle of neoliberal governance. The mechanisms of neoliberal development, such as profit-motive, privatization, and financialization, have impacted the priorities and processes of microfinance interventions. Research has shown that these modern, mainstream microfinance organizations do not adequately or appropriately address the economic needs of their clients and client communities. Additionally, microfinance individuates poverty and treats poverty as a technical problem. The abundance of microfinance programs and the lack of banking and employment alternatives have trapped poor people in an informal sector. This trap undermines collective social and political mobilization for structural change. Some have argued that collectively-run cooperative banks could provide an alternative to the microfinance paradigm. Usha is one such bank and my study will ask: *Does the Usha bank address critiques aimed at microfinance initiatives?*

To answer this question I will look at how Usha programs answers both the logistical and political critiques of microfinance. Logistically, I will examine the specific ways in which Usha programs serve members and support their financial goals and needs. Politically, I will examine the extent to which Usha programs address structural poverty, promote collective mobilization, and create in-roads into institutions of civil society.
Sex Work and Economics

In Chapter Two I argued that the economic interventions that have derived from the dominant abolitionist sex work discourse are ineffective and harmful for sex workers. I also highlighted the importance of reclaiming sex worker individual and collective agency for successful intervention programming with sex workers. This has been documented in the dramatic success of sex worker community-led structural interventions in public health. Some have argued that sex worker-led economic interventions could see similar successes. This leads me to a second research question: Does the Usha organization engender individual and collective economic agency in the sex work community?

To address this question I will consider the extent to which Usha works with sex workers as individuals capable of making personal financial decisions and as a community able to collectively care for their own economic well-being without paternal outside intervention.

Conceptual Model

Taken together, what emerges from these arguments is a multi-level (individual and community), multi-dimensional (logistical and political) critique of contemporary microfinance organizations and economic interventions available to sex workers. This critique is summarized in Table 4.1. Table 4.2 summarizes the hypothesized ways in which the Usha Multipurpose Cooperative Society, as a sex worker community-led economic intervention, counters these critiques.
Table 4.1: Critiques of Existing Microfinance Organizations and Economic Interventions for Sex Workers

<table>
<thead>
<tr>
<th></th>
<th>Individual</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Logistical</strong></td>
<td>Expensive loans</td>
<td>Profits made off of community members, benefit shareholders</td>
</tr>
<tr>
<td></td>
<td>Over-indebtedness</td>
<td>Investment directed at market saturation, not community</td>
</tr>
<tr>
<td></td>
<td>-loans do not match capacity to repay</td>
<td>development</td>
</tr>
<tr>
<td></td>
<td>-loans do not match proposed use</td>
<td>Management of money not</td>
</tr>
<tr>
<td></td>
<td>Systematic exclusions in access and successful repayment</td>
<td>determined by community</td>
</tr>
<tr>
<td><strong>Political</strong></td>
<td>Sex workers treated as victims to be saved from sex work</td>
<td>Does not address structural dimensions of poverty</td>
</tr>
<tr>
<td></td>
<td>Narrow and prescriptive alternative employment/ financial programs</td>
<td>Expands informal sector with no organized labor protection</td>
</tr>
<tr>
<td></td>
<td>No sex worker input on program design or implementation</td>
<td>Undermines processes of political citizenship</td>
</tr>
</tbody>
</table>

Table 4.2: Multi-Level Multi-dimensional Framework for Community-Led Economic Intervention

<table>
<thead>
<tr>
<th></th>
<th>Individual</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Logistical</strong></td>
<td>Maintains loan affordability</td>
<td>Reinvests income in community</td>
</tr>
<tr>
<td></td>
<td>Disburses loans responsibly to avoid over-indebtedness</td>
<td>Benefits community through investment projects</td>
</tr>
<tr>
<td></td>
<td>Equitable access to and successful repayment of loans</td>
<td>Manages organizational funds autonomous of outside institutions</td>
</tr>
<tr>
<td><strong>Political</strong></td>
<td>Marks member professionalism</td>
<td>Undermines community economic exploitation</td>
</tr>
<tr>
<td></td>
<td>Maintains member agency in program use and personal financial decision making</td>
<td>Provides labor protection in an unregulated informal labor sector.</td>
</tr>
<tr>
<td></td>
<td>Encourages member participation in decision making</td>
<td>Serves as vehicle for access to institutions of civil society</td>
</tr>
</tbody>
</table>

36
Hypotheses

Over-arching Hypothesis

I hypothesize that the Usha organization short-circuits the neoliberal development agenda, promoting structural change and sex worker agency by addressing logistical and political hurdles of economic empowerment, both at the individual and community levels.

Logistical Hypotheses

I hypothesize that Usha programs economically empower sex workers individually and collectively by addressing the logistical barriers confronting the sex worker community.

On the individual level, I propose that Usha programs offer affordable loans, discourage over-indebtedness, and promote equitable access to and successful repayment of loans. I hypothesize therefore, that:

Hypothesis 1: Usha maintains loan affordability. Specifically,

Hypothesis 1a: the average amount paid in interest on Usha loan per month will be less than 30% of the individual’s monthly income.

Hypothesis 1b: loans will be less expensive than credit alternatives in the community;

Hypothesis 2: Usha programs are designed to protect against over-indebtedness.

Specifically,

Hypothesis 2a: loan officers will use a complex calculus to determine loans, that will account for various characteristics of the loan applicant and the proposed loan use (matching financial capacity);
Hypothesis 2b: lower monthly income will be associated with smaller loans (matching financial capacity);

Hypothesis 2c: loan size will be associated with financial costs of proposed projects (commensurateness with loan purpose);

Hypothesis 2d: Usha will offer various kinds of savings programs that accommodate a range of savings needs (matching financial capacity).

**Hypothesis 3:** Usha will promote equitable services by offering all community members access to Usha services and equally supporting all members in loan repayment.

Hypothesis 3a: loan applicant characteristics will not be associated with the likelihood of loan provision or successful repayment.

Hypothesis 3b: sex workers will not perceive systematic exclusionary processes by Usha staff and leadership.

On the community level I propose that the Usha organization will **re-invest surplus income** back into the community, invest in **community-based projects and businesses**, and **autonomously manage** all Usha and Durbar funds. I hypothesize therefore that:

**Hypothesis 4:** Usha will invest in project and businesses that directly benefit the sex worker community. Specifically:

Hypothesis 4a: Usha will invest in businesses that provide products integral to the sex work profession.

Hypothesis 4b: Usha will invest in businesses that employ part-time or retired sex workers.

**Hypothesis 5:** surplus income generated by Usha will be reinvested in the community.
Hypothesis 6: Usha will achieve community control of funds by autonomously managing all Usha and Durbar financial accounts.

Political Hypotheses

I hypothesize that Usha programs empower sex workers individually and collectively by addressing sociopolitical barriers contributing to economic marginalization.

On the individual level I propose that Usha programs foster sex worker professional identity, promote independent financial decision making, and support member participation in organizational leadership and decision making. I hypothesize, therefore, that:

Hypothesis 7: sex worker professional identity will be enhanced through participation in Usha as professional organization.

Hypothesis 8: Usha will promote sex workers’ independent individual financial decision making.

Hypothesis 9: Usha will encourage member participation in organizational leadership and decision making.

On the community level I propose that Usha programs reduce economic exploitation, provide informal sector labor protection, and promote civil society incorporation. I hypothesize, therefore, that:

Hypothesis 10: Usha will undermine economic exploitation by power-brokers in the community.

Hypothesis 11 Usha will provide a system of informal labor sector protection.

H11a: participation in Usha will allow members to build an individual financial safety net and increase systematic financial management.
**H11b:** participation in Usha will serve as a gateway to participation in the Durbar worker’s collective.

**Hypothesis 12:** civil society incorporation will be enhanced by the legitimization of the sex work profession through official cooperative bank recognition and participation in Usha as a means to achieve legitimate property and business ownership.
CHAPTER FIVE

Methods

Community-Based Participatory Research

This research will be guided by the tenants of Community Based Participatory research (CBPR). CBPR is a process in which researchers, organizational representatives, and community members collaborate on research within a horizontal power structure (Israel, Schulz, Parker, Becker, 2001). CBPR was developed as a way to structure ethical, collaborative research engagement with marginalized communities that contributes to self-identified goals of the communities being studied. Several key characteristics of CBPR include balancing research that is used for knowledge development with research that is actionable for community benefit, prioritizing community-defined research questions, engaging in long-term research partnerships, and disseminating research findings to the community (Israel et al., 2001).

Adhering to these principles, I have worked with Usha leadership to develop a research project that will both contribute to academic literature and result in knowledge that will be used to benefit Usha and its members. There has been no systematic study of Usha, and therefore both Usha and Durbar are interested in better understanding the roles Usha plays in the sex work community. Usha is also interested in patterns of program use and program participation outcomes that will be relevant to both Usha program development and our broader research aims. Finally, Usha and Durbar are keenly aware of the political landscape of traditional development interventions and are invested in challenging and resisting this model through research. Usha recognizes that it can strategically use partnerships with independent academic research institutions such as the
University of Pennsylvania, as the DMSC has (Ghose, 2011). Publications and conference presentation coming out of this research will break the research silence on member-led economic interventions with sex workers and contribute to a growing literature that is shifting the discourse on sex workers and sex work organizations.

I consulted with Usha leaders on all aspects of the study, regularly discussed the potential meanings of my emergent findings, and, when not in Kolkata, sent reports updating the organization on my work. We have identified future lines of inquiry that are of interest to the organization and hopefully have begun to build a long-term research relationship. All results and conclusions were shared with the organization prior to dissemination.

**Researcher positionality.** In this dissertation I have critiqued Western abolitionist feminists for non-reflexive engagement with sex workers. As a Western feminist scholar myself, I, too, must be aware of my social location and the ways in which it may influence the work I do with the Usha Cooperative. Much has been written about ways that researchers can critically examine their research engagement with communities that have been ‘othered’ by neo-colonialism and Western research discourses (Chilisa, 2012; Mohan, 2001). I have used this literature to shape my research question development, engagement in the field, and data analysis. I used memoing as a way to map these critical reflections onto the actions of my methods and analysis (Creswell, 2007), centrally position the voices of the community in my research, and resist constructing flattened narratives of a generalized ‘third world woman’ through my written representations (Mohanty, 1988). The checks and balances of CPBR also contribute to this reflexive process.
Case Study Method

Escobar suggests that specificity of context is central to research that will defy the ahistorical and generalized ‘best practices’ privileged by the mainstream development discourse. Instead, research must examine specific “alternative representations and practices (1995, p.17)” in context. The Case Study Method (CSM) is appropriate when the phenomenon of interest is inextricable from its context (Yin, 2008). The CSM is, as it sounds, the systematic exploration of an identifiable case in its context (Miles and Huberman, 1994). The strength of the CSM is in its use of multiple forms of data that are integrated to develop, describe, and analyze the case (Yin, 2008). These data are woven together, not layered on top of each other, such that the multiple forms of data are triangulated to strengthen and complicate the case analysis (Baxter & Jack, 2008; Yin, 2008).

This dissertation is an intrinsic case study; a study in which the case is chosen because it is exceptionally unique and a deeper understanding of the case may shed light on an unexamined dimension of a phenomenon of interest (Baxter & Jack, 2008). Usha is a unique case, the systematic analysis of which can help us understand neoliberal development and the resistance thereof. To better understand this organization I will use the case study method to analyze Usha’s organizational structure and culture (Hatch, 1993). Case studies are often guided by hypotheses (sometimes called ‘propositions’) that are derived from the literature or preliminary field work (Yin, 2008). The propositions of this case study were outlined in the previous chapter and will guide data collection and analysis.

Research Site
The research will take place in red light districts served by the Durbar Mahila Samanwaya Committee and the Usha Multipurpose Cooperative Society. The biggest red light district, Sonagachi, is home to the main branches of Durbar and Usha. Sonagachi is located in northern Kolkata, West Bengal, India. Sonagachi has operated as a red light district since the colonial era and is the workplace of about 9,000 sex workers (Basu & Dutta, 2008). The second largest red light area is Kalighat, a historic temple district in south Kolkata. Kalighat has satellite branches of Durbar and Usha. I will conduct research in Sonagachi, Kalighat, and Seoraphuli, a rural field outside of Kolkata.

**Qualitative Data Collection**

Qualitative data were collected in two phases. Phase one data were collected to gain a basic understanding of Usha’s programs and services, identify preliminary themes regarding Usha’s organizational culture, develop and collect semi-structured interviews addressing Usha members’ experiences participating in Usha, and extract quantitative data from Usha’s administrative database. In phase two, data were collected to gain a deeper understanding of the organizational structure and culture. To focus data collection, collection in phase two was driven by emergent themes from phase one and the hypotheses outlined in Chapter 3. During phase two I also gathered additional member interviews and obtained updated database information.

Hypotheses, or ‘propositions’, in case studies are a useful tool to focus data collection, however they must be applied in a sufficiently open-ended manner as to not be prescriptive. I therefore used the hypotheses derived from the literature to identify ‘topics of inquiry’ that could guide my data collection without setting a deductive agenda. These topics of inquiry were: member service experience, the processes of community financial
advising and loan approval, credit alternatives in community, member and staff perceptions of exclusionary practices at Usha, processes of Usha income generating projects, investment of income, management of Usha and Durbar funds, history of development and original implementation of Usha, organizational decision making processes, and the relationship between Usha and Durbar (See Appendix A for a list of hypotheses and the areas of inquiry that will elicit information relevant to each hypothesis).

**Qualitative sampling procedures and recruitment.** The final qualitative data set consists of 60 semi-structured interviews with past and present Usha members, 20 in-depth semi-structured interviews with Usha and DMSC key informants, participant observation in the red light district and at Usha and DMSC offices, organizational documentation, and a structured orientation to the DMSC collective. All interviews were conducted in Usha and DMSC office spaces. Interviews were conducted using a translator who is fluent in English and Bengali and has worked extensively with the community. Member interviews from Phase One were conducted in collaboration with three student researchers working with Usha. I personally conducted or supervised all interviews included in the dataset. Participants were consented verbally immediately before the interview took place (see Appendix B for Human Subjects Protection). With participant consent, most key informant and several member interviews were recorded. The majority of members did not feel comfortable recording their interviews. Extensive notes were therefore taken during non-recorded interviews, as well as translator debriefing directly after the interview and memoing documenting the context and process of the conversation. Interviews that were recorded were transcribed. Interview notes,
recordings and transcript files were password protected and stored in a password protected computer.

**Member interviews.** Members were eligible to participate if they were current or past members of Usha. Members were recruited using maximum variation sampling, a technique in which participants are recruited to achieve heterogeneity in the sample according to relevant characteristics (Creswell, 2007). To include a broad spectrum of Usha member experience, members were purposively sampled to include variation in member age, income, field (urban vs. rural), HIV status, length of membership, involvement with Durbar, occupation (the sample includes both sex workers and madams as well as both commuting sex workers and brothel-based worker). Current members and member who had left Usha were interviewed.

Participant sampling concluded after conceptual saturation had been reached. This means that sampling stopped after additional interviews ceased to contribute new concepts, rather than after attaining specific sample size (Guest, Bunce, & Johnson, 2006). Most participants were recruited from the Usha member list with the help of Usha staff to achieve participant heterogeneity. Additionally, 10 participants were recruited at the bank without the presence of Usha staff to assess for potential staff selection bias in participant recruitment.

**Member interview protocol.** The interview protocol was piloted with 15 sex workers and adjusted according to pilot interview feedback for question clarity. Members interviews lasted an average of 20 minutes and addressed members experiences with Usha services. Members were asked, for example, how long they have been a member, in which services they participate, challenges they had experienced in participating in Usha,
benefits of participating in Usha, their opinion of Usha as a sex workers-only cooperative, and suggestions for Usha. Participants were also asked about their financial goals and strategies such as their savings goals, use of savings and loans, other financial services they participate in, and sources of financial advice. Finally, members were asked basic demographic questions, including age, field, whether they had children, and occupation (see Appendix C for Member Interview Protocol).

Description of member sample. Participants were most commonly from the Sonagachi field (24), but in total represented 10 different red light areas in Kolkata and the surrounding area. Most had children (46) and identified as sex workers (40). Other occupations included ‘sub-letter’ (madam, 11), ex-sex worker (7), housewife (2), and domestic worker (1). Non-sex workers were members either because they joined when they were active sex workers or currently work for the DMSC. Almost all participants were members of the DMSC and 18 had worked for the DMSC in some capacity, mostly as either as a peer educator or outreach worker. Most of the sex workers were based in brothels (33). Other workers worked independently or were ‘flying workers’ who commute daily to work in the red light districts. Most were currently Usha members, though 16 participants interviewed had recently left Usha. Participant ages ranged from 19-60 years old. Length of membership at Usha ranged from under two months to 19 years. Interviews revealed a range of financial experiences from women who could barely afford basic necessities, to those who had invested in land, construction, and businesses. Though we did not ask participants about their HIV status, 4 participants were recruited through the DMSC Positive Women’s Network and disclosed in interviews that they were HIV positive.
Key Informant Interviews and Focus Groups. I conducted a total of 20 semi-structured in-depth interviews and focus groups each lasting between 35-75 minutes (though shadowing interviews lasted several hours). Key informants from Usha and the DMSC were recruited using purposive sampling that was driven by the topics of inquiry and emerging themes throughout data collection. All key informant interviews were organized through Usha staff. Key informant interviews took place in Usha and DMSC Offices, with the exception of shadowing interviews with Usha Daily Collection staff which took place as part of participant observation in the field. All key informants were verbally consented immediately prior to the interview. Most interviews were conducted with a Bengali translator who has worked extensively with the community. Two interviews were conducted in English without a translator present. Interviews covered the topics of inquiry listed above.

Key Informant Participant Description. Key informant interviews consisted of 7 interviews with Usha leadership and Management, including the Bank Manager, Assistant Bank Manager, Usha Secretary and Usha President. These interviews covered the main organizational structure of Usha, in-depth descriptions of programs and services, Usha business investments, and discussion of emergent themes throughout the study including elements of organizational culture, such as organizational values and commitments. I also observed two board meetings in which the board discussed issues in the field and reviewed loan applications. I conducted focus groups with the board after these two meetings and at one additional time for a total of three focus groups with board members. I conducted a focus group with the Daily Collection staff as well as 4 shadow interviews in which I followed daily collection staff in the field to observe and discuss
their work with members. I conducted a focus group with three founding members of Usha to discuss the original development and implementation of Usha in the community. The data also includes interviews with a male member of the LGBT sex worker activist community to discuss the exclusion of male and transgender sex worker from Usha program and a financial consultant from the West Bengal Cooperative Society who had been working with Usha for 8 months to improve their services. Finally, I spoke with DMSC leadership, interviewing both the secretary of the DMSC and a key strategic advisor and original organizer of the DMSC to better understand the relationship between the two organizations.

*Other Sources of Data.* I conducted participant observation in Usha and DMSC offices as well as in the red light areas. Participant observation was conducted in Sonagachi, Kalighat, and Seoraphuli. I observed the office staff and leadership conducting daily business, daily collectors making their rounds in the red light areas and conducting business in the office. I attended and observed board meetings. I also was invited to and attended several DMSC community events which helped me understand the broader sex worker’s collective, its role in the community, and its relationship to Usha. I maintained a research journal documenting my observations and field notes. I also participated in a week-long orientation to the DMSC and its branch organizations. During this orientation each branch of the DMSC presented their programs, services, and activities, including a question and answer session. The orientation was 4-6 hours a day for one week and gave me an overview of all of the programs currently undertaken as a part of the DMSC sex workers’ collective. Finally, Usha gave me access to organizational documents such as the West Bengal Cooperative Society Rules and
Regulations and Half-Yearly organizational reports. Appendix D includes a full description of all data sources, their justifications, and how they address the topics of inquiry.

**Qualitative Data Analysis**

My qualitative data analysis process integrated multiple forms of data, thus leveraging the strength of the CSM (Stake, 1995). Key informant interviews and participant observation data were collected and analyzed iteratively according to topics of inquiry and emergent themes, as in grounded theory (Charmaz, 2006). Conducting preliminary analysis concurrent with data collection helped tease out potentially important facets of the Usha organizational culture and structure and assisted in identifying additional relevant sources of data.

After collecting and compiling the entire dataset I conducted several cycles of analytic coding. Initially, I read through the entire dataset to familiarize myself with the data. Then I completed a round of open coding which allowed me to stay grounded in the data (Charmaz, 2006). Open codes were then compared between qualitative data sources and grouped into broader conceptual codes to develop themes, utilizing the constant comparison method (Charmaz, 2006). I organized these emergent themes into a conceptual codebook. This codebook included themes such as exploitation, stigma, trust, sex worker identity, self-reliance, staff motivation, convenience, social networks, legitimacy, Usha and the DMSC, use of services, and role of Usha in the sex worker’s life. I then re-coded the entire dataset using this codebook.

After these rounds of inductive coding I created a memo for each hypothesis outlined in the proposal. I went through the entire dataset again, this time pulling data
that supported, refuted, complicated, or otherwise informed the hypotheses. I concluded each memo with a summary. I incorporated the conceptual themes from inductive coding into the hypothesis memos to add analytic texture and depth. I reviewed both the hypothesis memos and the conceptual codebook to see if any conceptual/inductive themes did not fit into the hypothesis framework. All conceptual codes were subsumed in and across the hypothesis framework. I then brought the quantitative findings into the hypothesis framework. I wrote memos addressing the ways in which the quantitative findings triangulated, and in some cases contradicted or complicated, qualitative findings. Using these memos I drafted an initial summary of results. Finally, after writing completing a draft I returned to the dataset for one final review to compare the themes of the results back to the raw data.

The final case analysis presented in the results section is structured around the final hypothesis memos and reflects the interplay of deductive/inductive themes that was the result of integrating inductive conceptual coding, hypothesis driven coding, and quantitative analysis.

Data rigor. There are several measures I took to promote data rigor. Throughout the research process I maintained a research journal of methodological and analytic memos to create a conceptual audit trail (Lincoln & Guba, 1985), making transparent my methodological and analytic decisions. The conceptual audit trail helps the researcher track the ‘chain of evidence’ that link research questions, data collection, analysis, and conclusions (Yin, 2008). The data are also triangulated through multiple sources and types of data (interviews with various groups, written documents, and quantitative data) and discrepancies between data types are presented and analyzed (Padgett, 2008).
Additionally, as themes and patterns of experiences began to emerge, I sought negative case examples to provide insight into potentially contrasting experiences. For this reason I specifically sampled for members that may experience marginalization at Usha such as HIV positive members, low earners, rural members, older workers, and flying sex workers. I also sought out members who had left Usha or were excluded from participation. Additionally, I maintained an on-going ‘negative case example’ memo in which I specifically noted all data that contrasted dominant narratives. Throughout data collection I brainstormed potential areas of tension or contrasting experience and pursued these issues in informant interviews and participant observation. Finally, I used member checks to get feedback from research participants regarding the data and my conclusions (Maxwell, 2005). Throughout data collection and preliminary analysis I regularly discussed emerging themes with key informants to check my interpretations.

**Quantitative Data Collection**

Quantitative data were collected from the administrative database maintained by Usha at the Sonagachi bank branch. The database tracks all members and all transactions that occur at the main branch of the bank. Data was extracted to tables in a series of queries conducted by the creator of the database who is a consultant from the West Bengal State Cooperative Association. Tables were connected in a master spreadsheet for analysis. Analyses was conducted on the entire data set (n=14,382). All analyses were conducted using Stata12 (StatCorp, 2011).

*Description of member population*. Members were mostly registered as living and working in the Sonagachi area, with 51% living in Kolkata and 49% living outside the city. Fields outside Kolkata ranged from the nearby Howrah field to fields in the far
north-eastern regions of West Bengal, such as Siliguri. Eighty-one percent of members were Hindu. Ages ranged from 5 years old (mothers can open accounts for their daughters) to 89 years old with an average age of 29. Eight percent of Usha members have taken a loan. Income information is only collected for those who have taken a loan. For this group, monthly incomes ranged from a minimum of 200 rupees per month to a maximum of 500,000 rupees per month. Median income was 3,000 rupees per month (mean was 6,196).

Table 5.1: Member Descriptive Statistics from Administrative Database (N=14,382)

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kolkata</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kolkata</td>
<td>7,635</td>
<td>51%</td>
</tr>
<tr>
<td>Outside</td>
<td>7,868</td>
<td>49%</td>
</tr>
<tr>
<td>Religion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hindu</td>
<td>6,872</td>
<td>83%</td>
</tr>
<tr>
<td>Muslim</td>
<td>918</td>
<td>11%</td>
</tr>
<tr>
<td>Other</td>
<td>534</td>
<td>6%</td>
</tr>
<tr>
<td>Has Taken Loan</td>
<td>1,224</td>
<td>8%</td>
</tr>
<tr>
<td>Age at time of membership</td>
<td>26</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>Median</td>
<td>Mean</td>
</tr>
<tr>
<td></td>
<td>26</td>
<td>29</td>
</tr>
</tbody>
</table>

Quantitative Analyses. Quantitative analyses were conducted to examine Hypotheses 1, 2, 3 and 7. Missing data in the administrative database was addressed using listwise deletion (Allison, 2010). Tests on data variation indicated some heteroskedasticity in the data. This was corrected for by using robust standard errors on regression analyses showing evidence of heteroskedasticity. A coefficient significance level was set at p<0.05 for all regression and logistic regression results. Descriptions of specific analyses of hypotheses are included in the results.
CHAPTER SIX

Results: Logistical Individual Impact of Usha

Table 6.1: Logistical Individual Hypotheses

<table>
<thead>
<tr>
<th>Logistical</th>
<th>Logistical Individual</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypothesis One: Usha will maintain loan affordability.</td>
<td>H1a: the average amount paid in interest on Usha loan per month will be less than 30% of the individual’s monthly income. H1b: loans will be less expensive than credit alternatives in the community.</td>
<td>Logistical Community H4, H5, H6</td>
</tr>
<tr>
<td>Hypothesis Two: Usha programs will be designed to protect against over-indebtedness.</td>
<td>H2a: loan officers will use a complex calculus to determine loan approval. H2b: loans amounts will be matched with capacity to repay (lower monthly income will be associated with smaller loans). H2c: loan size will be associated with financial costs of proposed projects. H2d: Usha will offer various kinds of savings programs that accommodate a range of savings needs.</td>
<td></td>
</tr>
<tr>
<td>Hypothesis Three: Usha will promote equitable services by offering all community members access to Usha services and equally supporting all members in loan repayment.</td>
<td>H3a: after controlling for other variables, age, length of time at Usha, income, field, and loan amount will not be associated with the likelihood of loan provision or successful repayment. H3b: sex workers will not perceive systematic exclusionary processes by Usha staff and leadership.</td>
<td></td>
</tr>
<tr>
<td>Political</td>
<td>Political Individual</td>
<td>Political Community</td>
</tr>
<tr>
<td>H7, H8, H9</td>
<td>H10, H11, H12</td>
<td></td>
</tr>
</tbody>
</table>
In this chapter I will use interviews with Usha members, staff, and leadership, participant observation, and analysis of the administrative database to assess Usha’s individual services based on the above criteria. I will then use microeconomic theory to analyze the process through which Usha provides these services and assess their sustainability over the long term. Finally, I consider outcomes of Usha participation and discuss the benefits and enduring challenges of service provision.

**Hypothesis One**

Affordability will be evident in:

**Hypothesis 1a:** the average amount paid in interest on Usha loan per month being less than 30% of the individual’s monthly income.

**Hypothesis 1b:** loans being less expensive than credit alternatives in the community (such as money lenders, microfinance programs in the area);

**Loan costs.** Usha’s administrative database shows that nearly all loans (99%) were given to sex workers at 11% annual percentage rate (declining balance). This is less than half the interest rate of major microfinance institutions, both for and non-profit, in India and elsewhere (Augsburg & Fouillet, 2010). Table 6.2 compares Usha’s loan services with the State Bank of India, two major microfinance organizations in India, one non-profit and one for-profit model, and the Grameen Bank.

Table 6.2: Comparison of Official Credit Options in West Bengal

<table>
<thead>
<tr>
<th>Institution</th>
<th>Usha Loan Interest Rate</th>
<th>State Bank of India</th>
<th>For-Profit Microfinance*</th>
<th>Non-Profit Microfinance**</th>
<th>Grameen Bank***</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Loan Interest</strong></td>
<td>11%</td>
<td>12-18%</td>
<td>24.55%</td>
<td>22.55%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Even at reasonable interest rates, however, loans can be too expensive for an individual if she cannot afford monthly loan payments. I used Usha’s administrative database to calculate the percentage of average monthly member income used to make average monthly loan payments. Using the median as the measure of central tendency, the average member is paying about 19% of their monthly income on loan payments. I used median because there were some very high outliers in both the income and instalment amount variables that skew the data. Using the mean as a measure of central tendency the percent of monthly income spent on loan payment hovers around a third (34%). It is important to note the functional definition of income in a sex work context. Room and board are often deducted from income before it is disbursed to sex workers. The 19%, then, refers to income after room and board are paid. Table 6.3 provides information on loan relative to income. In hypothesis 2a I will discuss Usha’s loan decision-making processes that promote the approval of loans that are affordable relative to applicant’s capacity to repay.

Table 6.3: Loan Cost Relative to Income (N=1,686)

<table>
<thead>
<tr>
<th>Rate</th>
<th>Using Median</th>
<th>Using Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent monthly income paid in loan payment</td>
<td>19%</td>
<td>34%</td>
</tr>
<tr>
<td>Average loan size expressed in average monthly income</td>
<td>5 months income</td>
<td>8.4 months income</td>
</tr>
</tbody>
</table>

Credit options in the community. Since the development and growth of Usha, legitimate financial institutions such as the state bank have opened up their doors to sex workers to open accounts (see Hypothesis 7). However, no members I spoke with mentioned taking a bank loan and only about 25% reported having a savings account with
a bank outside of Usha. Members reported that this is due to the documentation needed and the stigma sex workers experience while transacting with the state bank. Aside from Usha, viable credit options in the community are limited to an informal system of money-lenders, madams, babus (long term client/husband), and family.

**Unofficial Lenders.** Usha was originally created by sex workers to address the lack of credit and savings options open to the sex work community. According to interviews with founding members of Usha and long-term community members, before Usha was introduced most sex workers either kept their money hidden with themselves or gave it to their madams. In the event of emergencies sex workers took personal loans from madams or babus or took high interest loans from money-lenders. Original members describe the credit options in the community before Usha:

Before Usha madams, dalals, and money lenders served the purpose of bank. They were not much better than chit funds charging exorbitant interest rates. Workers would have to give their jewelry to pay back. It is better to have someone sympathetic to the plight of sex workers. –Usha leadership

If you wanted to take out loans you had to go to unofficial money-lenders. Then there would be madams who would be interfering, they would also charge us money for loans. We would be paying in this bottomless trap. We'd pay rupees per day until the loan was paid off. At that time it was 30, 100, you'd keep paying and it doesn't get paid off. Earlier these unofficial money lenders, I've always noticed them banging on the women's door, coming at like 8 in the morning, disturbing women and I always wondered why are women falling prey to this
stuff? But after Usha became established and popular, the unofficial money-lenders hate Usha. They're like 'because of Usha we are not earning'. -Founding Member

Sex workers now have access to low-cost Usha loans, yet some current sex workers still reported using money lenders before being connected to Usha.

There are some unofficial money lenders in the community. A while ago I took a loan for 5000 rupees to visit family. I paid 100 rupees a day until I paid it back. - 53

I used to take loan from the local money lender and they used to charge high rates of interest. If I took a loan of 1000 rupees I would be charged 20 rupees a day till I repaid. It was very high. So when Usha was there I realized the benefits of Usha, the low rate of interest... it has helped a lot. -3

This member went on to explain that unofficial money-lenders take advantage of sex worker’s lack of formal education to make exploitative deals that remain ‘off the books.’

There was no written document (for the loan contract) and I took loan for my house from the local money-lender. I took 10,000 and I paid 20,000. The math was wrong, but I paid the local money-lender who charged high interest, so it was a loss for me. From Usha, first I took a loan for my health. I got sick so I took a loan and repaid it. I took it against my 40,000 fixed deposit. Then, with two fixed deposit I have taken an 80,000 loan and I am building my house. -3

Access to affordable loans can make a significant difference in the financial lives of sex workers. Sex workers often face multiple economic vulnerabilities due to fluctuations in the market, illness, and reliance of extended family on remittances from sex work.
income. Adding exploitative financial services can prove disastrous for workers. One HIV positive sex worker explained how Usha alleviates at least one of these concerns. “If I got a loan from an unofficial money lender he would charge interest so high that I would never be able to repay. This would be terrible for me because I am sick and need access to affordable loans. This helps me a lot.”

The introduction of Usha as a credit option has lessened the overall presence of unofficial money lenders in the community. A board member describes how money-lending is less common now that Usha programs and services have saturated the community.

Of course there are these loan sharks that are still operating but really way less than what it was 15 years back. They are still around, but they are not as popular… People who have access to Usha usually come to Usha for their loans—but people who don’t have an Usha account, they are more susceptible to that. - Board Member

Similarly, the presence of Usha has helped sex workers become less dependent on madams who also took a high price for loans, indebting sex workers financially and exercising control over them. As one sex workers put it, “Usha helped make sex workers financially independent. We don't need to ask madams for loans. We used to have to ask madams for loans to visit home and other things. Now we don't need to depend on madams because we have Usha (Founding Member).”

**Microfinance.** The red light areas in Kolkata have a high density of NGOs working with sex workers. There are also many commercial microfinance organizations in India which provide small scale financial services such as saving and loans.
Interestingly, no one I spoke with in the community had heard of or participated in any microfinance projects, either NGO or commercial, operating in the red light districts with sex workers. Besides unofficial money-lenders, madams, and babus, therefore, sex workers have very few credit options. Several sex workers mentioned taking loans from family. This option is closed to many sex workers who have cut ties with their family since coming to the red light area or who keep their profession a secret from their family. For those who had relationships with their families, it was more often the case that the sex workers were supporting extended family by sending remittances to home villages. Usha, therefore, is the least expensive credit option for sex workers in the red light district.

**Community savings options.** Loans are only a small part of Usha’s programs and services. The majority of members participate in Usha’s savings programs. For most of the members I spoke with, Usha had been their first opportunity to formally save money. Before joining Usha most sex workers kept their money hidden with themselves or with their madams and babus.

I started saving money in Usha because it was the safest place to save. A lot of sex workers get tricked by their Babus or madams to save with them. Customers, Babus, Madams, they steal their stuff, their mobiles, their money. It is a bad idea to keep money with these people even if you trust them. At Usha your money is safe. No one is going to steal your account book and even if they do it doesn't matter, you can just get a new one. Usha is safe, convenient. I have told many other workers to save with Usha. -49
Saving money with babus, madams, and pimps makes sex workers economically vulnerable and interrupts sex workers' ability to mobilize their earnings to achieve financial goals. As a founding member put it, “Personally, for me, I felt very exploited at that time (before Usha) because I would have to give my money to my madam, she would take it. I also had to give my Babu money. Even though I was earning I didn't feel as though I was able to use my earnings.”

Usha gives sex workers a secure option for saving money that helps them capitalize on their earnings to achieve financial goals. One member described how freeing her income from the control of her pimp helped her develop savings goals. She explained, “Before I was not saving money because I was giving it to the pimps, but now I have hopes to save to build a house. Now, I don't have to give a lot of money to pimps. I no longer have a pimp (31).”

**Value of savings.** Usha offers interest on its savings accounts that are competitive with market rates. Their standard savings account scheme offers 5% interest, 1% more than the State Bank. Longer term accounts, such as the Fixed Deposit scheme, offer up to 9% interest. Usha uses interest to incentivize saving among sex workers. Specifically, higher savings on long-term accounts encourages sex workers to plan for the future. Usha understands that sex workers also need options that allow for immediate access to cash and has savings schemes to accommodate this as well.

**Affordability with respect to opportunity costs.** Financial affordability of loans and high interest on savings are not the only reasons sex workers use Usha. Several members had accounts with other banks, but also opened accounts with Usha because they
considered Usha to be more convenient than alternatives. Usha members frequently cited convenience as a reason for preferring Usha services. Usha was therefore also considered affordable with respect to the opportunity costs of sex workers. Convenience was defined by members according to several dimensions. Firstly, it is easy to open an account with Usha, especially compared to other banks that require extensive documentation and several potentially intimidating processes before opening an account. Members described their experience opening their accounts,

Before (joining Usha) I wasn't saving anywhere. All of my money went to drinking and other addiction. I put some money in a chit fund, but that money was all lost. One day the daily collector came by and he said ‘do you have two pictures of yourself?’ I said, ‘yes’ he said, ‘Great. You can start saving tomorrow.’-27

A lot of didis encouraged me to save so unofficial money lenders wouldn’t have power over me. That’s why I decided to save. We also encourage our neighbors and didis to save in Usha. It’s better than saving in a state bank. There you need to go through an entire process but here you only need 115 (rupees) and a small photo and you can start saving fast.-18

Secondly, there is little to no wait on withdrawals at Usha. This is important for sex workers who may need access to their cash quickly. Koken (2012) explains how sex workers appreciate the immediacy of money earned doing sex work, not just the amount. It is therefore important that Usha honor this benefit of sex work income while still encouraging long term savings habits. A member told me, “I have so many expenses that
come up like rent and electricity, and some things are unexpected. It is important that I can take out money when I need to (53).” Additionally, Usha branches are located in the red light areas. This makes it convenient for sex workers to visit the bank. Finally, the bank buffers members from stigma that sex workers experience when access institutions outside of the red light area. This member described the benefit of participating in an all-sex worker bank.

I have a savings account at Punjab National Bank but the account is unused and is almost closed. I opened it back before Usha. Usha is specific for sex workers. The entire organization is run by sex workers and I wanted to be involved in their organization more than this other bank. It is easy to deposit and withdraw at Usha. I don't need to be humiliated because I can't sign in English. I can sign in Bengali, or even if I can't sign at all I can use my fingerprint. -46

Specifically, many sex workers mentioned the convenience of the Daily Collection program. The Daily Collection program uses Usha employees, the majority of whom are the children of sex workers, to travel to the brothels and collect deposits from members. Members described their reasons for using the Daily Collection program,

I thought if every day I could save like 100 or 200 rupees that would be a good thing because if the money was with me I would spend it. I just have a daily collection account. It’s very convenient. -8
The Daily Collector is very encouraging and tells us whatever you can save is good, even if it is only ten or fifteen rupees. It is important to form a habit of saving, because you can't anticipate the expenses you will have in the future. -62

Additionally, the Daily Collectors are flexible and will work with sex worker’s schedules to accommodate the irregular flow of sex work incomes.

The Daily Collector is really awesome. It’s because of the Daily Collector that I have been able to put away so much money. The Daily Collector actually visits me twice some of the days because I am not around all the time in the morning so he kinds of checks in around ten and then around like two in the afternoon.-56

Members also expressed that this system encouraged them to save. As one member put it, “The Daily Collection system helps me continue to save because the Daily Collector comes every day and reminds me (7).” Another member echoed this experience, “(the Daily Collection program) is really good. The fact that they come to us makes you want to save more (6).”

Usha services and programs are designed with the sex worker in mind. They provide affordable loans and generative savings schemes. These services are valued by the community, especially in light of the dearth of acceptable alternatives. I will discuss the challenges Usha faces in providing these services, as well as possible drawbacks of this model later in this section, but first I will look into the ways Usha attempts to prevent over-indebtedness in the sex work community.

**Hypothesis Two**
At Usha, indebtedness is undermined by ensuring that loans are matched to financial
capacity to repay and loan purpose. Specifically:

**Hypothesis 2a**: loan officers will use a complex calculus to determine loan
approval, that will account for various characteristics of the loan applicant and the
proposed loan use (matching financial capacity);

**Hypothesis 2b**: lower monthly income will be associated with smaller loans
(matching financial capacity);

**Hypothesis 2c**: loan size will be associated with financial costs of proposed
projects (commensurateness of loan purpose);

**Hypothesis 2d**: Usha will offer various kinds of savings programs that
accommodate a range of savings needs (matching financial capacity).

**Loan decision-making process.** The Usha board of directors, a member-elected
board of sex workers, makes all loan decisions. Members individually submit loan
applications to the board, often with the help of Daily Collectors or office staff. All loans
are voted on by the Board of Directors of Usha at bi-monthly board meetings. The bank
manager reads the loan application aloud to board members as well as a summary of the
applicant’s history with Usha. Information about the loan applicant usually includes
salary, amount requested, proposed repayment time, amount in savings, savings history,
history of loan repayment, and loan purpose. Additionally, the board reports on anything
they know about the applicant from the field. The board will also consider non-liquid
assets, such as buildings, but tries not to rely on these forms of collateral because they
have never, nor would ever want to, seize property to recover loan money. Occasionally,
they will consult with the Secretary of DMSC for guidance on loan decisions. The board
tries to gather as much information as possible to make sound decisions. A board member
told me at a meeting I attended, “board decisions are final so we give it a lot of thought.”

Observing these meetings shows the loan approval process in action. In the board
meetings I attended the board reviewed about 15 loans per meeting. They considered
each loan individually and in many cases waited to make a decision until they could speak with the applicant to learn more about the proposed use or to ask other community members about the applicant. In focus groups, board members expressed the difficulty of balancing the desire to give workers loans and wanting to make sure both the individual and the organization stay financially stable. They also must strike a balance between the objective financial realities of the applicant and a more subjective assessment of trustworthiness, responsibility, and need. One board member described the decision-making process when sex workers request emergency loans,

It is for sex workers so we definitely try to work around these issues, but also we have to remember that we can’t let it go right into the ground. We have to make some financially wise decisions also. However, we definitely try to work with members. It’s also very subjective, you know, it’s not always just about how much she’s saved, but if we really think that person is reliable, trustworthy, or if she’s a new person, new in the field and she hasn’t yet had the time to save up.

We take all of that into consideration before deciding on the loan.

Usha makes loan decisions that prevent over-indebtedness by bringing together multiple forms of data to consider the over-all feasibility of repayment of the proposed loan by the applicant. For example, I attended a board meeting at which the bank manager reviewed the application of a member who had applied for a 10 lakh loan. This was a relatively large loan for the bank to give. The bank manager had analyzed her salary and assets and determined that paying back the loan would require monthly payments equivalent to 40% of the woman’s income. In the Bank manager’s opinion, the loan was untenable. The board took several other factors into their decision, including history of loan repayment.
and proposed use of the loan, but ultimately did not approve the loan. They suggested the member re-apply for a smaller sum.

**Loan patterns in administrative data.**

*Matching Financial Capacity.* Analysis of administrative data provides preliminary quantitative evidence supporting the hypothesis that Usha tailors loan decisions to member capacity and proposed project. To gauge patterns in loan approval I used regression analysis to estimate predictors of loan size. Controlling for demographic characteristics of age (at time of loan application), length of time at Usha, field (red light district in which the member works), and loan purpose, those who had a higher monthly income were given larger loans. Specifically, each Rs.100 in income was predictive of an additional Rs. 722 in sanctioned loan amount. This suggests that the board matches loan amount with capacity to repay, rather than giving out standard loans and exacting repayment through other means, as is seen in commercial microfinance (Karim, 2011).

There was also a significant effect of length of membership at Usha. Each additional year at Usha was predictive of 1,598 (about $25) additional rupees in loan amount. This lends support to the idea that members can leverage their history with the organization to build credit worthiness over time. Additionally there was a small effect of age, with each additional year predictive of a little over 400 additional rupees (p<0.05).

*Commensurateness with purpose.* Additionally, the data indicate significant differences between purposes. Building construction was the most commonly specified use of member loans. Loans sanctioned for purchasing land, buying a car, and investing in business were not significantly greater or smaller than loans for building construction. Loans taken for education, marriage, medical treatment, and family purposes were
sanctioned significantly less than building construction (p≤ 0.01). These are logical results given that construction, business investment, land and car purchase are large-ticket items. They are also long-term assets. Medical bills, marriage costs, and loans for family members are not generative investments and are therefore sanctioned in smaller amounts. This gives supporting evidence that, independent of income, board members specifically consider the use of the loan when deciding on loan amount. It takes administrative resources to give each loan application independent consideration, resources that many microfinance organizations are not willing to expend to create tailored loans. Table 6.4 presents the results from the loan size regressions.

Table 6.4: Predictors of Loan Size (N=1,353)

<table>
<thead>
<tr>
<th>Variable</th>
<th>β</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Income</td>
<td>7.22**</td>
</tr>
<tr>
<td>Purpose (compared to Construction)</td>
<td></td>
</tr>
<tr>
<td>Business</td>
<td>-20650</td>
</tr>
<tr>
<td>Car</td>
<td>1003929</td>
</tr>
<tr>
<td>Education</td>
<td>-30963**</td>
</tr>
<tr>
<td>Marriage</td>
<td>-26307**</td>
</tr>
<tr>
<td>Family Use</td>
<td>-40359**</td>
</tr>
<tr>
<td>Medical Treatment</td>
<td>-32,016**</td>
</tr>
<tr>
<td>Land Purchase</td>
<td>46310</td>
</tr>
<tr>
<td>Repay Debt</td>
<td>-17020</td>
</tr>
<tr>
<td>Age (at time of app)</td>
<td>408*</td>
</tr>
<tr>
<td>Length of membership (at time of app in days)</td>
<td>4.38*</td>
</tr>
<tr>
<td>Field</td>
<td>-5068</td>
</tr>
</tbody>
</table>

*p ≤ 0.05, **p ≤ 0.01

**Options for those denied loans.** Usha has created several services to financially support members who do not qualify for their credit program, allowing them to be discerning with their loan approvals while financially supporting the full spectrum of
member need. Many are encouraged to save up for the purchase of durable goods, rather than or in addition to taking loans. In fact only about 8% of Usha members have ever taken a loan. Most use Usha’s savings programs to manage their finances and built toward financial goals. To achieve this, Usha has developed a range of different savings schemes to match member’s needs and goals. I have already described the Daily Collection system, in which money is collected by field workers and builds for one year before withdrawal is allowed. This is an effective way for sex workers to develop savings with small deposits. The Savings Program, Usha’s most popular scheme, operates more like a high-interest checking account, with no restrictions on withdrawals or deposits. There are also several kinds of long-term, higher interest accounts, such as the Thrift Fund and Fixed Account, which assist members in achieving long term financial goals like saving for retirement. Many members participate in more than one kind of account.

Table Five shows the different accounts and interest rates.

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Number of Accounts</th>
<th>Percent of all accounts</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings Account</td>
<td>13,508</td>
<td>47%</td>
<td>5%</td>
</tr>
<tr>
<td>Thrift Fund Deposit</td>
<td>7,195</td>
<td>25%</td>
<td>7%</td>
</tr>
<tr>
<td>Daily Collection</td>
<td>4,714</td>
<td>16%</td>
<td>4%</td>
</tr>
<tr>
<td>Guarantee Fund/Fixed Deposit</td>
<td>1,775</td>
<td>6%</td>
<td>Up to 9%</td>
</tr>
<tr>
<td>Recurring Deposits</td>
<td>402</td>
<td>1%</td>
<td>5%</td>
</tr>
<tr>
<td>Monthly Income Scheme</td>
<td>121</td>
<td>.4%</td>
<td>8-9%</td>
</tr>
</tbody>
</table>

Some sex workers, however, find themselves with no savings and emergent need for cash. Often these members apply for loans. One such loan application was reviewed at a meeting I attended. The member had very little in her savings and asked for a loan.
for a medical treatment. Referring to the member’s clear inability to repay, a board member said, “She is not asking for a loan, she is asking for a social welfare grant.” This was not a dismissive remark, however. Usha has several social welfare grants to which members can apply. These programs are funded through profits generated by Usha investments and cover a variety of member need such as medical expenses, funeral costs, and other unanticipated expenditures.

Usha also provides sound financial advice as a means to prevent over-indebtedness. Almost all members interviewed stated that the didis (sisters) of Usha and other Usha staff were their main source of financial advice. Usha staff helps members manage their accounts to make the most of their money and make wise financial decisions.

**Hypothesis Three**

Equitable service access will be addressed by offering all community members access to Usha services.

**Hypothesis 3a**: loan applicant characteristics will not be associated with the likelihood of loan provision or successful repayment.

**Hypothesis 3b**: sex workers will not perceive systematic exclusionary processes by Usha staff and leadership.

It is an enduring critique that modern microfinance programs systematically underserve marginalized groups within their catchment communities (Rankin, 2002). Logistic regression predicting whether a member has ever taken a loan shows some potential stratification in Usha services. Each additional year in the age of a sex worker increases the likelihood of having taken a loan by 3% (p<0.01). In the context of the political economy of sex work, older workers are more economically marginalized than younger
workers. This finding therefore suggests that Usha services are in fact actually more likely to serve those in the community with greatest need.

Field was also a significant predictor of whether a member took a loan (p<0.01). Those working in Kolkata are 60% more likely than those living and working outside of Kolkata to have taken a loan. Usha may need to investigate barriers to loan service faced by sex workers in outer districts. Forty-three percent of members live outside of Kolkata, so this barrier affects many sex workers. Additionally, length of time with Usha was predictive of taking a loan. Again, this suggests that the process of building a relationship with the organization increases mutual trust that is facilitative of the loan process.

Once a loan is approved, however, there is no indication of stratification in repayment success. Sixty percent of Usha loans are overdue. Age, field, income, length of time at Usha, size of the loan and purpose of the loan did not significantly predict on-time repayment. Results of regressions measuring equitability of services are found in Tables 6.6 and 6.7.

Table 6.6: Predictors of Taking a Loan (N=13,267)

<table>
<thead>
<tr>
<th>Variable</th>
<th>β</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>1.03**</td>
</tr>
<tr>
<td>Length of time at Usha</td>
<td>1.0004**</td>
</tr>
<tr>
<td>Kolkata</td>
<td>1.60**</td>
</tr>
</tbody>
</table>

**p ≤ 0.01

Table 6.7: Predictors of Overdue Loans (N=690)

<table>
<thead>
<tr>
<th>Variable</th>
<th>β</th>
</tr>
</thead>
<tbody>
<tr>
<td>Length of time at Usha</td>
<td>1.00</td>
</tr>
<tr>
<td>Kolkata</td>
<td>.90</td>
</tr>
<tr>
<td>Income</td>
<td>.99</td>
</tr>
<tr>
<td>Purpose</td>
<td>1.02</td>
</tr>
<tr>
<td>Loan Size</td>
<td>.99</td>
</tr>
<tr>
<td>Age</td>
<td>.99</td>
</tr>
</tbody>
</table>

*No variables were statistically significant*

Interviews with Usha and DMSC staff indicate that there may be factors that contribute to loan repayment success or failure that are not captured in the administrative data. These variables include whether the member works independently or under a madam, has children, has a babu, is brothel based or a ‘flying’ sex worker, and/or is HIV positive. Analyzing loan repayment success according to these personal dimensions is a potential future study.

One critique faced by commercial microfinance organizations is that they exclude the lowest-earning members of communities (Cull, Demirgüç-kunt, & Morduch, 2008). Smaller loans are more expensive to provide than larger loans, since administrative costs on all loans are fixed. Usha has provided extremely small loans to members when needed. All members, regardless of any criteria, are instantly eligible for a loan of 110% or less of their savings. The smallest loan on the books at Usha was 300 rupees (about 5 USD) and 25% of loans are 5000 rupees or less (82 USD). In the concluding section of this chapter I will examine how Usha can afford to offer such small loans. First I will examine sources of potential exclusion at Usha that did not show up in the quantitative data, but did in the qualitative data.

**Perception of exclusionary practices.** I asked Usha staff and members about groups they thought might experience difficulty accessing or successfully participating in Usha services and several groups came up. For some of these groups Usha has taken steps to facilitate their incorporation into the cooperative. Other groups still face barriers to inclusion.
*Flying Sex Workers.* Most sex workers in Kolkata live and work out of brothels. Brothels are concentrated in red light districts and house sex workers who are usually working under a madam. The brothel system creates a dense network of centrally located sex workers. Physical proximity was shown by Ghose et al. (2011) to play an important role in the ability of sex workers in Kolkata to mobilize around community health and well-being. Flying sex workers do not reside in the red light area. They commute daily to the red light area to work. Because they are not geographically rooted in the sex work community it is difficult to recruit flying sex workers to participate in community programs like Usha. Often these workers keep their profession a secret from their families at home. Heightened concerns about confidentiality impede flying sex workers’ willingness to participate in programs that require documentation, such as the Usha savings account passbook. Usha staff and leadership are aware of these additional barriers to participation for flying sex workers and have developed creative ways to be more inclusive of this group. A member of the Usha leadership described how she would work with flying sex workers to save, despite their challenges.

> Whatever their daily income was, I used to keep it inside the passbook and keep it with me. The flying sex workers couldn’t take their books back home, but if they took the money back it would get spent, so I did that. Many of my friends would say as long as you did that with us we could save.”

Incorporating flying sex workers into Usha’s programs and services is an ongoing concern of Usha staff and leadership.

*Exclusions due to daily collector commission structure.* Several years back Usha shifted the Daily Collection staff from a salary structure to a commission structure. The
logic behind this was to incentivize the collection staff to see as many members as possible in the day. It was feared, however, that collectors would only visit high earning members as an unintended consequence of commission. Usha has implemented additional checks and balances to stem such unintended consequences. A member of the Usha leadership explains,

We had a problem with Daily Collectors only going to the workers who made more money, now we've trained the DC's to go to each house and ask everybody. We have surprise field visits to make sure they are seeing everyone. Members can also go to peer educators (from DMSC) or the clinic or the Usha office to complain that the Daily Collector isn't coming. Daily Collectors also give out their mobile numbers to members so they can call when they want to make a deposit.

Daily Collectors, too, told me how they maintain open communication with members and are accountable to the community.

We are always ready for service, even if we don't come to work. They can call us on our mobile phones and ask us, you know, why haven't you come to work? Sometimes members see me on the road and are like dada (brother), why didn't you come to work? And I’m like “I was sick, but if you have money to deposit you can deposit directly at the bank or wait for tomorrow or something.” - Daily Collector

The saturation of the broader network of Usha and DMSC in the community also contributes to Daily Collector accountability. The assistant bank manager describes how this network helps Usha keep tabs on the collectors in the field,
Monitoring is a very important part so there are several checks in place. For example the monitors check whether they’ve gone to the fields, whether they have visited all the houses, whether they have collected the money and when they are posting it back over here. Every morning they check in. When they are out in the field they encounter peers (Peer Educators from DMSC). Every day someone from almost all fields comes in to deposit or withdraw money. So we ask them have they seen the Daily Collector. It’s an informal way of keeping track, but it seems to be effective because there are so many people that there’s a high chance that someone will see them. We ask the Daily Collectors to check on each other and report back.

Through this series of checks and balances Usha keeps daily collectors motivated to meet with all members in the field. No member I spoke with had experienced challenges with their daily collector.

**Male and transgender sex workers.** Usha prides itself as being a resource for the sex worker community. The Usha by-laws, however are written such that only woman are permitted to join the cooperative, thereby excluding male and transgender sex workers. Usha is actively looking into how it can work with the WBCS to amend the by-laws to accept transgender workers. In an interview with a transgender sex worker, the worker indicated that gender-nonconforming and transgender sex workers would need to organize with Usha to advocate for a change in the by-laws. The worker said that organizing the transgender worker community to this end is difficult, though a collective of LGBTQ sex workers is forming and gaining momentum. There is little debate within Usha about accepting female-identifying transgender sex workers as members.
Accepting male workers is an issue of greater debate. Usha accepts all women in the sex work community as members. This includes madams and the daughters of sex workers. There is a concern among staff and members that opening Usha to male members of the community would not just open Usha to male sex workers, who are often exploited similarly to female sex workers, but also pimps and babus who are often a controlling and exploitative element of the community. Many sex workers expressed discomfort opening Usha to men.

Of course it is good that Usha is only for sex workers and only for women. The Usha didis made it this way for a reason. If men were involved they could take advantage of the sex workers, they could try to take their money. Men would come in, withdraw our money, and try to exploit us. The didis made it this way with a purpose in mind. -63

Other members expressed that accepting men would lead to increased deposits and broader membership which would ultimately strengthen Usha. They also expressed frustration that they could not open accounts for their sons and that they could not use their husband’s assets as collateral for loans. For staff, the rule is used as a tool to protect the financial independence of female sex workers. They have called on the ‘women only’ rule many times to prevent controlling babus from accessing their partner’s accounts and to encourage sex workers to put land or building deeds in their own names. Usha has a discretionary spending fund from which males sex workers in need of emergency money can apply for loans. One board member has suggested opening certain services to men, but protecting Usha leadership from male participation. The debate remains unresolved.

Logistical Individual Support: Staff Motivation and Social Network Mobilization
In the preceding section I gave an overview of Usha’s programs and services in comparison to alternative options in the community. On the whole, Usha’s programs have proven to be affordable and supportive of sex workers’ financial health. Though Usha may need to continue to develop ways to facilitate access for some groups, including younger workers, rural workers, transgender workers, and flying workers, access to Usha is far-reaching and continually being improved. In the last section I will analyze the challenges Usha faces in providing these services as well as the specific beneficial effects these services have had on the lives of sex workers. First though, I will look into the reasons why Usha is committed to providing member-centered services and how, according to the principles of micro-economics, they are able to do so.

**Staff motivation.** Usha has developed member-centered services because those developing and implementing the services are members of the community themselves. The Daily Collectors, for example, are for the most part children of sex workers. In a focus group, Daily Collectors expressed that they were dually motivated by money and their desire to help their fellow community members. Several Daily Collectors where connected to the job through involvement at Amra Padatik. Amra Padatik is a collective of sex workers’ children who fight for their own rights and the rights of their mothers. Many Usha staff members are involved in different capacities in the larger DMSC worker’s rights collective.

I also asked the Board about their motivations for running for election. Every single board member described how they had been helped by Usha and had seen their peers and friends helped by Usha. They joined the board to contribute to the growth and improvement of Usha. One Board member told the story of her original involvement with
Usha. She had provided for her extended family for years through her sex work and always assumed they would be there for her if she fell on hard times. Several years back she got seriously ill. No one came to her assistance and she fell into debt. The didis at Usha took her in and through low-cost emergency loans worked with her until she got back on her feet. She is now the treasurer of Usha. She said,

I’ve used my story to inform others. Because my story is so powerful even people who hadn’t thought about saving do. We exist in this community. If we were not sex workers (the bank) wouldn’t really bother to inquire after us, but because we are sex workers we know how to take care of each other… That’s the whole point of being in a community like this.

This expression of intrinsic motivation and community commitment contrasts accounts of employees at other microfinance organizations who see NGO employment as one of few professional options with upward mobility and are motivated by loan recovery, not member experience (Karim, 2011).

The microeconomics of social networking. It is reasonable to wonder how Usha manages to successfully provide services such as low interest rates, a wide range of loan sizes, competitive savings rates, and social welfare grants. There are two key features of Usha that appear to make such programs possible. First, Usha was incorporated in the WBCS as a “Multipurpose Society” which allows it to take member deposits, give loans, and invest in business ventures. Usha therefore invests its money in income generating accounts and businesses, the profits from which are reinvested in the financial stability of the bank. Usha invests in stable, community based enterprises that provide a regular source of income to the organization. This income is used to help off-set the high price of
small transactions and maintain the ‘Bad Debt Fund’ to cover unpaid loans. It also means the organization does not rely on loan interest alone to run the organization, thus facilitating low interest rates (for more on Usha’s business investments and use of profits see Hypotheses 4-6).

The second way Usha maintains its programs is through the use of its vast community social network in association with the DMSC. To understand the role of Usha’s social network in its services, a basic understanding of the microeconomics of lending is necessary. There is an economic justification for why microfinance developed in the first place. It is expensive for lenders to lend to poor people. Lenders accept a certain amount of risk when they make loans to borrowers. That risk would be non-existent if the lenders knew in advance exactly what the lender would do with their money. The lender does not have this information and risk exists because the lender cannot observe the borrower’s intentions, behaviors, and actual returns on investment (Armendariz & Morduch, 2010). This problem of asymmetrical information is referred to as the “agency problem” in economics literature. These problems arise at the point of deciding who gets a loan, referred to as adverse selection, and what the borrower does after she obtains the loan, referred to as moral hazard (Besley, 1994).

**Adverse Selection.** Lenders don’t know which individuals in their potential pool of borrowers will be at high risk of default and who will not. Lending to inherently risky borrowers raises overall interest rates, because lenders need to cover anticipated loss from risky borrowers. Lenders don’t know who is risky and who is not, so all borrowers get the same interest rate. Therefore non-risky borrowers essentially subsidize risky borrowers through inflated interest rates needed to cover their risky peers. There is the
potential that lenders will raise their interest rates so high to cover the cost of risky lenders that it pushes safe lenders out of the market and only risky lenders get capital (Armendariz & Morduch, 2010; Besley, 1994).

**Moral Hazard.** Once loans are made, a new set of risks emerge. Loans are made with a certain set of expectations regarding the borrower’s use of that money. However, lenders do not know if borrowers are taking appropriate action to ensure repayment (Armendariz & Morduch, 2010; Besley, 1994). Without some kind of leverage of enforcement borrowers could claim bad luck and simply default on their loan (Armendariz & Morduch, 2010).

If lenders knew more about their borrowers, they could make more informed decisions about to whom they should lend and to what extent the borrower is actually able to repay. However, gathering this information requires administrative resources which drive up the cost of transaction per dollar lent, which, again, increases interest rates (Banerjee & Duflo, 2010).

**Limited liability.** Commercial banks deal with these agency issues by taking collateral. If the borrower can offer some asset that covers all or part of the loan amount, this collateral can be leveraged to influence borrower behavior and/or eventually seized to cover the cost of the loan. The use of collateral helps lenders lend more freely, thereby keeping capital flowing and contributing to the overall decrease of interest rates and efficiency of capital markets (Armendariz & Morduch, 2010). A problem occurs because resource poor households do not have assets to offer as collateral (Armendariz & Morduch 2010). This lack of collateral is called the problem of limited liability and is a
major reason low-income/low-wealth individuals have been excluded from commercial credit (Armendariz & Morduch, 2010).

Another reason commercial banks shy away from disbursing loans to poor people is that information gathered on loanees for the purposes of monitoring and enforcing loans is fixed. It does not depend on size of loan. This makes smaller loans more expensive for lenders. The gathering of information, however, is critical to mitigate the problems of adverse selection and moral hazard. The combination of limited liability and high administrative costs make small loans to poor people doubly unviable (Banerjee & Duflo, 2010). On the other hand, this also means that small changes in administrative costs can have big impact on cost, and therefore interest rates, of small loans. Decreased administrative cost and the resultant decreased interest rates can encourage lending to this group, as can the development of creative loan repayment enforcement without the use of collateral.

**Usha’s use of the social network.** Usha relies on the social network of the sex work community to address the agency issues inherent in lending and the administrative costs of dispersing small loans. Lending institutions that enter a community from the outside must figure out a way to gather information on loan applicants. This is a costly process. Usha can call on its connection to the community to gather information on loan applicants quickly and efficiently, thus offsetting the risk of adverse selection. It can use these same social networks to monitor loan grantees after the money has been disbursed, thus making it possible to intervene early on problem loans and accurately assess the worker’s financial situation, dampening the risk of moral hazard. Usha field representatives, Daily Collectors, Monitoring Officers and Durbar Peer Educators and
Outreach workers are in the field gathering member information on all members—whether they have taken large loans, small loans, or no loans. This equalizes the cost of administering small scale loans, making such loans more feasible for Usha than for lending institutions without community networks.

There is also the issue of limited liability. Some sex workers have sufficient assets to put up for collateral. Sex workers often take loans against accumulated savings, which is low risk for all involved. However, there is another dynamic in the sex work community that allows Usha to offer low rates and expect repayment, even when loan risk is present. As I have illustrated, Usha is the only affordable credit option currently open to sex workers. This incentivizes members to repay their loans because they want to be eligible for loans in the future. Additionally, members know that successful repayment of loans builds trust with the organization and increases the potential for being granted larger loans in the future. This is called dynamic incentive in the microfinance literature (Armendariz & Morduch, 2010) and is a powerful motivator for repayment.

**Potential sustainability problems.** Evaluating Usha according to these microeconomic principles also points out potential problems that Usha may face in the future as the community changes. Part of Usha’s success in avoiding strategic default it the lack of viable options in the community. Usha and the DMSC work to promote the acceptance of sex workers in broader society. As other financial institutions increasingly open their doors to sex workers it may become easier for sex workers to shop around for credit after defaulting at Usha. Perhaps loyalty and community solidarity will counter-act the pull of increased options, but this isn’t guaranteed to be the case.
The potential break-down of the social networks that provide Usha with ample, low cost information on loan applicants is another major concern. The staff at Usha has begun to notice a larger percentage of flying sex workers in the field. If a commuter-based sex work market grows, it will be more difficult for Usha to inexpensively gather applicant information to make sound loan decisions and track loanees. The bank manager reported that the loan recovery rate has dropped from as high as 98% to between 80 and 90% in recent years. He attributes this shift to the exit of women from brothels. Usha has had to create a new position in the last year, monitoring officers, for whom a major responsibility is loan recovery. This had not been needed earlier at Usha.

**Logistical Individual Support: Challenges and Benefits**

**Challenges.** Aside from the potential agency problems outlined above, there are more immediate challenges that Usha faces. Usha functions due to a delicate balance of trust and organizational checks and balances. When those systems break down, there can be serious consequences for the organization. This happened in dramatic fashion in the summer of 2013 when many sex workers lost their money to chit funds. When I arrived at Usha in 2013 there had been a rash of fraudulent chit funds that took advantage of sex workers in West Bengal. Chit funds promise returns of up to 40% if you deposit your money with them. They make one visible pay out in the community that convinces people that the operation is legitimate and then leave the community, absconding with everyone’s money.

Usha experienced a residual fall-out from this scandal. Many sex workers had invested in chit funds and had lost money. The shaken trust in financial systems and misinformation buzzing throughout the social network caused hundreds of Usha members to
withdraw their money from Usha. To make matters worse, a Daily Collector from Usha had been working as a double agent and was collecting members’ money and depositing it in the chit fund. One day in the office, I was present to see the devastation that occurred when a member went to make a withdrawal from her account and found that her money had never made it to the bank. Usha fired several Daily Collectors who had been complicit in the fraud and implemented many of the extra check and balances I described earlier, including a more rigorous receipt monitoring system and the creation of the monitoring officer position. It took a large-scale mobilization of Usha and DMSC leadership to educate the community about the risk of chit funds and to regain the trust of members who had been wronged by the daily collector and chit funds in general. Over the past year Usha has been able to reimburse those who were scammed by the Daily Collector and membership is back up above the pre-chit fund number.

Though a handful of sex workers were tricked into giving their money to chit funds, the majority of those involved gave their money willingly. Some even withdrew their savings from Usha to invest in chit funds with the hopes of high returns. This illustrates another major challenge Usha faces; improving the over-all financial literacy of the sex worker community. As the assistant bank manager put it, “A lot of sex workers don't have the financial education to understand that their money can't double in a year and that savings grow slowly. I am interested in figuring out ways to help sex workers understand the reasonable pace of savings in a legit financial institution as well as the importance of saving in a place like Usha.”

Some workers, for example, reported that they always felt a step behind their savings goals. They reported that they should have saved for a family before they had
children. They should have saved for retirement before they started losing customers. Older sex workers often have no financial support except what they have saved for themselves. Many sex workers cycle through daily collection periods, saving money over a year or two, spending the entire sum, and starting over. Though this facilitates the purchase of durable goods, it does not support long term financial health. Usha finds it challenging to communicate this to members.

The final challenge of Usha is the limitation of all banking-based programs; in the end, members can basically only reap what they sow. Benefits received from Usha are directly related to the resources members are able to contribute. One member described the limitations of their own income with regard to utilizing Usha’s services.

Usha is doing a lot for us. It is we that kind of falter. Usha has advised us to put our money in the fixed deposit which has a higher interest rate, but, you know, I have to take out that money for my personal purposes and things like that. Usha’s services are good, but it’s not always easy for us to follow up on them. I am here today to withdraw my money at the end of a daily collection cycle and am starting a new cycle. –54

Usha can only help sex workers make the most of the wages they earn. This is, in and of itself, experienced as a benefit to the community. However, Usha alone cannot advocate for fairer wages or help workers earn more. That is why it is critical that Usha is one cog in a much larger sex worker’s rights machine. The DMSC can and does advocate for the broader social, political, and economic issues facing sex workers. Because of this, Usha can focus on providing the services it specializes in, knowing that other issues are being addressed by the DMSC.
Benefits. Despite the challenges Usha faces, every member I spoke with, both in formal interviews and causally at the office, was extremely appreciative of Usha and told me the myriad ways Usha services had benefitted them in their lives. Even modest benefits help. As one member put it, “I had nothing before I joined USHA. At least now I have some dishes to eat on (42).”

Many members also described how participating in Usha changed their relationship with money. Usha has helped sex workers look beyond immediate survival to strive for future financial goals.

My goal is to buy land in Kolkata. My kids are currently with my mother. I want to build a house so my children can come and live with me. That is my dream. It's very expensive, but it is my dream. -8

I want to start a business in the future. I had same goal before Usha but I didn’t know how to get the funds before. I wasn’t saving as much.-42

I’m thinking about building up savings to buy land and build a house. Before I didn't have many financial goals. -28

Ten years ago I did not think about saving in the long run- now I am more aware about saving and the future. - 39

Finally, a testament to Usha’s commitment to the community is evident in the big and small ways Usha staff and leadership help cooperative members in ways that extend beyond their official work responsibilities. I saw the secretary of Usha personally deliver money to pay for medical expenses of a member who was in the hospital. The rural Daily
Collector told me how he accompanied a DMSC worker to return a minor to her home village so they would feel safer on the journey. Board members will go with members to buy land or a house to help interpret documents and evaluate the investment. I sat with a Daily Collector and a member on the floor of the member’s bedroom as they discussed the members’ relationship with a controlling Babu- the Daily Collector offering her support and friendship along with financial services. Usha leadership attends and contributes to the funeral services of members who pass away. It is clear in these and many other activities that Usha does not just provide financial services; they are a core part of the sex worker community.

Conclusion

Usha provides affordable, accessible financial services to the sex worker community. The results demonstrate that the cost and effectiveness of these services is directly attributable to the organization’s immersion in the community. Figure 6.1 summarizes the results of the logistical individual analysis of Usha’s services. The following Chapter examines how Usha reinvests in the community through its businesses choices and use of profit.

<table>
<thead>
<tr>
<th><strong>Logistical Individual</strong></th>
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<tbody>
<tr>
<td><strong>H1: Usha will maintain loan affordability</strong></td>
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<tr>
<td><strong>H1a:</strong> the average amount paid in interest on Usha loan per month will be less than 30% of the individual’s monthly income.</td>
</tr>
<tr>
<td>• On average Usha members pay 19% their income in monthly loan installments (34% using mean). Income in this context is after room and board are paid.</td>
</tr>
<tr>
<td><strong>H1b:</strong> loans will be less expensive than credit alternatives in the community</td>
</tr>
<tr>
<td>• Few sex workers participate in formal banking services due to stigma and bank requirements.</td>
</tr>
<tr>
<td>• High interest rates were charged by madams and money-lenders before Usha.</td>
</tr>
<tr>
<td>• Opaque loan calculations by money-lenders left sex workers vulnerable to intractable debt.</td>
</tr>
<tr>
<td>• No members reported participating in microfinance programs.</td>
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</table>
Convenience of Usha financial services facilitates active and sustainable member participation.

**H2: Usha programs will protect against indebtedness**

**H2a: loan officers will use a complex calculus to determine loan approval.**
- Loan decisions made by a member-elected board of sex workers.
- Board considers each loan individually, weighing the likelihood of repayment based on multiple applicant characteristics.

**H2b: lower monthly income will be associated with smaller loans.**
- Monthly income was a significant positive predictor of loan amount, with each additional Rs.100 in income predictive of an additional Rs.722 in sanctioned loan amount indicating that the Board matches loans to capacity to repay.

**H2c: loan size will be associated with financial costs of proposed projects**
- Significant differences in loan amount between loan uses indicates that the Board specifically considers loan use when sanctioning loan amount, with investment-oriented loans sanctioned in higher amounts than consumption-based loans.

**H2d: Usha will offer various kinds of savings programs that accommodate a range of savings needs.**
- Usha has developed a wide range of savings programs specifically designed to meet the financial needs of sex workers at various stages of their financial lives. Usha offers advice to sex workers to help them successfully manage their finances.

**H3: Usha will promote equitable services by offering all community members access to Usha services and equally supporting all members in loan repayment.**

**H3a: after controlling for other variables, age, income, length of time at Usha, field, and loan amount will not be associated with the likelihood of loan provision or successful repayment.**
- Older member, members living in Kolkata, and members with a history at Usha were significantly more likely to have taken a loan at Usha.
- There are no characteristics which significantly predict whether a loan will be overdue.

**H3b: sex workers will not perceive systematic exclusionary processes by Usha staff and leadership.**
- Usha experiences challenges engaging flying sex workers and transgender sex workers and are taking steps to better reach these groups. Male sex workers are currently excluded from participation and are likely to remain so. No other systematic exclusions, for example by income or HIV status, were reported by staff or members.

Figure 6.1: Logistical Individual Results
CHAPTER SEVEN

Results: Logistical Community Impact of Usha

Table 7.1: Logistical Community Hypotheses

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<th>Individual</th>
<th>Community</th>
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<tbody>
<tr>
<td>Logistical</td>
<td>Logistical Community</td>
</tr>
<tr>
<td>Logistical Individual H1, H2, H3</td>
<td>Hypothesis 4: Usha will invest in projects and businesses that directly benefit the sex worker community. <strong>H4a:</strong> Usha will invest in businesses that provide products integral to the sex work profession. <strong>H4b:</strong> Usha will invest in businesses that employ part-time or retired sex workers. <strong>H5:</strong> surplus income generated by Usha will be reinvested in the community. <strong>H6:</strong> Usha will achieve community control of funds by autonomously managing all Usha and Durbar financial accounts.</td>
</tr>
<tr>
<td>Political</td>
<td>Political Community</td>
</tr>
<tr>
<td>Political Individual H7, H8, H9</td>
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To examine these hypotheses I analyzed interviews with Usha staff, interviews with Usha and Durbar leadership, and Usha documentation, including annual reports, brochures, Usha’s website and the West Bengal Cooperative Society Rules and Regulations.

Hypothsis Four

Projects and businesses in which Usha invests will directly benefit the sex worker community. Specifically:

**Hypothesis 4a:** Usha will invest in businesses that provide products integral to the sex work profession.

**Hypothesis 4b:** Usha will invest in businesses that employ part-time or retired sex workers.
Usha is an officially registered cooperative, therefore must abide by the rules and regulations of the West Bengal State Cooperative Board. A cooperative is a member-run institution. All organizational decisions are made through democratic processes. Members participate either by voting directly on issues at the annual general meeting or through the elected representation of Board. Major organizational decisions, such as the introduction of new business investments, are made at the annual general meeting. The board decides together about the finer details of running the businesses and disbursing the social welfare funds. All decisions are reported out to members via half-yearly published reports. Since literacy levels in the organization are low, Usha also disseminates the outcomes of meetings and board decisions through the network of field representatives.

In this way, sex workers themselves steer the trajectory of organizational investment and growth (for an in-depth look at organizational decision making processes, see Hypothesis 9). The organization has chosen to invest in business ventures which also contribute to the well-being and success of sex workers. Usha accomplishes this by investing in businesses that are needed and relevant to the community and by hiring community members who want to leave sex work or supplement sex work income.

**Social marketing of condoms.** The Secretary of Usha explained to me that a balance that must be struck between identifying viable businesses that will generate profit for Usha, and investing in businesses that benefit sex workers in some way. This balance is perhaps best illustrated by Usha’s ‘Social Marketing of Condoms (SMC)’ program. Early community organizers from the sex work community found that women were much more likely to use condoms when educated and encouraged to do so by other sex workers. It was also clear that sex workers valued condoms more when they invested in
them as a professional tool, i.e. when they were purchased and not simply acquired for free. It was also important to the sex worker community that high quality condoms were sold to sex workers at reasonable (below market) prices. These community findings led to the development of the SMC program.

The SMC team, called Basanti Sena, consists of 20 sex workers from different red light communities. Small groups from Basanti Sena visit brothels, educate workers about condom use, and sell condoms. Usha receives condoms at a subsidized rate from the government and sells them at a price of 36 paise per piece (a little over ½ a penny USD). Usha makes a profit of 1 paise per piece. With annual sales of up to 5.4 million condoms a year, the profit from this program is considerable. Usha mobilizes its social network to access the market, increasing the efficiency of the program. It is rare for workers’ cooperatives to embark in this kind of business project. A government consultant from WBCS who has been advising Usha remarked on this program,

The social marketing of condoms is unique... Sex workers have access to inexpensive condoms and Usha makes a profit that is then reinvested in the community. Other cooperatives have not organized such programs. They mostly just stick to savings and loans. This is extra work for Usha, but it is important in the fight against AIDS and to help the sex worker community.

Other income generating projects. Other Usha business investments also benefit the sex worker community. For example, Usha owns a building in a nearby rural area, Bariupur, which they rent out to other organizations for trainings and conferences. The space can also be used for events organized through Usha or the DMSC. This small business is run by a sex worker and founding member of Usha. Usha also owns several
buildings in Kolkata which house various DMSC programs. DMSC pays rent to Usha for the use of this space. DMSC is able to operate in good quality offices at low rent. Usha is able to receive regular income with consistent tenants. Real estate is also booming in West Bengal and Usha has plans to buy additional real estate in Kolkata to create affordable housing for sex workers.

Several other Usha investments do not benefit sex workers through their business activities, but Usha does hire sex workers to staff these programs. For example, Usha runs a small agriculture program and fishery near Kolkata. In 2014 Usha was working toward organic certification. Staff for these programs is sourced from the sex work community.

Since sex workers drive all investment decisions made by Usha, ideas for profit generation that do not meet with sex worker approval are not considered by the organization. The WBCS consultant found this out when he suggested that Usha lower their interest rates on savings. By the summer of 2014, the WBCS consultant had spent eight months working with Usha to increase their profits. He suggested that Usha lower the interest they offer on savings. He also suggested that loan interest be charged on full principal rather than diminishing principal. The members did not endorse these ideas, so they were off the table. Usha and the consultant were considering stable alternative investments to generate additional profit.

**Hypothesis Five**

**Surplus income** will be reinvested in the community in the form of increased availability of loans and funds for Usha social welfare programs.
When we were discussing the profit generating activities of Usha, the WBCs consultant highlighted that all net income is given back to cooperative members. Increasing profits helps the cooperative thrive and protect against shocks, they don’t ‘line anyone’s pockets’, as the consultant put it. Commercial microfinance has been criticized for generating large pay-outs to shareholders who are, it is argued, making profits on the backs of poor people (Rutherford, 2009). All sex workers who save or take loans with the Usha Multipurpose Cooperative Society are cooperative members and therefore part owners. All net income in a cooperative is redistributed back into the membership base in the form of a dividend. This is a critical difference between a cooperative and a microfinance institution.

**Uses of profit.** Before disbursing dividends, Usha reinvests most of its generated income into community initiatives. Profits are used to fund the Social Welfare Programs offered by Usha to members. Profits are also reinvested to grow Usha businesses. Some profits are put toward developing Usha’s services. For example, in the Summer of 2014 Usha was working with a formal bank to develop check cashing and ATM facilities. This initiative was a response to a call for such services from members. These are amenities that have been previously unavailable to sex workers and have not been developed at other cooperatives. They also use profits to expand Usha into unserved red light areas. Finally, Usha uses funds to support DMSC activities. As I discuss in the next section, this support helps the DMSC pursue its agenda independent of donor approval.

**Hypothesis Six**

*Autonomous fund management* will be achieved by the independent control of all Usha accounts and management of all Durbar funds by Usha staff and leadership.
Usha independently manages all Usha-related accounts and affairs, with oversight from the WBCS, as I have described. The DMSC manages its own funds internally. Usha does, though, provide crucial financial support for the DMSC. A key advisor to DMSC explained the role Usha plays in logistically supporting the community activities of the DMSC.

DMSC is the political wing so they have a lot of activities which address (sex workers’) rights as a worker... Within that they have to do a lot of advocacy, activism. Now-a-days no one gives money, no donor gives money for advocacy or for activism, if you want to have a demonstration in the streets, claiming your rights- which costs a lot if you want to organize 5,000 sex workers and this. In those cases they get support from Usha. So Usha's profit goes to support activism of DMSC.

Support from Usha also allows the DMSC to pursue initiatives at the rate they are identified and needed in the community, not the rate of donor approval and fund disbursal. The DMSC website explains the role of Usha in supporting DMSC initiatives, Greater financial independence has also enabled Durbar to be pro-active about developing its own programs and initiating new programs in response to community needs rather than donor priorities. For example, Durbar has been able to start new clinics and education centers in district sex work sites before official donor funding was secured, further enabling it to build trust among local communities, simultaneously providing evidence of its efficacy to convince agencies to provide longer term support (Durbar.org).
Such creative funding relationship will be necessary for the survival and resilience of activist organizations.

Conclusion

As a member-led organization, Usha is accountable to the greater sex worker community. The organization conducts business in a way that reinvests in the community. All profits are folded back into the organization or paid out to members. Usha promotes community-level economic empowerment by freeing the community from the constraints of outside funding sources which may not share community ethics and values. Figure 7.1 summarizes results of the logistical community hypotheses. In Chapters Seven and Eight I examine how Usha moves beyond logistical support to address underlying political barriers to authentic empowerment.

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<tr>
<td><strong>H4: Usha will invest in projects and businesses that directly benefit the sex worker community.</strong></td>
</tr>
<tr>
<td>• Investment decisions are made by sex worker members through direct vote or representation by an elected board. Usha does not approve proposed investments which are not met with member approval.</td>
</tr>
<tr>
<td><strong>H4a: Usha will invest in businesses that provide products integral to the sex work profession.</strong></td>
</tr>
<tr>
<td>• Usha invests in a social marketing of condoms program that provides condoms at below-market costs to sex workers.</td>
</tr>
<tr>
<td>• Usha is pursuing real estate investment to provide low-cost housing for sex workers.</td>
</tr>
<tr>
<td><strong>H4b: Usha will invest in businesses that employ part-time or retired sex workers.</strong></td>
</tr>
<tr>
<td>• Usha’s other businesses, such as agriculture and event planning, are staffed by individuals from the sex worker community.</td>
</tr>
<tr>
<td><strong>H5: surplus income generated by Usha will be reinvested in the community.</strong></td>
</tr>
<tr>
<td>• Profits are invested in growing Usha services and social welfare grants disbursed to members.</td>
</tr>
<tr>
<td>• Cooperative bank structure ensures that all net profits which are not reinvested into Usha are returned to members in the form of dividends.</td>
</tr>
<tr>
<td><strong>H6: Usha will achieve community control of funds by autonomously managing all</strong></td>
</tr>
</tbody>
</table>
**Usha and Durbar financial accounts.**
- Usha independently manages its own funds in consultation with the West Bengal State Cooperative Society.
- Usha does not manage DMSC’s funds. However, Usha supports DMSC’s political activities through their profits, lessening dependence of the DMSC on outside donors.

Figure 7.1: Logistical Community Results
CHAPTER EIGHT

Results: Political Individual Impacts of Usha

Table 8.1: Political Individual Hypothesis

<table>
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<tr>
<th>Logistical</th>
<th>Individual</th>
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<tr>
<td>Logistical Community</td>
<td>Logistical Individual H1, H2, H3</td>
<td>Logistical Community H4, H5, H6</td>
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**Political**

**Political Individual**

**Hypothesis 7:** Sex worker professional identity will be enhanced through participation in Usha as professional organization.

**Hypothesis 8:** Usha will promote independent individual financial decision making.

**Hypothesis 9:** Usha will encourage member participation in organizational leadership and decision making.

**Hypothesis Seven**

Sex worker professional identity will be enhanced through participation in Usha as professional organization.

**Professional identity and the founding of Usha.** The development of collective professional identity has been shown to promote sex worker’s well-being as well as alter community perceptions of sex workers (Ghose, 2012; Ghose et al, 2008). Usha’s history illustrates its role in developing and fostering a professional identity in the sex work community. I spoke with founding members of Usha and the DMSC to better understand the history of the organization and the import of its legacy on current organizational culture and structure.
In the early days of the DMSC, the sex work community came together to mobilize around their rights as workers. Usha was developed contemporaneously with this union organizing. One of the most pressing community issues identified by the union was the economic exploitation sex workers faced at the hands of money-lenders, madams, and babus. In response, founding members of Usha decided to create a bank. They decided to register as a worker’s cooperative, rather than partner with an outside organization, to maintain control over the process and assert their ownership of the project as sex workers. However, when they approached the Ministry of Cooperatives they were met with resistance. A DMSC advisor who was instrumental in the process of organizing Usha describes,

I think it was difficult because there were such clauses in the act itself (laws regarding the incorporation of cooperatives) that said no one could register for cooperative society without having good moral character. It sounds quite amazing. How do you define good moral character? But it continued for a couple of months to a year to convince the respected department to allow sex workers to register their cooperative society, because it was regulated by the government institution of West Bengal.

A ‘morality clause’ in the cooperative laws was used to deny sex workers the right to incorporate. Additionally, cooperative groups must be registered under a common profession and sex work was not considered a legitimate profession. The Secretary of DMSC explained, “The cooperative department said you are sex workers, you have no identity. You cannot come here and form a cooperative. There is no profession. You must
write a profession, but sex work is not a legal profession... That was the biggest challenge in the beginning of the Usha cooperative.”

The Secretary of DMSC went on to describe the tactics Usha used to persuade the Minister of their legitimacy as a professional group. The original Usha didis invited the Minister to come to the red light district and witness the organizing activities of the DMSC. The DMSC advisor describes the effect of these visits on the Minister.

It took a long time and finally the Minister in charge started the discourse—because it was really difficult for someone to define (immorality). (The sex workers) said, “I'm not killing people, I'm not harming anyone else... So how come we should be considered as immoral and all?” So minister through this discourse could understand that (he’s) not the person responsible to give a verdict who is moral or immoral. (His) job is to see whether a cooperative society could function effectively. That's why the ministry was created. After that (Usha) got registered.

The founding members of Usha also made the case that cooperative registration would allow sex workers to build a legitimate identity.

We convinced the cooperative department. If you want to be a part of a bank, you have to bring in your voter cards, ration cards, etc. etc. But we as sex workers don't have access to that, so we want this to be our way to identify. As sex workers we will open this bank and this will be our identity. –Founding Member

Usha was officially incorporated in 1995. Though the state was initially resistant to allowing sex workers to incorporate, Usha is now one of the most successful cooperatives
in West Bengal. This success has impacted the perception of sex workers in public opinion.

It has helped to avert the age old image of sex workers as only victims and the society's attitude toward sex workers that they do only sex work. And they are incapable of managing, running and taking any sort of responsibility as a citizen.

But, the success of Usha, I'm talking about monetary success, not the political, the monetary success of Usha… Based on their success, they have been considered one of the best cooperatives… So that also helps the commoner to rethink about sex workers. Not see just them as a victim but that they could exert their agency as- their human agency as an individual, as a citizen of the country. Slowly but steadily they get this established. – DMSC advisor.

Increased public awareness of sex work as professional work was echoed by the WBCS consultant who had been working with Usha. Not a member of the community, he could see the impact of Usha on the perception of sex workers from an outsider’s perspective.

Now, after the advocacy of sex workers they can use Usha documents to register for a voter card, register their children in school, open accounts in other banks if they choose, access government benefits. Usha attained that status for the sex workers. The bank has had a great influence on public opinion of sex workers. Sex workers fought for their rights and through Usha became recognized.

**Legacy of the organization’s history.** The legacy of Usha’s organizational history was present in member interviews. I asked members whether it mattered to them that Usha was only for sex workers, and why or why not. Several expressed that Usha
was representative of a community achievement. Usha provided sex workers with a positive professional boundary marker.

This bank is the pride of sex workers. Even if I don't earn anymore, I have my savings to fall back on-39

For sex workers this (gaining access to banking) has been a struggle… it should be a personal bank just for sex workers.-50

It is very important that it is just for me… the bank has a lot of history tied to sex workers. - 49

It is our bank...There is a significance of Usha to the sex worker movement.-26

Most mainstream representations depict sex workers as desperately and barely surviving. Sex workers in West Bengal use Usha services to move out of a survival paradigm and make long-term investments in their lives and the lives of their families, as other professionals do. As a board members put it, “I see (Usha) as a way to help sex workers realize their dreams.” One member describes how Usha has helped her achieve professional goals.

After I took (my first) loan I repaid the loan. Then I made a fixed deposit and I took (another) loan. So this process influenced me to keep money and save money very regularly. I constructed a big building and rent each room to a tenant. I earn money in that way. So I used the money for business. I still use that system…Usha has helped a lot. -2

Other sex workers express pride in their ability to invest their income, despite lingering social stigma.
I got divorced sometime back. I had to learn to live on my own and look after my son. My son and I were worried because he was a good student and we didn't know if he would have the funds to continue school. But, I told him that it didn't matter what job I had, I wanted to make sure he could fulfill his dreams. Recently, I have disclosed to my son that I am a sex worker and my son has accepted that.

We as a community have a lot to be proud of, but this is something to be especially proud of- to have created our own whole bank and the daily collection system. I have put both of my sons through college and built my own stable home through the use of Usha's savings and loans programs. If I were to apply to another bank they would make fun of me… they would humiliate us. We don't need that now.

A sense of professional identity has also allowed sex workers to be bold in demanding their rights as workers. As a founding member explains, “Earlier women would be very scared to talk to the police, but now women are forming their own boards, they are taking to the police straight faced. They are giving their own issues to the police and lawyers, so this is very different than it was 20 years ago.”

**Professional need as driver of service.** The development of a professional identity for sex workers is interrelated with the structure of Usha bank services. Firstly, bank policies and procedures accommodate the idiosyncrasies of the sex work profession and the ways in which these idiosyncrasies translate into specific banking needs. These are treated as professional realities, not barriers to service. For example, the rural district has a high percentage of seasonal workers who migrate to work for four or five months at
a time. Usha encourages them to open an account and the rural Daily Collector works with them to maximize their savings while present in the red light district. Other workers make small, regular deposits as they earn money, rather than at the end of the month, as a salaried employee might. Such irregularities are received at other institutions with suspicion. One member explains,

My main concern about saving with another legit financial institution is that sex worker income is not fixed. If I go and make daily deposits of 200 rupees or I deposit a few times a week I am worried that another banks would wonder why I save that way. It would raise eyebrows. But at Usha, they don't ask any questions, you can just deposit.-25

At Usha, the small but regular income received by sex workers is seen as a reality of the work and a potential financial asset. It provides daily opportunities to save money and Usha created the Daily Collection program in response.

**Professional identity as a source and outcome of community trust.** Collective identity also promotes trust. Almost everyone involved at Usha is a sex worker. This facilitates trust of staff to member and member to staff. Founding members recalled that in the beginning, it was very difficult to gain the trust of fellow sex workers. However, as sex workers themselves, they were able to demonstrate their own trust in Usha by saving their money with the bank. This helped their peers trust the original Usha collectors. Usha slowly gained recognition in the community as a powerful professional resource. This perspective contrasts with other interventions designed to ‘rescue’ women from sex work. At Usha, being a sex worker is seen in a positive light. Sex workers provide a
valuable service and through their work support themselves and their families. Several members described how shared identity fosters trust in the sex workers’ cooperative.

Clearly I’ve received more benefits from Usha than other banks. At other banks you need a large collateral for a loan, even if you only want 20,000 rupees. Usha trusts me as a member and a sex worker and so they will give me loans based on that. It is an honor… The work we are doing is special to benefit the community of sex workers. -48

Collective professional identity has been shown in other studies to promote condom use among unionized sex workers in Kolkata (Ghose et al, 2008) and is shown here to support the functioning of the Usha cooperative and the economic empowerment of sex workers.

**Professional identity beyond West Bengal.** Usha is also involved with initiatives to create sex worker cooperatives in other regions. Usha leadership has advised groups in Mysore and Bangladesh who are trying to form sex workers cooperatives. In partnership with Durbar, Usha is active in national and international sex workers coalitions. Through these actions, Usha promotes the professional status of sex workers beyond the boundaries of West Bengal, advocates for the official recognition of the sex work profession and plays an integral part in the international “sex work is work” movement.

**Enduring strength of stigma.** Despite community efforts to build professional identity, stigma against sex workers endures and is felt by Usha members. Though some described Usha as a positive professional boundary marker, this was often paired with a
pervasive sense that others would not want to participate in an organization associated with sex workers.

We, as sex workers, are very proud of being involved with USHA. We want USHA to just be for the sex worker community and their family. We don't need any outsiders coming in and telling us how to run things. Also, I don't think they want to be involved because they see sex work in a negative light. Why would we want to be involved with them if they don't want to be involved with us?-42

These women over here (sex workers) don’t have the amenities that outside women have. This is something that we really cherish. (Non-sex workers) have other things. We over here only have this. Even if you did (open up Usha to non-sex workers) they don’t trust Usha with the money, only we do. This is our only hope. For them, they have other access to government banks… they won’t want to use this bank.-57

A lot of people look down on the profession. This is a cooperative bank just for sex workers. Other people can go to the public bank and that is fine, but it is good to have a bank that is exclusively for sex workers. Especially since sex workers are so looked down upon, it is empowering to have something just for us.-27

Some members, however, saw the draw of Usha for all women, even the ‘good women’. It’s sad because sometimes the ‘good women’ (non-sex workers) ask, you know, you are able to open an account because you are sex workers, but we are not.
That’s a little sad. Everyone should be allowed to open an account for bank service. - 56

Enduring stigma was also illustrated by the desire for some members to keep their profession a secret from their families. One worker reported, “I joined because I wanted to save money and since I don't live in this area I don't want my family to know about my sex work (36).” Others were using Usha services to protect their children from life in the red light area. A member explained, “Being a good role model is difficult if you have a son and are a sex worker… We come to do sex work because we don’t have enough money and we want to take care of our families, but sons don’t understand that (25).”

This member justified her choice to do sex work and sees it as work, yet still struggles with tension between earning money and setting an example for her son. Members also use Usha to conceal their profession from their families.

No one at home knows that I am a sex worker. They think I am a domestic worker in the city. If I went back home with a lot of money it would arouse suspicion in my family, so I just take a little bit home at the end of the day. I deposit most of it in Usha at the end of the day before going home.-63

Though Usha and the DMSC encourage sex workers to embrace a professional identity, they realize the delicate balance sex workers maintain between work and family. Usha leadership shows members how they can use Usha to control occupational disclosure.

We said, 'we know that a lot of you have not told your families that you are working here, you left your hometown to come here, but no one back home knows about it. We can offer you that kind of protection, we will keep this confidential. If anything people who come to ask about your whereabouts we will
them that you are working in an organization… There are a lot of women working in this organization, not all of them have to be sex workers. –Founding Member

Though politically invested in the development of professional identity and pride in sex work, the organization doesn’t pressure women to disclose their sex worker status. The next section describes additional ways Usha supports sex workers’ agency in personal and financial decision making.

**Hypothesis Eight**

Independent individual financial decision making will be promoted by giving members full control over their use of savings and loans programs and encouraging members to set personal financial goals and priorities.

Programs for sex workers described in the literature restrict sex worker’s use of money and are exclusively oriented toward exit from sex work. Usha respects members as working adults who manage multiple financial responsibilities and can make their own financial decisions. Though Usha advises members, the paternalistic oversight of money use present in other programs is absent.

**Variety in loan use.** The administrative database tracks all loans disbursed by Usha and keeps data on proposed loan use. Unfortunately many of the early loans were simply marked ‘personal use.’ Recent data collection by Usha on loan use is more detailed. Figure 8.1 illustrates the various uses of member loans where a specific purpose was listed (N= 587).
The loan data show that there is a variety of acceptable loan uses, indicating that Usha is not highly restrictive regarding loan use. It is interesting, though, to note high rates of loan use to pay medical bills and to repay debt, suggesting potential economic issues in the community regarding financing medical treatment and paying off non-Usha loans.

Interviews with members also illustrate a broad range of savings uses. Workers used their savings to pay the tuition costs of children’s education, for construction, for marriage costs, and to smooth over gaps in income and pay for household expenses, among other things. A few older workers said with pride that they use Usha savings to buy nice ornaments for themselves. Usha allows sex workers to make their own decisions with their money.
Commitment to sex worker agency is a part of the larger DMSC culture. The DMSC Anti-trafficking initiative, for example, is rooted in respect for adult women’s choice. When a woman enters the red light district she meets with the DMSC self-regulatory board (SRB). If the woman is an adult and comes to sex work under her own volition the board orients her to the DMSC, giving her access to the health clinics, a membership to the union, and an overview of all the programs offered, including Usha. Several sex workers I spoke with were seamlessly connected to Usha upon arrival in Sonagachi through the SRB process. This program is predicated on the belief that if an adult woman willingly comes to work in the red light district she should be given supports to keep her safe and well. Usha extends this culture of respect to its services.

**Self-reliance.** After speaking with many sex workers it became clear how unacceptable a paternalistic intervention would be. Members have been taking care of themselves and their families for years. It’s no one’s job to save these sex workers, not even Usha. Usha provides them with a vehicle for achieving what members already know to be important. Sex workers with whom I spoke valued being financially independent.

I have saved this money for my future because I am HIV positive and at any time I can get sick and need the security for health check-ups or treatment. And I want to remain self-supported. I don't want to depend on my children. For that reason I keep the money in the Usha account.

No one else gives me advice. It’s just myself and my knowledge. I thought about myself and my future. I thought about how I would not always be working and thought that saving was a good idea. It was about me developing, looking around, and gaining knowledge.
I like that I see a lot of other sex workers using the bank, same as me. It makes me feel good. Sex workers all have their own expenses. Like me, I think about rent and electricity. Others have expenses related to their children or their house.

At Usha everyone can use the service for their own need. –Member 53

The risk of privileging member independence, however, is that sex workers are free to make bad decisions. There was some anecdotal evidence of sex workers making ill-advised investments with their savings and using loan money other than for proposed use. Members have taken loans to invest in chit funds or to give their Babus. I spoke to the bank managers about such problems. They said these things do happen, but there is only so much they can do. They can’t tell workers how to spend their money. They can only give the best advice they can and be there to support members if they get into a difficult financial situation.

Usha respects sex worker agency because it is led by sex workers. Usha leaders themselves would not want to be condescended to and craft the structure and culture of the organization accordingly. A culture of community leadership pervades all aspects of Usha. The subsequent section will take a closer look at Usha as a member-led participatory organization.

**Hypothesis Nine**

Member participation in organizational leadership and decision making will be encouraged through formal structures such as elected leadership positions and open cooperative decision making forums.

The data support this hypothesis and give additional insight into informal modes of member participation. As a member-led organization, authentic participation is a central component of Usha’s organization structure and culture. Firstly, the organization is built
on sex worker leadership. Founding members discussed the original development and implementation of Usha.

There were some problems because people were opposed to the idea of sex workers forming their own cooperative. How can sex workers take charge of their finances or their lives? Who is going to speak for them? So I said we will speak for ourselves. We will decide.

Founding members fostered a horizontal power structure from the most nascent stages of organizational development.

We had a small room to ourselves and we decided who would be the secretary, treasurer, president, it was very equal and it worked well for us because we were close. If we got stuck in disagreements and if we got stuck in fights and ego issues and everything we probably wouldn't have accomplished what we did. –Founding Member

**Formal modes of participation.** The original spirit of sex worker leadership and participation has been codified in the decision-making policies of the organization. As discussed in Chapter Five, Usha operates according the laws of the WBSCS. This provides formal structures of member participation. Members are invited to attend the Annual General Meeting (AGM), at which important organizational decisions are deliberated and decided upon. At the AGM members are encouraged to ask questions and raise concerns. Usha tries to get at least 10 members from each field to attend the AGM. At a large AGM there will be 150-200 members in attendance. Members also elect 42 field representatives who become the Usha point-person in each field. On average Usha has a voter turn-out rate of about 100-200 members per field (there are 33 fields), but
they try to encourage as high voting rates in the field as possible. Field representatives nominate and elect 8 board members. The board makes decisions through consensus.

**Informal avenues of participation.** Members can raise concerns with their field representative or a board member, who will raise the issue at a board meeting. On a rare occasion, a member will show up directly at a board meeting to address an issue. Members can also go directly to the Usha office to discuss any concerns or suggestions they have. Members who would rather not speak directly to Usha, or do not interact with Usha staff frequently, can speak with a DMSC Peer Educator or Outreach worker, who will communicate feedback back to Usha. Authentic elicitation of informal feedback has been a strategy of Usha since the beginning. A founding member described the process of building trust with the community.

Sometimes when I went to the member's house to make them a member, since I was a daily collector, I would also sit down and have some tea and snacks and chat about a lot of other stuff. We had to mix with them really well in order to know what they wanted. We can't just come in and do our thing and leave. That was when we decided to become friends, try to get people involved in Durbar and Usha. We tried to benefit them. -Founding Member

Every member I spoke with could describe how they would give feedback to Usha if they needed or wanted to. In Chapter Five I explained how Usha services cater to sex worker need. This is achieved largely because sex workers decide how Usha is ran and operated.

When viewed in isolation, it seems self-evident that Usha would promote sex worker professional identity, respect sex worker agency, and encourage member participation. It is only in comparison to existing sex work interventions and the
prevailing discourse on sex work that the political power of these organizational characteristics is apparent. For example, I checked the board of directors for both the for-profit and non-profit microfinance organizations I have used as comparators to Usha and neither has a single Indian woman on their board of directors. As I examined in Chapter Two, there are no other economic interventions designed for sex workers which are member–led, respect of sex workers as workers, or support sex workers’ self-directed financial goals. By addressing this gap, Usha not only provides needed services to sex workers, it asserts the worth of sex workers as workers and decision-makers. Figure 8.2 summarizes results of the political individual hypotheses.

<table>
<thead>
<tr>
<th>Political Individual</th>
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<tbody>
<tr>
<td>H7: <strong>sex worker professional identity will be enhanced through participation in Usha as professional organization.</strong></td>
</tr>
<tr>
<td>• Original founding of Usha was oriented around asserting the professional legitimacy of sex workers in the eyes of the state and public.</td>
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<tr>
<td>• Members connect to a professional identity through membership in Usha and use Usha services to leverage their earnings as other professionals do.</td>
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<tr>
<td>• Usha services are designed to fit the specific financial patterns of sex work professionals.</td>
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<tr>
<td>• Usha’s continued financial success promotes sex worker professional legitimacy in West Bengal and beyond. Usha partners with other sex worker groups to support similar cooperative building initiatives.</td>
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<tr>
<td>• Despite these gains, many sex workers continue to experience internal and external stigma.</td>
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<tr>
<td>H8: <strong>Usha will promote independent individual financial decision making.</strong></td>
</tr>
<tr>
<td>• Usha members are free to use their money as they see fit without paternalistic restrictions. Usha staff offers advice regarding financial decision-making.</td>
</tr>
<tr>
<td>• Sex worker members have been self-reliant and therefore value independence and flexibility.</td>
</tr>
<tr>
<td>H9: <strong>Usha will encourage member participation in organizational leadership and decision making.</strong></td>
</tr>
<tr>
<td>• Usha provides formal opportunities for participation through annual general meetings and leadership elections.</td>
</tr>
<tr>
<td>• Members also have a variety of informal ways to provide feedback to Usha. Member input is valued and acted on by Usha staff and leadership.</td>
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Figure 8.2: Political Individual Results
CHAPTER NINE

Results: Political Community Impacts of Usha

Table 9.1: Political Community Hypotheses

<table>
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<th>Individual</th>
<th>Community</th>
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<tr>
<td>Logistical</td>
<td>Logistical Community</td>
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<tr>
<td>Individual H1, H2, H3</td>
<td>H4, H5, H6</td>
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<tr>
<td>Political</td>
<td>Political Community</td>
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<tr>
<td>Individual H7, H8, H9</td>
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**Political Community**

**Hypothesis 10:** Usha will undermine economic exploitation by power-brokers in the community.

**Hypothesis 11:** Usha will provide a system of informal labor sector protection.
- **H11a:** participation in Usha will allow members to build an individual financial safety net and lead to increased systematic financial management.
- **H11b:** participation in Usha will serve as a gateway to participation in the Durbar worker’s collective.

**Hypothesis 12:** civil society incorporation will be enhanced by the legitimization of the sex work profession through official cooperative bank recognition and participation in Usha as a means to achieve legitimate property and business ownership.

**Hypothesis Ten**
Usha will undermine economic exploitation by power-brokers in the community.

The development of Usha was driven by the desire of founding members to undermine structures of economic exploitation in the community. The power vested in madams, babus, pimps, and money lenders was illustrated by their reaction to the original efforts to organize Usha. Taking on this community political power structure was a huge task for
the Usha pioneers. The DMSC advisor who originally consulted on the development of Usha explains the adversity the original team faced.

(Implementing Usha was) not an easy task because, as you can think, at this moment Usha’s annual turnover is more than three million (dollars), now. When we started this that similar amount of money used to flow in these areas. And who were the major beneficiaries? All these money lenders and others. So there was a lot of resistance and they did violence to the sex workers, threw bombs to peers workers and wanted to stop peer workers from entering into the houses. One came into my department and threatened me with a revolver as consequences. Because it's a huge monetary sort of benefit. They started to see they would lose that amount of money… However, slowly the building of a network, influencing the police commissioner, lots of things resolved it. It took more than two years to prevent money-lender from in a major way threatening people, sex workers and others.

Founding members experienced similar challenges.

It was a big struggle. Convincing community members to join Usha was difficult. I spoke to this one woman and I was persistent. I explained saving 5 rupees per day could add up to 2000 per year which can be a big help to your family. But I had no idea that her madam was overhearing the whole conversation. She came up and she grabbed me by my hand. I had lot of glass bangles on my hand and they all broke into my skin and it was bloody. I still have scars (she showed me the scars). She was like no, you better not...It was a very difficult time. We had a
lot of work to do. We faced a lot of set-backs from madams and babus and pimps. We still continued our journey. We still worked to convince members. Babus would throw food at us and hot tea. I would still keep coming back. I was like, ‘no I want you to become a member of Usha.’ – Founding Members

Economic exploitation was also tied to health. Usha used its connection with the DMSC peer health workers to address these dual community issues.

We were taking away (madams and babus) power over the women because we were forcing (sex workers) to save money and become members of Usha and rely on Usha instead of other people. We were also teaching them about health related stuff like using condoms and being safe. So that was why a lot of the madams got mad. Even today if you ask a sex worker to not use a condom you charge more, so you are actually decreasing their income. Because they weren't really aware of the health risks and were more concerned about their money they named us the condom women and made fun of us as we were trying to help these women understand”. - Founding Member

Usha still uses creative strategies to structurally undermine exploitation. In this way, Usha protects individuals as well as shifts the dynamics of power in the community.

**Current tactics to combat exploitation.** As we have seen, by simply offering secure and independent financial services Usha has given sex workers the ability to disengage from abusive and exploitative working situations. Usha pairs these services with several other strategies to undermine exploitation experienced by members.

**Structure of Services.** Usha has structured its services to protect independent sex worker control over money. With the exception of accounts that mothers open for
daughters, Usha does not allow joint accounts. As discussed earlier, men are also not allowed to open accounts at Usha. Usha uses these policies to discourage controlling babus and madams from accessing member’s accounts or dictating their use of money. Babus and madams, however, still often wish to exert their power over sex workers and Usha has developed strategies to deal with such power struggles.

**Diverting Power Brokers.** Sometimes it is safer for sex workers to deceive babus and madams than it is to stand up to them. Usha staff understands this and supports sex workers as necessary. The manager and assistant manager of the bank described instances where sex workers will come to the bank, explain that they will return in a few hours with the babu, and ask the bank to report out a smaller amount than is actually in the account so that babu won’t know the full value of the member’s account. A founding member said that in the early days members would ask her to approach them when their babu was not there so that he wouldn’t know about the Usha account. This tactical use of Usha was corroborated by several members I spoke with who currently keep their Usha account a secret from their babus. Usha does not judge this deceit. Though staff encourages members to be assertive with their partners, they understand the complex and sometimes dangerous dynamics at play in these intimate partnerships.

**Asserting Bank Boundaries.** The following vignette I witnessed in the field describes how Usha is assertive with babus and others to protect the integrity of Usha and the independence of members.

A babu came into the office with an Usha member and began to question Usha’s withdrawal policy. The Usha staff explained the policy and reminded the babu that he had no reason to get involved because he is not a member, his sex worker
partner is. The babu replied that he had worked in a bank and never encountered such policies and he thought they were unnecessary. Again the Usha bank manager reminded him that he was not involved in the matter because he was not a member. The babu said, “but the members of the Usha are uneducated and illiterate, they are foolish women and this bank bogs them down with cumbersome and unnecessary rules and regulations.” To this Usha staff replied strongly that Usha was not like other banks. It is a sex worker's bank and therefore extra checks and balances are in place to make sure that the sex worker's money is protected and they are not exploited. The babu, who was speaking in an aggressive manner to the staff and board, continued to criticize the bank’s policy. The conversation intensified as the babu tried to assert his authority by raising his voice and insisting the bank was wrong. At one point the babu pushed a board member. The staff told him quite strongly that he needed to leave, and speaking powerfully to him they literally backed him out of the office.

After the babu left, the assistant bank manager said that babus will try to assert their power in subtle, but constant ways to keep their sex worker partners in awe of them. That is why the staff and board need to address the issue so powerfully. Another staff member said it is difficult, because even these seemingly minor challenges to Usha are attempts by the babu to undermine the authority of Usha in the eyes of the sex worker and assert the authority of the babu. The intent is to de-legitimize the bank because the presence of Usha undercuts the power of babus in the babu/sex worker relationship. The bank manager said that Usha staff members must know the rules and their justifications clearly and not question themselves in the face of conflict and manipulation. The staff is trained
to deal with confrontation in this way. Such interactions are not uncommon at Usha. I witnessed several conversations between babus who were questioning Usha’s policies and Usha staff who were defending their policies and procedures. These interactions not only impact the specific members and babus involved, but continually set the precedent in the community of Usha as a strong and consistent resource for sex workers.

**Incorporation of potential exploiters.** Finally, Usha reaches out to potential exploiters to help them recognize their stake in the activities of Usha and DMSC and transforms them from adversaries to allies. The Secretary of Usha explained this process.

Through collectivization madams got scared. At one time sex workers used to get beat up by madams, but now madams recognize that they too have something to gain from DMSC. Madams can also call up DMSC if they are members to get help… There used to be a lot of tensions, threatening sex workers, exploiting them, taking their money. Now madams are more sensitive to sex workers. Durbar encourages them to remember they were sex workers once as well. Now madams will go with sex workers to the clinics, encourage them to save in Usha, and generally support DMSC. This has happened over the last 8 or 9 years.

Several members I had spoken with were encouraged by their madams to join Usha or learned about Usha because their madam had an account. Additionally, since the introduction of Usha, sex workers are better able to use their savings to build or buy flats. Many of these sex workers then rent rooms to other workers for extra income. The secretary of Usha described this new role. “Madams now, due to the collectivization of sex workers and Durbar, are more like house owners who get paid rent than managers.
who get commission.” I spoke with several such members. They referred to themselves as ‘sub-letters’, not madams, indicating a new arrangement in the red light district.

When appropriate, Usha also takes steps to include babus. For example, though I witnessed confrontational interactions between Usha staff and babus, much more frequently I saw Usha staff explaining services to members and babus simultaneously. Accepting babus as potential allies has been an Usha strategy from the beginning. A founding member explains,

We realized the babus had a lot of power over them. The women really listened to what the babus told them… We tried to get the babus together and make them educated about saving and how they could convince women to save and be safe with their clients… There are different kinds of babus. Some babus would be very controlling… but then there are some that would actually understand that it's important for the women to save. For example one said, ok I will explain to her to save her money.

Madams and babus have their own social networks through which information flows and community norms develop. Incorporating such power brokers into Usha’s efforts is therefore a strategic move in the effort to advance sustainable economic empowerment of sex workers at the community level.

Usha uses the tactics I have outlined above to combat exploitation of sex workers. Though Usha interacts with individuals to develop financial independence, the effect of Usha reverberates out to the community, where babus, madams, and money-lenders now hold less power over sex workers. The presence of Usha has transformed the roles of
community power brokers and fundamentally shifted the power dynamics of the community.

**Calling on the DMSC.** Sometimes there are instances of exploitation in the community that require more decisive action than Usha is trained to appropriately administer. In these cases Usha can call on the DMSC to intervene. An example of this happened while I was at Usha. A Daily Collector had spoken to a member whose madam was withholding her earnings. The Daily Collector wasn’t sure what to do. Usha leadership decided it would be best to help the member to report the issue to her DMSC outreach worker. The DMSC has monthly ‘hotspot’ meetings of community stakeholders in which they discuss labor issues and can mobilize the community to address labor exploitation in the field. This organization has the training and capacity to deal with emergent issues. Because of its partnership with the DMSC, Usha can focus on fulfilling financial service needs, while relying on a trusted organization to address labor rights.

In sum, Usha historically and currently combats economic exploitation in the community by offering secure, financial services structured to promote sex worker financial independence, asserting itself as a strong financial resource in the community, allowing sex workers to use Usha to navigate often perilous financial dynamics in intimate relationships, and incorporating potential exploiters as allies in the fight for sex workers’ rights. When specific instances of exploitation are present in the community, Usha can call on the power and knowledge of the DMSC to address the issue.

**Hypothesis Eleven**

Informal labor sector protection is addressed by incorporating sex workers into the union and giving structure to sex workers’ financial management systems. Specifically:
Hypothesis 11a: participation in Usha will lead to increased systematic financial management, including increased knowledge of amount charged per customer, number of customers seen, and cut taken by madam.

Hypothesis 11b: participation in Usha will serve as a gateway to participation in the Durbar worker’s collective.

Protection from direct economic exploitation is just one of many labor rights that the average worker should expect to enjoy. Bateman (2010) and others have criticized microfinance for expanding the informal sector without developing the basic labor safety-net available to (some) workers in the formal economy. Though not formalized as structured benefits, Usha is used by members to fulfill this role of social safety-net.

Saving with Usha takes workers out of the hand to mouth paradigm, allowing them to take time off if necessary. If a sex worker is sick, for instance, she can use her savings to take a day off. Usha savings also help workers maintain stable housing. Several members reported using savings or emergency loans to stave off eviction. Usha savings enables sex workers to engage in safe sex work practices. A founding member explained, “A lot of sex workers, especially older sex workers, they had very little bargaining power at the time, so they would take in clients that did not want to use condoms and this was a major health concern. “

Having an Usha account also gives members the tools they need to critically evaluate their work arrangements. One member explains,

The last madam I worked with exploited me. For example if I saw five customers, my madam would only pay me for two. We fought and I left and went to another brothel with the madam who introduced me to Usha. Now having savings has
made me more intelligent about my money and how to use it. I make my
decisions myself now.

I was a part of collectivizing the workers in my brothel. As a group we confronted
the madam, asking her why she does not show us the calculations of how much
we make and how much she keeps. The madam said that we didn't need to know
that information, but we demanded transparency and the madam relented and
began to show us how much we made and what cut she took. Around this time I
took my money out of the hands of my madam and started saving with Usha. –

Usha leadership

Many workers also use Usha savings to prepare for retirement. Usha incentivizes this
through higher interest fixed deposit programs. Usha also gives older sex workers a
higher interest rate on certain accounts and is looking into the potential of creating
affordable housing for retired sex workers. Usha and the DMSC have worked together to
explore the option of a more formal pension system for sex workers, though this will take
political advocacy on the part of the DMSC.

All of these informal labor protections, however, are neoliberal at their core. In
each case, the individual sex worker is responsible for saving sufficient income to cover
immediate and future needs. This is why Usha relies on the DMSC to fight for more
formalized labor rights of sex workers. The DSMC also offers community services that
are free to all sex workers.

**Usha and the DMSC: a mutually beneficial system.** Originally I hypothesized
that Usha would serve as a gateway for sex workers to get involved with the union
activities of the DMSC. This hypothesis grossly underestimated the depth of the presence
of the DMSC in the community. All the sex workers I spoke with were involved with the DMSC in some capacity. Most sex workers did not perceive any difference between Usha and the DMSC. They were both considered to be a part of the same system that supports sex workers.

There are many dimensions to the mutually beneficial relationship between Usha and the DMSC. In hypothesis six I illustrated how Usha financially supports DMSC. I also discussed how DMSC networks give Usha access to community information, provide checks and balances on Usha operations, and address community exploitation. In addition to this, the DMSC offers programs open to all sex workers, regardless of income. This broadens the social safety net in a way that an income-based service, such as Usha, cannot. In a week-long orientation to the DMSC I met with representatives from each major DMSC initiative. The following descriptions pull from those meetings and the DMSC website (durbar.org).

Health Clinics: DMSC runs a network of health clinics to address broad range of health-related hazard of sex work (including but not limited to HIV). There are also mental health services including a new initiative to develop peer-led depression groups.


Education: DMSC offers adult education program rooted in Freirean popular education. Students develop literacy skills while critically engaging with issues affecting the community. DMSC education programs for youth include tutor support, drop-out prevention programs, quiet study spaces, the residential school in Bariupur, and youth sports programs. http://durbar.org/html/education.aspx
Vocational Training: DMSC provides vocational training for sex workers and children of sex workers to be employed in fields such as electric repair, cosmetology, and artisanal craftsmanship. [http://durbar.org/html/vocational.aspx](http://durbar.org/html/vocational.aspx)

Amra Padatik: The children of sex workers have formed their own collective to fight for the rights of sex workers and their children. They address stigma, education rights, and the rights of all marginalized children regarding issues such as dowry and child marriage. [https://www.facebook.com/pages/Amra-padatik/111828725575993](https://www.facebook.com/pages/Amra-padatik/111828725575993)


Anti-trafficking: Through the development of the Self-Regulatory Boards and policy advocacy, the DMSC addresses the problem of trafficking with insight from the perspective of sex workers themselves. [http://durbar.org/html/anti Trafficking.aspx](http://durbar.org/html/anti Trafficking.aspx)

Research: The DMSC research team partners with academic researchers to develop best practices in physical and mental health in the sex worker community. [http://durbar.org/html/research Training.aspx](http://durbar.org/html/research Training.aspx)

Additionally, the DMSC engages in ongoing political advocacy for sex workers in Kolkata in partnership with national and international sex workers organizations. For example, representatives from Durbar and others from the All India Network of Sex Workers met in August 2014 to discuss the development of organized pensions and
maternity entitlements for sex workers. As of the time of this writing, the DMSC is engaging in a flurry of public actions, such as community rallies, in support of decriminalizing sex work. This push was galvanized by the potential of a proposal to be put forth India’s National Commission on Women before the Supreme Court to decriminalize sex work. Through its connection to DMSC, Usha is a part of a larger system that provides a wide-reaching social safety net and carves formal labor rights into an informal market.

**Hypothesis Twelve**

Civil society incorporation will be enhanced by the legitimization of the sex work profession through official cooperative bank recognition and participation in Usha as a means to achieve legitimate property and business ownership.

In Chapter three I described how the pressures of individual neoliberal social welfare occupy the energies of marginalized groups, thereby impeding in the process of organizing as a political citizenry. In contrast, the original creators of Usha sought to build formal in-roads for sex workers to access institutions of civil society. It is for this reason that Usha became officially recognized as a worker’s cooperative rather than simply forming an unofficial lending organization comprised of sex workers, as other groups of informal workers have done successfully out of necessity (Gugerty, 2007). Because of this, Usha and the DMSC were able to petition the government to accept Usha membership cards as official identification. Usha and the DMSC then convinced the election commissioner to accept Usha cards as identification for voter registration. Previously, sex workers were not able to register to vote because they did not have formal identification. Voter i.d. cards do not only encourage sex worker civic participation
through voting, they can be used to access other banks and insurance providers, officially register children for school, and access government benefits. Several sex workers I had spoken to said that they had either gotten their voter card through Usha or were in the process of obtaining one. In this way, Usha contributes to sex workers’ ability to participate in formal aspect of society.

Usha’s incorporation into the West Bengal Cooperative Society also led to permanent changes in the ability of all marginalized groups to form cooperatives. As I noted earlier, Usha contended with a ‘morality clause’ in West Bengal cooperative law that obstructed sex worker incorporation. There was an additional clause in cooperative law that mandated worker’s cooperatives to invest a minimum initial deposit of Rs. 50,000 to create a cooperative. DMSC argued that this effectively prohibited economically marginalized groups from forming cooperatives. Through DMSC advocacy, both the morality clause and the minimum deposit clause were entirely struck from cooperative law. The founding of Usha thus marks a political victory for all marginalized groups seeking entrance into civil society through cooperative incorporation.

Finally, participation in Usha has allowed sex workers to legitimately purchase real estate with sex work income. Building and construction is the single largest use of Usha loans on record. Many sex workers with whom I spoke had either bought land or real estate with Usha savings or were hoping to do so in the future. Legitimate purchase of land builds a bridge for sex workers from informal and illicit employment to legitimate economic participation. It also allows sex workers to claim ownership of space outside of the paralegal and unstable arrangements of the brothel. Many of those who acquire legitimate property and build wealth as sex workers through Usha remain tied to the sex
worker’s movement after property purchase. This is evident by members I interviewed who have invested in real estate and remain Usha members.

The tenacity of Usha membership illustrates how the Usha sex worker community differs from a ‘population’ as constructed by governmentality. Populations under the power of governmental management are delineated by the patterns and statistics of the expert. Once an individual does not meet the criteria of a specific population (i.e. stops being ‘poor’ or a sex worker as defined by the government) they are no longer a part of that group. Self-defined collective identity in the sex worker community, however, is a stronger bind than that of a managed population. For this reason, women stay with Usha even as their personal financial situations evolve, leading to a more stable and sustainable community. The strength of this community supports the financial stability and sustainability of the bank, which does not lose members as they become more affluent, as well as provides a foundation on which to build a political movement and garner influence in civil society.

Conclusion

There is evidence that the introduction of Usha in the community has shifted dynamics of power for individuals and the sex worker community as a whole. In doing so, Usha sets a new precedent for economic interventions with sex workers. In this new paradigm, the agency of sex workers is respected as they fill the roles of worker, provider, and decision maker, and structural sources of social marginalization are addressed. Figure 9.1 summarizes results of the political community hypotheses.

The individual and community-level political impact of Usha in the lives of sex workers described in this chapter and Chapter Seven, taken together with the individual
and community-level logistical impact of Usha described in Chapters Five and Six, illustrate how Usha achieves a multi-level, multi-dimensional empowerment intervention unique in the fields of economic development and sex worker interventions. The full set of hypothesis results is summarized in Figure 9.2.

<table>
<thead>
<tr>
<th>Political Community</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hypothesis 10: Usha will undermine economic exploitation by power-brokers in the community.</strong></td>
</tr>
<tr>
<td>• Introduction of Usha into the community instigated a dramatic reduction in the power of madams, pimps, and babus in the community.</td>
</tr>
<tr>
<td>• Usha works strategically with sex workers, madams and babus to undermine exploitation through systematically supporting the financial independence of sex workers, asserting Usha’s prominence in the community and engaging community-power brokers as potential allies.</td>
</tr>
<tr>
<td>• Usha partners with the DMSC on urgent instances of labor exploitation.</td>
</tr>
<tr>
<td><strong>Hypothesis 11: Usha will provide a system of informal labor sector protection.</strong></td>
</tr>
<tr>
<td><strong>H11a:</strong> participation in Usha will allow members to build an individual financial safety net and lead to increased systematic financial management.</td>
</tr>
<tr>
<td>• Usha participation enables sex workers to develop a personal financial safety-net to protect against minor economic shocks, such as missed work due to illness or unexpected expense. Members also used Usha to plan for retirement.</td>
</tr>
<tr>
<td>• Member participating in Usha reported being more organized with their finances after joining Usha. This led members to demand knowledge of their earnings from madams, such as amount charged per customer, the madam’s cut, etc.</td>
</tr>
<tr>
<td><strong>H11b:</strong> participation in Usha will serve as a gateway to participation in the Durbar worker’s collective.</td>
</tr>
<tr>
<td>• DMSC is pervasive across the sex worker community and most Usha members are DMSC members.</td>
</tr>
<tr>
<td>• DMSC members have access to a broad range of non-income contingent health, education, and social programs.</td>
</tr>
<tr>
<td>• Financial support from Usha allows DMSC to develop service according to community pace, need, and ethics.</td>
</tr>
<tr>
<td><strong>H12: civil society incorporation will be enhanced by the legitimization of the Usha organization and member participation in Usha services.</strong></td>
</tr>
<tr>
<td>• Usha’s successful campaign for official cooperative incorporation legitimized sex workers as workers in the eyes of the state. This successful campaign also abolished the morality clause and minimum initial deposit which were limiting statues for all marginalized groups.</td>
</tr>
<tr>
<td>• Usha and the DMSC leveraged Usha’s incorporation into the State Cooperative</td>
</tr>
</tbody>
</table>
System to create a mechanism for sex workers to obtain legal identification and voter registration.

- Usha has allowed sex workers to legitimately purchase property and develop businesses. Members making these investments stay tied to the sex worker community.

**Figure 9.1: Political Community Results**

<table>
<thead>
<tr>
<th>Individual</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Logistical</strong></td>
<td></td>
</tr>
<tr>
<td>H1: Maintains loan affordability</td>
<td>H4: Reinvests income in community</td>
</tr>
<tr>
<td>H2: Disburses loans responsibly to avoid over-indebtedness</td>
<td>H5: Benefits community through investment projects</td>
</tr>
<tr>
<td>H3: Equitable access to and successful repayment of loans</td>
<td>H6: Manages organizational funds autonomous of outside institutions</td>
</tr>
<tr>
<td><strong>Political</strong></td>
<td></td>
</tr>
<tr>
<td>H7: Marks member professionalism</td>
<td>H10: Undermines community economic exploitation</td>
</tr>
<tr>
<td>H8: Maintains member agency in program use and personal financial decision making</td>
<td>H11: Provides labor protection in an unregulated informal labor sector.</td>
</tr>
<tr>
<td>H9: Encourages member participation in decision making</td>
<td>H12: Serves as vehicle for access to institutions of civil society.</td>
</tr>
</tbody>
</table>

**Figure 9.2: Full Conceptual Model Results Summary**
CHAPTER TEN
Discussion: Organizational Conceptual Model: Banking Intervention and Worker’s Collective Partnership

This case study presents the Usha Multipurpose Cooperative Society as a dissentent from hegemonic representations of economic development. Such representations of development construct people in the ‘Third World’ as objects to be shaped by expert-led, technologically driven, modernist development interventions (Escobar, 1995). In seeking recourse from this intransigent view of progress, Escobar asserts that critical scholars must “imagine a post-development regime of representation to investigate and pursue alternative practices in the context of today’s social movements in the Third World (p. 11, 1995).” Study of such alternative practices must be situated within concrete local sociopolitical contexts so as not to reinforce generalizing definitions of and remedies for ‘underdeveloped’ countries, communities, and individuals. Indeed, the preceding analysis of the Usha Multi-purpose Cooperative Society illustrates the importance of historical, social, and political context to the organization’s current structure, culture, and impact on the community. Additionally, by focusing on practices located within the sex worker’s social movement attention is given to the ways objects of development reclaim the power to define and determine their social world.

Though this case analysis is anchored to the specific geographies of Sonagachi, there are several concepts and themes which inform the general discussion of global development in the new millennium. In this chapter I look deeper into the organizational form created by the partnership of the Usha bank and the DMSC sex workers union. The partnering of these two types of community-led organizations is a unique organizational system that has not been examined extensively in social policy or development literature.
I argue that this partnership system is the key which unlocks the sex worker community’s ability to achieve multi-level (individual and community), multi-dimensional (logistical and political) empowerment.

**The Usha/DMSC System.**

Study findings detail how Usha and the DMSC contribute mutually supportive features that together form a system of logistical and political empowerment at the individual and collective level. The conceptual model presented below delineates 1) contributions to this system that can be primarily attributed to Usha or the DMSC, though all contributions are interdependent and 2) elements of the system to which Usha and DMSC each contribute different dimensions. These contributions come together to establish 3) a set of shared core values, material resources and symbolic resources resulting in 4) a set of multi-level, multi-dimensional outcomes achieved by this organization system. Figure 10.1 visually depicts this conceptual model.

**Collaborative Contributions.** Usha and the DMSC each have a different organizational expertise and were developed to address different facets of sex workers’ experiences. However, even relatively independent contributions of each organization are supported by the activities of the other. For example, low cost loans are provided to the community by Usha, but as we saw, it is through leveraging the DMSC social network that these low costs are achieved sustainably. Furthermore, Usha would not exist without the successful organizing of the DMSC, which convinced the West Bengal Cooperative Minister of the sex worker community’s capability to run a cooperative. On the other hand, universal social services and political advocacy of the DMSC are supported by Usha funds. Collective political action is a key tool of the DMSC worker’s collective and
may go unfunded and unrealized without the financial help of Usha. Additionally, the legitimacy of the sex workers’ rights movement is bolstered by Usha’s high profile successes.

Though the organizations are clearly interdependent, maintaining some organization boundaries was shown to be important for the healthy functioning of both organizations. For example, though Usha staff is often the first to learn about labor issues in the community, the DMSC is the primary mediator during instances of community exploitation. The DMSC is equipped to deal with the highly politically charged environment of intra-community dispute. Usha does not have the training or resources to address these issues, just as the DMSC does not have the capacity to run a bank. Delimiting organizational responsibilities allows each to focus on specialty areas.

Usha and DMSC also mutually strengthen community processes such as the development of professional identity, development of sex worker leadership, reduction of stigma associated with sex work, and promotion of citizenship rights of sex workers. The DMSC promotes sex worker professional identity through, for example, labor rights advocacy and encouraging condom use as a marker of professional conduct (Ghose, 2008). Usha promotes professional identity through the codification of sex work as a legitimate profession and by helping sex workers invest and mobilize their earnings to achieve financial goals. Taken together, these elements of organizational structure and culture create a layered sense of professional identity which envelopes sex workers engaging in Usha and DMSC programs and services.
Figure 10.1: Organizational Conceptual Model: Banking Intervention and Worker’s Collective Partnership

Resulting in:
- Income and non-income contingent services
- Ongoing fight against exploitation, violence, and abuse within the community
- Organizational and financial sustainability of the system
  - Dynamic programs and services adaptable to community-defined needs
- Active fight for formal and informal labor rights of sex workers
- Development of sex worker leadership
  - Sex work leaders in the social movement and in the administration of services
  - Leadership in individual financial and work decisions
- Development of a collective professional, social, and political identity
  - Among community members
  - In the eyes of the public, decreasing stigma
  - In relationship with the state
Shared material and symbolic resources. In her study of the DMSC, Cornish (2006) draws on Freire to analyze how the DMSC mobilizes material and symbolic resources to resist social stigma experienced by the sex work community. Freire (1973) argues that both material oppression, which denies people of their agency, and symbolic oppression, which denies them self-definition, undermine the energy and will for collective mobilization. Cornish argues that, in the context of sex worker mobilization, both material and symbolic approaches are necessary to inspire a new, empowered social order for sex workers. She states, “material changes that are not discussed at the symbolic level as a part of a community’s political agenda and grand ideals without material backing are equally incomplete (p.470, 2006). “

Through this partnership, Usha and DMSC have established a set of shared symbolic and material resources which can be drawn upon to achieve the logistical and political goals of the community. Pooled material resources provide for the needs of the community through direct services. Symbolic resources generated by this system include the organized collective power of sex workers to achieve community goals, a foundation of community trust upon which to build both services and a social movement, and a shared vision of a respected and healthful community of sex workers. The Usha/DMSC system demonstrates the inextricable interconnectedness of material and symbolic resources. The development of symbolic resources through collective mobilization relies on the material resources generated by the bank. Likewise, Usha’s financial resources were actualized through the political mobilization of the sex worker community and continue to thrive largely due to the trust and accountability fostered by collective identity in the sex worker social network.
**Resulting benefits for sex workers.** The final piece of this conceptual model outlines the practical and political outcomes achieved by the Usha/DMSC system which were discussed in detail in the results. The Usha/DMSC system conceptual model illustrates the potential of bringing together a community-led banking intervention and worker’s rights collective to achieve a multi-level, multi-dimensional intervention promoting economic and political empowerment in the sex work community. This specific organizational system is intertwined with its context. However, the concept of an organizational partnership between direct financial service and a worker’s collective is an idea that could be explored in many different contexts and tailored to fit a variety of specific forms of labor, social and political contexts, geographies, etc.

The synergistic model described here enables the sex worker community to redefine empowerment on their own terms and breach the limitations of mainstream microfinance and current economic interventions with sex workers. By bringing the Usha case analysis into conversation with mainstream discourses on economic and gender empowerment, Chapters Ten and Eleven return to the original research questions and discuss the extent to which Usha reclaims the social transformative potential of microfinance and engenders sex workers’ individual and collective agency.
CHAPTER ELEVEN

Discussion: The Usha Multi-purpose Cooperative Society and Economic Empowerment

This case study was driven, in part, by the goal to evaluate whether and how Usha reclaims the empowerment potential of microfinance. ‘Empowerment’ is a cornerstone concept in discourses relating to development, poverty alleviation, and global social welfare. The term has proven slippery and stakeholders from varied ideological locations have recast definitions of empowerment to meet their ends. Differing definitions of empowerment have led to intense debates about the usefulness of the construct, what processes are illuminated by the concept, and what are obscured. Scholars must therefore cut through the ambiguity of the term and articulate the social and political ontologies undergirding concepts of empowerment, trace how different forms of empowerment shape policy and programming and, finally, evaluate their impact on social welfare at the individual, community, and sociopolitical levels.

In Chapter One, I briefly outlined the turn toward neoliberalism in the late twentieth century, the global reach of this ideology, and the role of the power of governmentality in its promulgation. I argued that microfinance is the quintessential intervention of neoliberal empowerment. Through top-down interventions, developed by economic experts and without much user input, microfinance directs resource-poor individuals into self-run small businesses, mostly in an unprotected informal labor sector. This is one aspect of a larger process of ‘dispossession by financialization’ (Harvey, 2005), advanced through microfinance by bringing marginalized people into an
exploitative market, making profit off of the debt burden of poor people, and privatizing elements of social and material life previous provided by the commons.

It has also been argued that microfinance serves to ameliorate the sting of structural inequality resulting from neoliberal policy. Microfinance occupies the world’s poor with taking advantage of ‘self-help’ opportunities, thereby distracting a potentially dangerous underclass from collectively mobilizing for political and structural change. ‘Empowerment’ is constructed as the privilege to access this self-help opportunity structure. Structural change, or collectivizing to shift power dynamics that shape the lives and ‘opportunities’ of the poor, is not discursively presented or included as an empowerment option for the population and is thereby ‘allowed to die’ under neoliberal governmentality.

This line of argument demonstrates the limitations of market-based neoliberal empowerment. Top-down neoliberal development forecloses the possibility of a community-defined conceptualization of empowerment. Usha, as a grassroots organization, was not limited in this way and was able to organically develop its own working definition of empowerment in accordance with the lived experiences of sex workers and within the larger context of a fledgling sex workers’ rights movement. For these reasons Usha both achieves and transcends neoliberal goals of economic empowerment, extracting the intervention from the paradigm of individual self-help and creating a new paradigm that holds space for individual and collective self-help along a number of social and political dimensions. I argue that Usha thereby facilitates the neoliberal goals of individual financial responsibility, but also challenges the neoliberal order by a) promoting a collective social safety net built on community redistribution of
wealth and b) demanding governmental accountability for their role in the systems of social inequality which marginalize sex workers.

**Usha and individual self-help.** Usha provides many of the individual sources of economic self-help privileged by mainstream development. Usha offers a secure place to build savings and access to credit which enable sex workers to make and achieve financial goals. The results demonstrate the impact of Usha on member’s ability to purchase real estate, invest in businesses, care for family, and educate their children. This form of economic empowerment-through-financial-independence is celebrated in the microfinance discourse.

Sex workers also use Usha as a form of individual labor protection in a market without formal benefits. As we saw, sex workers use Usha services to build a financial cushion which can be used to take a day off due to illness, refuse a client, leave an abusive domestic situation, cover unexpected expenses, and, if a member is extremely forward thinking, save for retirement. These are all processes of reclaiming agency that are championed by mainstream microfinance.

Even at the individual level, however, Usha services begin to expand the empowerment potential of banking. Firstly, founding members did not cede the power of service provision to an outside organization. They knew that, particularly as a stigmatized group, outside leadership would undermine the symbolic impact of a sex worker bank and limit sex workers’ ability to shape services according to community need. Original Usha leadership recognized that even the right to provide services is political and that management should come from the community. Secondly, and I would argue largely due to this community leadership, terms and conditions of Usha financial services are
demonstrably more favorable to program beneficiaries than other microfinance programs. Additionally, because Usha profit are democratically reinvested back into the community, the Usha cooperative does not participate in the processes of accumulation by dispossession connected to commercial microfinance.

However, despite these distinctions, the logic of individual services provided by Usha is bound by the same fundamental limitations as neoliberal microfinance. Social protections provided at this level are moored to the extent to which sex workers’ can build a personal safety net and do not account for market failures, unforeseen needs, and stratified initial circumstances. Clearly, individual programs alone are not sufficient to protect and empower workers.

**Usha and communal self-help.** Usha’s programs and services, however, are not limited to income contingent programs. The constellation of universal programs and services supported by Usha creates a social safety net for all members of the sex work community. This social safety net is communally funded by pooling resources from Usha profits, funding received by DMSC programs, and DMSC member fees. This community-resourced system of collective self-help compliments the individualistic self-help provided through personal financial services. In this way, the Usha/DMSC system has begun to rebuild ‘the commons’ desecrated by neoliberalism.

Additionally, the presence of the Usha/DMSC system has fundamentally shifted community power dynamics, lessening the power of madams and babus to control sex workers. At an interpersonal level, this is an individual benefit. However, the shift in power dynamics does not just impact single sex workers who now maintain independent control of their money. The success of Usha has contributed to a change in the status of
madams and babus in the role they play in the community. Simultaneously, sex workers may experience an increase in social capital (Bourdieu, 1986) as the community now has access to bank leadership and staff for assistance during emergencies and general financial guidance. These processes signify a cultural shift in the community which benefits sex workers whether or not they save with Usha.

By mobilizing community resources the Usha/DMSC system is able to support its community members. However, this system of communal self-help also contributes to a development dynamic critiqued in microfinance. Neoliberal development highlights the role of social capital in achieving development goals. This social capital discourse has been criticized for resting the responsibility of poverty alleviation on the backs of poor communities and smoothing over economic gaps produced by structural inequality on a broader scale, protecting the state and non-state governing bodies from the brunt of discontent. Rankin writes,

“the social capital framework enables the architects of neoliberal economic policy to cast the reconfiguration of state–society relations in progressive terms – local capacity building, local self-reliance, net social benefits from reduced transaction costs, and increased returns to human capital. As such, social capital can be expected to fill the vacuum left by the restructuring of the welfare state in countries around the world (p.10, 2002).”

Usha does, in fact leverage social capital to fill a void in this way. The sex work community’s redistributive system of collective self-help therefore cracks the neoliberal edifice of individualism, but on its own does not challenge macro structures of power
which shape sex worker’s lives. It is only through Usha’s partnership with the DMSC that these larger political objectives can be met.

**Usha as a form of structural empowerment.** The DMSC has mobilized sex workers to address sociopolitical issues shaping the experiences of sex workers. In the results I highlighted several such projects including petitioning the government for formalized social welfare benefits and dismantling the Immoral Trafficking Prevention Act, which has been used to systematically target and marginalize sex workers. When the service activities of Usha are paired with the collective political activities of DMSC we begin to see the potential of a banking intervention as an integral part of a social movement.

**Community banking and social movement building.** There are several ways that Usha supports political advocacy within the sex worker community.

**Attending to basic needs, advocating for bigger change.** It is difficult to organize toward abstract political goals when survival needs are not met. This is why much of the organizing efforts of marginalized groups are oriented toward obtaining basic needs entitlements (Chatterjee, 2004). Community banking models such as the Usha cooperative can help support the provision of immediate survival needs in-house. This frees up the sex workers movement to advocate for structural political change when engaging with both community-level power brokers and governing institutions.

This independent funding stream also allows the DSMC to create programs that operate according to community ethics and values. This is especially important when these ethics are discordant with the mainstream discourse on sex work. Usha contributes to several DMSC programs that counter deficit-based interventions for sex workers. For
example, Usha supports a residential school in Bariupur for the children of sex workers. Children who attend this residential school have regular contact with their mothers and the school is run by members of the community. There are other residential schools designed for the children of sex workers in Kolkata which do not welcome mothers to participate in the children’s lives and educations (Durbar.org). This discriminatory and presumptive attitude about sex worker mothers was unacceptable to the DMSC, who created the school in Bariupur in response.

Usha has also recently purchased land outside of Kolkata to build a residential home for trafficked minors. This will also be run by the DMSC, who understands the complex impact of trafficking on the lives of young people and develops culturally-relevant responses accordingly. It would be difficult for these kinds of pro-sex worker programs to find funding in an international funding field dominated by abolitionist ‘rescue, raid, and rehabilitated’ models.

Additionally, because the Usha/DMSC system provides for the needs of its community, Usha/DMSC is not in competition with other marginalized groups for scarce resources. The Usha/DMSC system can therefore partner with other marginalized groups to advocate for structural change. By joining together with other groups, such as Domestic Workers (durbardisha.wordpress.com), this system resists the tactics of governmentality that seek to address differently defined ‘populations’ in siloes, suggesting an environment of scarcity in which demands of this group can be met only if demands of that group are not (Chatterjee, 2004). Recently, DMSC members joined with other groups to advocate for stronger pro-poor policies from the government. Usha has worked with other sex work communities to build cooperative banks. By coming together
in coalition, the DMSC and other marginalized groups defy the population definitions ascribed to them to uncover and mobilize around multilateral experiences of exploitation and marginalization.

*Independent funding for political action.* The DMSC advisor I spoke with stated that the political work of the DMSC would be impossible without financial support from Usha. Grassroots organizers across many contexts have suggested that alternative funding mechanisms for political advocacy will be needed as state, corporate, and even foundation funding becomes increasingly hesitant toward (or in outright contempt of) direct political action (see INCITE!, 2007). The relationship between Usha and the DMSC illustrates how community banking is one alternative mechanism for funding activist activities that has not been explored much in the literature.

*Changing public perception of sex workers.* The final way that Usha supports the political goals of the sex work movement is by changing the public perception of sex workers. Usha has received several high profile accolades for the success of its cooperative, including being awarded “Best Mahila (Women’s) Cooperative of 2014” by the West Bengal State Cooperative Society. DMSC uses this publicity as a platform to highlight Usha’s success as a sex worker’s organization and draw attention to broader political goals of the sex workers movement.

**Multi-level, multi-dimensional strategy.** The Usha/DMSC system therefore demonstrates that sex workers can a) achieve neoliberal goals of self-help and self-empowerment b) provide for community need through a collective social safety-net and c) *still* demand structural change to address issues that cannot be surmounted through individual responsibility or communal care. The Usha/DMSC system exposes a false
dichotomy between individual responsibility on the one hand and communal care and structural change on the other. For example, this case study reveals how the collectivism built into the Usha/DMSC system actually strengthens the potential for individuals to achieve their personal financial goals by keeping interest rates low through leveraging the collective’s social network.

This study also demonstrates how a development intervention which is accountable to the community can still achieve broad goals of economic development. For example, Usha’s business investments in agriculture, pisciculture, and handicrafts have created local employment opportunities. Through membership in Usha sex workers have gained access to the real estate market, providing both an opportunity for sex workers and a new market population for the quickly expanding West Bengal construction business sector. However, these goals are achieved without charging exorbitant interest rates, over-indebting the community, excluding the most marginalized (as demonstrated by the high number of older sex workers accessing Usha services and the range of loan sizes available), dismantling common resources or ignoring structural causes of poverty. In this way, the study of Usha helps us see how capital can in fact be generated in a community without succumbing to the processes of accumulation by dispossession critiqued in neoliberal capitalism (Harvey, 2005). Figure 11.1 rearticulates the multi-level, multi-dimensional model, highlighting the forms of empowerment each level/dimension supports.
<table>
<thead>
<tr>
<th></th>
<th>Logistical Individual</th>
<th>Logistical Community</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Individual Self-help</td>
<td>Communal Self-Help</td>
</tr>
<tr>
<td></td>
<td>Individual / Behavioral Empowerment</td>
<td>Community / Redistributive Empowerment</td>
</tr>
<tr>
<td><strong>Political Individual</strong></td>
<td>Individual Political Agency</td>
<td>Communal Political Agency</td>
</tr>
<tr>
<td></td>
<td>Socio-political Transformation</td>
<td>Socio-political Transformation</td>
</tr>
</tbody>
</table>

Figure 11.1: Usha multi-level, multi-dimensional model and forms of empowerment
CHAPTER TWELVE

Discussion: The Usha Multipurpose Cooperative and Gender Empowerment

Gender Empowerment in Millenial Development

Gender empowerment is a central discourse in turn of the millennium development, expressed in countless media representations of ‘empowered’ third world women and codified in the U.N. millennium development goals (MDGs). We have reached the 2015 MDG deadline to ‘promote gender equality and empower women (www.un.org/millenniumgoals).’ Evaluating the extent to which women have been ‘empowered’ is difficult given the varied and often ambiguous definitions ascribed to gender-based empowerment, as we saw with the empowerment discourse more broadly (Aslanbeigui, Oakes & Uddin, 2010; Mosedale, 2005). Most definitions, however, include dimensions of “change, choice, and power (Cheston & Kuhn, 2002, p. 12),” and posit empowerment as a process through which women identify constraints on their life choices and alter limiting structures of power to expand what is possible (Cheston & Kuhn, 2002; Kabeer1999; Mosedale, 2005). The second research question guiding this case study accesses this question of expanded options, asking whether the Usha organization engenders individual and collective economic agency in the sex work community. This study also investigated how these forms of agency contrast abolitionist economic interventions, which have all but erased sex worker economic agency by limiting acceptable options for sex workers to narrow alternative employment schemes and ushering women into specific forms of capitalist entrepreneurialism.
The fallacy of universal womanhood and the role of context. Theories of empowerment put forth by the microfinance and abolitionist discourses fall prey to the fallacy of ‘generalized womanhood’ which Mohanty (1988) suggests drives gendered development interventions in the ‘Third World’. Mohanty argues that top-down development interventions implemented in the global south are blind to the historical, cultural, and political contexts of their program recipients, casting a gendered haze of uniformity across intervention-receiving communities. Assumed homogeneity of experience makes it possible to franchise out microcredit models and alternative employment programs. These intervention programs are founded upon exogenous value systems and theories of change assumed to be universal.

This is problematic on several levels. Interventions which impose a monolithic identity on women often fail when the complex lives of real women to not fit the mold cast for them (Basu & Dutta, 2008). The identity constructed for these women, often by Western and/or middle class feminists, generally depicts women as victims of backward cultures, justifying outside intervention (Doezema, 2001). Finally, such interventions ignore the sociopolitical contexts of women’s lives and are therefore necessarily inept at addressing structural oppression (Basu & Dutta, 2008). Chapters One and Two present evidence of these shortcomings in both the microfinance and sex worker literature.

Taking together, these critiques suggest that to achieve a more meaningful broadening of possibilities for women, economic interventions must be responsive to participant need within cultural context, resist reification of patriarchy and neocolonialism within its own organizational structure, and contribute to the dismantling of macro sources of gendered disempowerment in service communities.
Usha achieves these goals and in doing so articulates three interrelated realms of agency relevant to multi-level, multi-dimensional empowerment. Usha engenders 1) individual agency, by supporting independent financial decision making of sex workers and recognizing complex contexts within which decisions are made, 2) organizational/programmatic agency, through member leadership and a democratic organizational structure, and 3) structural agency by a) supporting sex worker’s collective political mobilization and b) undermining neoliberal processes of gendered accumulation by dispossession.

**Individual agency.** At Usha, respect for professional context has led to a system of services suited to the unique needs of sex workers, facilitating their ability to access services and achieve their goals. Whereas microfinance has been found to constrict loan use, obscuring the true varied uses of loans disbursed to women (Karim, 2011), Usha openly acknowledges a variety of loan uses that range from investment to consumption.

Abolitionist economic interventions assume the profession of sex work to be disempowering and are oriented toward exit from sex work. In contrast, Usha has tailored its services to maximize what empowerment potential lives in the profession. Though sex workers still experienced stigma, members also expressed pride in their ability to make and achieve personal financial goals. Members can use Usha financial services to grow their sex work business, become a madam, or finance their permanent exit from the red light district. In a profession-affirming organizational context such as Usha, these achievements do not need to be marred by society’s denigration of sex work and problematic accompanying gender values.
Additionally, the results also demonstrate how the Usha/DMSC system accounts for the complicated and varied relationships between madams, babus, and sex workers. Rather than assume all madams and babus to be the enemy and all sex workers to be victims, staff at Usha recognize variations in these roles, inviting some madams and babus to be a part of the sex worker support system, while using the strength of Usha to undermine the power of others. This occurs according to the specific and varied experiences of individual sex work members, respecting their agency in complicated interpersonal relationships. Regarding the broader discourses of millennial development and human trafficking, this handling of interpersonal relationships dismantles both the flat ‘patriarchal partner’ and ‘evil trafficker’ archetypes in microfinance and sex work discourses respectively.

Finally, though the Usha cooperative is invested in the sex worker’s rights political movement, political engagement or endorsement of certain political ideals are not enforced on members. The Grameen Bank has been critiqued for imposing the ‘16 decisions’ on members; a set of ‘modern’ values, not relating directly to banking, that women are asked to recite at meetings and subscribe to in life. This has been viewed as paternalistic and coercive (Selinger, 2008). Usha members consent to use of the profits from their savings to support the sex worker’s movement through the DMSC. Otherwise, Usha doesn’t force members to identify with a workers movement. Usha accepts that some members remain ambivalent or ashamed of their profession and will in fact actively help members use the structure of the DMSC to conceal their profession from family if a member so chooses. Usha members do not need to join the DMSC to become an Usha member (though all members I had spoken with had).
It is just as problematic to assume that sex workers are unanimously politically engaged and prideful of their work as it is to assume all sex workers are victims. Usha culturally and structurally avoids this trap. Solidarity around the identity of sex work is neither assumed nor imposed by Usha on sex workers. Engaging in worker’s solidarity through the activities of the DMSC is therefore an active choice, not an obligatory task necessary to access a service. In these ways Usha demonstrates respect for sex workers as adult women making complicated financial and interpersonal decisions.

**Organizational leadership.** Organizational decisions are made democratically and therefore only services, investments, and institutional changes that meet the approval of the member base are advanced. Sex workers are therefore in control of the services they will receive. In this way, Usha defies patriarchal stereotypes by simply being a financial institution that is run by sex workers. Such an idea was inconceivable when the founding members first approached the Cooperative Ministry to be incorporated as a bank. As sex workers, this was a group of women that had been rendered voiceless by discourses of victimhood. If empowerment is, at least in part, concerned with reclaiming the right to self-definition and expanding the boundaries of what is possible, the incorporation and subsequent success of the Usha Multipurpose Cooperative Society is in and of itself a powerful story of gender empowerment.

Through member leadership, Usha undermines processes of governmentality which distance people from the management of their own experience. Results demonstrate that member leadership leads to both effective and efficient services for sex workers and awakens the potential for this banking intervention to address non-technical (political) determinates of economic well-being.
**Meaningful solidarity and structural change.** Mainstream microfinance suggests that women will under-take community projects of gender-based social transformation with other women participating in their lending groups. This assumes that women, randomly assembled into lending groups, will recognize in each other the seeds of revolution sprouting from a shared struggle. Critics have suggested that this is unlikely, given that the activities of the lending group are restricted to loan repayment and disbursement, lending group members are in direct economic competition with one another and groups range across relevant personal characteristics of class, social standing, religion, etc. (Karim, 2011). My research with Usha corroborates skepticism about this logic. Shared economic program participation alone would most likely not necessarily engender solidarity among women at Usha. Women in this sex work community are direct competitors and income information is considered private. Furthermore, most women come to Usha to make transaction as they would any other bank. Convenience and simplicity are valued by members. If Usha was limited to the microfinance logic of lending-based solidarity there would be limited potential to mobilize sex workers through Usha participation.

The community did not mobilize solely around economic vulnerability, however, they mobilized around a collective identity as sex workers. Mobilizing around the gendered issue of sex work led to the establishment of the DMSC and Usha. Usha has therefore been able to channel its resources to support a system of solidarity that is meaningful to the community. This research suggests that sustainable gender empowerment must be rooted in a stronger sense of community than program participation alone. Microfinance programs hoping to inculcate solidarity and social
change can look to Usha and other initiatives that foster collective political identity as a springboard to broader empowerment (Sengupta, 2013).

**Usha and gendered accumulation by dispossession.** In an article entitled “The rationality of empowerment: microcredit, accumulation by dispossession, and the gendered economy” authors Keating, Russmussen, and Rishi (2010) examine how discourses of feminism have been coopted to ‘lend ideological cover to economic restructuring (p.).’ Microcredit contributes to this process by constructing borrowers as ‘rational’ economic women oriented toward entrepreneurialism, thereby embedding capitalist values into the very concept of gender empowerment. Accumulation by dispossession is accelerated by this dynamic as bigger and more generative loans are construed as more and more ‘empowering’ in the microfinance discourse, with credit-providing institutions reaping profit off of this ‘empowerment’ process (Aslanbeigui, Oakes & Uddin, 2010). Empowerment is realized through capitalist productivity, not through combating injustice or even basic recognition of human worth (Parmar, 2003).

Similarly, in the sex work discourse, empowerment is defined as the move away from sex work toward acceptable market activity, with return to sex work considered a failure.

As the partnering bank of a worker’s collective, Usha is uniquely situated to challenge the discursive connection between gender empowerment and capitalist value systems. Kabeer (2001) notes that women often experience increases in self-esteem and higher status in interpersonal and social relationships as a result of obtaining and investing a loan. Many members I spoke with did in fact find self-worth in their capitalistic productivity. This is, however, a tenuous foundation on which to rest the whole of gender empowerment. If an investment is not profitable, if a bigger loan
becomes untenable, if the sex worker does not save enough to send their child to school, is her empowerment undone?

It is the responsibility of community groups to construct systems of empowerment that are not validated exclusively by capitalistic success. By advocating for wholesale structural change, the Usha/DMSC system does not make gender empowerment contingent upon success in the market- as the Usha branch of the organization without the DMSC might. In other words, the Usha/DMSC system engages in action that asserts that all sex workers, whether economically ‘successful’ or not, deserve to work free of exploitation and physical, sexual, symbolic, and epistemic violence.

The Usha/DMSC system also loudly reintroduces a public discourse on gendered labor rights and rebinds gender empowerment to democracy by making direct demands on the state and its constituents. Finally, Usha/DMSC undermines the alienation of laborers under advanced capitalism by bringing together coalitions of marginalized groups, moving toward a collective approach at the base of what Appadurai (2001) describes as “deep democracy.” In these ways, Usha pushes past the limitations of neoliberal gender empowerment that is contingent on entrepreneurial success as promoted by microfinance and provides an alternative vision of multi-level, multi-dimensional gender empowerment.
CHAPTER THIRTEEN

Discussion: Research Limitations, Future Research and Conclusions.

Research Limitations and Future Research

There are several limitations to this research that are worth noting. Despite accessing a range of interview participants and observation locations, there is the potential for selection bias. For example, the members I spoke with were able to meet me at an Usha/DMSC office to conduct an interview. There may be members who are more highly restricted in their movements or less connected to the DMSC/Usha social network that this research misses. I was also not able to conduct research in the full range of Usha fields, some of which are quite far from the city of Kolkata. Additionally, since I only spoke with Usha members, I have no way of comparing the financial experiences of Usha members as compared with sex workers not participating in Usha. Finally, the quantitative analysis was limited to variables collected in the administrative database. This database was not collected for research purposes and therefore misses several potentially important variables, such as, for example, whether a member has children, is a flying or brothel worker, and or has a babu.

Future research can address some of these short-comings. In developing a long-term research partnership with Usha, we have identified potential future projects to extend this work. A large scale survey study could quantitatively analyze some of the potential patterns of loan approval, loan repayment, and savings use according to a variety of independent variables not captured in the administrative database. Additionally, as Usha expands there is the potential to conduct a replication field
experiment comparing economic and health outcomes in a region receiving an Usha branch as compared to a control community.

**Conclusion**

This is the first study to examine a community-led economic intervention supporting the health and well-being of sex workers. Usha demonstrates that a long-standing, financially sustainable cooperative led by female sex workers in the global south is not only possible, but can achieve successes according to multiple indicators. The logic of neoliberal, neocolonial development would lead us to believe this is not, in fact, possible without substantive institutional interference by outside development experts. As community-led organization, Usha has expanded discourses of empowerment beyond current neoliberal limitations to include communal support and structural change for women participating in a gendered and stratified economy.

This organization therefore achieves the ‘alternative representation of development’ called for by Escobar. This case study does not suggest the immediate replicability of Usha into other contexts. Usha is the product of a unique socio-political context. Sex worker organizations developing in places without a strong legacy of cooperative banking, a close-knit geographic red light district, and a range in sex worker incomes would encounter different challenges and opportunities. I do argue, however, that we can learn from the community-led multi-level multi-dimensional model to challenge the current state of millennial development. By using the broad multi-level multi-dimensional structure as an organizing framework, organizations and emerging social movements can address logistical and political empowerment at the individual, community, and structural levels to achieve relevant and sustainable social change.
### APPENDICES

#### APPENDIX A

**Topics of Inquiry and Hypotheses**

<table>
<thead>
<tr>
<th>Individual</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Logistical</strong></td>
<td><strong>Logistical</strong></td>
</tr>
<tr>
<td>H1: Maintains loan affordability</td>
<td>H4: Reinvests income in community</td>
</tr>
<tr>
<td>- Credit alternatives in community</td>
<td>- Investment of income</td>
</tr>
<tr>
<td>- Member service experience</td>
<td></td>
</tr>
<tr>
<td>H2: Disburses loans responsibly to avoid over-indebtedness</td>
<td>H5: Benefits community through investment projects</td>
</tr>
<tr>
<td>- Processes of community financial advising and loan approval</td>
<td>- Processes of Usha income generating projects</td>
</tr>
<tr>
<td>- Member experience</td>
<td></td>
</tr>
<tr>
<td>H3: Disburses loans equitably</td>
<td>H6: Manages organizational funds autonomous of outside institutions</td>
</tr>
<tr>
<td>- Member and staff perceptions of exclusionary practices at Usha</td>
<td>- Management of funds</td>
</tr>
<tr>
<td>- Processes of community financial advising and loan approval</td>
<td>- Relationship between Usha and DMSC</td>
</tr>
<tr>
<td><strong>Political</strong></td>
<td><strong>Political</strong></td>
</tr>
<tr>
<td>H7: Marks member professionalism</td>
<td>H10: Undermines community economic exploitation</td>
</tr>
<tr>
<td>- History of development of Usha</td>
<td>- History of development of Usha</td>
</tr>
<tr>
<td>- Member experience</td>
<td>- Member experience</td>
</tr>
<tr>
<td>H8: Maintains member agency</td>
<td>H11: Provides labor protection in an unregulated informal labor sector.</td>
</tr>
<tr>
<td>- Processes of community financial advising loan approval</td>
<td>- Relationship between Usha and Durbar</td>
</tr>
<tr>
<td>- Member experience</td>
<td>- Member experience</td>
</tr>
<tr>
<td>H9: Encourages member participation</td>
<td>H12: Serves as vehicle for access to institutions of civil society.</td>
</tr>
<tr>
<td>- Organizational decision making processes</td>
<td>- History of development of Usha</td>
</tr>
<tr>
<td>- Member experience</td>
<td>- Member experience</td>
</tr>
</tbody>
</table>
The proposed research has been approved by both the University of Pennsylvania Institutional Review Board and the Research Ethics Board of the Durbar Mahila Samanwaya Committee.

**Confidentiality and Privacy.** At no point during the study were subjects’ full names, contact information, or unique identifiers recorded by the researcher. Only the researcher had access to the recordings and field notes. All quantitative data was de-identified and spreadsheets were connected by a client i.d. number. Audio files, transcripts, and quantitative data were stored in an encrypted and password protected file on the researcher’s password protected computer. Interviews took place in an Usha/Durbar office space or space of participant’s choosing.

**Consent Process** Informed consent was obtained at the beginning of interviews by the researcher, using the translator. Consent was obtained verbally, as a written consent form would otherwise be the only document linking the subject to the study. The interview followed immediately after obtaining consent. Participants were made aware that participation in the interview was voluntary and that the decision to participate or not participate in the interview would in no way affect current or future services received at USHA or the DMSC or have any bearing on their current or future employment with USHA or the DMSC. The researcher and translator obtaining consent used language that is clear and simple to describe the study, the subject’s rights as a research participant, and the risks and benefits of participation. The researcher asked permission to record the interview, if permission to record was not granted the interviewer took notes. During
participant observation in the field the researcher was introduced as a researcher. If at any time anyone was uncomfortable with the researcher’s presence the researcher did not enter the space.

**Risk/Benefit.** There is low risk in participation in this research. Members gave anonymous interviews about their experiences participating in Usha and managing their finances. Other key informants gave interviews about their experiences with Usha and their thoughts on the Usha and Durbar organizations. There are no individual benefits to participating in the research. However, the research may positively impact the Usha organization that could lead to potential benefits for the sex work community in Kolkata.
APPENDIX C

Interview Protocol: Members

Interview Protocol: Current Members
Are you currently a sex worker?
For how long?
In what field do you work?
Are you brothel based?
If not, please describe your work arrangement.
Do you have any children? How many and what are their ages?

Membership
How long have you been a member at Usha?
Where did you keep your money before joining Usha?
Did you save? How?
How did you originally connect to Usha?
Why did you decide to join Usha?

Service User Experience
In which Usha programs do you participate?

If Savings: Have you experienced any benefits from participating in Usha savings program? Please describe.

Have you experienced any challenges participating in Usha savings programs?
If so, please describe.

What are your current savings goals?

Have you experienced any challenges achieving those goals? If so, please describe?

Please describe some of the ways you have used your savings.

Have you taken a loan? If yes, what for?

If loan: Have you experienced any benefits from participating in Usha loan program? Please describe.

Have you experienced any challenges participating in Usha loan program? If so, please describe.

Is there anything you would change or add to the services you currently receive from Usha? If so, please describe.
Has participating in Usha influenced the way you make decisions about spending and saving? If so, how?

Has participation in Usha programs impacted your access to social programs, sources of identification, or financial institutions?

**Community Options**
What saving options other than Usha, if any, are currently available to you? Please describe these options.

Do you currently participate in any of these programs? If so, please describe your experience with these programs.

What loan options other than Usha, if any, are currently available to you? Please describe these options.

Do you currently participate in any of these programs? If so, please describe your experience with these programs.

**Participation in Decision Making**
Have you ever given feedback to Usha regarding their services, programs, business investments, etc? If so, please describe this experience. What feedback did you give?

If not, if you were interested in giving a suggestion or voicing a concern about Usha, how would you go about it?

**Financial Support**
Who, if anyone, gives you financial advice? What kinds of advice do they give you?

**Usha Culture**
Usha is only for members of the sex work community. Is it important to you that Usha is an organization specifically for sex workers? Why or why not?

Do you think Usha should be opened up to non sex-workers? Why or why not?

Usha is currently only open to women. Do you think Usha should be opened up to transgender members of the community? Why or why not?

What about men? Why or why not?

**Durbar Involvement**
Are you a Durbar member? Describe your involvement with Durbar.
Are you aware of Usha's business projects and/or social programs for sex workers and their kids? Please tell me what you know about these programs.

Demographics
Age, Children, Field, Occupation (if not stated in interview)

Is there anything that you would like to tell me about your experience with Usha or your finances in general that I haven't asked about?

Thank you for your participation in this interview. I greatly appreciate the time you took to speak with me. Do you have any additional questions for me about the project or your participation.
## APPENDIX D

<table>
<thead>
<tr>
<th>Data Source</th>
<th>Description</th>
<th>Recruitment</th>
<th>Data</th>
<th>Topics of Inquiry Addressed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Durbar Orientation</strong></td>
<td>Presentations during the DMSC orientation. Gave overview each DMSC branch. Each branch presented and fielded questions.</td>
<td>Presentation was organized by DMSC</td>
<td>Notes from five days of presentations and Q&amp;A on the DMSC including Usha, the SRB, Anandam, Amra Padatik, the Positive Women’s Network, the Babu Collective, Disha, the Durbar Research Center, as well as presentations/observation at the health clinics and in the red light district.</td>
<td>The relationship between Usha and Durbar</td>
</tr>
<tr>
<td><strong>Member Interview</strong></td>
<td>Interviews with present and past Usha members.</td>
<td>Interview 1-50 recruited through Usha staff. Interviews 51-60 were recruited via availability sample at the bank teller window.</td>
<td>60 semi structured interviews. Interviews averaged about 20 min. Some recorded and transcribed. Others recorded using notes. All conducted using translation.</td>
<td>Credit alternatives, Community financial advising and loan approval, Member service experience, Perceptions of exclusionary practices at Usha, Usha and Durbar relationship</td>
</tr>
<tr>
<td><strong>Usha Staff and Leadership</strong></td>
<td>Interviews as well as questions during participant observation with the Bank Manager,</td>
<td>Usha staff made themselves available for questions as they arose during the day in the</td>
<td>7 in-depth interviews with various pairings of these 4 people. Additional questions/discussions as they arose during participant</td>
<td>Credit alternatives, loan approval, Member service experience, Perceptions of exclusionary practices at Usha,</td>
</tr>
<tr>
<td>Assistant Bank Manager, President and Secretary of Usha</td>
<td>Interviews were scheduled directly with Usha staff.</td>
<td>Observation. Some recorded and transcribed. Others recorded using notes. Protocol developed through iterative collection/analysis process. Interviews ranged from 35-90 minutes.</td>
<td>Usha businesses, Investment of income, Management of Usha and Durbar funds, Organizational decision making, Usha and Durbar relationship</td>
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<tr>
<td><strong>Board Meeting and Focus Groups</strong>&lt;br&gt;6/6/2013 7/2/2013 7/9/2014</td>
<td>Attended bi-monthly board meetings and conducted focus groups with the Usha Board of Directors.</td>
<td>Arranged through Secretary and President of Usha</td>
<td>Observed 2 board meetings with focus groups afterward during which I took detailed notes (90-120 min). The third focus group (90 min) with board members was recorded and transcribed (for a total of two meetings and three focus groups). Credit alternatives, Loan approval, Member service experience, Perceptions of exclusionary practices at Usha, Usha businesses, Investment of income, Management of Usha and Durbar funds, History of development of Usha, Organizational decision making, Usha and Durbar relationship</td>
<td></td>
</tr>
<tr>
<td><strong>Daily Collector Focus Groups, Observation</strong>&lt;br&gt;Focus Group: 6/6/2013 Shadow Interviews: 7/26/2013 7/05/2013 6/25/2013 5/28/2013</td>
<td>Paid Usha staff who go into the field six days a week to collect deposits and disburse receipts.</td>
<td>Introduced through Usha leadership, built rapport with DCs, was invited to shadow.</td>
<td>4 shadowing sessions with daily collectors in the field in which I followed DCs on their daily rounds and asked questions about interactions in the field. One focus group with the Sonagachi DC staff (56 min), Credit alternatives, Community financial advising and loan approval, Member service experience, Perceptions of exclusionary practices at Usha</td>
<td></td>
</tr>
</tbody>
</table>
| **Leadership at the DMSC**  
| **6/26/2014**  
| **7/3/2014** | **Key informants in leadership positions at the DMSC.** | **Connected through Usha leadership** | **2 semi-structured in-depth interviews (37-51 min). One with a senior advisor to DMSC and another with the Secretary of DMSC. Recorded and transcribed verbatim.** | **Credit alternatives, Usha businesses, Investment of income, Management of Usha and Durbar funds, History of Usha, Usha and Durbar relationship** |
| **Founding Members**  
| **7/02/2014** | **Sex workers among the original 12 who initially organized and implemented Usha.** | **Recruited through the President and Secretary of Usha.** | **One semi-structured, in-depth focus group with three founding members (80 min). Recorded and transcribed.** | **Credit alternatives, loan approval, Usha businesses, Investment of income, Management of Usha and Durbar funds, History of Usha, Organizational decision making, Usha and Durbar relationship** |
| **WBCS Consultant**  
| **7/4/2014** | **Banking Consultant from the state cooperative society who has been working with Usha for 8 months.** | **Met during participant observation. Offered to be interviewed.** | **One in-depth interview (40 min). Took detailed notes.** | **Usha income generating projects Investment of income** |
| **LGBTQ Leader**  
| **8/21/2014** | **Individual active in the fight for rights of LGBTQ sex workers.** | **Recruited by a contact at the LGBTQ branch group at Durbar.** | **One interview. Not comfortable with recording, so interviewer took notes.** | **Perceptions of exclusionary practices at Usha** |
| **Participant Observation in the Usha Office**  
Summer 2013/14 | Spent time in the Usha Office observing daily interactions. | Usha leadership granted me permission to spend my days in the office observing daily interactions. | Took notes throughout the day, followed up with key informants when clarifying questions were necessary. | Community financial advising and loan approval, Member service experience, Organizational decision making, Usha and Durbar relationship. |
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<tr>
<td><strong>Participant Observation in DMSC</strong></td>
<td>Attended DMSC activities and programs while in Kolkata.</td>
<td>Through connections at Usha/DMSC.</td>
<td>Attended several events and programs, took field notes.</td>
<td>The relationship between Usha and Durbar.</td>
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<tr>
<td><strong>Organizational Documents</strong></td>
<td>Documents produced by Usha reflecting different processes and program.</td>
<td>Provided or published by Usha or affiliated organizations.</td>
<td>Website, Yearly reports, signs in the Offices, West Bengal State Cooperative Society Rules and Regs.</td>
<td>Usha businesses. Investment of income, Management of Usha and Durbar funds, Usha and Durbar relationship.</td>
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<tr>
<td><strong>Administrative Database Data</strong></td>
<td>Data collected for administrative purposes on members, loans, and accounts</td>
<td>Provided by Usha from its administrative database.</td>
<td>Extracted from database and combined to form a single data set. Includes information on member demographic info, accounts, loans.</td>
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REFERENCES


StataCorp. (2011). *Stata Statistical Software: Release 12*. College Station, TX: StataCorp LP.


