

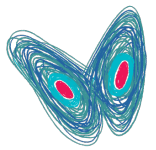


Supporting Women's Collective Enterprises—what we do and do not know

Critical Evidence Review

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Abstract: In this paper, we synthesize the existing literature on worker cooperatives and accelerators to analyse their role in enterprise development and how the two may affect or influence women's agency particularly in the case of worker cooperatives. We find that while worker cooperatives and accelerators can increase gender disparities, designing interventions that may lead to the development of critical consciousness is essential.

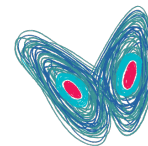
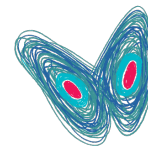


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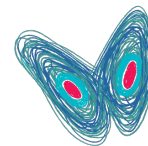


List of Abbreviations

BIP	Broad, Intensive, and Paced Bill & Melinda Gates
BMGF	Foundation
CESS	collective support systems
CF	Capitalist Firms
ESS	Enterprise Support System International Cooperative
ICA	Alliance
IESSs	individual support systems International Finance
IFC	Corporation National Rural Livelihood
NRLM	Mission
SE	Social Enterprises Self-employed Women's
SEWA	Association
WCEs	Women Collective Enterprises

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This paper fills a gap in the literature on how to support Women Collective Enterprises, especially those owned by grassroots members. We were lucky to be able to tap into a huge collective reservoir of people that have been working on women's agency, worker cooperatives and accelerators for many years.

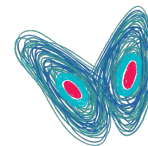
First, we would like to thank Renana Jhabvala, Mirai Chatterjee, Paromita Sen, Nitya Nangalia, Saloni Muralidhar and Mittal Shah from SEWA Bharat who through their work and subject expertise have inspired this review and provided valuable inputs.

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We are also grateful to Jennie Klugman and Marty Chen for pointing us towards the rich history of cooperatives in informal settings. Your knowledge and insight have been invaluable to us. We would also like to thank our partner IDinsight, that supplemented our work with a concept note on measuring agency. This is included as an appendix to our paper.

The adaptive nature of this work and the constant discovery which we will need going forward requires learning partners throughout this journey. An initial draft of this paper was part of a Learning Workshop Series in December 2020, hosted by BMGF & IMAGO Global Grassroots. We would like to thank all our panelists - Alka Upadhyay (Additional Secretary, Rural Development, Government of India), Scott Guggenheim (Georgetown University), Parmesh Shah (Global Lead Agriculture- World Bank), Anish Kumar (Co - Founder & Director Transform Rural India), Sapna Desai (Population Council & Evidence Consortium on Women's Groups), Vijayendra Rao (Lead Economist, World Bank) and Bidisha Baruah (Senior Evaluation Specialist, 3ie) for their time and thoughtful input. Your command over the subject really helped us work through the next draft of our paper and made it more comprehensive and analytical.

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Summary and Conclusions

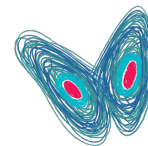
This paper is part of an adaptative evaluation for a project whose aim is to support SEWA's collective enterprises. In order to inform the whole process, this review was conducted to build on existing knowledge. The objective of the evaluation will be to fill a gap in the literature on how to support Women Collective Enterprises, especially those owned by grassroots members.

Given the lack of literature on how to help women collective enterprises (WCEs) scale up, we embarked on a literature review of three inter-related areas that can help us understand the gaps and areas for design as we support SEWA Bharat's impressive effort to scale up 5 Social Enterprises under the MOVE project financed by BMGF. These areas are: (i) worker cooperatives, (ii) women's agency and (iii) accelerators. While there is a very rich literature in each of these areas, it is in the intersection of the 3 where the interesting learnings emerge. This paper pulls these 3 strands together and identifies design questions that need to be explored with WCEs under the MOVE project.

The objective of the section on the literature review is to identify what has been written, distinguish trends and find gaps. It also aggregates empirical findings about each of these areas as a backdrop to frame the research questions of the evaluation of MOVE, which is being launched in January 2021 by IMAGO and ID-Insight. The search process has relied on Google Scholar, Harvard Hollis, expert interviews and references found in seminal papers within each area. The goal has been to provide a critical evaluation and interpretive analysis of existing literature to reveal strengths, weaknesses, as well as limitations when bringing in the gender lens. Our review carried out the following sequence: first define concepts and articulate the research questions, based on that decide on the most representative material to be reviewed, and screen after that for quality, rigor, innovation. Once the material has been reviewed the story line is integrated with a gender focus and the gaps and research questions are identified.¹

The review is structured in three sections. First, we examine worker cooperatives, comparing the behavior of profit-maximizing, investor-owned firms with worker-owned enterprises. Second, we present the theory and evidence on accelerator interventions from the global accelerator experience. Third we examine the determinants of women's personal and collective agency, including the influence of collective organization on women's agency. Understanding agency is key to unlock the potential that WCEs have

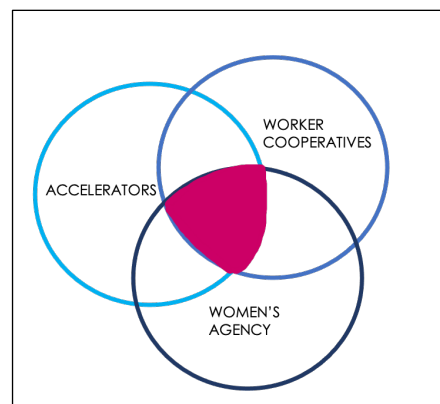
¹ ["Synthesizing information systems knowledge: A typology of literature reviews," by G. Paré, M. C. Trudel, M. Jaana, and S. Kitsiou, 2015, *Information & Management*, 52\(2\), p. 187.](#)



to become financially sustainable while having their member's well-being and dignity at the center of what they do. This work is supplemented by ID-Insight's work on measuring agency which is included as Appendix I in this paper.

These three strands of literature have not been integrated in development thinking and is a knowledge gap we want to fill in this review (See Figure 1). By bringing together what we know about gender, accelerators and collective enterprises, we can draw implications for development thinking and practice. We look at complementarities and trade-offs, as well as understand whether the determinants of women's agency inform our interpretation of the behavior of women's collective enterprises and opportunities to affect change.

Figure 1: The Knowledge Gap

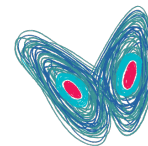


Worker cooperatives

The COVID crisis has underscored how cooperatives behave differently from most capitalist firms, protecting their workers through slowdowns and even lockdowns. Moreover, wages and employment move in the same direction over the cycle, showing a very different business ethos than capitalist firms where employment numbers go down when wages go up.

Worker cooperatives organically evolve from trade unions, such as SEWA, as they look to find income-earning opportunities for their members. They function using democratic decision making and profits are shared by the member-owners. Training their members is a time consuming but essential part of the work. Cooperatives put the dignity of the workers as well as the benefit to their community at the center of their objectives.

Contrary to popular perception, worker cooperatives can be as productive and efficient as capitalist firms, often re-invest a substantial share of their revenues, and worker participation in decision-making results in output growth and longer sustainability. However, this depends on the context and conditions under which they operate. The factors that lead to cooperative success include continuous training and developing of an entrepreneurial mindset, building a collective culture, and access to capital and business acumen, in order to understand the evolving market. Also, important, is the ecosystem with other cooperatives and cooperative support structures, as well as supportive policy environment. The internal weaknesses in the cooperative model can include difficulties to attract capital to scale up, attracting people with managerial and



other specialized skills, and risks of decline in the cooperative ethos, with centralization of power over time. The lack of investment can be explained by the cooperatives clear objectives to prioritize workers payment, including in times of economic downturns. Under some circumstance's cooperatives can also be subject to political capture.

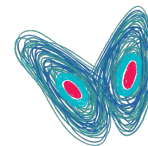
In India, since pre-independence there has been a huge push to achieve growth especially in the rural sector through cooperatives. Worker cooperatives and farmer producer groups can be seen as synonymous in terms of operating principles. With the exception of a few cooperatives, at large cooperatives have often faced many challenges including political and financial. In addition, the mixed gender cooperatives are not women-friendly and recreate the power dynamics that exist in the community. Being part of a cooperative is many times the first step for a woman to be employed with better working conditions and social benefits. But women members often have less decision-making power than their male counterparts in the cooperative. Women only cooperatives represent only 2% of all cooperatives, revealing the challenges faced by women in registering as well as the difficulties in accessing capital.

Accelerators

There are many different ways in which businesses get support as they develop their concepts and get investment ready. Accelerators often involve short-term residential programs for early-stage companies designed to help entrepreneurs develop their concept and present it to potential investors. They typically provide mentoring, education and networking opportunities to a selected cohort of individual entrepreneurs. There is evidence that they are successful in terms of raising capital and employment growth, although this is not always the best indicator of long-term success.

There are three important pathways that increase the effectiveness of an accelerator program—often referred to as “Broad, Intensive and Paced”. First, when they provide connections to a broad range of mentors and potential customers during the program. Second, when they are intensive, often with the entrepreneur spending 40 hour per week over three months. Third, when they help pace the work by scheduling a series of research and decision-making moments within the week.

Raising capital through an accelerator is more difficult in developing countries and even more challenging for women-led businesses. In developing countries, like India, entrepreneurs have an even more difficult time connecting with critical stakeholders. Moreover, given the lack of an ecosystem with the advantages found in the US and other developed countries, this nurturing phase for early-stage companies can take years. During the nurturing phase the entrepreneur gets management support, business skills,



and resources to invest in specialized talent. This is a problem common to men and women-led enterprises, but it's even tougher for women. The international evidence finds that accelerators seem to increase the gap in raising equity financing between male and female led enterprises. Investors' risk perception is higher for women-led enterprises than for men; this is not explained by different education levels, experience, sector or revenues. The gender makeup of the founding team strongly influences the disparity in the capital raised.

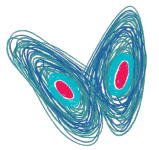
Most accelerators, and more broadly enterprise support systems, in India are focused on large cities and high-income states, with a strong emphasis on technology. Very few reach the grassroots. There are two important examples worth noting. The first is Transforming Rural India (TRI) that works in poor districts to build and grow ecosystem platforms that will foster entrepreneurial activity in remote rural areas. The second is SEWA that has designed an enterprise support system (ESS) which innovates on traditional accelerators by providing services to WCEs, shifting from an individual to a collective support system.

Agency

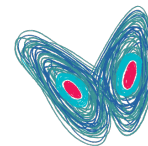
While cooperatives and collective ownership can work, and have advantages over capitalist firms, and accelerators can help early-stage entrepreneurs to get ready for funding, the evidence shows that both replicate the gender inequalities present in the system where they develop. Women do not have an equal voice in collective decisions within cooperatives and women do not get more access to equity investment when they participate in an accelerator program.

In order to improve the condition of women in a patriarchal system, there is a need for interventions that expand their agency. We define agency as the capacity to make choices and influence an unequal situation in a way that challenges power relations. Women's agency leads to empowerment when it challenges the norms and institutions that perpetuate their subordination and dependency.

Groups such as SHGs and SEWA can be an important source of individual transformation and the formation of women's critical consciousness. Through new experiences within these groups, women are able to "unfreeze" the norms that shaped their perception of who they are and what they can aspire to. This mindset shift is the beginning of a process of discovery and expansion of their agency that can lead to changes in income and voice within the community. Participation in groups can therefore lead to greater agency through shifts in critical consciousness in addition to the potential of groups to serve as a platform for access to services and increased bargaining power.



Many economic empowerment programs have a theory of change which assumes that improving women's access to financial resources itself increases their decision-making authority in the family and the community. The evidence shows the contrary: gender norms moderate and even block the impact of greater access to finance. Social norms in the context of grassroots women are also a constraint on women-owned businesses, even more so than what we saw with accelerators in higher income settings. Taking the time to help shift women's own internal norms through groups that develop greater critical consciousness, is a key pathway for transformation.



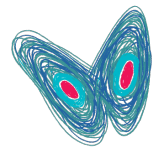
What does this mean for Women Collective Enterprises?

The literature on cooperatives, accelerators and women's agency suggests the following conclusion: for WCEs to succeed, they need to invest in the success factors for cooperatives, while simultaneously building their business on the basis of a strong critical consciousness foundation for the women that own and work in the enterprise. However, direct evidence on this remains a gap in the existing literature.

Collective organizations have the potential to become the best organizational form for women working in groups settings, such as SHGs and SEWA, because the members' dignity and well-being are central to their purpose. To be viable, their members need to have an entrepreneurial mindset and their workers/owners need the time to be trained in the multiple domains of enterprise activity, which range from marketing, to product innovation, to internal management processes and use of technology. This is why cooperatives need access to patient capital and support systems.

Agency is on the critical path for economic and social progress of women at the grassroots and has to be front and center of the work. For women in a patriarchal system, social norms can block the benefits from working in a cooperative or going through an accelerator, unless they develop greater critical consciousness. This part of the work is central to SEWA and a crucial building block for the success of any WCE.

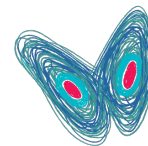
There are important dynamic implications from these findings. It is probably more effective to take an accelerator to women groups who already have developed critical consciousness than trying to activate agency through an accelerator. Developing critical consciousness takes time -sometimes a long time. Organizations like SEWA, that have already carried out the long-term mobilization work are in a great position to provide business support services to their members' WCEs. Trying to take the agency activation into an accelerator may fail because of the mismatch of time requirements and the distortions that emerge when finding an investor becomes the main goal. Whether the activation of agency can work within an existing cooperative is an open question.



What are the main questions going forward?

There are many important questions around the design of an accelerator/ESS in a WCE which emerge from our literature review. These are essentially around the intersection between the three areas. These include:

- How should an accelerator be adapted to collective enterprises owned by grassroots women? How does Broad, Intensive and Paced need to be translated into the realities of women in the informal sector who hold many roles within SEWA and in their communities.
- How to include clear accountability and metrics on both financial indicators and social impact?
- Should there be selection criteria for WCEs accelerators? Should these prioritize enterprises with higher success potential?
- What aspects traditionally excluded from accelerators need to be included for WCEs?
- Are there any differences between WCEs and worker cooperatives in profitability, productivity and financial sustainability?
- What is the impact of WCEs on agency? How does it compare to mixed worker cooperatives?
- Can interventions to expand women's agency be integrated within the engagement to expand the financial and productive performance of a WCE
- Conversely, can the expansion of women's agency, help tackle some of the weaknesses in coops?



Worker Cooperatives

Cooperatives are the most common form of collective enterprises. They have a long history and are surrounded by many myths, good and bad. Worker cooperatives have been seen as an ideal, inclusionary alternative to ruthless capitalism, and as intrinsically inefficient or politically captured entities. In this section we explore both concepts and evidence on cooperative performance, compare this to capitalist firms to provide the basis for understanding both how they can become sustainable and contribute to the well-being and agency of members.

Background and main characteristics

Cooperatives are owned, governed and controlled by their members to realise their economic, social and cultural needs and aspirations. As businesses, cooperatives are driven by values as well as profits. They put fairness and social justice at the centre of their enterprise. Cooperatives around the world have the goal of allowing people to work together to create enterprises that are sustainable and generate long term prosperity. They seek to help people to take control of their economic future, with the economic and social benefits of their activity accruing to the communities where the cooperatives are established. (ICA, 2021)

Cooperatives are present in almost every country of the world, including the United States. There are at least 3 million registered cooperatives worldwide and they provide employment to 10% of the employed population in the world (ICA, 2021). The three hundred largest cooperatives have generated over two trillion USD in turnover in 2017. The United States houses 85 of these, followed by France (38) and Germany (30). Two cooperatives from India (IFFCO and Gujarat Cooperative Milk Marketing Federation) also feature in this list (Alliance, 2019). In recent years, the number of cooperatives has been increasing in both African and Latin American countries. 7% of Africans belong to at least one or more cooperative enterprises. Latin American is currently the fastest growing region in terms of membership and new cooperatives (ICA, 2020).

Cooperatives are democratically managed by one member, one vote rule irrespective of whether the members are the customers, employees, users or residents. In theory, members share equal voting rights regardless of the amount of capital they put into the enterprise. Broadly, cooperatives follow 7 principles:

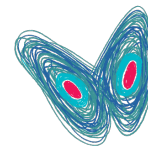


Figure 2 :7 Principles of Cooperatives

1.	2.	3.	4.	5.	6.	7.
VOLUNTARY & OPEN MEMBERSHIP	DEMOCRATIC CONTROL (1 MEMBER, 1 VOTE)	MEMBER ECONOMIC PARTICIPATION	AUTONOMY AND INDEPENDENCE	EDUCATION TRAINING & INFORMATION	COOPERATION AMONGST COOPERATIVES	CONCERN FOR COMMUNITY

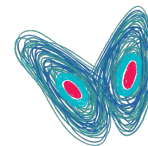
Source: (ICA, 2020)

There are several types of cooperatives

- i. Worker Cooperatives: owned and operated by their employees
- ii. Consumer Cooperatives: owned and operated by the people buying the co-operatives goods or services
- iii. Producer Cooperatives: owned and operated by the people collaborating to process and market their products
- iv. Purchasing cooperatives: owned and operated by groups uniting to enhance their purchasing power

For the purpose of this review, we will focus on worker cooperatives. They are the most relevant for our work with SEWA enterprises which are owned by its members. They are also getting increasing attention both in the context of renewed interest in more inclusive forms of business and now in the wake of COVID-19 where many firms have shut down and their workers left vulnerable and unable to make ends meet.

Worker owned cooperatives have shown to be more resilient to the prolonged shocks, including during 2020. While producing a profit continues to be an aim, worker cooperatives typically seek to protect their workforce through shared pay cuts as opposed to shareholder driven firms who have resorted to cutting down on their workforce exacerbating the vulnerability of workers (Goodman, 2020). The Erreka group, one of the worker cooperatives in Mondragon cooperative, refused to let go of any workers during the COVID lockdown. Instead it reduced all wages by 5 percent, continued to pay all workers that had to stay at home, with the understanding that they would make up to the company at a later stage. This resilience is at the heart of what it means to be a worker cooperative that doesn't maximize shareholder dividends but preserves income for its workers (Goodman, 2020).



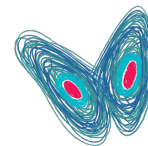
Worker cooperatives

As mentioned above, worker cooperatives are business enterprises that are owned and governed by their employees. According to (Wilhoit, 2005), the genesis of the cooperative movement can be traced back to Rochdale in 1844 in response to Increased pressure from the changing market system. In 1895, building on those principles, the International Cooperative Alliance (ICA) was formed. This was in part due to the growing recognition that cooperatives had the power to combat the emergent market trends by empowering workers to own a share of the business and to govern themselves. Their key features, according to the ICA, are described in Figure 3.

Figure 3: Features of worker cooperatives



Advocates of cooperatives, such as United States of Worker Cooperatives, the ICA and (Abell, 2014), believe that worker cooperatives are important because they put worker dignity and community benefit at the centre. They argue that worker cooperatives can improve the quality of life of workers and promote local economic development, especially for people who have traditionally been denied access to business ownership. They suggest that worker cooperatives are a powerful tool for addressing economic inequality.



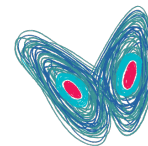
Box 1: Relationship between cooperatives and trade unions

Trade unions and cooperatives are strongly related. While the objective of trade unions was to strengthen workers bargaining power, cooperatives emerged as unions looked for increasing economic opportunities of their members. In Europe, the first associations of workers that emerged looked more like cooperatives than trade unions. Trade unions remain active in the creation and operation of user cooperatives such as savings and credit unions, consumer and housing cooperatives. A survey of 166 trade union organizations conducted by ACTRAV and the ILO social finance program, found that over 75 percent provided services to their members, primarily in the form of cooperatives and mutuals. The interest in supporting worker cooperatives has typically emerged as a response to crisis and the need to maintain jobs.

Source: (ILO Report, 2013)

Traditionally, worker cooperatives were concentrated in sectors such as agriculture, fishing, professional services, and small-scale manufacturing and construction. Today, worker cooperatives are growing in many sectors, including finance, health care, marketing and advertising, engineering, law, and information technology (Cheney, Cruz, Peredo, & Nazareno, 2014). Many cooperatives, like other businesses, have been able to rely heavily on virtual forms of collaboration in the past year.

Worker cooperatives solve for important failures of the market economy. (Pencavel, 2013) argue that they represent one response to the dynamic instability and insecurity in the labour market. Increasing pressure within international financial markets has exacerbated the distancing of the prevailing forms of capitalism from concerns of the community- including attending to worker welfare (Cheney, Cruz, Peredo, & Nazareno, 2014) This rising interest in worker cooperatives is also part of a broader shift away from shareholder to stakeholder value (Gelles & Yaffe-Bellany, 2019). The moment we are living through presents an opportunity for worker-owned enterprises. They could have an important role to play in reimagining and reconfiguring the market failures as well as introducing alternative forms of governance.



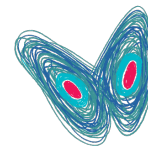
Differences between worker cooperatives and traditional capitalist firms

This section synthesizes the literature on the differences between worker cooperatives and traditional capitalistic firms. The following summary of the parameters commonly used to compare the two will be developed in this section (Table 1).

Table 1 : Worker cooperatives vs traditional capitalist firms

Parameter	Worker Cooperative	Traditional Capitalist Firm
Ownership	Collective	Individual/ Shareholder
Organisation type	Less hierarchy	More hierarchical
Primary objective	Worker(owner) welfare + Profit	Profit maximization
Monitoring costs	Lower	Higher
Cost of Capital	Higher	Lower
Relationship between wages and employment	Positive	Negative
Response in downturns	Less Job Loss	More Job Loss
Sensitivity to product market shocks	Lower	Higher
Skill set differentials in firm	Lower	Higher
Failure rates	Median lifespan exceeds or matches CF Most vulnerable to fail in year 5	Median lifespan is lower or matches WCs Fail in earlier years

Ownership & Composition of organization: In traditional capitalist firms, ownership is held by a single owner or by a group of shareholders (whether the firms are private or public) while in worker cooperatives ownership is held by the workers in the organization. In cooperatives workers have similar skill sets and backgrounds. In contrast capitalist structures employ individuals with heterogenous skill sets, which could lead to a more hierarchical and unequal structure and culture compared to worker cooperatives where decision making is more democratic. This structure of control rights may lead to more or less efficiency and distribution.



Primary objectives: While capitalist firms focus primarily on profits and increasing the value to shareholders, the shareholders in cooperatives- who are the workers- are focused on both profits and the well-being of those working in the firm and their community. Li et al. (Li, Jacobs, & M. Artz, 2014) contrasts cooperatives with investor-owned firms with different objective functions where cooperatives try to maximize average profits per person instead of total profits. The difference in objectives lead to different efficiency implications.

Monitoring costs: The effort by each worker in a cooperative firm requires less monitoring and it is more likely that it will be closer to the optimal level of productivity. As each worker is also an owner of the organization and there is a sense of solidarity - the monitoring cost is limited, and the organization can spend more time focused towards increasing productivity (Alessandrini & Messori, 2013).

Cost of Capital: There is a substantive difference between the financial constraints that cooperative firms face compared to capitalistic firms (Alessandrini & Messori, 2013). Theoretically one assumes that in order for a capitalist firm to start operations the owner already has the optimal stock of capital available and can borrow easily from the market. In the case of worker cooperatives, the lending rate is higher in the financial market and is limited to each workers ability to raise capital. This financial constraint can represents a real obstacle in achieving an optimal level of growth for the cooperative firm. Some of this difference in cost of capital can be mitigated when the government provides capital to worker cooperatives.

Relationship between Wages & Employment: The adjustment mechanisms for wages and employment differ between the two. While traditional capitalist firms show a negative relationship between levels of wages and employment (i.e., employment decreases as wages increase and vice-versa) worker cooperatives show the opposite trend. Employment and wages have a positive relationship or move in the same direction. (Pencavel, 2013) (Burdín & Dean, 2009). This is due to the difference in objective functions of the two types of firms. This wage to employment dynamics are illustrated in Figure 4 which shows the result from a case study using firm level panel data from 1996 to 2005 in Uruguay.

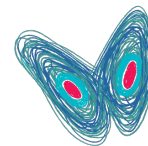
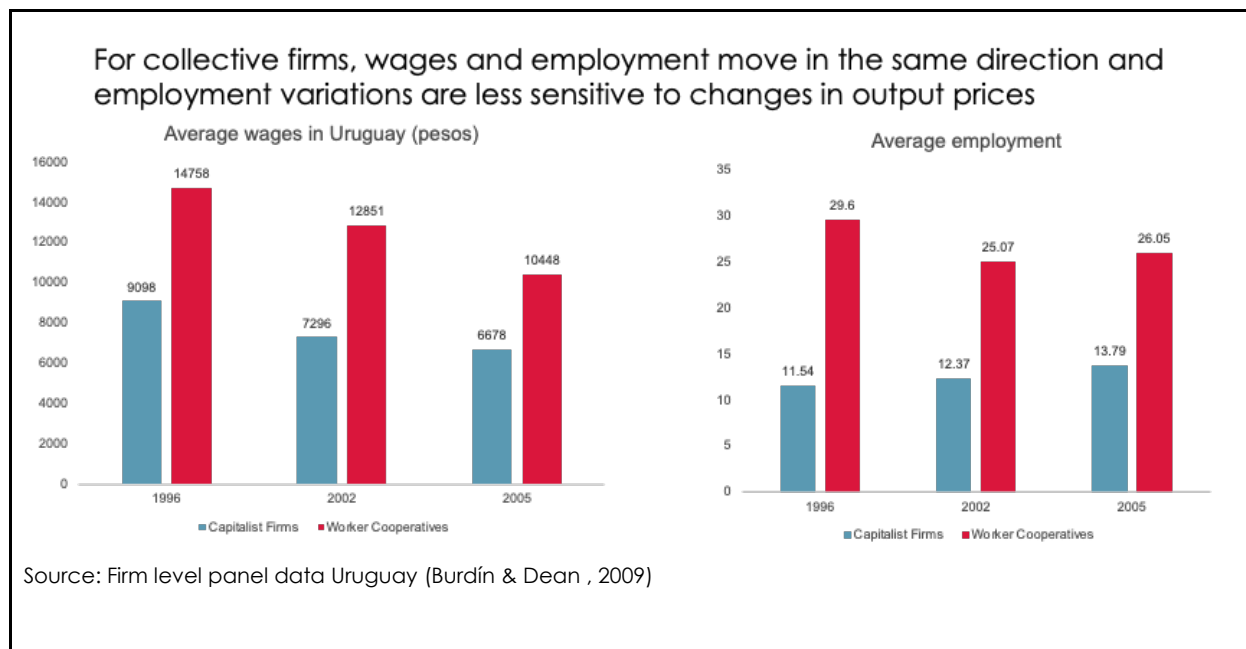


Figure 4: Case study from Uruguay

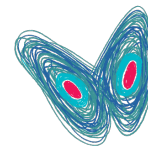


Responses to economic downturns: While in both cases wages and employment are negatively affected in downturns - the loss of jobs is much greater in capitalistic enterprises when there is a drop in economic activity. This occurs due to the fact that worker cooperatives as a system allows for sacrifices in wages and benefits, which provide flexibility to continue to maintain jobs in recession. (Dickstein, 1991)

Sensitivity to product market shocks: The output and employment in capitalist firms is more sensitive to product market shocks than worker cooperatives. (Alessandrini & Messori, 2013)

Skill sets differential: Worker cooperatives are less likely to have a significant difference in skill sets between the owner and employees as opposed to a capitalist firm which could have employees with heterogeneous, and specialised skill sets. (Dickstein, 1991)

Failure rates: There is empirical evidence that capitalist firms fail in the early years of their existence while in contrast worker cooperatives (while their performance varies) are most vulnerable to fail in year 5 (Staber, 1989). This difference can be explained by the fact that many capitalist firms go out of business in recession which coincides with the period in which they are most likely to be purchased/ converted into worker cooperatives.



Moreover, because worker cooperatives are ready to accept lower rates of returns, their median lifespan of exceeds or meets that of capitalistic firms (Stephens, 2013).

Evidence on common myths about worker cooperatives

There are many myths about worker cooperatives in popular fora and collective conceptions. In this section we bring together different papers and evidence that examine and mostly debunk, some of these myths.

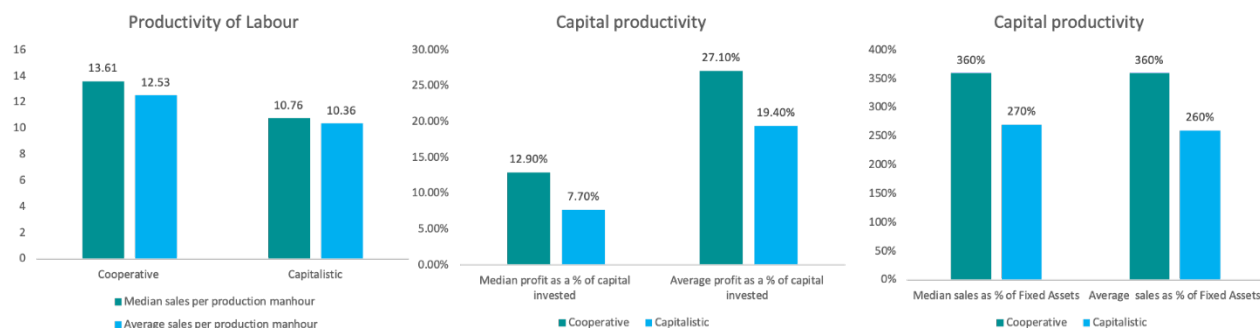
Worker cooperatives are sustainable and profitable

There is evidence (Dickstein, 1991) from both the United States & Europe that worker cooperatives are profitable and survive for lengthy periods of time. Some of this success can be attributed to their resilience. Based on their core principles, worker cooperatives are willing to accept a lower rate of return which is why they often organize and buy out capitalistic firms in times of an economic downturn.

Cooperatives can match/outperform capitalist firms on productivity and profitability

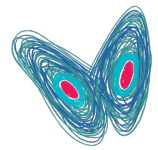
Kibbutzim in Israel have been the subject of several studies on the question of productivity and profitability and how they compare to capitalist firms. They show that kibbutz have greater capital productivity, profit per worker and labor productivity than comparative capitalist firms. (Melman, 1970) develops a paired stratified sample of 12 enterprises. 6 under capitalistic control and 6 under cooperative (Kibbutz).

Figure 5: Kibbutz Capital productivity



Source: (Melman, 1970)

As seen in Figure 5 above, both the average and median productivity of labour in cooperatives is higher in cooperatives (Melman, 1970). Another study of over 50,000



workers in 200 kibbutz finds that, between 1954-1965, the annual growth of total factor productivity was 6.2% vs 4.2% growth in the Israeli private sector (Barkai, 1977) .

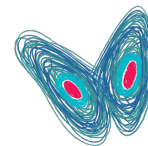
There is much less in terms of comparative studies of productivity and profitability in the US. One of the few studies, compares the plywood industry in the Northwest. (Craig & Pencavel , 1995). It finds that worker participation doesn't make a difference in terms of efficiency gains or losses and that the production function for worker cooperatives and conventional firms are not very distinct. The purpose of the paper was to determine whether, for given levels of observed inputs, the worker-owned plywood mills as a group produce more or less output than do conventional firms. The differences they find imply that cooperatives are more efficient than the principal conventional firms by between 6 and 14 percent.

Democratic control and worker participation in management leads to higher productivity

A literature review and synthesis by Chris Doucougliagos explored the effects of various forms of worker participation, including cooperatives, on productivity. This review concludes that profit sharing, worker ownership, and worker participation in decision making are all positively associated with productivity. Moreover, the observed correlations are stronger among worker cooperatives than among participatory capitalist firms.

In addition, several studies assess different clusters of American cooperatives formed in the 19th and 20th century indicating that cooperatives that operated the most democratically performed the best in terms of survival, growth, efficiency, output and creation (Jones, American producer coooperatives and emplooyee owned firms : A historical perspective, 1984). (Jones, US producer cooperatives - The record to date, 1979)

(Estrin, Jones, & Svejnar, 1987) study the productivity effects of different worker cooperatives based on a sample of 500 French cooperatives, 24 British cooperatives and 140 Italian cooperatives over different time durations. The regression analysis showed that profit sharing has the most consistent positive effect on productivity across countries and sectors. Worker participation in decision making had the strongest impact in Italy and France where there is a longer cooperative tradition.



Worker cooperatives re-invest substantial shares of their profits

(Navarra, 2011) finds evidence from Italian worker cooperatives that they tend to reinvest a large share of profits into asset locks²: The analysed sample provides data on profit distribution and accumulation that are consistent with the evidence shown in the literature: the average share of yearly profits accumulated into asset locks is 87.98% and more than 60% of the observed firms reinvest between 90% and 100% of profits into the indivisible fund.

Weaknesses in the worker cooperative model

Undercapitalisation

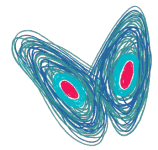
Some worker cooperations fail because they are undercapitalised from the start, because of the barriers related to raising internal and external finance (Walton & Sheth, 2018). Debt financing is hard to find because investors think worker cooperatives have high risk, perhaps due to a general lack of familiarity with the structure of worker cooperatives. Similarly, since traditional worker cooperatives prohibit non- member investment, raising equity financing is not an option for worker cooperatives. Worker cooperatives also face concerns on the parts of banks and suppliers because of perceived risk which are translated into credit on less favourable terms (Artz & Kim, 2011).

With respect to internal finance, it may be difficult to raise funding through member loans in a worker cooperative (Dickstein, 1991). Members generally don't have substantial amounts of savings and the risk for each worker owner increases as they invest larger sums of their money into the cooperative. Members' wages and return on investment are drawn from the cooperative and thus their pattern of risk for both is the same which leads to undercapitalisation (Artz & Kim, 2011). This is especially true at the start when the cooperative begins its activities with a low capital base and workers don't have the opportunity to diversify their income sources.

Attracting individuals with managerial skills is hard

(Dickstein, 1991) explains that the perceived risk of working in a worker cooperative is higher than a capitalist firm for individuals with more managerial or specialised skills. If individuals base their decision solely on risk-reward tradeoff, they are expected to choose a capitalist even with the same wage offer. The risk in a capitalist firm is perceived to be

² An asset lock is a common fund, indivisible and not appropriable by members, neither upon quitting, nor at the end of the firm's life.

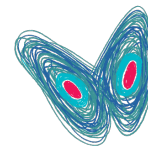


lower, there is more room for upward mobility and the chance to have a much higher wage differential at a later stage. Worker cooperatives by design have a lower spread in wages between the top and the bottom jobs. This differential between the lowest paying job and specialized skills (such as marketing, finance, management) can limit cooperatives from acquiring internal capabilities.

Degeneration of cooperative principles over time

Worker Cooperatives require continuous effort in order to maintain their principles. This is especially difficult when worker cooperatives begin to scale. Some of the ways worker cooperatives are known to degenerate are:

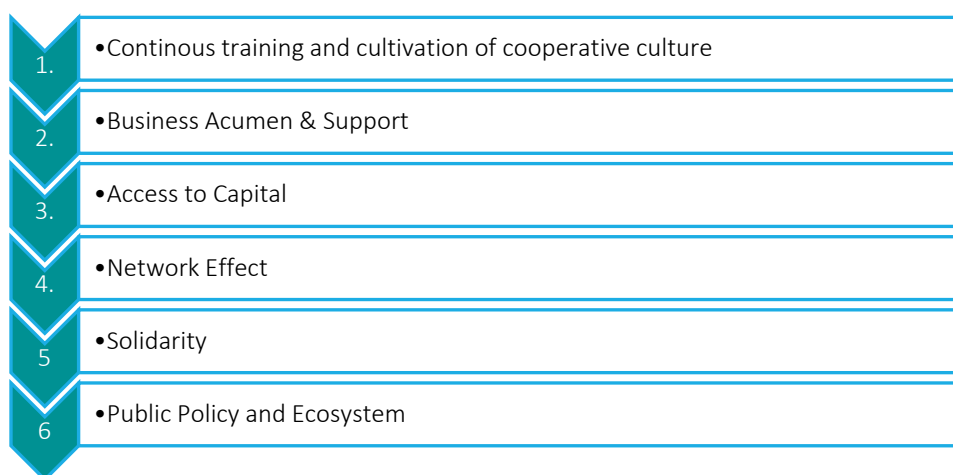
- i. Legal conversion to capitalist firms- When cooperatives begin to do well, the capital requirements of the cooperative goes up and is opened up to the financial markets. Often new members are unable to buy shares at its current valuation which leads to external equity purchases. (Dickstein, 1991) (Pencavel, 2013)
- ii. Some worker cooperatives as they scale begin to hire non-member labor for seasonal fluctuations or just to cope with expansion. (Dickstein, 1991) (Pencavel, 2013)
- iii. Reversal to oligarchic control: Often the founding members / the ones with the most knowledge in the cooperative tend to form the elite in the worker cooperative and tend to centralise power. (Banerjee, Mookherjee , Munshi , & Ray , 2001) developed a theoretical and empirical model for sugar mill cooperatives in India to explain how members who are powerful within the cooperative will try to capture more than their fair share of the revenues.
- iv. Political capture: in some cases, worker cooperatives are a by-product of trade unions which are inherently political entities. (Kerswell & Pratap, 2019) claim that worker cooperatives especially in India are susceptible to political capture. (Sukhtankar, 2012) provides evidence of embezzlement in politically controlled worker cooperative sugar mills in India during election years, reflected in lower sugarcane prices paid to farmers.



Factors that lead to success of worker cooperatives

So far in this paper we have reviewed and synthesized the literature on what the features of worker cooperatives are, how they can be distinguished from capitalistic firms, debunked some myths surrounding worker cooperatives and identified the weaknesses of the worker cooperative model. In this section, we integrate different papers that look into factors for success and identify recurring factors and pathways to that lead to successful sustainable worker cooperatives. We supplement some of the factors identified with case studies from Spain and India.

Figure 6: Factors that lead to worker cooperative success

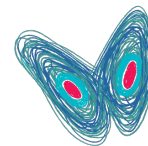


Continuous Training and Cultivation of Cooperative Culture:

Given that cooperatives are owned and run by workers, successful cooperatives need to include education and training as part of their core work. We see this clearly in SEWA where members learn basic skills as part of their daily work. This takes time and money and makes for a stronger collective cultures.

An explanation by (IRMA, 2017) suggests that the design of cooperative enterprises should constantly reimagine how thousands of potential members should interact with their cooperatives in ways that impart strength and vitality to the cooperatives. It argued that the failure of cooperatives was often rooted in the inability of their promoters to master this interaction. There is need to build the space and time needed to foster and reinforce the participatory nature of cooperatives.

The most successful U.S. cooperative development initiatives have in depth participatory programs with excellent curricula and training methods. These are crucial in building trust and a sense of community, which is reinforced in their day-to-day on the job training



efforts. This training takes time and skills cannot be built over night. Continuous education must be built into the cooperative's business operations from the start, since these critical aspects will otherwise take a back seat to day-to-day operational concerns. Natural Home Cleaning, for example, blocks time for member meetings and trainings and stop client services during that time (Abell, 2014).

Business acumen & Support

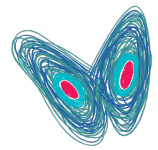
Most worker cooperative members have never run a business, which is one of the weaknesses of a cooperative model. Training and fostering a professional management and entrepreneurial mindset is critical for success. An entrepreneurial mindset needs to be nurtured in ways that are consistent with the democratic principles of a cooperative. In order to do this, activities that build the workers ability and capacity to operationalise and design a model that works need to be included. (Abell, 2014)

Successful cooperatives need to be financial sustainable and be able pursue the socio-economic aspirations they set for themselves. It is important thus to develop mechanisms for sustaining the latter to achieve the former. (Shah, 1996) finds that successful cooperatives in India constantly sought to enhance the importance of the cooperative to the member's livelihood and local economy. They did this by choosing organizing and operating rules for the organisation that ensure (i) a cohesive system that promotes interests of members (ii) a high level of perseverance and dynamism in the governance process in holding the operating system accountable and (iii) performance pressure and support to the operating system to respond creatively to member's requirements and also to ensure that members remain faithful to the cooperative.

One way to access business acumen is by including Board members that bring this expertise to support ask questions and bring balance to the social good aspect of the cooperative. This is especially true for the financial aspects of the enterprise (Battilana, Pache, Sengul, & Kimse, 2019). Business acumen also includes ensuring that the enterprise is aware of the shifting market trends to stay competitive. Accelerators (covered in detail in the next section) could play a crucial role in fostering success of worker cooperatives.

Access to Capital

Worker cooperatives need development support, including patient capital. A Canadian study (Murray, June 2011) shows that member financing (the most patient kind) i.e., co-ops founded with member shares or loans from members were most likely to have survived the longest, and those founded with grant money were second most likely. Co-ops founded with loans from financial institutions or individuals who were not co-op



members dissolved at higher-than-average rates. The following case study about Mondragon in Spain is an illustration of how cooperatives could solve their access to capital problems.

Box 2 : The Case of Mondragon

Mondragon shows that it is possible to balance profitability and protection to workers, and that this can be done at a huge scale. It emerged from the destruction of the Spanish Civil War and the poverty, hunger, and dislocation that followed. It started in 1941 with a technical college that began training young people for positions in cooperative enterprise based on a participatory model of business. After that five of the students bought a bankrupt firm that had produced heaters and stoves in Vitoria and moved that firm to Mondragón a year later. In 1959, the Caja Laboral Popular (a credit union) was founded. By 1966 they had opened 24 branches to the public and the number of associated cooperatives increased to 36. The Mondragon co-ops solved the problem of lack of capital by leveraging Caja Laboral Popular.

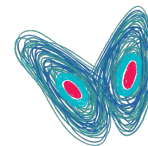
Mondragon has solved the capital constraint issue faced by many cooperatives by drawing on private savings of the bank's 500,000 members and retained reserves of 15 - 20% of profits. To this they add internal capital accounts in the name of each member, in which another 70% of the profits are held. This gives the co-ops access to 85 - 90% of all profits for reinvestment, until members cash in their internal capital accounts on retirement.

The Mondragon Cooperative Corporation is currently the 10th largest business in Spain and continues to dominate the Basque economy. Today, it consists of 98 cooperatives with more than 80,000 employees in areas of finance, industry, retail, and knowledge development.

Source: (Ugarte, 2015) (Mondragon Website, 2020)

Network effects

The success of a cooperative also depends on the network of cooperatives available to them. (Dickstein, 1991) claims that the more cooperatives in the ecosystem, the higher the probability of the emergence of mutually beneficial structures such as commercial relationships, development of educational programs and government support.



Solidarity

Cooperatives need some social basis for solidarity which may be supplied by ethnic, gender or national identification in order for it to not falter to a collective action problem- where everyone maximizes individual interest over the groups. The most commonly used example of a collective action problem is the tragedy of the commons (Hardin, 1968) where because there is collective ownership over the resource- everyone overexploits the land available for pasture. This is a classic example for non-cooperative game theory. Later work on the subject including (Ostrom, 2008) refutes Hardin's argument and shows empirically that individuals and communities can work together to sustainably use shared resources. She and others argue that collective resources work best in spaces where those who benefit the most are in proximity to the resource and have a sense of solidarity within the community which leads to cooperation. Thus, there must be a strong sense of identity to the group in order for a worker cooperative to flourish (Abell, 2014).

Public policy & ecosystem

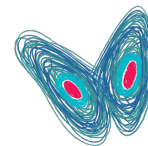
The most successful worker cooperative case studies involve an ecosystem that supports the formation and growth of cooperatives. (Artz & Kim, 2011) observe that a supportive ecosystem could be in the form of public policy geared towards assisting worker cooperative development through regulations as well as access to capital. Adequate regulation and financing These were all factors that helped the worker cooperative movements of France, Italy and Spain succeed.

The following case study of Amul and the White revolution in India illustrates how important public policy and the Indian ecosystem was for the success of worker cooperatives.

Box 3: Amul & The White Revolution, India

In 1946, in the Kaira district of Gujarat, India exploitative trade practices followed by the local cartel Polsons Limited that cut out the farmers entirely from the profits fueled the cooperative movement in India. Under the advice of Sardar Patel who advocated for the farmers to market and pasteurize their milk through a cooperative society- The farmers in the area got together and formed a cooperative to bring procurement, processing and marketing of milk under their control.

All the milk societies were to federate into a union which would own milk processing facilities. They proposed that the Government would have to buy milk from the Union and if this wasn't done the farmers would stop supplying milk to the contractors. The



Government turned down the demand and the farmers called a milk strike. This lasted 15 days before the government accepted their demands.

This marked the beginning of the Kaira District Co-operative Milk Producers' Union Limited, Anand. Soon it was realised that in order for this cooperative to be successful it was important that they diversified into other milk products. The Government of independent India helped the union get the financial and technical help needed to undertake this diversification. In 1955, the cooperative introduced the brand "Amul" which means precious for marketing its product range.

Amul organised dairy farmers in the villages and linked them directly to consumers in the market by eliminating middlemen, ensuring a steady and a regular income for them even during the lean season, and better-quality products at a competitive price to consumers.

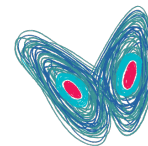
Largely due to the success of The Anand Pattern Experiment at Amul, Verghese Kurien, the chairman and founder of Amul, was named the Chairman of NDDB. Operation Flood, launched in 1970, was the world's largest dairy development program. It transformed India from a milk-deficient nation into the world's largest milk producer. NDDB runs on the principles of a cooperative. Within 30 years, it doubled the milk available per person in India and made dairy farming India's largest self-sustainable rural employment generator. All this was achieved not merely by mass production, but by production by the masses; the process has since been termed as the White Revolution.

Source: (NDDB , n.d.) (HBS Case Study, 2017) Amul website

Women Cooperatives in India

Now that we have covered factors that lead to success of worker cooperatives, in this section we focus on women's cooperatives in India, although they represent a very small percentage of cooperatives in India, women collectives in SEWA are the focus of this work. This section provides a brief overview of the literature on the women cooperative landscape today in India, including some statistics and challenges.

Figure 7: Women cooperatives in India have grown rapidly from a low base

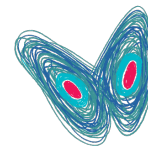


Some statistics on women cooperatives: Women cooperatives comprise only 2.5 % of the total number of societies and their membership is less than 1 percent of the total membership. (National Cooperative Union of India, 2018) . Between 2007-08 and 2016-17 the number of women cooperatives societies increased by eighty seven percent and membership increased by seventy two percent.

Success story: One of the most successful women worker cooperatives in India has been Shri Mahila Griha Udyog Lijjat Papad (popularly known as Lijat). Lijat is involved in manufacturing of various fast-moving consumer goods. The organisation's main objective is empowerment of women by providing them employment opportunities. It was started in 1959 by seven women living in a suburb of Mumbai who started making papas (Indian chips) as a group with the objective of selling them in order to supplement their family incomes. The principles of equal membership emerged as the organisation evolved. Today from one consumer product the enterprise produces 8 products including soap and has 81 branches and 27 divisions across India. They have over 43,000 women members.

Challenges faced by women cooperatives: While some grassroots-led social enterprises have been able to reach a certain scale and viability, it is very difficult to scale their impact and outreach. This is even more challenging for women's enterprises, who face real obstacles to become financially sustainable. As we will see in the next section, investors usually perceive women owned firms to be riskier than those owned by men. In addition, some of the reasons identified in the literature for their inability to sustain and scale are:

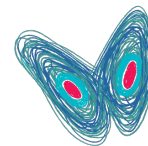
Registration of women led cooperatives: The registration of women's cooperatives is a huge obstacle. The cooperative departments often refuse to register women's cooperatives, not believing that poor women with limited literacy skills can manage their own enterprises. For instance, the savings and credit cooperative in Delhi took 18 months to register as the procedures were so long and cumbersome. For this reason, "Ruaab",



the artisans' cooperative in Delhi, was registered as a producer company instead of a cooperative³.

Access to information: While there are opportunities available for women's social enterprises, there is often a lack of information among their managers or boards to avail of these. "For instance, the NCDC in India offers soft loans to women's cooperatives and others in the poorest parts of the country, but many cooperatives are not aware of this. This is worse for women as their networks are more limited than the men and thus their information set is smaller. (ILO, 2018)

³ Background document prepared by SEWA for the Gates Foundation, 2020

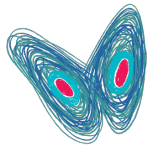


What role can worker cooperatives play in women empowerment or agency?

This subsection on cooperatives tries to answer the question of whether worker cooperatives can positively impact women empowerment or agency. We identify three broad themes here and also point to some gaps in the literature. The bulk of the discussion on the question of women agency and the role of worker cooperatives will be addressed in the Agency Section of this paper.

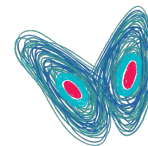
The three broad themes are identified in the literature:

- There is evidence that co-operatives have a positive impact on enabling women's inclusion in the labour force and formal economy. Women involved in co-operatives supplement family income, and the flexible work environment and structure encourages female participation. It is often a first step to shifting women from the informal to the formal economy. For instance, in Iran women's participation in co-operatives is much higher than their participation in the overall labour force (Duguid & Weber, 2016). In an survey conducted by (McMurtry & McMurtry , 2015) of nearly 600 co-operative members to ascertain their perception of the impact of cooperatives on gender equality through access to employment, improved working conditions, and social benefits. Over 75% of the respondents felt that women's participation in cooperatives had increased and cooperatives had an important role to play in gender empowerment and agency.
- There is mixed evidence of whether co-operatives can promote gender equity and empower women. (Duguid & Weber, 2016). Women members do not always enjoy the democratic values that cooperatives are built on, often having less decision-making power within cooperatives than their male counterparts.
- Effectiveness of women worker cooperatives: Often women cooperatives come up as a response to patriarchal institutions where women often do not have a voice even in a cooperative set up. Financial and farmer cooperatives are examples of this. Some women cooperatives have made inroads into empowerment, but this is limited to one domain of their lives. Working at a cooperative will increase their income and voice at the workplace but this may or may not translate into a change in empowerment in the household or amongst society at large. (Duguid & Weber, 2016).



Gaps in the Cooperative Literature on Enterprise Sustainability and Women's Agency

1. There are very few cross cooperative comparisons and comparisons of cooperatives to other organizational structures in relation to women
2. The evidence on women and worker cooperatives is largely restricted to case studies. There is a need to engage in research directly related to worker cooperatives and their effects on gender equality and women's empowerment.
3. There is no disaggregation of the impact of cooperatives on women empowerment or agency based on whether the cooperative is women only vs a mixed cooperative. A comparison between the two may also yield interesting results and lead to different design choices.



Accelerators

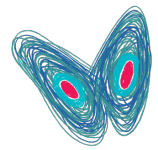
The MOVE project is focusing on identifying ways in which the women owned collectives within SEWA can become financially sustainable while preserving the empowerment of the women that own them. Accelerators are one of the most important ways to support enterprises to quickly solve organizational challenges and find business models to scale. We think that learning about them is an important input into the design of a support system for SEWAs enterprises. This section synthesizes the experience with accelerators in the last 15 years, and distils the evidence on the pathways through which they can work. We use this as a basis to understand the literature on using accelerators in the context of developing countries and the evidence on gender inclusion with respect to accelerators. We conclude with the gaps and unanswered questions.

What is an accelerator and why are they important?

Most start-ups fail, some of them should but others could have become successful if nurtured and supported in the initial stages. There are many types of business sponsor programs that look to increase the chances of innovations and new business ideas to succeed. The most established programs are incubators, accelerators and angel or venture capital. Incubators help fill some of the gaps by buffering entrepreneurs from their external environment through subsidized space where they can spend time fleshing out business ideas. They subsidize infrastructure and professional services in return for rent. There is no cohort program within incubators and there is usually an incentive to keep the start-ups alive since they are tenants that pay monthly rents.⁴ Angel and venture capital also have business sponsor programs. They last for several years- there is no batching, typically have only one mentor, expect substantial equity ownership in the business, have legal control and restrict investment calls.

Accelerators, on the other hand, are programs that help companies move from prototype to presenting their ideas to consumers and advisors and preparing a pitch for potential investors. They focus on a learning cohort for a fixed time period and connect entrepreneurs with a wide ecosystem, solving for “weak ties” to support innovations that otherwise would have failed. They also provide a service to the ecosystem where they exist by selecting the best candidates, convening them in one place so investors can meet them. The first accelerator started in the US in 2005 with Y-combinator which batched cohorts, invited guest speakers, and provided the funding equivalent to summer stipends for a fixed period of 3 months. TechStars followed in 2007 and

⁴ Incubators started in late fifties but grew substantially in Silicon Valley. For a list: Jed Christensen, <https://www.seed-db.com/accelerators>



introduced mentoring as an additional feature. As of September 2018, there were 750 accelerators in the US alone and many unicorns like Dropbox and Airbnb were supported by accelerators.

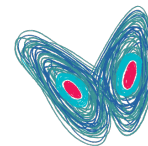
The seminal articles on accelerator are by (Christiansen, 2009) on definitions and by (Miller & Bound, 2011) and (Pauwels, Clarysse, Wright, & Hove, 2015) developed a typology on the role of accelerators. The literature until 2018 was focused on definitions, differentiation with incubators, and identification of the lack of evidence and analysis of the impact of accelerators. The consensus of a large number of researchers writing on the topic was that the pace and changing nature of accelerators did not lend themselves for data collection, academic work and evaluations. The consensus was that while there was a substantial amount of research on incubators, accelerators had been understudied in spite of the important role they had in attracting investment financing.⁵ The best review of the literature on accelerators up to 2018 is Tobias Stone's PHD thesis on accelerators.

Tobias Stone helps understand the market failure that accelerators are solving. He argues that they create value in the form of social capital as connectors within specific social networks, transferring it to their entrepreneur cohorts who have very little social capital of their own. "The value in accelerators lies in their ability to facilitate the flow of non-redundant information, and to provide early access to this information. Creating this value also enables accelerators to withdraw access to that value as a threat of sanction against bad actors. Network theory leads to an accelerator being described as a dynamic social network with a high level of closure at the core, set within a weak network architecture, with many weak ties, and consequently many bridging ties. It is policed using link reciprocity, and its currency is Social Capital. The skill used to operate in this network involves having complex role and status sets." Having value embedded in its social network, in the form of privileged access to information, affords accelerators the ability to reward people who co-operate with access to that resource, but also to remove access from bad actors as a means of sanction. (Stone, 2018)

Accelerator also help overcome the "liability of newness"⁶ and curate start-ups for investors, they thrive in the tech sector because of the low cost in setting tech companies and the lean start up philosophy developed in Silicon Valley, and they help solve value chain constraints specially in developing countries. Because of all these useful roles, they have rapidly developed around the world, especially after the 2008 crisis when they increased 50% per year until 2014 (Hathaway, 2016).

⁵ Stone (2018) chapter 2 has an excellent Accelerator Literature Review covering 2005 to 2017.

⁶ Stinchcombe (1965) argued that new organizations have a greater risk of failing because they depend on strangers and have no established credibility.



There is broad agreement in the literature that accelerators have a few basic common characteristics. They are always designed as a short-term intense program for early-stage companies. They typically provide mentoring, education and networking opportunities to selected cohorts of entrepreneurs pursuing a high-potential opportunity that may eventually facilitate an acquisition (Cohen, Bingham, & Hallen, The Role of Accelerator Designs in Mitigating Bounded Rationality in New Ventures, 2018). Most programs last 3 months, although they can run up to a year. Accepted ventures usually agree to receive a small stipend (of around 15-20 thousand dollars) in exchange for 8% equity⁷.

Do accelerators work?

Up to very recently, even though there was extensive writing on accelerators as well as many lists and rankings, there was no peer reviewed literature and no effort to analyze their effectiveness. It was difficult to obtain confidential information about cohorts and outcomes and moreover the accelerators were not recording the data. Accelerators were evolving too quickly for the academic literature to keep up (Stone, 2018). More importantly, huge amounts of money were being invested with little evidence about their effectiveness.

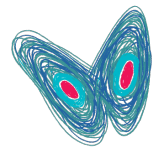
These evidence challenges were addressed by (Cohen, Bingham, & Hallen, The Role of Accelerator Designs in Mitigating Bounded Rationality in New Ventures, 2018) . They gathered an impressive set of data, conducted mixed methods research and showed that accelerators work. Participants had superior outcomes in terms of funding, how quickly they received it, employee growth and website traffic. The research focused on understanding the pathways for these results. The evaluation used ‘almost accepted’ entrepreneurs as treatment groups, complemented with qualitative field data. Accelerator participants raised between 41% and 171% more funds in the 2-3 years after the accelerator. (Cohen, Bingham, & Hallen, 2019)

This empirical study found that the most important accelerator mechanism -different from other inter-organizational learning in the literature- was “Broad, Intensive, and Paced (BIP) consultations”.⁸ What does this mean in practice? First, the learning happens through mentors who use their experience to translate it to help address each entrepreneur's specific challenge. This finding confirms what we have learned from many accelerators not included in this study, who consider mentoring as the secret sauce of accelerators as experienced consultants help identify potential problems as well as possible solutions.⁹ Second, these consultations take place with a very broad range of

⁷ Venture capitalists assign one advisor (as opposed to many in Accelerators), stay several years (not 3 months), take substantial equity (not just 8%), and restrict investors to their network.

⁸ Other inter-organizational learning they included were embedded partnerships, peer networks, crowdsourcing and remote observation.

⁹ Interviews, Miller Center for Social Enterprises.



mentors. Most accelerators help participants meet with as many as 75-100 knowledge holders on a range of topics while also providing more interactive consultations with a handful of them. Third, the engagement is intense. Entrepreneurs often spend over 40 hours a week in learning and getting advice from a rich network, peer-to-peer feedback, and potential consumers. Finally, accelerators help pace the learning by structuring mentor and customer meetings and other consultations intertwined with decision making moments in such a way that the intense rhythm is punctuated by practical results.

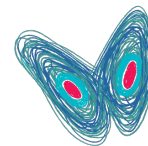
While these pathways are very important, the evidence on the success of accelerators is mostly in terms of investment. As we know, valuation is not a reliable indicator. This was painfully illustrated in the recent case of We Work (Charles Duhigg, 2020) We need more work to find evidence on productivity, profitability and other indicators of business viability.

There is an additional dimension which is important for cohorts going through an accelerator, which is peer support and the sense of community for participants. Entrepreneurship is an emotionally intense journey, where people experience repeated failures and need to show real creativity and resilience to navigate through all the unknowns. Entrepreneurs appreciate the possibility to rely on each other thought partnership and accountability, as well as emotional support and camaraderie.

Accelerators in a developing country context

Other evidence findings confirm that accelerators work, with a few particularities for emerging markets. (Roberts & Lall, 2019) present findings from five years of data collected from the Global Accelerator Learning Initiative, focusing on what works and what doesn't work when it comes to entrepreneurial acceleration and identifying gaps for further inquiry. The researchers discovered that ventures that participated in accelerator programs displayed higher one-year growth in revenues, employment, and investment than ventures that applied to these programs but were not selected. And participating ventures that were less promising experienced declining outcomes through their participation, emphasizing the "fail faster" benefit of acceleration. The authors also found that accelerators in emerging markets are better at stimulating revenue growth than investment growth, and ventures in emerging countries prefer to participate in accelerators offered in other countries (Roberts & Lall, 2019).

In developing countries' ecosystems entrepreneurs have a more difficult time making connections with critical stakeholders. But the most prominent difference between entrepreneurs in developing versus developed ecosystems was the ability of entrepreneurs to secure capital for their ventures. In a qualitative study of an Indian accelerator, they find one of the key benefits of participation was bridging participating



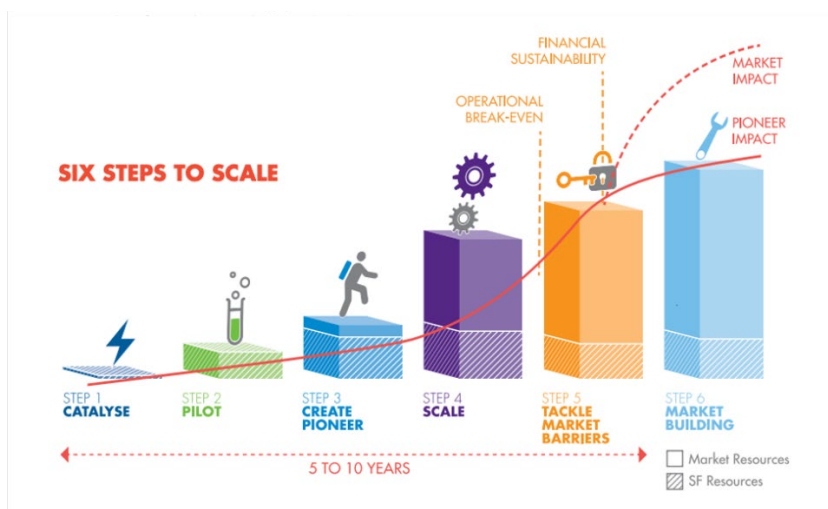
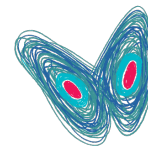
ventures with their entrepreneurial ecosystems, forming connections with possible mentors and investors. The key value-added of mentors was the ability to make introductions and stimulate relationships. (Roberts & Lall, 2019) conclude that participating ventures should be on-site and engaged with their cohort as much as possible, versus virtual participation with a general distribution of time of 20% new framework or curriculum, 50% self-reflection of peer interaction, and 30% with mentors.

A Theory of Change for Accelerators in developing countries

Working with entrepreneurs to help them scale up takes many years of hand holding, especially in developing countries where market failures are more prevalent (Stiglitz, 1989). The Shell Foundation has developed an excellent theory of change that provides a useful framework to understand how accelerators need to adapt to help entrepreneurs in countries or sectors without the advantages that are found in the US ecosystem. The focus of the foundation's support is in energy markets but the framework is relevant for other sectors.

The six steps to catalyze and nurture entrepreneurs that partner with Shell to scale up innovations in the energy sector are described in Figure X. The process takes from 5 to 10 years and Shell Foundation's accelerator support is described in steps 1-3. Entrepreneurs receive management support, business skills, capacity to track money and impact, and the resources to invest in world class talent. The Shell Foundation also provides resources, which decreases both proportionally and over time as the organization is able to become sustainable. After the accelerator stage entrepreneurs get support to build operational capacity, systems, patient capital, strategic guidance and help strengthening supply chains (steps 4-5). The last step of market building includes creating enablers to accelerate the growth of other players including changes in policies and innovative financing vehicles. (step 6).

Figure 8: Six Steps to Scaling

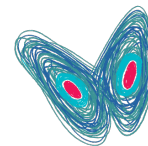


Accelerators and gender inclusion

So, how do accelerators work for women-owned start-ups? The comprehensive research found that acceleration actually seems to increase the gap in equity fundraising.

A recent study on accelerators and their impact on gender inclusion was done by the International Finance Corporation (IFC), in collaboration with Women Entrepreneurs Finance Initiative (We-Fi), Village Capital and the World Bank Gender Innovation Lab (GIL) (IFC, 2021). The study was based upon a quantitative analysis of a global dataset of more than 2,000 companies over a five-year period, supported by the Global Accelerator Learning Initiative (GALI). The commercial performance of male-led startups, or those with all-male founding teams, was compared to female-led startups, or those with at least one female on the founding team, pre-acceleration and post-acceleration.

The comprehensive research found that accelerators increase the gender gap in equity financing but help on debt financing and that female-led start-ups generally face a negative bias from investors. Male-led startups, on average, increase the amount of equity they raise post-acceleration by 2.6 times as much as female-led startups. Accelerators, however, help improve the ability of women-led start-ups to raise debt by nearly 2.5 times as much as female-led startups that did not participate in a program. The research analyzed founder differences (education, experience) as well as start-up differences (sector, geography, revenues) to explain the gaps and found no explanatory variables. This suggests that investor bias and relative risk perceptions may play a role. Building on a growing body of research, the report suggests that the gender makeup of the founding team is strongly influencing the disparity in capital raised, suggesting a higher perceived risk for female-led startups.



Unfortunately, because risk perceptions are part of a mindset normally outside of the control of a particular accelerator, the study could not find any program design elements that could overcome the gender financing gap. The most likely traits that might correspond with a smaller gender financing gap — such as having a higher-than-average number of women on a selection committee — have little effect on the overall gap.

This is one of the questions for future research: how could accelerators play a role in helping mitigate investors' bias and risk perception in order to address the gender gap?

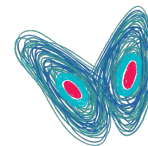
Enterprise Support Systems in India

Many accelerators have developed in India as part of a wider enterprise support system which includes private sector, grassroots organizations, and government programs. The ESS are usually focused on lower income groups who are looking to develop social enterprises that will create income earning opportunities and livelihoods. Although there is not a lot of literature on this important topic, we include two important studies that explore the experience of enterprise support systems in rural areas and in collective support systems.

(Pandey, 2019) survey of enterprise support systems in India pointed out important gaps, especially in the rural sector. These include:

1. Bias towards urban and high-income states with 75% of social enterprises surveyed in 2012 were in high-income states.
2. Incubators mostly geared towards technology and not practical for achieving viable innovations in rural areas with infrastructure constraints.
3. Lack of an eco-system beyond Tier 1 cities. The broken value chain in the service ecosystem in rural areas (wiring, connecting houses to grids, developing payment mechanisms), makes entrepreneurial success very difficult.
4. Absence of alternative funding mechanisms, including patient investments, and blended finance.

(Pandey, 2019) argues that when thinking of enterprise support systems with a rural focus donors and grants (such as DFID INVENT program and GIZ/CIIE's capacity building program) should focus on connecting rural markets (Tier 2 & 3). In addition, rural enterprise support systems need to build and grow the ecosystem, such as the work that Transforming Rural India (TRI) is doing in the aspirational districts. Enterprise support for rural enterprises should complement existing skill development programs and focus on



income generation and business acumen skills. It is also important to help entrepreneurs become aware of existing government training opportunities as well as to evaluate the impact of skill training on rural businesses. Finally, on finance Pandey's review finds that even though there are many players in the market in terms of financing, there is very limited reach in rural India.

SEWAs study on Accelerators

SEWA Bharat's review of enterprise support systems analyzes the ecosystem for supporting social enterprises in India (Ahmed & Verma, 2020). The study analyzes 7 individual support systems (IESSs) and compares with 4 collective support systems (CESS) in India. These findings are then compared to SEWA's own internal practices, showing that CESS are best aligned with SEWA's own values, identity and ways of working.

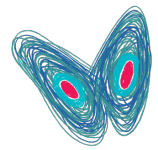
The comparative analysis shows the following main insights:

1. CESS always focus on social impact as the goal, IESS are more focused on financial aspects and innovation.
2. IESS work with cohorts of entrepreneurs for a short period and have a clear exit; CESS work with collective organizations within certain demographics and only in states with strong community mobilization. There is much more handholding and no clear exit strategy.
3. In terms of challenges, IESSs struggle with growth and hitting limits on committed teams and other business constraints to scale; CESSs main challenge is the business mindset shift required in the community and adherence to the regulatory framework.

What are the gaps and unanswered questions?

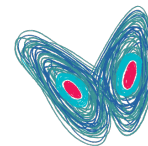
As the study by SEWA shows, there is great scope for research on accelerators and enterprise support systems for collective organizations. Most of the accelerator literature is focused on programs for individual enterprises and that is what we have reviewed in this paper. Some of the questions for future research include:

1. How should accelerators be adapted to informal markets and entrepreneurs in low income/informal settings? Should the length of an accelerator be better adapted to the realities of community organizations? Other adaptations?
2. How to design accelerators with the dual objectives of both social and financial impact? Accelerators are important tools to close ventures that fail to become sustainable. This discipline may be harder to achieve in organizations with social



mission. The design of accountability mechanisms becomes very important, including clear performance metrics for impact.

3. What can be done to address gender gaps through accelerators/ESS? How to change investor's perceptions that women-owned enterprises are higher risk? How do women-only accelerators perform?
4. How selective should CESS be? Creating a high-quality selection criterion to be accepted into an accelerator is important to (1) create a sense of real commitment, (2) protect the brand & utility of the accelerator network, and (3) ensure the accelerator resources are spent on enterprises with true potential. How does this need to be adapted to CESS?
5. What other aspects which are usually left out of traditional accelerators (soft skills, mindsets, etc.) need to be at the centre of a CESS program? How could agile methodologies be incorporated in accelerators/enterprise support systems



Women's Agency

This section reviews concepts and evidence on women's agency. There is a large literature on these issues. As in other sections, our goal is not to provide a comprehensive review, but rather to distil those elements that are relevant to the issue of women's worker cooperatives and the role that accelerators can play. Agency is indeed a central element of both thinking and action in women's groups. Expanding women's agency is often a goal of collectives—and is certainly part of the SEWA's goals—and is also seen as a causal, instrumental factor for improving women's well-being, across multiple dimensions. Here we briefly introduce the concept of agency in general, review its application to women's issues, and then focus on the evidence on the relationship between women's groups and agency. An annex provides a survey of approaches to measuring women's agency.

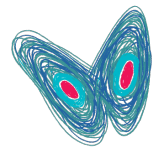
Agency and empowerment

Agency refers to a person's ability to act in a given situation. Agency freedom, as introduced by (Sen, 1985), is defined as "what a person is free to do and achieve in pursuit of whatever goals or values he or she regards as important". Agency can be exercised in multiple spheres. Having the ability to exercise it in one sphere doesn't automatically lead to agency in others (Klugman, 2016) .

(Sen, 1985) draws a distinction between well-being and agency. Well-being concerns an individual's capabilities to have various functioning's (by which he means an individual's beings and doings) and to enjoy the corresponding well-being achievements. Agency has both intrinsic value and an instrumental effect on an individual's well-being. But well-being and agency may not always move in the same direction.

Empowerment and agency are interrelated concepts, often overlapping in practical use. (Cornwall, 2016) starts her review by stating "Empowerment has become one of the most elastic of international development's many buzzwords ((Batliwala, 1994) (Cornwall, 2016); Cornwall & Eade, 2011). Once used to describe grassroots struggles to confront and transform unjust and unequal power relations, it has become a term used by an expansive discourse coalition of corporations, global non-governmental organizations, banks, philanthrocapitalists and development donors" Empowerment has multiple definitions: (Alkire & Ibrahim, 2007) list 32 definitions!

Here we use empowerment in the spirit of Cornwall's approach, and highlight two core elements in the literature: the expansion of agency as the capacity to make choices; and capacity to act within or influence an unequal institutional and resource context.



(Kabeer, 2005) argues that the concept of empowerment can be explored through the dimensions of agency, resources and achievements. Agency is a fundamental part of empowerment and implies exercising choices in ways that challenge power relations. Resources are the medium through which agency gets exercised and achievements are the outcomes of agency.

It can be useful to unpack agency. (Donald, Koolwal, Annan, Falb, & Goldstein, 2017) propose agency involves three concepts:

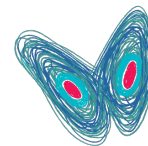
- I. Individuals need to define goals that are in line with their values.
- II. Individuals need to perceive a sense of control and ability.
- III. Individuals need to act on goals.

Agency is defined in terms of decisions and actions related to an individual's own activities, such as deciding to work outside of the household. However, it is also important to think in terms of collective agency—that is the capacity of a group to exercise choice in areas that they value, to act upon the choice and achieve outcomes.

A related distinction concerns whether the exercise of agency is transformative or not. It can be transformative when it encompasses the ability to act towards changing existing decision-making structures to align them with an individual (or group's) preferences or values—that is change existing power relations, hierarchies and associated formal or informal systems. Agency can also be non-transformative, when it involves the ability to make one's own choices and act upon them but within existing decision-making hierarchies (Donald, Koolwal, Annan, Falb, & Goldstein, 2017). Furthermore, the exercise of agency, especially in transformative realms, does not always lead to an expansion in well-being. For example, when women become empowered, and exercise agency that leads to increase income-earning activities, or start going outside the home, they could face a backlash from the men in the household or the community who feel the need to reassert their authority (Heath, 2014).

Women & Agency

Definitions of agency with respect to gender draw on theoretical feminist traditions related to women's rights (Cornwall, 2016). A particular strand of this critiques the development discourse that de-emphasizes the role of building critical consciousness, power relations and the process of change "Empowerment is not something that can be done to or for anyone else". Women's agency leads to empowerment when its exercise questions, challenges, or changes regressive norms and institutions that perpetuate the subordination of women (Kabeer, 2005).



For example, providing women with the means to generate income may enable them to better manage their poverty. However, in order to effect transformative change, there is a need to address the structural gender inequalities. Since existing normative structures can be internalized in the norms, expectations and associated aspirations of women, this leads to a focus on the formation of "critical consciousness", overturning constraining beliefs and expectations that keep women trapped in situations of subordination and dependency, and challenging restrictive norms and institutions that sustain inequity and the engaging such culturally embedded normative beliefs. (Cornwall, 2016) (Rao & Walton, 2004). "Unless women are liberated from their perception of themselves as weak, inferior and limited beings, no number of external interventions will enable them to challenge existing power equations in society, the community or the family" (Batliwala, 1994)

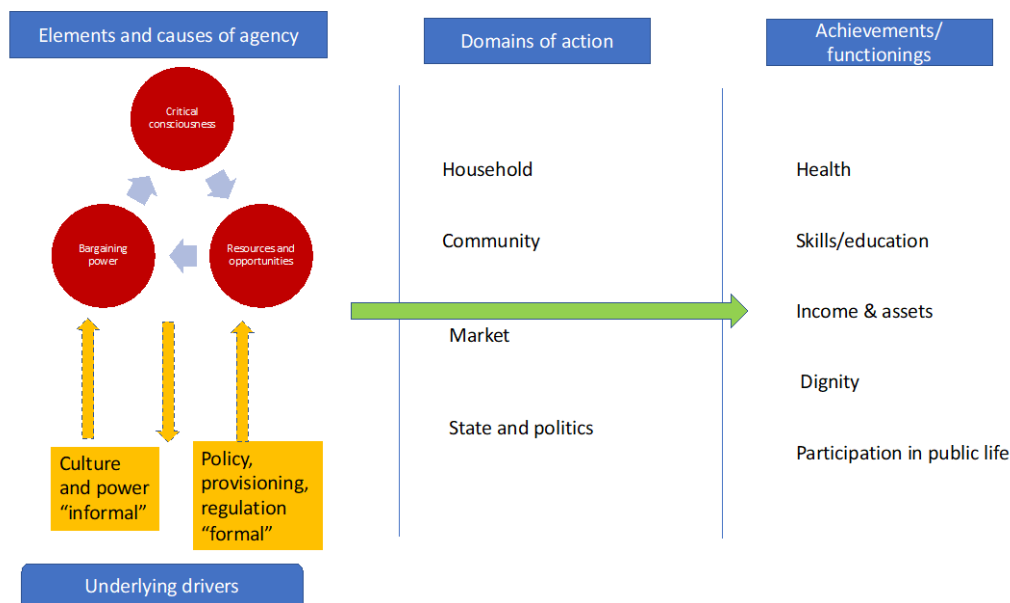
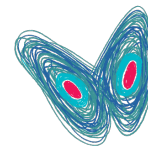
Engagement with culturally embedded normative beliefs can create the space for change beyond the individual to address popularly held assumptions that strengthen gender inequalities in any particular cultural context. Challenging these understandings of gender identities and relations can be undertaken in various forms ranging from formal trainings to women coming together with other women to share experiences and offer solidarity.

Women's agency (and indeed the agency of any individual or group) can be exercised across different domains and settings. As already noted, improvements in women's agency are valuable in their own right in addition to being instrumental to other aspects of women's well-being (Donald, Koolwal, Annan, Falb, & Goldstein, 2017). SEWA in its work, distinguish between four main domains, that correspond well with the work of others :

- Household—decision-making, control over assets, violence, own health
- Community—mobility, participation, respect
- Market—savings and credit access, entrepreneurial activity, networks and employment
- State and politics—claim-making, political participation as citizen or politician

A visualization of some of the main inter-relationships in the literature is suggested in Figure 8.

Figure 9: Agency: elements, domains and achievements.



Source: Authors, drawing especially on (Kabeer, 2005) (Sen, 1985) (Cornwall, 2016) and SEWA.

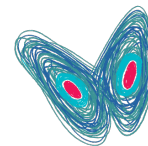
In terms of the underlying forces, this follows (Cornwall, 2016) in drawing a distinction between “informal” factors—especially cultural norms and associated power structures—and “formal” influences, including government policies and regulations on gender relations. These are influences, and there is a potential reverse causal channel where the exercise of agency shifts norms (a transformative change) of influences formal policy. The three elements of agency highlighted here are critical consciousness, bargaining power & resources & opportunities.

Critical consciousness:

(Freire, 1974) describes the formation of critical consciousness as a process of “learning to perceive social, political and economic contradictions and to take action against the oppressive elements of reality”. This is related to an earlier model of how change can occur from the psychologist Kurt Lewin (Lewin, 1947) describes change as a three- stage process

1. unfreezing
2. changing
3. refreezing of beliefs, attitudes and values.

The first stage, of “unfreezing”, involves overcoming inertia and dismantling the existing “mind set”, engaging or bypassing defense mechanisms to conform to status quo.



In the second stage, the actual change occurs. This is typically a period of confusion and transition. People are aware that the old ways are being challenged but they do not have a clear picture as to what they are replacing them with yet.

The third and final stage Lewin called “freezing”. Here, the new mindset is crystallizing, and the comfort level returns to previous levels. Through their new roles as part of the group and through the new experience, the women are able to “unfreeze” their status quo, which is their perception of the world and their role within. Unfreezing normally involves group discussions in which individuals experience others' views and begin to adapt their own. Once their existing mindset is dismantled, the group exists to help them find new solutions to advance the change¹⁰.

Resources and Opportunities:

Physical, financial and human assets as well as social capital are often seen as pre-requisites to agency. Indeed, the measurement of agency often focuses on the resources and assets available to women, even though these are only proxies for the exercise of agency. This may include education, land ownership, literacy, and frequency of TV/radio listening as proxies. (Samman, 2009) However, changes in access to assets or employment do not necessarily imply changes in agency (Klugman, 2016)

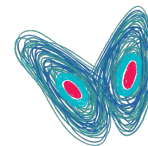
Box 4: Measuring Agency

If one examines the three elements of agency described above one will find that mapping and measuring critical consciousness or what Kabeer refers to as power within which includes aspirations, perceptions about self and efficacy as well as gender norms is the most difficult to measure.

The literature examining women's agency by and large covers studies that focus on the first element i.e., providing resources or opportunities in the hope that these external push factors will lead to an internal shift in the conception of self. Achieving sustainable shifts in decision-making/ bargaining requires critical consciousness which is a long-drawn-out process and requires careful consideration when trying to measure the impact. Appendix I details our strategy along with SEWA and ID insight to measure agency even across the critical consciousness dimension for our project.

Bargaining power:

¹⁰ The Presencing institute has a U theory which is a practical application in of Lewin's theory.



Agency involves bargaining power, whether as individuals within a household or in collectives vis-à-vis market or state actors. This is relevant to household decision-making, for example over a women's mobility, household decisions over assets, schooling, political choices or other domains in the life of the household (Field, Pande, Bernhardt, & Rigol, 2019) (Wei Chang, et al., 2020) (Evans & Nambiar, 2013). Bargaining also affects the vulnerability to intimate violence. Women's groups and collectives can be instrumental in increasing collective bargaining—as in the case of SEWA

Box 5: The case of collective bargaining: SEWA

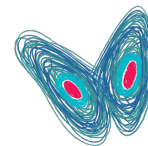
SEWA began in 1972 with a small group of migrant women cart pullers in the wholesale cloth market of Ahmedabad City, Gujarat, India. These women worked as “head loaders,” carrying clothes to and from the wholesale market. They were paid on a per trip basis, regardless of the distance they travelled or the weight they carried. Often, they were not paid the full amount they were owed because no records were kept.

Ela Bhatt helped organize the group and negotiate with the cloth merchants to gain fair treatment and this led to the foundation of SEWA. SEWA is now a member of the International Confederation of Trade Unions and has become a model for associations of informal workers internationally. SEWA's mission is centrally about expanding bargaining power of women in informal work, in addition to the mobilization work on women's consciousnesses and its core foundation on Gandhian Values. As Ela Bhatt's says “we are poor, but we are so many” (Bhatt, 2005)

In 2020, SEWA has more than 1.8 million members across India. The members are drawn from multiple trades and occupations and from all religious and caste groups. SEWA stresses self-reliance and promotes organizing around the central strategies of work security, income security, food security and social security. Primarily a trade union, SEWA now engages in a wide range of other areas, including leadership development, collective bargaining, policy advocacy, financial services, social services, infrastructure and training and capacity building.

Over the past decade, SEWA has also inspired or cofounded national and regional networks of home-workers in other parts of South and Southeast Asia, national networks of street vendors in India and Kenya and international networks of domestic workers and waste pickers. International and regional networks have secured two international conventions for home workers and domestic workers and policies, laws or legal judgements in several countries.

Source: (Evans & Nambiar, 2013) (Bhatt, 2005)



Agency and women's groups

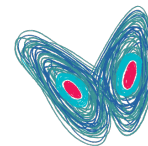
It is clear that there can be significant links between the expansion of women's agency and their participation in groups, especially women's groups. Here we review evidence. In principle, group membership can lead to an expansion in agency (and empowerment) through mechanisms that lead to shifts in critical consciousness—as in in (Lewin, 1947) theory. Participation in groups can be intrinsic to the expansion of collective agency, as in increased collective bargaining power. However, group-membership is not only about agency. As (Wei Chang, et al., 2020) (Diaz- Martin, Gopalan, Guarnieri, & Jayachandran, 2020) observe, in their review of experimental and quasi-experimental studies observe, women's groups often serve as “platforms” for service delivery, and this can bring benefits whether or not there is any expansion in agency. In fact, they find much more systematic evidence on gains via the platform channel, than direct evidence of shifts in agency. In this section we review evidence on the effect of women's groups.

Box 6: Group Dynamics & Interdependence

In addition to his work on the transformation of norms, (Lewin, 1947) also coined the term “group dynamics” to describe the way that groups and individuals act and react to changing circumstances. He theorized that when a group is established it becomes a unified system with supervening qualities that cannot be understood by evaluating members individually. This led to a field of study on the advancement of knowledge regarding the nature of groups, their laws, establishment, development, and interactions with other groups, individuals and institutions.

Lewin claims that for groups to be effective, it is vital that they have interdependence of fate—or what we might call a shared identity. He argues that groups come into being in a psychological sense “not because their members necessarily are similar to one another rather, a group exists when people in it realize their fate depends on the fate of the group as a whole”. Additionally, Lewin believes that task interdependence further binds a group together. A more powerful dynamic is created when a group's task is such that members of the group are dependent on each other for achievement.

This is aligned with the goals of many women's groups, and of cooperatives, and the question is whether they succeed in creating the type of unified system of values and norms that Lewin emphasizes.

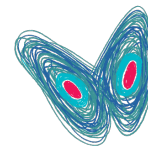


Women's self-help savings and loans group often increase access to finance which could support women's businesses (Evans & Nambiar, 2013) (Pandolfelli, Meinzen-Dick , & Dohrn, 2008). (An Oxfam International research report, 2013) studies groups of female farmers in Mali, Ethiopia and Tanzania finds significant gains finds that the women group members tend to be older, married and from wealthier households indicating self-selection`. Group membership improves their access to credit and market information, while the training and use of improved technology increases their productivity and quality. These economic changes were accompanied by indicators of increased agency. In Tanzania and Mali, group members benefit from increased freedom of movement, and in Ethiopia from enhanced control of household expenditure. In Mali, group members reported greater autonomy over the use of agricultural incomes and were consulted more on community and organizational decision-making.

In Western Uganda a case study of 26 self-help groups in a joint microfinance and coffee co-operative finds that women who join the SHGs are generally better off in terms of income. (Selhausen, 2012) also finds that being part of the SHGs reduces the women's tolerance towards gender-based violence and finds evidence that it leads to broader changes in the households with respect to first daughters' marriage age and mobility though these are not considered statistically significant.

A paper by (Blattman, Green , Annan, & Jamison, 2013) studies the impacts of giving cash grants of approximately \$150 and basic business skills training to the very poorest and most excluded women in a war-affected region in northern Uganda. Most of these women are organised and trained in groups. A year after the intervention, monthly cash earnings doubled from 16,500 Uganda Shillings (UGX) to 31,300 savings tripled, and short-term expenditures and durable assets increased 30 to 50% relative to the control group.

In an extensive review of international experience—including several Indian studies—(Brody, et al., 2017) find positive impacts on economic, social and political empowerment from quantitative studies, but with no measured impacts on psychological empowerment, and with significant variation depending on context. Their review of qualitative studies finds complementary results: "Evidence suggested that the positive effects of SHGs on economic, social, and political empowerment run through the channels of familiarity with handling money and independence in financial decision making, solidarity, improved social networks, and respect from the household and other community members. In contrast to the quantitative evidence, the qualitative synthesis suggests that women participating in SHGs perceive themselves to be psychologically empowered." (Brody, et al., 2017). This also found that when SHGs were paired with training programs or livelihood interventions, they can have larger positive impacts.



There have been several studies of women's Self-Help Groups in India. These have various forms across different Indian states, typically supporting the formation of groups of poor women, and the providing interventions to increase livelihoods (through access to credit and savings opportunities) and empower the participating women. Some examples are illustrated below

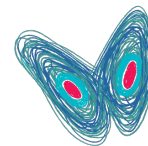
(Deininger & Liu, 2009) based on a household panel in Andhra Pradesh assess the impacts of exposure to a program that promoted and strengthened self-help programs. They find that longer program exposure has positive impacts on consumption, nutritional intake, and asset accumulation.

In Odisha the TRIPTI program of SHGs led to greater savings and an increased share of consumption on women and children. It also led to greater mobility and decision-making authority, as well as a greater likelihood of women pursuing institutional responses to domestic violence and alcoholism (Joshi, Palaniswamy, & Rao, 2017).

Bihar's JEEViKA program led to a large increase in SHG membership and a decline in the use of informal credit due to the take-up of credit through these groups. (Hoffman, et al., 2018) found that there were significant positive impacts on asset ownership especially for the landless. A first phase involvement more intensive, participatory engagement at the village level by front-line social workers—in this phase there were measurable effects on agency as described in their women's collective action index. A second phase involved scaling up but with less intensive group support; this brought changes in savings and credits but no measured effects on agency on any of the dimensions (mobility, aspiration or collective action).

(IRMA, 2017) study of the National Rural Livelihoods Mission (that is the umbrella for state-level programs) finds that households in treatment areas have a higher number of productive livestock assets than those in control areas. The results indicate that total (net) household incomes in treatment areas were approximately 22% higher than those in control areas, largely on account of incomes from enterprises or other sources. The treatment villages on an average have 25 enterprises compared to control villages, which have an average 14.143 enterprises. Using a fuzzy cognitive Mapping approach the study found that there have been positive changes at the household level. respondents perceived that personal assets (personality development, self-esteem, motivation, confidence etc.) show maximum positive impacts, followed by social assets (reduced social evils, increased social cohesion, etc.), financial assets (financial stability, access to micro-finance etc.), and human assets (women empowerment, better sanitation and health, better education, better standards of living). A more recent nationwide study also found significant effects on assets and income, and some increase in collective action by the groups, but not of measures of women's decision-making within the household (Kochar, et al., 2020)

Box 7: A note on SHGs and the relationship with cooperatives



Self-help Groups (SHGs) are informal associations of people who come together to find ways to improve their living conditions. They are generally self-governed and peer controlled. SHGs are an important domain of activity and involve some economic cooperation amongst participating women (or men), notably around the distribution and management of savings and lending. When these associations take on a more formal role or legally register themselves, they can amalgamate into cooperatives. However, the vast majority are not themselves cooperatives, and the primary economic activity typically remains individual

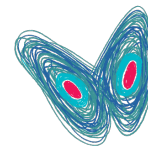
Effects on women's agency depend on program design and interactions with cultural context

A variety of patterns of interaction between design and context have been found in empirical studies. We highlight three:

- **where interventions only involve increased resources or services (as in the use of groups as platforms for service delivery), this does not necessarily lead to expanded agency.**
- **interventions designed to support women may be offset by resistance from social norms—inside and outside the households**
- **but in some cases, interventions that explicitly include components to support women's agency and empowerment, do bring additional benefits in these areas.**

Many economic empowerment interventions rely on the theory of change that increasing women's access to financial resources will increase their income relative to other family members which in turn should lead to enhanced decision-making power and economic agency for women, along with long-term changes related to women's economic roles in the household and society. We saw above the effects of the scaled-up SHG program in Bihar were confined to economic effects (at least in the time scale of the research.) (Hoffman, et al., 2018) Similarly, the evaluation (Blattman, Green , Annan, & Jamison, 2013) of the WINGS programme in Northern Uganda finds that as household income increases there is very little evidence that women become more empowered in terms of decision-making or bargaining, freedom of mobility or domestic violence. Gender norms moderate or even block the impact.

A program in Pakistan found that start-up loans and business training had limited success. (Said, Mahmud, d'Adda, & Chaudhry, 2019) found that offering the resources led to an 18 percentage point increase in women's likelihood of setting up business, compared with 15 percent in the comparison group, but women were also 18 percentage points more likely to shut down a new business, for no net effect on female business ownership. This was due to social norms regarding the expectations that women should only operate



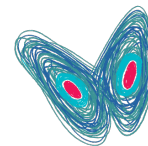
businesses from home and have limited interactions with people outside of the household from both the men and women living in the community.

(Field, Pande, Bernhardt, & Rigol, 2019) found that women business owners in India, Ghana, and Sri Lanka who lived in households with other businesses, typically owned by men, benefited less from microcredit or business grants than women in households where they were the sole business owners. In India when a female client was the sole entrepreneur in the household, the provision of grace period in her loan increased her business profits by around 75 percent relative to the standard contract. In contrast for women who had other family members with businesses the grace period had no effect on the woman's enterprise as the money was redirected to the husband's business. In Ghana for women who were the sole entrepreneurs in their household, their returns from in-kind grants were the same as those for male entrepreneurs in households with multiple businesses. However, in households with multiple businesses, returns to female business owners were lower than those for men in multiple-business households. In Sri Lanka women living in households with no other self-employed members increased their profits by 30 percent after receiving a grant. Across all households, however, cash and in-kind grants had no impact on profits for female business owners.

Programs that have design features which give women more control over resources are more likely to bring benefits to participating women. One category of intervention seeks to target woman through concealment from their husbands. Examples include providing access to resources in private without spouses present, channelling resources to bank accounts in women's names (Field, Pande, Bernhardt, & Rigol, 2019) which make resources easier to protect from others through digital payments systems (Wei Chang, et al., 2020). In Zambia, women who were offered contraceptives in the absence of their partners increased their use far more and gave them more control over fertility decisions than the women who were offered contraceptives with their partners present; those provided access privately had a take-up rate of 28 percent, compared with only 14 percentage for the group with spouses (Ashraf, Bau, Low, & McGinn, 2020). However, (Kabeer, 2005) argues that when exercise of agency takes the form of deception, subversion or concealment, this is less likely to alter power dynamics and shift the sense of a woman's self.

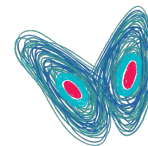
Another category of interventions seeks to directly expand women's agency. For example, microcredit programs, transfers, and savings groups are sometimes complemented by training, discussions, or coaching addressing gender dynamics. These can be effective in improving women's agency in domains of reduced intimate partner violence, increased participation in collective action and stronger social ties

(Wei Chang, et al., 2020) (Diaz- Martin, Gopalan, Guarnieri, & Jayachandran, 2020) extensively review interventions related to women's agency and found that business trainings that developed soft skills or addressed gender-specific constraints, such as self-



confidence, gender equality, and self-efficacy, tended to be effective in improving women's business outcomes in the majority of evaluations. Many women also face social network constraints in societies that strictly regulate women's social interactions and attending a business training with a friend helped to strengthen women's support networks and thus increased business incomes among Hindu women who faced the most caste-based social restrictions.

Programs that impacted critical consciousness generally had a greater number of gender-related content sessions. In Côte d'Ivoire, a savings group program containing a gender dialogue component impacted gender attitudes, but these impacts were limited to participants who had high program attendance (Gupta, 2013). Similarly, program combining gender transformative education and financial skills training for women in SHGs in India increased women's ability to make independent decisions in spending, purchasing, and their own health care. (Wei Chang, et al., 2020) This contained 24 learning sessions that challenged gender roles, and the evaluation found significant improvements in women's' attitudes about gender (Jejeebhoy, 2017).



Concluding Remarks

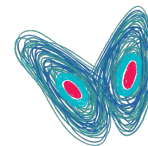
What does this mean for Women Collective Enterprises?

The literature on cooperatives, accelerators and women's agency suggests the following conclusion: for WCEs to succeed they need to invest in the success factors for cooperatives, while at the same time building their business on the basis of a strong critical consciousness foundation for the women that own and work in the enterprise. However, direct evidence on this remains a gap in the existing literature.

Collective organizations have the potential to become the best organizational form for women working in groups settings, such as SHGs and SEWA, because the members dignity and well-being is central to their purpose. To be viable their members need to have an entrepreneurial mindset and their workers/owners need the time to be trained in the multiple domains of enterprise activity, from marketing, to product innovation, to internal management processes and use of technology. This is why cooperatives need access to patient capital and support systems.

Agency is on the critical path for economic and social progress of women at the grassroots and has to be front and center of the work. For women in a patriarchal system, social norms can block the benefits from working in a cooperative or going through an accelerator, unless they develop greater critical consciousness. This part of the work is central to SEWA and a crucial building block for the success of any WCE.

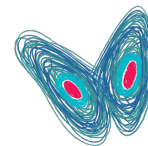
There are important dynamic implications from these findings. It is probably more effective to take an accelerator to women groups who already have developed critical consciousness than trying to activate agency through an accelerator. Developing critical consciousness takes time -sometimes a long time. Organizations like SEWA, that have already carried out the long-term mobilization work are in a great position to provide business support services to their members' WCEs. Trying to take the agency activation into an accelerator may fail because of the mismatch of time requirements and the distortions that emerge when finding an investor becomes the main goal. Whether the activation of agency can work within an existing cooperative is an open question.



What are the main questions going forward?

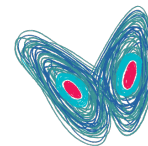
There are many important questions around the design of an accelerator/ESS in a WCE which emerge from our literature review. These are essentially around the intersection between the three areas. These include:

- How should an accelerator be adapted to collective enterprises owned by grassroots women? How does Broad, Intensive and Paced need to be translated into the realities of women in the informal sector who hold many roles within SEWA and in their communities.
- How to include clear accountability and metrics on both financial indicators and social impact?
- Should there be selection criteria for WCEs accelerators? Should these prioritize enterprises with higher success potential?
- What aspects traditionally excluded from accelerators need to be included for WCEs?
- Are there any differences between WCEs and worker cooperatives in profitability, productivity and financial sustainability?
- What is the impact of WCEs on agency? How does it compare to mixed worker cooperatives?
- Can interventions to expand women's agency be integrated within the engagement to expand the financial and productive performance of a WCE
- Conversely, can the expansion of women's agency, help tackle some of the weaknesses in coops?



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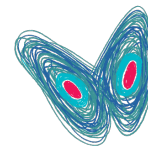
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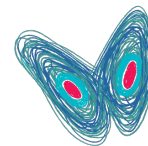
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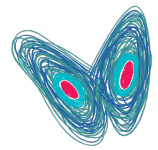
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Appendix I: Measuring Women's Empowerment by IDinsight

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INTRODUCTION

Improving women's empowerment or “the process by which those who have been denied the ability to make strategic life choices acquire such an ability¹¹” is an increasingly targeted objective of development programs. In particular, SEWA is currently implementing a five-year project, Mahila Udyam Vikas Testing and Scaling Women's Collective Enterprises (MOVE), through a grant by the Bill and Melinda Gates' Foundation (BMGF). The aim of the project is to discover interventions to be delivered by the Enterprise Support System (ESS) that will support women-owned collective enterprises achieve the twin goals of financially sustainable growth and improvements of women's economic well-being and empowerment.

In order to understand if the MOVE project is meeting this objective, it is critical to be able to measure empowerment well. However, a key challenge with rigorous measurement of empowerment is conceptualizing and quantifying such an abstract concept. Specifically, measurement for this concept is complicated due to its multidimensional nature and that it is comprised of dimensions which are inherently challenging to measure (Glennster et al., 2018).

As such, in this document we review the existing literature on measurement of women's empowerment to inform which outcomes to measure in the MOVE evaluation. We focus on identifying which outcomes are most commonly measured and why as well as understand common challenges and mitigation strategies around measurement. Additionally, we discuss SEWA's framework for defining and measuring empowerment. We then link our understanding of recommended measurement approaches with outcomes that are critical for SEWA to present final recommendations for the evaluation outcomes.

The document is organized as follows: In the first section, we present a review of the women's empowerment literature. We present a conceptual framework for defining empowerment and grounding our discussion of commonly measured empowerment outcomes. Additionally, we highlight key measurement challenges and approaches for overcoming these. In the second section, we discuss SEWA's empowerment framework. In the final

¹¹ Kabeer, 1999.

section, we conclude with our recommendation on empowerment outcomes to include in the evaluation of ESS.

REVIEW OF THE WOMEN'S EMPOWERMENT MEASUREMENT LITERATURE

DEFINING EMPOWERMENT

While the literature provides many definitions of empowerment, several overarching elements across these definitions emerge. The first is that empowerment is a process. Kabeer (1999) describes empowerment as the process by which those who have been denied the ability to make strategic life choices acquire such an ability. The second common element is that women themselves are the key agents of change. In other words, empowerment refers to women's ability to make decisions and affect outcomes of importance to themselves and their families. Finally, there is common language around how empowerment is described often using terms such as options, choice, control, and power. Control over one's own life and over resources is often stressed (Malhotra et al, 2002).

Furthermore, most of the definitions usually adopted to talk about empowerment, refer to the "agency" aspect of the empowerment process, in the sense of expanding people's ability to make strategic life choices (Kabeer, 1999). This notion of agency is strongly linked to Sen's concept of agency freedom, defined as "what a person is free to do and achieve in pursuit of whatever goals or values he or she regards as important" (Sen, 1985).

Along with multiple definitions of empowerment, the literature also highlights several empowerment frameworks developed to facilitate its conceptualization and measurement. Perhaps the most widely cited is Kabeer's seminal "resources, agency, and achievements" framework (Kabeer, 1999). Kabeer describes empowerment as comprised of three dimensions: resources, or preconditions required to increase one's ability to make choices; agency or the process of increasing voice and participation in decision-making processes; and achievements, or improvements in well-being and life outcomes that manifest from the agency process. Donald et al. (2020) further expand on agency as including three dimensions: the ability to define one's own goals and preferences, a perceived sense of ability and control to act on goals, and finally, acting on those goals. More recently, Laszlo et al. (2020) developed a framework for empowerment with roots in Kabeer's framework and that builds off of an intra-household bargaining model. For the

purpose of grounding our discussion of measuring empowerment, we use this latter framework for classifying outcomes.

CONCEPTUAL FRAMEWORK FOR WOMEN'S EMPOWERMENT

The Laszlo et al. framework is underpinned by a classic intra-household bargaining model that states the household will maximize a weighted combination of the utilities of the husband and wife subject to the household's budget constraints.¹² The weights assigned to each member in the household decision-making problem corresponds to their bargaining power. Rather than take each member's bargaining share as a constant, Laszlo et al. define bargaining power as a function of the woman's relative income in the household, current discriminating or disempowering social or cultural attitudes towards women, and woman's self-confidence or self-esteem.¹³ Specifically, the greater the share of women's income in the household, the more bargaining power she has. However, as discriminating attitudes towards women increases, more of the bargaining power is shifted towards the husband. Finally, the higher self-esteem or self-confidence (relative to her spouse), the higher the woman's bargaining power in household decision-making.

A key takeaway from the Laszlo et al. framework is the categorization of three types of empowerment measures: direct, indirect, and constraint. Direct measures feature directly in the optimization function and are those that relate to individual factors which allow for women's assertion of her own preferences within the objective function (e.g. her agency). Indirect measures are those that are the outcomes of the optimization function or decision-making process such as employment, marital status or health measures (Laszlo et al., 2020). Finally, constraints are factors outside of the direct control of the woman and/or her household which constrain her ability to achieve desirable outcomes (e.g. property rights, rights to education). These measures feature in

¹² Laszlo et. al present the following objective function that the household seeks to maximize:

$$U(.) = \theta U_f(.) + (1 - \theta) U_m(.)$$

¹³ Laszlo et al. (2017) define θ as:

$$\theta(y, \psi, \phi) = \left(\frac{y_f}{y_f + \psi y_m} \right)^{e^{(1-\phi)}}$$

where y_f is the woman's income, y_m is her husband's income, ψ captures discriminating or disempowering social or cultural attitudes towards women, and ϕ represents a psychosocial measure increasing with a woman's low self-confidence or self-esteem.

the model as additional constraints that could be included in the budget function. This model can be adapted depending on the particular decision-making domain of interest for example productive assets, investment in children or human and social capital investment.

In the following section, we discuss common measures of empowerment, focusing on the direct and indirect categories.

DIRECT EMPOWERMENT OUTCOMES

Direct measures or those that are directly related to a woman's ability to assert her preferences in decision-making include measures of access to and control over resources, decision-making, psychological measures, and social norms.

Control over household assets and income are common direct measures of empowerment and are considered direct because of the role they play in influencing a woman's bargaining power by increasing her relative share of household income. These outcomes also have strong linkages to the theories of change of economic self-help group programs. In particular, exposure and access to financial and social resources can increase women's asset ownership and income. Additionally, in households that engage in agricultural activities, participation in self-help groups (SHGs) may enable women to produce more high value crops as well as provide access to productivity increasing inputs such as training, seeds and fertilizer (de Hoop et al., 2019). Other SHGs may focus on creating linkages to formal financial institutions, increasing women's ability to save and borrow. Common measures for these economic outcomes include asset ownership, self-reported labor, business and agricultural income, access to agricultural inputs, and access to credit and savings.

Household decision-making is an almost universally used measure of agency and is considered direct because it can be seen to reflect spouses' Pareto weights in an intra-household framework (Laszlo et al., 2020). Decision-making questions are key empowerment metrics used in the demographic and health surveys (DHS) across countries. The standard decision making domains typically refer to child health, child education, large and small household purchases, woman's own health care, woman's mobility, and use of woman's earned income (Peterman et al., 2015). The most common approach to operationalizing decision making into an indicator involves asking women who

in the household typically has the final say (and whether it is a sole or joint decision) for a series of decision types. Typically, researchers condense sole and joint decision making into a single (binary) indicator, which indicates having a “say” in a particular decision (Richardson, 2018).

However, there is a fair amount of critique of the reliability of sole and joint decision making indicators as reflective of empowerment. One concern is that the propensity to equate sole and joint decision making implicitly assumes that sole and joint decision making are equally empowering for women. Peterman et al. (2015) explain that this concern stems from the idea that the expression of agency requires a person's actions to reflect the pursuit of goals that she personally values. Seymour & Peterman (2017) expand on this explaining that for a particular decision several outcomes are possible and a woman may prefer any of these for different reasons. For example, she may prefer to (1) solely make decisions if she places high value on the freedom to make decisions without consultation, (2) jointly make decisions if she derives utility from cohesion within the household, or (3) not be involved at all in decision making (Seymour & Peterman, 2017). As such these indicators may not capture autonomous motivation in decision making. This is evidenced by the Peterman et al. (2015) finding that when you factor in whether the woman prefers to be the decision maker, ideal decision making looks different from sole decision making. Further, simple decision making indicators likely do not capture the nuance underlying the decision making process. For example, this measure does not capture what negotiations may have transpired or whether the decision was more of a compromise or capitulation (Donald et al., 2020). Additionally, household composition is likely to play a role; in a household with several adult members, a woman is more likely to make joint decisions based on sharing of resources and responsibilities (Peterman et al., 2015). Additionally, Bernard et al (2019) find that outcomes that can be attributed to the gender of the decision maker are often due to the decision-making structure of the household. In other words, a woman being the sole decision maker would be interpreted differently in different types of households. He distinguishes between a “unitary” household where only one partner makes all decisions, a “most informed” type household where the person with the most information takes the decision, a “contribution” type household where the decision is made by the person contributing the most and finally a “norms” household where decision making is in accordance with social norms (Bernard et al., 2019). Therefore an increase in decision making for a woman may or may not imply increased agency depending on the reason behind that shift

and the household decision structure. To overcome these issues, researchers are typically advised to pair quantitative assessments of decision making with qualitative insights to probe on autonomous motivation and the dynamics underlying the decision making process.

The Women's Empowerment in Agriculture Index (WEAI) is a survey-based index constructed at the individual level and specifically designed to measure the empowerment, agency and inclusion of women in the agriculture sector (Alkire et al., 2013). This index measures women's empowerment directly across five domains of decision-making power (e.g. production, productive resources, income, leadership, and time use). The WEAI also consists of the Gender Parity Index (GPI) which measures women's empowerment relative to men, further connecting it to the theoretical concept of empowerment outlined in intra-household models of decision-making (Laszlo et al., 2020). Using the WEAI for measuring empowerment in different countries can lead to differentiated findings, as gender norms depend on the specific culture and context. Several studies have used the WEAI to analyze the relationship between specific domains of empowerment and different outcomes of interest, as nutrition (Malapit & Quisumbing, 2015), food security (Sraboni et al., 2014, Salazar et al., 2018), height-for-age z-scores (Malapit et al., 2015), among others. However, there is some criticism that the WEAI does not fully reflect empowerment. O'Hara & Clement (2018) find that a qualitative understanding of empowerment does not map to WEAI domains for a sample of men and women in rural Nepal. Additionally, it should be noted that the WEAI was designed specifically for agricultural contexts, so using it in alternative settings may require modification.

Psychological empowerment measures are often overlooked but they are a critical part of empowerment. Although external conditions are necessary for empowerment, they are not sufficient for it without psychological feelings of competence, energy, and the desire to act (Narayan, 2005). These measures feature directly into the objective function of the conceptual framework and have an influence over a woman's ability to assert her preferences. A key psychological measure is motivational autonomy, which captures the extent to which the person's motivation for his or her behavior in a specific domain is fairly autonomous as opposed to somewhat controlled. The most common measure of this is the Relative Autonomy Index (RAI) developed by psychologists Richard M. Ryan, Edward L. Deci, Valery I. Chirkov, and others within the context of self-determination theory. While originally developed in a

non-developing country context, the cultural applicability of RAI has been explored in cross country work and validated in Sub-Saharan Africa. A large scale validation in Chad showed good but variable reliability (Donald et al., 2020). The RAI has also been incorporated into the WEAI. Given the limitations around decision-making indicators for understanding a person's motivations, the RAI may be particularly useful for teasing out the level of involvement in decision making that the person might prefer (Seymour & Peterman, 2017). Given the context in which it was developed, the RAI questions may sometimes be difficult for respondents to understand. To overcome this, some researchers have modeled vignettes after the RAI to improve comprehension. The WEAI research team found that writing these questions as vignettes helped comprehension slightly, though this was still the most challenging module to administer (Malabir et al., 2016).

Another popular psychological measure is self-efficacy or the belief in one's capabilities to act effectively toward a goal. The New General Self Efficacy Scale is a widely used measure of self-efficacy (De Hoop et al., 2019). However, Donald et al. (2020) suggest that domain-specific measures of perceived self-efficacy are better predictors of outcomes than generalized ones. Examples of domain-specific scales include a survey of entrepreneurs in Kenya on their confidence conducting different business tasks (McKenzie and Puerto 2015) and the Condom Use Self-Efficacy Scale (CUSES), used in health psychology studies across HIV-affected areas in Africa.

Another common measure of perceived control and ability is the locus of control, which captures the degree to which an individual believes that events are caused by one's own behavior. Common scales for this measure include the Rotter I-E scale and the Levenson IPC scale. These have been used and validated in Sub-Saharan Africa for well-educated, professional subpopulations (Donald et al., 2020).

Social norms such as attitudes towards traditional gender norms, intimate partner violence, family planning and freedom of movement feature directly into the conceptual framework: with higher discriminating norms towards women present, women will have reduced bargaining power. Norm measures can be both objective (e.g. if widespread or common beliefs are observable) or subjective (e.g. asking respondents their beliefs directly) (Laszlo et al., 2020). Norms are challenging to measure given their abstract nature, however there has been some progress towards accurately capturing these. Asking

respondents directly about their views is one approach, though there is a concern that respondents may give a socially desirable response. However, there are ways to statistically test for the existence of this bias such as the Marlowe-Crowne scale (Mohan & Rego, 2020). Additionally non-survey instruments such as direct observation, games, experimental vignettes, implicit association tests can offer more objective measures (Glennerster et al., 2018). Another commonly measured norm is freedom of movement. These outcomes are typically operationalized by asking women whether she is allowed to go to certain locations on her own or permission is required. Then indicators on restricted mobility can be created if a woman is not allowed to go somewhere or she can only go with someone else. The mobility domain is more relevant to women's empowerment in contexts where female seclusion norms are present, such as South Asia (de Hoop et al., 2019).

A detailed list of example direct outcomes can be found in Appendix I.

INDIRECT EMPOWERMENT OUTCOMES

Indirect outcomes are those that are a direct result of the household bargaining process. They are typically easier to measure and readily available in existing datasets. Examples of indirect measures include socio-economic or demographic characteristics such as employment and marital status, and health measures such as women's life expectancy and contraceptive use (Laszlo et al., 2020). These measures are similar to the achievements dimension of Kabeer's framework. Laszlo et al. (2020) note that while these outcomes are indeed measurable factors that relate to women's lives, and many are outcomes of the empowerment process, they do not measure empowerment itself. We briefly review below some common indirect measures of empowerment. A detailed list of example indirect outcomes can be found in Appendix II.

Some of the more common indirect measures of economic empowerment are economic, education and health status. These outcomes are a consequence of a woman being able to make and act on choices in these domains. Labor force participation is a common measure of economic status. Often these outcomes are determined by asking women her participation in different income generating activities including formal employment, agricultural work, nonagricultural economic activities and self-employment (de Hoop et al., 2019). Education status outcomes typically cover metrics such as women's

and girls' literacy and numeracy skills; perceptions about women's and girls' education; and their current and desired participation in the education system (Glennerster et al., 2018). Examples of health outcome indicators include women's and girls' physical and mental health; women's overall access to and use of health services along with specific types of services such as antenatal care, postnatal care, and reproductive health services; sexually transmitted infection incidence; and nutrition (Ibid.)

Collective action and social connectedness are indirect measures of empowerment. One's kinship ties and the ability to interact with others outside of the household is a result of a household bargaining process. Collective action measures capture whether women would approach someone for help to deal with an issue that was too large to solve on their own. These outcomes often are tightly linked to the theories of change of self-help groups given the focus on various collective activities and strengthening social networks (de Hoop et al., 2019). Social connectedness can be measured by the existence and quality of social support received from different sources (Ibid).

Intimate partner violence is considered an indirect measure as it is a result of factors independent of empowerment. However, there is conflicting evidence on how intimate partner violence relates to empowerment. Empowerment may increase IPV through the channel of male backlash against increased female bargaining power within the household. Conversely, by increasing a woman's fallback position, empowerment may also reduce the probability of IPV if women are more able to exit the marriage (Laszlo et al., 2020). IPV is also subject to considerable measurement error both due to the sensitivity and the difficulty with conceptualizing the topic (Ibid). For all these reasons, using intimate partner violence as a measure of empowerment warrants consideration.

CHALLENGES WITH MEASURING EMPOWERMENT

Due to its abstract and contextual nature, measuring empowerment is challenging.

Below we highlight some of the specific measurement challenges and recommendations for mitigating these from the literature.

The first key challenge is that empowerment is highly contextual. Behaviors and attributes that signify empowerment in one context often have different

meanings elsewhere. In other words, what reflects empowerment in one setting may not in another setting. For example, in a community in Nepal it was common practice for women to sell their produce in the market and carry to and from home every day, activities which would have signaled empowerment. However, researchers discovered that these tasks fell to the women given they were undesirable by the men in the households (O'Hara & Clement, 2018). This issue highlights a critical trade-off in measuring empowerment: Without locally tailored indicators, we may fail to capture empowerment accurately. However, if we only use locally-tailored indicators, we run the risk of not being able to compare findings with other studies on empowerment from different contexts, which is useful for drawing broader lessons about effective empowerment programs (Glennerster et al., 2018). To account for this, de Hoop et al. (2019) recommend including some standardized measures of women's empowerment, however, they do acknowledge the importance of including "locally tailored, context-specific measures in addition to (rather than instead of) more globally comparative measures". Standardized outcome measures are critical for making global comparisons on the impact and cost-effectiveness of women's groups, and for encouraging a community of learning around these groups. Another approach identifies common dimensions of empowerment and allows specific indicators to vary depending on their relevance in different settings. (Richardson, 2018).

The second challenge is that empowerment is a process. In fact, some researchers have suggested that empowerment is essentially qualitative in nature (Malhotra et al., 2002). Relatedly, there is the notion that empowerment is both a means and an end. As Drydyk (2008) describes, "certain definitions abandon the critical distinction between the means of empowerment and empowerment as a goal, thus losing sight of what those means are for. The 'end' or outcomes of empowerment may not be accurate representations of empowerment, and the outcomes themselves might be driving agency as well." For example, Vaz et al. (2019) found through an exploratory analysis of the determinants of autonomy of men and women in Bangladesh, "that neither age, education, nor income are suitable proxies for autonomy." As such, Laszlo et al. caution that using indirect outcomes (such as employment) alone are insufficient and probably misleading, since they do not capture the process. They advocate for measures which focus directly on the process, which are analogous to their direct measures. Furthermore, Glennerster et al.

(2018) recommend using panel data to observe changes in the same people over time.

A third challenge is that empowerment outcomes are susceptible to reporting bias. Many empowerment outcomes involve asking people about sensitive topics including gender attitudes, decision making, reproductive health, marriage and violence. Such sensitive topics may invite social desirability bias, or when a respondent gives a response that s/he thinks are generally in line with socially acceptable norms (Glennester et al., 2018). Some approaches to mitigate this issue can be to accompany subjective measures with more objective measures, such as indirect measures of empowerment like education or employment status. Additionally, triangulating across multiple measures can help to validate self-reported responses (Ibid). Another promising approach for reducing social desirability bias is using vignettes or asking respondents about a hypothetical situation. The goal of a vignette is to ground a hypothetical question to specific life events that respondents can understand and relate to. Vignettes are an effective method of anchoring subjective responses. Otherwise, "subjective responses across groups of people may not be comparable if they are linked to a scale that is not interpreted in the same way by all respondents" (Masset, 2015). De Hoop et al. (2019) highlight that vignettes can reduce the likelihood of courtesy and social acceptability bias and lead to more reliable measures of empowerment. However, to develop vignettes, it is critical to conduct formative research to better understand the local context.

A fourth challenge is that it may be difficult to tease out women's preferences from society's views in contexts where she may have internalized these views. There is a great degree of internalization of gender roles due to their long standing existence in society. Women's preferences in a lot of cases therefore are a reflection of societal norms, and not their true preferences as such. Therefore women's preferences alone may not always reflect a woman's ability to make a meaningful choice (Glennester et al., 2018). To mitigate this, Glennester et al. (2018) recommend using indirect outcomes such as education, health or economic status that are widely accepted measures of wellbeing. The implicit assumption here is that meaningful choices are the ones that lead to changes in these outcomes.

A final challenge is that changes in empowerment may take time to manifest. Real empowerment changes may take time due to deep rootedness in

mentality and culture. This challenge may limit the ability to observe effects on empowerment within a study period. However, this challenge is likely more of an issue for indirect measures that rely first on the manifestation of direct measures of empowerment. Thus focusing on measures that capture this process more directly may help mitigate this issue. Additionally, qualitative methods may be able to detect change that cruder quantitative methods may not be able to (Peterman et al., 2015).

The challenges and mitigation strategies are summarized in Table 1 below.

Table 1: Key challenges & mitigation strategies in empowerment measurement

Key Challenge	Mitigation Strategy
Empowerment is highly contextual	<ul style="list-style-type: none"> • Supplement context specific indicators with more standard ones • Use standardized measures but vary specific indicators depending on their relevance
Empowerment is a process	<ul style="list-style-type: none"> • Use direct measures which capture more directly the empowerment process • Use panel data to measure changes over time in the same people
Empowerment outcomes are susceptible to reporting bias	<ul style="list-style-type: none"> • Use more objective (indirect measures) as proxy measures • Triangulate across multiple measures • Use vignettes to ask respondents about hypothetical situations
Teasing out women's preferences from	<ul style="list-style-type: none"> • Track indirect measures that

society's views can be challenging	reflect wellbeing
Empowerment outcomes may take time to manifest	<ul style="list-style-type: none"> • Use direct measures which capture more directly the empowerment process • Pair with qualitative methods to detect more subtle changes

SEWA'S APPROACH TO MEASURING EMPOWERMENT

SEWA'S DEFINITION OF EMPOWERMENT

The Self-Employed Women's Association (SEWA), established in 1972, is a trade union of low-income working women who earn their livelihoods in the informal economy (SEWA, 2005). Being in the informal economy, these women do not have access to regular income with welfare benefits like workers in the formal sector. SEWA was started with a mission to organize poor, informally employed women into a union and empower them.

SEWA's vision for empowerment is primarily driven by the goal to create "full employment and self-reliance" for the women it works with. SEWA defines full employment as employment whereby workers obtain work security, income security, food security and social security (at least health care, child care and shelter) and self-reliance as the ability of women to be autonomous and self-reliant, individually and collectively, both economically and in terms of their decision-making ability.¹⁴ SEWA highlights the idea of 'struggle' being key to empowerment - struggling against the many constraints and limitations imposed on women, and pushing to drive change.

To a great extent, the concept of empowerment as defined by SEWA is consistent with other definitions commonly found in literature, in terms of certain overarching elements. SEWA's emphasis on struggle as part of empowerment is closely linked to the larger concept of empowerment being a process. In addition, the emphasis on individual autonomy and decision

¹⁴ <http://www.sewa.org/>

making ability in SEWA's definition of empowerment points directly to the theme of women themselves being in control of change pertaining to their lives. SEWA's vision for the manifestation of empowerment, in terms of full employment and self-reliance, corresponds to Laszlo et al.'s notion of indirect outcomes: outcomes that are a direct result of a women's decision making process. In line with Laszlo's indirect outcomes, SEWA has created eleven checkpoints in order to assess its own progress towards empowerment: employment, income, ownership, nutrition, healthcare, housing, childcare, organized strength, leadership, self-reliance, education. In the next section, we list specific indicators corresponding to some of these outcomes categorized in SEWA's framework.

SEWA aims to achieve its goals of empowerment by mobilizing and organizing women in the informal economy, providing them with stable working conditions and enabling them to take collective action. SEWA's approach to enhancing empowerment is comprised of four key facets:

- Organization of members into local unions, trade and producer groups providing them with a formal support system and creating opportunities for collective thinking and learning. SEWA also provides employment opportunities to members through SEWA-born co-operatives, farmer producer organizations and other producer companies.
- Capacity building of members through regular meetings and training across a wide range of general skills (like leadership skills, entrepreneurial knowhow, financial literacy, technological literacy) as well as work related skills specific to social enterprises (product manufacturing, sales, marketing, service provision).
- Establishment of a support system for members in the form of providing them with financial services (bank account, savings, loans, insurance etc.), social services (health, child care, and education) and certain infrastructure services (housing & water, sanitation, electricity) to improve women's quality of life, increase women's mobility in public spaces and reduce barriers to employment.
- Policy advocacy with the central and state governments to promote a business environment more conducive to collective organizations like cooperatives and to promote more just and inclusive labor laws. In addition to this, SEWA also invests in increasing women's ability to independently or collectively engage with government officials on administrative matters.

SEWA'S FRAMEWORK FOR MEASURING EMPOWERMENT

In a recent stocktaking exercise, SEWA measured empowerment of its members through a framework consisting of four key domains that are central to SEWA's theory of change. These four categories are household, community, market and state.

Household

At the household level, empowerment in the SEWA context includes women's contribution to household income and assets, their ability to provide for their families, as well as their control over decision making. Given SEWA's focus on full employment and job security, these are the most important and closely related outcomes to the theory of change of collective enterprises in SEWA. These outcomes are also mostly direct measures of empowerment given they all directly enhance a women's bargaining power.

Key outcomes:

- Monthly income
- Ownership of assets
- Control over household financial decisions
- Prioritization of own health

Community

Community empowerment outcomes for SEWA consists of women's social status, their mobility in public places and their ability to engage in collective action. These outcomes represent crucial gaps in women's autonomy in Indian communities, and given SEWA's mission, these outcomes are important measures of self-reliance for women, outside the household setting. SEWA aims to influence such outcomes by creating access to regular work (often implying increased mobility to the workplace), attending meetings and training, and engaging with peer networks on important cultural and societal issues. SEWA's mobility outcomes reflect freedom of movement norms that are direct measures of empowerment, given their influence on women's bargaining power. However, membership in social groups and social status are mostly realized after achieving more control in the household bargaining process, as per Laszlo et al's framework they would be categorized as indirect empowerment.

Key outcomes:

- Mobility in public places

- Ability to go out alone
- Ability to go out without permission
- Membership in skilling, saving or other social groups
- Respect in society

Market

For SEWA, recognition of women as productive members of society is extremely important, especially in the market. By organizing women in collective social enterprises, SEWA aims to provide them with the necessary exposure and skills to be able to gain access to, and negotiate in market spaces. Women are also provided with access to formal credit and other financial services by SEWA's own support institutions like SEWA Bank. These outcomes are largely direct measures of empowerment per the Laszlo framework as they contribute to a woman's bargaining power in the household.

Key outcomes:

- Access to formal loans
- Access to market spaces to buy/sell
- Access to productive equipment

State

Through its Shakti Kendras, SEWA aims to increase women's awareness and access to state schemes and programs. Furthermore, a key component of self-reliance for SEWA is access to one's legal rights - something that is quite absent from the lives of poor Indian women. By mobilizing and organizing women, SEWA is not only able to create awareness, but also a sense of entitlement to basic legal rights. Since these outcomes are a result of a bargaining process, they would be a part of indirect empowerment per the Laszlo et al. framework. However, it is worth noting that demand for legal rights could be strongly correlated with increased agency in household decision making.

Key outcomes:

- Access to government schemes
- Demand for government schemes
- Demand for legal rights
- Utilization of government schemes

MEASURING EMPOWERMENT IN THE ESS EVALUATION

To form our recommendation on empowerment outcomes to measure in the ESS evaluation, we consider the empowerment metrics outlined in SEWA's framework along with the following key points from the literature:

- Focus on direct measures of empowerment as these most closely relate to the empowerment process. As per the Laszlo et al. framework, we aim to prioritize direct measures of empowerment as these most directly relate to a woman's ability to assert her preferences in decision-making and thus are clearer indications of empowerment. In particular, we include decision making, which is a universally used measure of agency. Additionally, we focus on economic outcomes and norms that are central to SEWA's framework and the Enterprise Support System (ESS) theory of change as we discuss below
- Prioritize indicators that are related to the program objectives and theories of change. Given the multi-dimensional nature of empowerment, there are various ways in which empowerment can manifest, and likely a program will not empower a woman in every domain. As such, it is important to prioritize outcomes that are central to the program's theory of change. For this we focus on SEWA's empowerment framework and identify outcomes most likely to be influenced through improved social enterprise financial performance. Of particular relevance are SEWA's household outcomes such as income, control over assets, time use and control over household financial decisions as these are most likely to be influenced through the channel of increased access to work. Additionally, given SEWA's strong focus on developing women's agency through improved social networks and collective action, institutions which may be strengthened through improved social enterprise management, we also include outcomes to capture these aspects of empowerment, namely freedom of movement and collective action. Overall, we aim to include at least one outcome within each of the four dimensions of SEWA's empowerment framework.
- Complement contextualized indicators with standardized ones to enable comparing across contexts. A consistent point emphasized across the literature is the importance of contextualizing indicators while pairing with

standard measures that can be compared across contexts. We aim to strike that balance in several ways. First, we include commonly measured empowerment outcomes. In particular, we follow the de Hoop et al. (2019) guide to identify standardized measures including income, control over assets, time use, household decision making, and freedom of movement. Second, where appropriate, we adapt standardized measures to fit better to our context. For example, we include a series of decisions in our decision making module that are relevant to the social enterprise context. We also adapt the freedom of movement outcome to include a list of locations that are most appropriate to the Indian context. Finally, we develop our own qualitative measures that are highly contextualized so that we can probe more deeply on the mechanisms of change. In particular, we explore other dimensions of income such as regularity. We also explore collective action and engagement with government officials in relation to specific social enterprise related situations.

- Include psychosocial measures as they are a critical dimension of empowerment. Psychological empowerment is a critical but often overlooked aspect of empowerment. Furthermore, it is a direct measure of empowerment as low self-esteem and self-confidence will decrease a woman's bargaining power. A key psychological measure is relative autonomy as it captures the degree to which an individual's behavior is fairly autonomous as opposed to externally motivated. Understanding this type of motivation is particularly important in the context of decision making as it allows us to understand if a woman actually values making a decision, nuance that is usually missed in a standard quantitative decision making module. As such, we include a qualitative exploration of autonomy in decision making in our semi-structured interviews with members.
- Consider where qualitative insights can shed light on important context. Another core recommendation from the literature is to pair quantitative assessments with qualitative work to better contextualize findings. We will complement our quantitative member surveys with semi-structured interviews to delve deeper into different outcomes. Of particular importance is understanding household decision making dynamics, given the limitations of quantitative decision making outcomes. Specifically, we explore who is involved in decision making, what disagreements usually exist and how they are resolved.

- Explore vignettes to mitigate possible reporting biases. Given some of the questions we plan to ask may be sensitive and that we will also conduct data collection partly over the phone, some outcomes may be susceptible to reporting bias. As such, we will explore ways to reduce this risk such as utilizing vignettes in place of standard questioning.

Our final list of proposed outcomes and how they relate both to the Laszlo et al. and SEWA frameworks are outlined in Table 2.

Table 2: Proposed outcomes for MOVE evaluation

Outcome	Type	Laszlo et al. categorization	SEWA categorization
Monthly income	Quantitative & qualitative	Direct	Household
Control over assets	Quantitative	Direct	Household
Decision making with regards to household finances	Quantitative & qualitative	Direct	Household
Time use	Quantitative	Direct	Household
Freedom of movement	Quantitative	Direct	Community
Collective action	Qualitative	Indirect	Community
Skill development	Quantitative	Indirect	Market
Understanding role of shareholder & SE	Qualitative	Indirect	Market
Ability to engage with government officials	Qualitative	Indirect	State
Relative autonomy in decision making	Qualitative	Direct	N/A

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APPENDIX I: Direct measures of empowerment

Category	Outcome
Access to resources	Income (disposable, earned from agricultural activity, earned from microenterprise activity)
	Asset ownership
	Savings (access to informal/formal credit, total value of savings)
	Agricultural productivity
	Use of improved seed and other inputs
	Food security
Agency & decision making	Women's Empowerment in Agriculture Index
	Household decision making (over finances, agricultural production, child's education, child's healthcare, family planning, own healthcare, entrepreneurship)
Social norms	Freedom of movement
	Time use
	Attitudes around traditional gender norms
	Attitudes around domestic violence
	Attitudes around family planning and marital relations
	Division of domestic labor between women and men
Psychological	Relative autonomous motivation

	Self-efficacy
	Locus of control
	Self-esteem
	Wellbeing

APPENDIX II: Indirect measures of empowerment

Category	Outcome
Economic	Labor force participation (participation in agricultural labour/production, income generating activities, paid work outside the home)
	Skill development
Health	Use of health services (e.g. antenatal care, postnatal care, and reproductive health services)
	Incidence of intimate partner violence
Education	Literacy & numeracy skills
	Participation in education system (e.g. enrollment, attendance)
	Knowledge and awareness of rights
Community, Public or Political Participation	Collective action
	Civic participation (i.e. attendance and participation in community or village council meetings)
	Participation in social groups
	Membership in savings groups or NGOs