

# Market Meets Community: Institutional Logics as Strategic Resources for Development Work

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## Abstract

We investigate how an intermediary organization, PRADAN, introduces and promotes market-based activities in tribal villages as a means to improve the social and economic conditions of rural women and their families in two districts in India. We draw from the literature on institutional logics and focus on the strategies and activities of PRADAN – an NGO working in poor rural areas in Northern India – to show how PRADAN instrumentally used a market logic and a community logic to develop new social structures in these rural communities. Moreover, we show what effect this had on beneficiaries and their families and how difficult it has been to convince rural communities and gain their trust. On the basis of these findings we show how logics can be deployed as a means to alter institutional arrangements. We find that the simultaneous enactment of both community and market logics was critical in the development of new social structures (Self-Help Groups). Finally, we show how the introduction of market-based activities by PRADAN is best understood as an ongoing and staged process that strongly builds on a continuous interplay of multiple logics.

## Keywords

case study, institutional theory, qualitative research design

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## Introduction

The institutional logics perspective has risen to the forefront of efforts to combine and integrate societal and organizational level analysis in institutional theory (McPherson & Sauder, 2013). Understood as organizing principles of society which are socially constructed (Friedland & Alford, 1991), institutional logics provide shared patterns of beliefs, values and assumptions for organizations and prescribe ways of thinking and doing (Thornton, Ocasio, & Lounsbury, 2012). A number of empirical studies have shown how distinct and often conflicting logics endorsed by different organizational actors within a field affect field trajectories and result in triumph of one logic over the other (Dunn & Jones, 2010; Lounsbury, 2007; Thornton & Ocasio, 1999) or in the mutually beneficial coexistence of logics (Mair & Hehenberger, 2014).

Only a few studies, however, engage logics as strategic resources “to cultivate new kinds of frames and categories” (Thornton et al., 2012, p. 182). Kitchener (2002) provided an example of powerful actors using a market-managerialism logic instrumentally to fragment and repress an existing professional logic. McPherson and Sauder (2013) show how professionals in US drug courts hijacked the logics of other actors to affect case outcomes and negotiate decisions favorable to their objectives. And Durand and Jourdan (2012, p. 1310) show how a marginal player in the French film industry strategically used an alternative logic “to change how dominant providers exert and impose their interests on organizations”. While existing research on institutional logics has been very useful to understand institutional dynamics and processes by focusing on interaction *between* organizations or *within* organizations, surprisingly little empirical attention has been dedicated to the interaction between organizations and their customers or beneficiaries. Our study tries to fill this gap and examines strategic activities by which logics that are in conflict with local norms and traditions of beneficiaries (Mair, Martí, & Ventresca, 2012; Martí & Mair, 2009) are “put to use” on the ground. We study how family and community life gets altered by an NGO, which instrumentally draws upon both market and community logics to develop and implement a strategy to spur social and economic change in rural villages in India. We show how an NGO strategically uses and leverages two distinct logics – a market logic and a community logic – to create social structures to fill institutional voids and enable market participation of women in rural areas (Mair & Martí, 2009; Mair et al., 2012). In our research context the market logic emphasizes transactions, money transfer and the accumulation of money, whereas the community logic is characterized by group membership, personal investment in the group, relations of affect, loyalty, common values, and reciprocity (Smets, Jarzabkowski, Burke, & Spee, 2015). In line with Mair and Martí (2009) we define institutional voids as the situational contexts wherein institutional structures, although present, are either weak or non-conducive for the efficient functioning of the market or do not allow society’s members to participate in the market.

Our analysis and findings include three main parts. First, we illustrate how PRADAN – an NGO working in poor rural areas in Northern India – uses market-based activities as part of their sustainable livelihoods strategy. We show how PRADAN instrumentally used both market and community logics to pursue their strategic objective, highlight challenges in this process such as difficulties in building trust, and illustrate the effect on beneficiaries and their families. Second, on the basis of these findings we show how logics can be deployed as a means to develop new social structures and develop inclusive market participation of chronically poor women and families. We find that the simultaneous enactment of both logics was critical for the development of these social structures, in our case Self-Help Groups (SHGs),<sup>1</sup> which has addressed the institutional void of market participation of women. Third, we show how the introduction of market-based activities by PRADAN is best understood as an ongoing and staged process; the creation of a social structure as a recognized way to improve market literacy through contextual bridging, sustaining the SHG by

creating social obligations and establishing a governance system, and institutionalizing the social structure by building social loyalty and a business ecosystem to further nurture and extend the market logic.

In doing so, we contribute to the literature on institutional logics and on the work and effectiveness of development organizations. First, we extend previous studies that have focused on the strategic use of logics (Durand & Jourdan, 2012; McPherson & Sauder, 2013). We show how an NGO instrumentally draws upon both market and community logics simultaneously to support processes of collective rationalization (DiMaggio & Powell, 1983) by creating social structures to break the cycle of poverty and dependence and by stimulating role changes of women within families and communities. Second, we explain how these new social structures can bring about social and economic progress by enabling poor families in situations of chronic poverty to access and participate in the market. Our findings corroborate but also extend existing work on how development organizations fill institutional voids (Mair & Martí, 2009; Mair et al., 2012). Our analytical focus rests on how the explicit strategy of an organization resonates with and affects beneficiaries. This allows us to provide a detailed account of structural work involved in filling institutional voids and enabling families to engage more effectively with the market: the process of how social structures are created, sustained and institutionalized.

## Background Literature

### *Institutional logics*

Institutional logics are overarching sets of principles that prescribe “how to interpret organizational reality, what constitutes appropriate behavior and how to succeed” (Thornton, 2004, p. 70). Recent studies have shown that contradictory logics can not only co-exist, but can also be “fruitfully combined” and create mutual benefits (Mair & Hehenberger, 2014; Smets et al., 2015, p. 933). Glynn and Lounsbury (2005) provide an illustration of logic blending in the Atlanta Symphony Orchestra. In their study, the aesthetic logic of symphony practices slowly blended with a commercially-oriented market logic. Battilana and Dorado (2010) argued that commercial microfinance organizations combined development and banking logics. More recently, McPherson and Sauder (2013, p. 181) explained that logics are “comparable to tools – shared instruments that can be ‘picked up’ by actors to achieve individual and organizational goals – and that actors use these tools”. As such, the use of logics is instrumental to social actors working with and giving meaning and relevance to different logics. Smets et al. (2015) showed how market and community logics could be segmented, discriminated and demarcated by individual actors, depending on “their applicability and relevance in a specific situation” (Thornton et al., 2012, p. 84). As such, the relationship between competing logics may be negotiated between different actors (Mair & Hehenberger, 2014).

While previous research has mainly focused on negotiation among peers our study focuses on the strategic use of logics in the context of an organization interacting with its beneficiaries. More specifically our study centers on an Indian non-governmental organization (NGO), PRADAN, creating market access and economic participation of poor women, an approach to development that has become increasingly popular over the last decade (Duflo, 2011; Mendoza & Thelen, 2008). Yet, initiatives carrying a market logic as a means to alleviate poverty and to catalyse social and economic development may create tensions in how community members interact and how women are supposed to behave in their family and the broader community. For instance, micro credit institutions have paid considerable attention to making credit more accessible. Less attention has been devoted to what effect this has on beneficiaries or their families and/or how difficult it has been to jumpstart micro lending operations because of restrictive local institutional norms (e.g. Martí &

Mair, 2009). Beath, Christia, and Enikolopov (2013) recently underscored the difficulty of changing core family values and deeply ingrained gender roles. Testing the effects of a development program targeting women in Afghanistan, the authors observed an improvement in women's participation in economic, political and social activities. Yet, female roles linked to family decision-making or attitudes toward the general role of women in society, did not change accordingly (Beath et al., 2013).

In a recent study using an example from Bangladesh, McKague, Zietsma, and Oliver (2015) argue that poverty alleviation through market interventions can only be successful when social structures provide the relational context for implementing market-based activities. We extend their line of reasoning and argue that in order to understand how market-based poverty alleviation activities create sustainable livelihoods – livelihoods that are given equal consideration to social and economic conditions and refer to poor women and their households – we need to pay attention to how the interplay between market and community logics develops between organizations and their beneficiaries and how this interplay is a critical component of building new social structures. Further, we suggest that the building of the social structure enhances the capabilities of women and families to be able to take part in the market thereby mitigating the institutional void of market participation (Mair et al., 2012).

### *Market-based activities for women in developing countries*

Introducing market-based activities to alter social and economic realities – especially for women – has a long tradition in development work (e.g. Duflo, 2011; McKee, 1989). While NGOs and other intermediary organizations have proactively used market-based activities as a tool to foster social and economic progress for decades (Mair et al., 2012), organizational scholars have given surprisingly little theoretical and empirical attention to the activities of such NGOs, and we have a very rudimentary theoretical understanding of the working of these organizations and how they challenge local institutions and especially community dynamics and family relations (Allendorf, 2012; Korten, 1987; Mendoza & Thelen, 2008).

NGOs can be seen as intermediaries: the market-based activities are not an end for them but a means. Their role is to facilitate market-based exchange on behalf of their target group, i.e. families living in conditions of chronic poverty, and especially women living in poor rural villages. Thus, while the focus for companies operating in developing countries is – as per their mandate – on capturing the value created, the mandate for the intermediary organization is to ensure that value can be captured by their target group (Mair & Martí, 2006; Seelos & Mair, 2007). As a result, the markers of success when evaluating market logic-based interventions are different for intermediary organizations (for companies it is profits and shareholder value) and include: making markets more inclusive, i.e. make markets a legitimate arena for interdependent social and economic activity across gender, race, religious divides and social class (Mair et al., 2012); empower women economically, politically and socially (Beath et al., 2013; Duflo, 2011); create sustainable livelihoods (McKee, 1989); and facilitate families out of poverty (Peredo & Chrisman, 2006). These objectives imply that economic progress goes hand in hand with changes in the “rules of the game”; the norms, traditions and patterns of behavior that determine the everyday life of poor women. For instance, women's role within the rural Indian family has traditionally been skewed towards care-taking of children, managing household chores, and occasionally working as agriculture laborer with limited decision-making power (Mullatti, 1995).

Whilst the introduction of market-based activities is not completely foreign to rural villages (in the next section we briefly mention some of these activities), it does not only bring benefits to rural women, since market activities also induce strong conflicts in rural community structures. Karim

(2008) provides a shocking account of the much-lauded “Grameen model”, in which she argues that micro-credit NGOs “manipulate existing notions of Bangladeshi rural women’s honor and shame in the furtherance of their capitalist goals, and instrumentally violate local norms of cohesion and community” (2008, p. 7). In her ethnographic study she shows how rural women were subject to various forms of “shaming” and even though they became individual entrepreneurs, the money they earned normally did not belong to them but to their husbands, leaving traditional family logics unchanged. In our case, instead of a micro-credit NGO aimed at monitoring and control (Karim, 2008), PRADAN sought to mobilize women to join SHGs, promote sustainable livelihoods and build women’s skills and capabilities.

Several studies demonstrate the positive economic and social impact of these market-based initiatives (Frametrics, 2010; Kabeer & Noponen, 2005), yet they provide scant detail and evidence of *how* this exactly happens. As a result we have a limited understanding on the dynamics and factors influencing this transformative process (for an exception see Tobias, Mair, & Barbosa-Leiker, 2013). We formulate the following question to guide our empirical analysis: How do organizations instrumentally use multiple institutional logics to develop new social structures that are conducive of inclusive development and socio-economic progress?

## Research Context: Pradan & Rural India

Our study is contextualized in the provinces of Jharkhand and Madhya Pradesh (M.P.) in Northern India, which have been home to hunting-gathering social groups or Scheduled Tribes as classified in the Indian Constitution. In these traditional populations with strong male dominance, gender problems are deep-rooted and require sustained efforts. Our study deals with the interplay of market and community logics and how this has an effect on the ability of women and their families to participate in the market and thereby have an effect on the role of women within their families in rural India. Both logics are partly in conflict with local customs and norms about the role of women. Women in rural India have had only limited involvement in monetary transactions and sharing concerns of daily life with other women has been uncommon.

Tribal customs in India allow women to select their own partners, but after marriage women have to move into the joint family of the husband. Though tribal customs allow women to remarry and to participate in social and economic life, their position within the family is still largely a subordinate one. They are the primary caretakers of domestic chores, children, meeting the food needs of the children and their husband and often in-laws and other guests. Tribal women are customarily not allowed to inherit land from either the husband or father.

The woman of the house takes care of livestock and usually tries to add to the family income by making and selling a local alcoholic brew, making leaf plates or by working as daily wage labor, such as work on someone else’s field. She is paid, in many instances lower than her male counterpart, around INR 45–55 (less than a euro) for the entire 8–10 hours of labor per day. Women use the money for household expenses, food, health needs and occasionally spend it on the children (Banerjee & Duflo, 2007, 2011). Even though she may not be the main earning member of the family (the proverbial “bread winner”) the woman still takes on a substantial economic responsibility in addition to her social duties of “being in charge” of the house and family. Thus, while women are not excluded from economic life, their role is confined to a supporting role with limited ability to participate in market exchange activities and little or no autonomy or power to influence the distribution of the income generated.

The NGO PRADAN was formed in 1983 by a group of young professionals holding degrees in engineering, agriculture and management. Its main strategic anchor is to provide sustainable livelihood opportunities for poor households by way of accessing and developing the family’s existing

resources and assets (such as livestock, natural resources such as water and forest, agricultural skill, credit sources, etc.) and mitigate seasonal migrations. Due to PRADAN's work in these tribal villages, we have seen some impact on women's knowledge, awareness and agency. Kabeer and Noponen (2005) also provide evidence of significant differences between members and non-members of PRADAN's programs; for instance, in the participation of women in public institutional life and the experience of food shortage (Kabeer & Noponen, 2005). PRADAN members attend SHG meetings and approach banks for individual loans to a higher extent than non-members; are more aware of social and health related issues (e.g. legal age of marriage, family planning, causes for malaria), have more advanced skills (writing their own name, calculating interests for loans) and experience less pressure to have male children. Finally, members are able to keep a portion of the household income for their own use. The following quote illustrates changes in the local reality:

For instance, she is the bookkeeper in her SHG. She saves money now, she also goes to the bank. When I return home, I just see that she is very busy in her own work. Before she would not be very busy ... Before it used to be only the work in the home. If for instance I would ask her for water, she would quickly get it. But now if I ask her to give me water, she'll say: "wait, I'm giving the chicken water". – Husband of woman entrepreneur

## Methodology

We collected data in two stages; first in the Kesla district (Madhya Pradesh province) in 2008 and later in the district of Gumla (Jharkhand province) in 2010–11. We chose Kesla because it was here that the poultry project was initiated as a pilot in the late 1980s, whereas we chose Gumla since poultry farming was scaled up here. The data collected in Kesla allowed us to understand what the poultry model actually entails and how PRADAN started to develop new social structures (SHGs) and introduce market-based activities. Moreover, it provided us with insights into social and technical challenges that PRADAN faced initially. We were able to corroborate these initial findings and gain additional insights by the data we collected in the Gumla district – three years later. This illuminated sources of conflict and the manner in which PRADAN tried to counter this in its work with families.

## Data collection

We use a within case study design as it is perhaps one of the best ways to understand phenomena at a micro level (Mair & Martí, 2009, p. 424). We collected the data in three ways: interviews, observations and conversations in meetings of the SHGs, and documents. We interviewed women entrepreneurs and their husbands; executives of PRADAN representing the various hierarchies within the organization who had the most knowledge of the SHGs as well as the poultry initiative; respondents representing the Kesla Poultry Cooperative and the Gumla and Jharkhand Women's Broiler Poultry Cooperative respectively (at the district and provincial levels); and finally representatives from various companies, such as suppliers of poultry chicks. In both Kesla (14 interviews) and Gumla (23 interviews) we interviewed people from different stages of involvement in the poultry project.

We used semi-structured open-ended questions in our in-depth interviews to understand how the introduction of market-based initiatives affects local realities and the process by which PRADAN used both market and community logics to develop and implement a strategy to spur social and economic change in these rural villages. Our questions were translated from English into Hindi by an executive of PRADAN and were cross-checked for correct connotation by one of the



authors who speaks Hindi. Based on our initial interviews, we altered some questions and added more questions so as to facilitate a broader and deeper understanding of the research agenda.

We sampled the households for our study based on the following criteria: (1) focus on tribal households to control for customs and norms constituting the community logic, (2) the year of entry into the activity and availability of the woman's husband (in the village), or proverbial "bread winner", and (3) no involvement in other livelihood/micro-enterprise activity introduced by any other organization. Interviewing the husband was important to gain an understanding of how market and community logics have affected the dynamics in the family. We identified women selected for interviewing by attending SHG meetings or poultry activity meetings from where we fixed a date and time for the interviews. We interviewed the woman in her home during the day when the husband was not around to enable her to talk freely. The interviews lasted approximately 45 minutes to one hour and 30 minutes during which we tried to obtain in-depth knowledge about the project and its impact on local institutions. Interviews were recorded and transcribed.

Apart from the interviews, we observed meetings of six SHGs and a Federation of SHGs (representative of a cluster of SHGs), a training session for families, and took part in several informal conversations that helped us in assimilating the processes taken place over time. In addition, we studied newsletters (from 2000 until 2010) and annual reports of PRADAN, manuals with standard operating procedures of SHGs, the Livelihoods Compendium of PRADAN, a resource book on poultry rearing and collected studies with references to SHGs and poultry activities.

## *Data analysis*

We used an inductive theory-building approach moving iteratively between data and theory (Locke, 2001). Several aspects emerged after the initial engagements with members of the poultry activity and PRADAN professionals. The first was that the SHG was a pivotal point of departure for establishing poultry as a livelihood activity and so more questions regarding the SHG and the relationship with the woman/family were added to the list of questions. The second aspect was that the poultry Cooperative also seemed important and therefore it became significant to include the members of the Cooperative in the data collection process.

Once we transcribed the data, it was coded manually by one of the authors so as to bring meaning and reduce the data to a more manageable level keeping in mind the research question. The other authors consistently provided feedback and discussed coding decisions and checked the data. Thus, we used Charmaz's (2006) "logic of initial coding" to code the data "incident to incident" and where applicable line by line. The second step of the coding was to refine the descriptive codes generated to obtain first order codes. In order to make greater analytical sense and "synthesize" (Charmaz, 2006, p. 57) these initial codes, we further refined them using the focused coding procedure proposed by Charmaz (2006). Hence, codes that were similar to one another or demonstrated similar properties were clubbed or grouped into one code. We further abstracted from these codes and grouped them under the community logic or the market logic based on the principles that the two logics reflect. Throughout the data analysis we constantly cycled back to the data, themes and concepts for comparison to increase the fidelity of the constructs to the data and ensure our interpretations were authentic and plausible (Gioia, Corley, & Hamilton, 2013). Moving iteratively between our data and theory we were able to depict the continuous interplay between the community and market logics and how PRADAN used these logics strategically in the creation, sustaining and institutionalization of social structures. This coding process allowed us to understand the change process on the ground. Table 1 provides a sample of the data structure. During the analyses we also continuously focused on the challenges PRADAN faced. It turned out that these were stemming not only from families residing in villages and women's husbands, but also the women

**Table 1.** Data structure.

Descriptive Code	1st order Code	Focused Code
Beginning a dialogue with families	Building a relationship through continuous dialoguing and engaging with families	Contextual Bridging
Building trust using locals		
Recruiting and using local contacts	Legitimizing new practices	
Leveraging the local customs and norms		
Structured exposure visits	Access, availability and retention of money	Building Market Literacy
Teaching and training on group skills		
Emphasizing the value of economic exchange	Money transfers, savings and accumulation of money	
Creating and transferring knowledge on assets		
Witnessing money within the group	Paying for the services of the book keeper	Establishing Governance and Rule Systems
Democratic selection of book keeper		
Members contribute equally towards savings	Equitable share in dividends	
Establishing group norms		
Documenting loans taken and repaid with interest	Loaning and repaying on time with interest	
Routinizing earnings and savings		
Developing ownership of SHG	Cohesion	Creating Social Obligation
Hand holding/maintaining the relationship		
Shared accountability between members	Reciprocity	
Increasing SHGs shared financial capital		
Quick identification of problems and finding solution	Scale efficiencies, negotiating power, pooling risks, providing service	Building a Rural Business Ecosystem
Providing round the clock services at door step		
Creating a single window system	Generating supply and demand	
Creating sustained minimum income		
Building confidence	Creating a sense of belonging	Building Social Loyalty
Networking with others outside of immediate social group		
Linking SHGs into Cluster	Competitive nature of SHGs	
Opening a Collective Savings Account		
Creating a non-legal entity	Local bank linkages	
Building a good reputation of SHG through regular savings and loan repayment		

themselves. Fragments with words like “suspicion”, “anger”, “fear of”, “scared of”, “loss”, “hurdles”, “threat”, and “challenges” helped us to identify these challenges. Further, we also traced how PRADAN and/or the women involved subsequently tried to counter the challenges that emerged. As such, we were able to show how the introduction of market-based activities by PRADAN is best understood as an ongoing and staged process that starts with contextual bridging and the creation of a social structure as a recognized way to improve market literacy, sustaining the SHG by creating social obligations and establishing a governance system, and institutionalizing the social structure by building social loyalty and a business ecosystem to further nurture and extend the market logic.

## Results

By tracing the activity of poultry rearing since its inception, we depict the process by which PRADAN strategically facilitates the enactment and interplay between market and community logics to create, sustain and institutionalize a new social structure, the SHG, and advance market-based livelihood activities for families. The concept of the SHG was based on market principles,



such as transactions, money transfer and the accumulation and use of money, and community principles, such as trust, cohesion, reciprocity, and a sense of belonging (Table 2).

### *Phase I: creating the SHG*

**Contextual bridging.** PRADAN's work in any village starts with approaching families by repeated visits to explain what its work entails. During the initial weeks and months, the work of the professional is mainly relational, where trust serves as a key source of legitimacy that has to be built before any market-based terminology can be introduced. PRADAN professionals, being non-tribals, were regarded as "outsiders" whose motives were questioned with a high degree of suspicion:

... the men thought that this is not good for the women to be so much associated with people from outside.  
– CEO, PRADAN

Approaching families was therefore difficult and the professionals had to demonstrate their good intentions of solving the problems that besieged the families, while simultaneously decreasing suspicion and rumors regarding them being "outsiders" who were suspected of cheating families. PRADAN professionals allayed fear and suspicion through repeated interactions, and tried to understand family's needs and concerns while referring to their work in neighboring villages to build trust. These repeated visits meant spending money travelling to remote areas, investing time and demonstrating consistency, which implicitly conveyed the concern that PRADAN's professionals had for the families. This helped in building a relationship between the professional and the families who began to reveal the nuances of the financial troubles they faced:

... it takes around 8 meetings, on average ... you would have to sit with the women every week, and the didi's [sisters] would see your face and try to read something about what you were saying, they would try to understand you. And they would keep seeing whether what it is that you are saying is happening or not.  
– PRADAN professional

Whereas PRADAN's professionals were initially regarded as "scammers who would deepen the family's indebtedness", over time, families realized "... *that this person who has come from outside is someone who is interested in them*" (PRADAN Program Director, Jharkhand). Apart from the visits and being consistent, PRADAN identified "progressive" men and women in the village who were embedded in the local customs, norms and language and served as key resources, introducing PRADAN to other families (even in other villages), vouching for PRADAN's good intentions. This relational work gradually translated into professionals becoming "insiders" who leveraged the local customs, norms and traditions, the community logic, to increase trust.

Once villagers started to perceive the professionals as "insiders" it was slightly easier for the professionals to suggest the formation of a collective savings group – the SHG – as a structural solution for each individual family's financial troubles. Weekly collective savings could help the families during times of crisis, which would necessitate that families take a long-term perspective rather than only fulfilling immediate needs. However, picking the right moment to introduce the concept of the SHG was difficult. If presented too late families would drift away, not willing to engage and thinking "it's all talk"; while, if presented too early, suspicion would largely prevent anyone from joining:

Table 2. Illustrative quotes.

PHASE I: CREATING THE SELF HELP GROUP (SHG)

Contextual Bridging	Community Logic	Building Market Literacy	Market Logic
<i>Building Trust and Relations</i>	<p>"... I kept telling myself that I would not join this at all. But Anand dada (brother) came and he explained to us profusely ..." (with great exertion in tone of voice) – Woman entrepreneur</p> <p>"... let us say if we go in advance or before the scheduled time of the SHG meeting, we would be sitting at the bookkeepers home ... And so what happens is that if you are giving someone your time, and you are also asking him a few personal things then what happens is that the person is able to build his confidence on you ..." – Team Leader, PRADAN</p>	<p><i>Access, Availability and Retention of Money</i></p>	<p>"... when the people have become ready that they have to make an SHG ... we explain to them why they will keep the money in the box ... that they could also keep the money in an earthen pot ... could also keep it in this at home ... (and) they would say that 'if a saree seller would come home, we would break open this and take out the money and buy the saree'. But if we have this kind of box, our money will be safe, so with this kind of concept, we would introduce what is a bank, what is a savings account and a current account etc." – PRADAN professional</p>
<i>Legitimizing New Practices</i>	<p>"... so at that time, we would also relate the work to the work happening in the adjacent villages ... gather around people and have a meeting and after the meeting, the SHG was formed ... there was a similar problem with the adjacent village, where some of the men were interfering ... telling people that PRADAN people would take the money and run away ..." – Team Leader, PRADAN, Gumla</p> <p>"... We would just deposit some money and give it to one person for safe keeping ... This was how it was before ... that person would be the one who would hold the money, basically the person who ... would also be able to return the money to the group ..." – Woman entrepreneur</p>	<p><i>Money Transfer, Saving and Accumulation of Money</i></p>	<p>"... So I gave a huge number of exposures ... I said to them ... alright, don't believe what I am saying, so come with me and I shall show you ... The people who were poisoning the place, I took them with me ... on an exposure visit ... As soon as 2 meetings were done and I spoke with them, that gave a confidence to other people also who also later joined this programme. Then 4 more SHGs were formed later on ..." – PRADAN professional.</p> <p>"... At that time there was a fear factor. But now it's not like this. Huge number of SHGs take loans of 3–4 lakhs from the bank and carry out their activity. And when there are very interior villages whose groups still fear the bank, so we do need based exposure of the group thinking that if this group fears taking a loan from the bank then we will expose this group to another group which has taken a large volume of loan and their returns have also been good." – PRADAN professional</p>

Table 2. (Continued)

PHASE II: SUSTAINING THE SELF HELP GROUP (SHG)			
Creating Social Obligation	Community Logic	Establishing Governance and Rule System	Market Logic
Cohesion	"... They told us at that time that since we make rice, we should keep aside one fistful of rice then after a week when you would have around a kilo of rice, you can sell it and that money can be saved in the SHG ... this is how they (PRADAN's professionals) told us to use to save money in the SHG ..." – Woman entrepreneur	<i>Paying for Services of Book keeper</i>	"... We have certain rules like coming on time to the weekly meetings which is decided on a particular day. And when the person comes here late, then she has to give a fine. This continues even today ..." – Woman entrepreneur, Gumla
	"... like if we were to say that you don't have to come, that you have to sit in the circle, or that you have to come at least for 6 months or so. These are all rules, which they have internalized ... what has to be done is governed by the group once they have understood the importance of it. We do not press on anything, and we only facilitate things, ... Sitting in a circle, etc., is not a really big measurement of the group being a 'good' group. But because there is a system that if everyone comes on time, we all listen to each other's issues, only then can we all do other tasks well ..." – PRADAN's Professional	<i>Equitable Share in Dividends</i>	"... so the bookkeeper announces how much money has been deposited today, how much money she has accumulated: her savings and how much loan she has outstanding and the interest outstanding and given. So once this is spoken the <i>didi</i> whose accounts are being talked about has heard this, so they then know how much saving they have. And for instance if the bookkeeper has made a mistake, then the <i>didi</i> corrects the bookkeeper saying that last time she said this and this, so this time it has to be this ..." – PRADAN professional
Reciprocity		<i>Loaning and Repaying on Time with interest</i>	"... And whatever will be said in the meeting, will be kept in the minutes book. So we also tell them where the money will be kept, in the box, and that the box will take turns with everyone. Why it will take turns, and the fact that the key and the lock/box will be in separate hands. So in this meeting people get the concept of the meeting and how things are to be done. In this meeting itself they come to know and understand that they are the ones who will be owning and keeping the box and the key, and the money as well. So this is not a problem within them and us ..." – PRADAN professional

(continued)

Table 2. (Continued)

PHASE III: INSTITUTIONALIZING THE SELF HELP GROUP (SHG)			
Building Social Loyalty	Community Logic	Building a Rural Business Ecosystem	Market Logic
<p><i>Creating Local Bank Linkages</i></p> <p>"... But when this comes to be one year, then the money comes to be at the tune of nearly 5000 and when we make a bank linkage with NABARD ... normally the bank linkage and loan is dependent on minimum 4 times and maximum 10 times the savings of the SHGs ... Once we would link the SHG with the bank and they would have a loan with the bank ... the confidence of the banks has increased on the SHGs and they even see a larger market as well...is now easily willing to give a loan to the SHG so when they do give a loan, the recovery is also good ..." – PRADAN professional</p> <p><i>Creating a sense of belonging</i></p> <p>"... So the people there in the group would support each other. Together we'll try to do some actions, by which we gain some confidence ... this is a process that is initiated through t social mobilization where people start gaining confidence and start actually altering the view of themselves. Earlier they used to think nothing is possible, but now they think something is possible ... But ... they would have to get skills, get institutional back up, go to the market ..." – CEO, PRADAN</p> <p><i>Creating competitive nature of SHGs</i></p> <p>"... now I think ... of saving some money for my children in the SHG, like some amount, such things are what I think about nowadays. Before, there was no money available anywhere, so on a weekly basis I would only get Rs. 5. Even if there was Rs. 5 ... that was not available for savings ... now a days, I rear the chickens and my husband does not go to the market. I go to the market, and I keep some money as savings for the SHG, like Rs. 10 or Rs. 20 ..." – Woman Entrepreneur</p>		<p><i>Creating Scale Efficiencies, Negotiating power, pooling risks, providing services</i></p> <p>"... even the bank had agreed to give them a loan (to the SHG). So then we thought of making a shed of 300 sq. ft. We initially had a discussion with them asking them if they would be able to do this activity. So we took them on an exposure visit to M.P. where things were happening. So after returning from the exposure they thought if the ladies there are doing the activity: rearing the birds then we can also do it. So when we asked the bank they said that they had no problem in giving a loan to the SHG ..." – PRADAN professional</p> <p><i>Generating supply and demand</i></p> <p>"... we have tried to minimize the risks as much as possible by assured supply and also ensuring the quality of the supplies. And also training the women as good poultry rearers. But there would be variability, because after all this is a very intricate exercise. It's a market linked activity so if you have to create the size of the chicken by giving a particular quantity of food, if the chicken is not growing and you are feeding it, and even though it has grown and let's say it has taken 50 days and has eaten for 50 days then even if your chicken is big, you have earned a loss because it has eaten much more than what it should have. So it is a skillful activity ..." – CEO, PRADAN</p>	<p>"... When the former team leader, Pankaj used to be here, he would go by bike to Jashpur, around 60 kms away ... and so Pankaj (PRADAN professional) would fill the basket with chicken, and move around markets and would sell it there ... At that time, the thought was that if the Cooperative is formed we will get some working capital for the Cooperative, and later the problem became that the members did not understand how the Cooperative functioned. They questioned why they would have to give share capital of Rs. 100 to the Cooperative and what profit will they get and why the margins are being kept this way ..." – Team Leader, PRADAN, Gumla</p>

... Initially [when PRADAN started its work] ... this required 3–4 years of rigorous persuasion to convince the community that this could be a or is a model that can help the woman to progress as well as help the family to access cheaper credit and loans. And also better livelihoods. – Director, PRADAN in Jharkhand

Past negative experiences of safekeeping money with others prevented families from adopting the concept of collective savings immediately. This wariness was related to the experience of depositing their hard earned meager savings with families of higher socio-economic standing who, it was thought, would not really need it and thus, the chance of money being siphoned off would be minimal:

... something like this has not happened before ... we could never retrieve our money ... we would just deposit some money and give it to one person for safe keeping. And slowly the group would break up ... the person who would be keeping the money would just finish it all off. – Woman entrepreneur, Gumla

This wariness was compounded by the fact that families could not retrieve their deposits and no one could be held accountable because of structured inequalities that played out between families in the village. Thus, while saving money was practiced in the village, albeit infrequently, there was no governance structure available (i.e. no rule-system to hold one another accountable, no equality, and no established form of functioning).

In order to reduce suspicion with regard to collective savings and the SHG concept, and to enable its seeding, PRADAN translated and leveraged various tactics, of both market and community logics. For PRADAN, women were the key target and contacts within the family, while the men were strategically resourced to become peripheral allies to “help” in approaching other villages and mobilize other potential members. In villages where the SHG was already formed, these local recruits acted as important knowledge brokers who were employed to spread the concept of the SHG. As such, PRADAN leveraged the community logic through bridging familiar values and norms with unfamiliar ones by using its own understanding of the social structure (i.e. expose families to similar others, recruit locals) to assemble allies and dissuade rumors about its work and legitimating the new structure and related practices.

**Building market literacy.** By assembling allies and dissuading rumors about its work PRADAN explained the concept and the benefits of the SHG. Even so, only providing explanations and referring to the success of the SHG in other villages was insufficient to allay suspicion and so PRADAN arranged field trips to other operational SHGs. The idea was that women could talk to other women who were already part of a SHG thereby familiarizing themselves with its functioning. This helped in two ways. First, women could speak with similar others regarding the advantages of being a SHG member and what this could entail. Second, it confirmed to the women the role of PRADAN in the entire process of the SHG creation. Hence, PRADAN leveraged the existing social structure to build a good reputation about its work, illustrating to families that it was willing to spend money, time and resources on families without being opportunistic:

... in order to start the SHG, a didi [sister] from PRADAN came here ... She used to go to each individual house of each didi and would talk to them and make them understand that “you can make an SHG”. At that time, the didi’s were thinking a lot, where has this person come from, which organization? Will she just run away with the money that we collect as savings? – Husband of woman entrepreneur

PRADAN encouraged village women to establish the SHGs by forming groups of 15 to 20 women and attend the weekly group meetings. The SHG would be described to the women and

villagers as “a group which is formed by women who would save money on a weekly basis, which would help them during times of crisis”, emphasizing the function of the SHG in relation to the access, availability and retention of money to be used for future planned activities or sudden exigencies. In order to start the SHG, PRADAN had to teach women necessary group skills and norms: such as the importance of sitting in a circle facing each other and speaking in turn to enable every person to be heard. Having led socially isolated lives, village women were not familiar with these new norms that were essential prior to teaching any market-related skills. Though women knew of each other’s existence they never had a common forum in their villages to be able to discuss their “situations”, especially related to aspects of saving capital.

Apart from teaching essential group norms, in order for the SHG to work, PRADAN had to prepare women with the resources and knowledge on how to access and retain money in a sustained manner as well as the utility of savings. The extreme poor in the regions of India essentially live a hand to mouth existence: i.e. what they earn per day is spent on that very day, thus providing little scope for saving or making plans for the future. PRADAN’s conceptual understanding of this gap between what exists and what are needs, has been central to its work. It was able to stimulate an awareness of women’s tangible and intangible assets, develop self confidence in women’s own abilities, contribute to a deeper understanding of what a SHG is, and what each woman’s respective role in it was. PRADAN had to teach women the value of the group exchange for each of them, explaining the value of mutually beneficial economic exchanges that the SHG could bring and the necessity to document these exchanges for everyone. As such, PRADAN tried to build market literacy. Even though the concept of the SHG is based on transactions, money transfer and accumulation of money, and as such is related to the market logic, PRADAN strategically used the community logic – by building relations with families, creating trust through extending its resources for the benefit of families, and showing proof of the concept in other villages – in seeding the concept of the SHG.

## Phase 2: sustaining the SHG

*Establishing governance and rule system.* To encourage more women to participate in the SHG, PRADAN had to ensure its sustenance. To enable this, potential SHG members had to comply with a governance and rule system in order to join the SHG, which also ensured that women from any socio-economic background would be equal stakeholders. Consequentially PRADAN suggested that members contribute equally towards collective savings on a weekly basis. The savings were kept in a box that rotated among the SHG members each week, so women could collectively witness that the money stayed within the group when it was counted which further mitigated suspicion over the professionals having ulterior motives to form the SHG:

... So we also tell them where the money will be kept, in the box, and that the box will take turns with everyone ... before their fear used to be that this person would take the money and leave. So they see that the box is in their hands so is the key, and so ... in that sense their confidence used to be built immediately. That at least this person would not run away with the money. – PRADAN professional

The functioning of the SHG was further improved with the democratic selection of a bookkeeper: an educated villager, who would keep accurate accounts of all transactions in each members’ pass-book. SHG members mutually decided on an equitable monthly contribution towards the weekly services provided by the bookkeeper. Contributing towards the weekly services of the bookkeeper signified a participation fee towards creating an egalitarian social structure with individual stake – a reflection of the inter-dependent use of both the community and market logic to sustain the social structure, i.e. the SHG.



Being a SHG member denoted that women could borrow from the SHG for any exigency at home such as an illness or marriage. Loans taken were registered in the books and had to be repaid based on an agreed time frame and a fixed interest rate, necessitating routinization of members' earnings and savings within the home. The norms of the group, printed on each passbook, stipulated what the group could do to the defaulting member who did not keep up her responsibility to repay the loan on time. This governance system within each SHG ensured that the money belonged to the group, with equitable contributions of each member allowing women and their families access to an alternative to the dependence on money lenders who charged exorbitantly high interest rates for loans.

*Creating social obligation.* By establishing clear group norms that governed the functioning of the SHG, PRADAN strategically translated the community logic, where social obligation, cohesion and reciprocity rather than self-interest informs the basis of norms:

In the first place what happens is that you see in the SHG, people are pooling their money. So my Rs. 100/- is now not with me but it is with the group. And this group is again lending it to another person, which means that there is a risk there. I have put this money, all of us have put this money and this money has gone to some persons. The person who has got it must have been helped because she has got this loan and can do some activities. But for the others it is a risk. – CEO, PRADAN

The weekly contributions for all members of the SHG proved rather difficult, and women often faced resistance from husbands who were skeptical of the returns from their pecuniary contributions:

He would say: “you have joined it without any good purpose, it’s useless”. He used to scold me, that I am just sitting around and passing my time in saving money. That I would just sit around and not go to do any kind of work. – Woman entrepreneur

This required that PRADAN's professionals steadily direct, train and support the women. By their consistent and repeated presence during the weekly SHG meetings PRADAN demonstrated it cared about the wellbeing of families, a clear reflection of the community logic, which created cohesion among SHG members. This also created a sense of importance and urgency in members to save. To find a solution to the inability of most women to put aside money to save in the SHG, PRADAN advised members that by saving a handful of rice each day and selling this at the weekly market, they could save for the weekly deposit in their SHG. Traditionally, women always eat last and therefore whatever is left-over. As such, “saving” some uncooked rice would not impact the welfare of the family, and the woman would have substantial rice at the end of the week to sell allowing her to contribute her part in the SHG. Leveraging this community logic as a resource and demonstrating a market logic by going through the SHG accounts, carefully training the book-keeper and creating a sense of equality among SHG members, PRADAN's professionals proved to the women that they “walked their talk”. This facilitated a sense of cohesion and social obligation by women members – not only towards each other but also towards PRADAN's professionals. This sense of cohesion was also garnered when members' money remained with a group member, who could be held accountable by the others ensuring reciprocity between members. Even during uncertain times where the benefits of long-term savings did not materialize yet, PRADAN professionals continued to convince the women to move forward with the SHG, making sure that cohesion was maintained and furthered through reciprocity:

PRADAN people came and when they told us we believed them, and we roamed with them and worked. We were always with them. So we got information first, and first hand and that is why we believed them and went forward with the SHG. – Woman entrepreneur who joined early on, Gumla

Developing a sense of ownership was a key element in PRADAN's approach to sustaining the SHGs. While the professionals facilitated SHG formation, conveyed a governance- and rule-structure and provided training, ultimately the members were responsible for the functioning of their SHG. PRADAN taught the women the importance of the visibility of actions; sitting in a circle facing each other and constantly keeping track of all monetary transactions. Through repeated weekly interactions with one another pre-determined to meet at a particular time and place the women witnessed that their money was retained within the group and PRADAN's role was limited to facilitator of SHG creation and group cohesion.

By instrumentally using a community logic where PRADAN's relationship was based on personal concern and where group membership informed the basis of norms, trust constituted the main source of legitimacy. The visibility of actions served as an informal control mechanism, which could strengthen the market logic in the safe space of the SHG. Moreover, by obtaining essential knowledge and skills (related to transactions, financial matters, group skills and a language of accountability), women were provided with the tools to draw upon a market logic more openly and take ownership of the SHG. By presenting themselves at the same time as outsiders and as accepted insiders during the sustaining of the SHG, PRADAN leveraged its position both within the family as well as outside it and strategically used the community logic to extend the market logic to the women.

### *Phase 3: institutionalizing the SHG*

**Building social loyalty.** The SHG serves a dual purpose for PRADAN. On the one hand PRADAN used the SHG to demonstrate a way to get out of indebtedness by saving, whilst on the other hand it used the SHG to develop the skills and competencies of women. The latter helped to change how women, and in turn their families, related to the world and how they saw themselves and their "situation". The SHG was not only a savings group, but it also provided mutual support and presented women with an alternative view of life and of oneself.

PRADAN invested heavily in training the women to document their savings, speak with "outsiders" and speak about matters that concern them both individually and as a group. In doing so, PRADAN actively helped build their confidence and sense of belonging. As many women in the group discussions illustrated, the meetings especially at the Cluster (group of representative SHGs) levels have given new hope for these women: "*I again have an opportunity to hold a pen, read and write which I never thought possible after marriage*" (group discussion, Raidhi Block). Rural women have been traditionally involved in domestic chores and work in the fields. As such, they have not had opportunities for seeking or pursuing their greater ambitions or aspirations, even though they may have been better educated than the husband:

Before the SHG I would not go to anyone's house and neither would anyone else come to my house. I would venture out in search of work on my own and that didi would venture out alone in search of her own work. So we would not be able to meet with one another so how would we even talk to each other and exchange information. Since we all sit together nowadays, we can talk and think of things together. – Woman entrepreneur, Gumla

By contributing their savings in the SHG, participating in the group discussions, and sharing experiences with each other, the women were forming a sense of "we-ness" as they personally invested in the group. After one book-year dividends were equally distributed among all SHG members proving to the women that they could actually profit through their involvement in the SHG, which also insured them against future hardships. The SHG structure assured each member that they could plan for a future, something unthinkable prior to the SHG where most women

relied on day-to-day earnings to run their households or money-lending landlords. After the SHG functioned smoothly for a couple of years PRADAN helped members to connect their SHG to a local bank. Opening a group account validated the SHG members' group identity and increased the loan amount that they could collectively obtain. By facilitating bank linkages and networks of SHG's, PRADAN strategically draws upon the market logic by creating larger scale, greater accessibility to financial capital, increased reputation and better information exchange. The SHG in turn has given women access to resources, increasing their sense of purpose towards both the family and themselves with a sense of accomplishment of being part of a new social structure.

Furthermore, PRADAN's professionals facilitated SHGs linking up together in a bigger cluster of SHGs, which encouraged information exchange and problem solving capabilities amongst SHGs. Since the SHG as a whole was responsible for returning the bank loan (and not the individual women), the shared accountability among group-members was strengthened while increasing the competitive nature of each SHGs financial capital at the cluster level:

... there is a norm that out of the SHG members two of them have to go to the cluster meeting. And assume that they [members] are not obeying the norms [set within the SHG], so what happens is that the exchanges taking place with the bank are limited to the SHG. And as soon as two people attend the cluster meeting and if they keep the issue in front of the cluster, the problem then becomes that of the cluster ... What happens is that they see whether the credit repayment is being done on time or not, and so the norms that have been kept with regard to going to the cluster ... helps the other work of maintaining the groups. And if the SHG is not complying with the norms, they will not keep this SHG in the cluster meeting, since they are not following the norms. ... So it has been kept that people should/would obey the norms of the cluster.

– Team Leader, PRADAN

The amicable competitiveness of the SHGs at the cluster level made SHG members feel a sense of loyalty towards their respective SHG. It made sure that members would save regularly as this would be reflected in the financial health of the SHG. The financial health of the SHGs indicated their creditworthiness, allowing banks to lend with relative ease. It served as a structural solution for families in need, proved the benefits of long-term savings and lowered the distrust about such arrangements while simultaneously limiting the power of entrenched interests within the village (landlords) and mitigating social isolation. As PRADAN continued to set up new SHGs in various villages and SHG members mobilized other women across the rural landscape, this activity slowly institutionalized as a new practice. This new practice could only survive by incorporating elements carrying both market and community logics.

*Building a rural business ecosystem.* PRADAN's increased reputation through SHGs being credit-worthy laid the foundation for introducing a broader set of market related activities to start livelihood programs. Women would sometimes proactively approach PRADAN by asking: "*We now have the SHG, but now what? What do we do next?*"

To initiate market-related activities and further institutionalize the SHG, PRADAN invested in visioning exercises with members and their families so as to assess their intentions and the possibilities in terms of competences and resources. To do this, PRADAN showcased videos of their livelihood programs in other villages. Together with the families, PRADAN decided on the type of home-based livelihood activity (in our case poultry) to pursue. PRADAN invested 50% and asked the families to invest 50% share of the capital (note that this is an individual SHG member activity) in the livelihood activity to start off: to buy the chicks, the feed, and to build sheds to raise the chicks. Again, building upon the community logic to ensure "*we're all in this together*", PRADAN was able to further extend the market logic of livelihood activities to the families.

Many villagers were, however, suspicious of the poultry initiative and resisted the entrepreneurial attempts of the first-movers, suggesting that PRADAN would get them indebted and that the respective husbands of these women would have to sell their meager land to repay the loan if the activity was unprofitable. Hence, PRADAN would have to show the families that they could actually profit by working on the poultry farm, especially since many families were quite skeptical, suspicious and resistant to taking up the poultry activity in the early stages:

... we started saving some money, and it was we who started the chicken rearing and the farm. We had made the farm/shed and we had some loan in that as well you see, so that is why the village people were saying that these people are taking these steps, and being women, they will ruin the house completely. Both the men and the women in the village were saying this. – Women entrepreneur, Gumla

Many women therefore waited for the first few women to see tangible profits:

We, 9 people in the group, had a change in our thoughts quickly, but the other didi's, did not believe, even after 4–5 years after the start of the poultry farm. The village people would say “don't join these people, you'll lose everything, and be ruined ...”. Everyone was saying this in the village. – Woman entrepreneur, Gumla

To dissuade “naysayers” it was crucial for PRADAN to show that this micro enterprise was a viable option for women to take care of things at home, while simultaneously earning an income as this would not conflict with the norms and values regarding women's participation in the market. When the very first women started the poultry livelihood by taking loans from their SHG, they were confronted with several problems. For instance, the first batch of poultry did not grow as fast or women faced losses as the poultry died on the way to the market. PRADAN realized that if the women faced too many losses early on, they would discontinue the work. These early losses would mean that women would have to invest without any returns – an option that would not convince women of poultry being a lucrative livelihood.

Thus, since marketing the birds could not be left to the women alone, PRADAN actively took ownership of these problems and stood resolute with women to sort them out. PRADAN also recruited a few local men from the villages as “supervisors” and local service providers to support the women entrepreneurs' poultry activities. PRADAN trained the women and supervisors such that the latter were always in close geographical proximity to the entrepreneurs and the farms to be able to attend to immediate farm needs:

... so all of us involved in the poultry farming like the supervisor or the doctor, would camp in the village ... we would keep the didi also so that she gets used to it and also because till the time she does not see the profit, she will not be willing to come forward [take more initiative] ... we would stay with them and give them complete training on the job ... We used to stay in with the didi's in their own chicken shed ... and bring to her awareness that if she is willing to put in this much effort that she will get a profit. So if she does not work hard, she will not get a profit. – Manager, JWSSPCS

By meticulously attending to the activities and needs of entrepreneur women, PRADAN continued to signal and reassure the women that short-term losses would be overcome with long-term gains. PRADAN instrumentally used the community logic of showing personal concern, loyalty and reassurance, to protect the women against negative market forces. During the entrepreneurial attempts of the “first-mover” women, PRADAN constantly used a dynamic interplay of community and market logics to establish that women would not despair and abandon their initial entrepreneurial attempts.

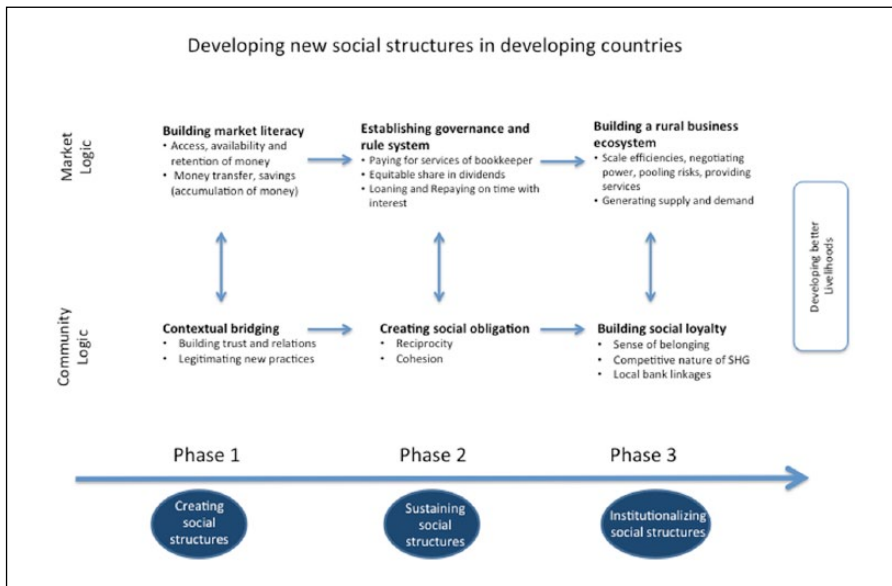
Further, in order to reach scale-efficiencies and reduce individual risks, PRADAN created a SHG-based Cooperative that was run by the members themselves and that provided a single point of contact for the entrepreneurial women where the necessary supplies, such as feed, chicks and vaccines, were purchased and supplied. In addition, the Cooperative sold the full-grown birds on behalf of the entrepreneurs giving them a fixed price throughout the year. This guaranteed the women minimum financial security while at the same time protecting them from market fluctuations. The supervisors were also the channels through which information and services flowed to and from the Cooperative and its members. They accurately reported on and oversaw the quality of livestock and were responsible for the local services that the Cooperative offered to its members. As such, they were the proverbial “eyes and ears” and extensions of the Cooperatives in the villages:

... we discuss what problems we have, and the supervisors advise us, and when the chicken are well, they say that the chicken are well and that it is good. If sometime the chickens have got some illness, then we tell this ... and the supervisors recommend us what to do and come to our farm to see the exact situation.  
– Woman Entrepreneur, Gumla

PRADAN had realized that creating ownership of the Cooperative was important for the latter to gain legitimacy and institutionalize the SHG. At the end of each financial year, the dividends of the Cooperative were shared among the entrepreneurs depending on their financial contribution to it. Although the Cooperatives were set up with initial seed capital they had to become self-sustaining, make profits and legitimize themselves to the local geographic community. Moreover, this created a snowballing effect; enabling the mobilization of more women to join the Cooperatives to create scale and volume with pooled risks, generating benefits, such as large-scale procurement and stronger negotiation power for selling the birds. At this point, PRADAN concerned itself with creating more SHGs and the administrative tasks at the Cooperative, while the entrepreneurs took over the executive functions. As a result, women had a clear incentive to ensure an efficiently functioning Cooperative that would generate a decent profit for all concerned, simultaneously creating a strong sense of “we-ness” as each woman personally invested in the SHG and the Cooperative:

One day he [husband] was sitting in front of the farm door, and said to his wife that if she entered to give water to the fowls he would hit her. He was holding a stick ... So the didi told us, and around 30–35 didi's came together and visited this family. We told him, that whatever your discontentment with your wife's behaviour, you can please tell her, we will not say anything. But if you do not allow her to feed and take care of the chicken, we are not going to stand for this and we will not leave you. – Woman Entrepreneur, Gumla

This proved to the woman's family that she was an active participant, not only in the SHG where she saved money regularly, but that she was also an expert poultry producer and supplier to the Cooperative. This proof further strengthened the legitimacy of SHGs and paved the way for PRADAN to enter new villages. By strategically leveraging and translating the community logic and extending the market logic in a dynamic interplay, PRADAN established the social structure of the SHG and later on the Cooperative. This social structure bridged the institutional void of market participation by women while spurring socio-economic changes as well as slightly tilting the status quo within the households. Figure 1 shows the process model we derived from our data. We show the various activities PRADAN used to enact the two logics in developing a social structure and the underlying mechanisms that have led to improved livelihoods for rural families in India.



**Figure 1.** Developing social structures: a process model.

## Discussion and Conclusion

We show how PRADAN instrumentally used market and community logics to spur social and economic change in rural tribal villages in India. Moreover, we show what effect this had on beneficiaries and their families and how difficult it has been to convince rural tribal villagers and gain their trust. On the basis of these findings, we argue that drawing from both market and community logics is critical for stimulating the development of social structures that seek to mitigate the lack of access to and participation of women in the market, thereby improving livelihood options of rural families living in conditions of chronic poverty. Finally, we show that the introduction of market-based activities by PRADAN is best understood as an ongoing and staged process that requires many efforts to overcome suspicion, build confidence and increase legitimacy. Whilst the role of women is still limited, we do see signs of change in existing institutional arrangements.

Our study illustrates how social structures are created, sustained and institutionalized in developing countries. This leads to two contributions to the literature. Our first contribution is to the literature on institutional logics. Our study deviates from prior literature on conflicting logics in an important way. Whereas previous studies focused on resolving contradictions that emerged from conflicting logics within an organization (e.g. Jay, 2013; Smets et al., 2015) or between organizations (Purdy & Gray, 2009), our study looks at the strategic activities between an organization and its beneficiaries. In particular, we focus on the process by which logics that are in conflict with local norms and traditions of beneficiaries (Martí & Mair, 2009; Mair et al., 2012) are “put to use” on the ground. We suggest that in order to understand how market-based poverty alleviation activities create sustainable livelihoods, we need to pay attention to how the interplay between market and community logics develops between organizations and their beneficiaries and understand that this interplay is critical for building new social structures. However, we also find that the development of new social structures in developing countries hinges on simultaneously building on community values, such as loyalty, equality, social obligation, reciprocity, cohesion and on market principles such as financial transactions, book keeping, lending and returning loans, paying for services as participation fees, etc.



Critical for the success of PRADAN's approach was the continuous engagement of women entrepreneurs and their families. By creating, sustaining and institutionalizing SHGs, PRADAN gradually challenged and disrupted traditional role patterns in these predominantly tribal areas in India. Three sets of mechanisms drawing on community and market logics were actively leveraged to successfully develop new social structures. PRADAN used existing notions of market-based principles to introduce the SHG; a new social structure that emphasized transactions and money transfer. While these principles were not unknown to the tribal communities they had to develop market literacy, establish governance and rule systems and develop a business ecosystem. To create a new social structure, contextual bridging and building market literacy are critical. Contextual bridging refers to the "transfer of new meanings, practices and structures into a given context in a way that is sensitive to the norms, knowledge and relationships that exist in that context" (McKague et al., 2015, p. 1083). PRADAN had to be very cautious in approaching families due to a natural suspicion against outsiders. In this case, building trust and legitimacy for the new practices was essential for contextual bridging to actually happen. In order to start the SHG, the women needed necessary group skills and norms. The rural poor in India have little scope for saving or planning for the future and PRADAN had to invest heavily in training the women on how to access and retain money as well as the utility of savings and transferring money. While engaging in contextual bridging PRADAN created social obligations, and built social loyalty, drawing heavily on a community logic to overcome suspicion and increase the legitimacy of the SHG. This flexible use of logics was effective in generating goodwill from rural villages and families (McPherson & Sauder, 2013). In sustaining the social structure, a clear governance and rule system was established. PRADAN gave tribal women an alternative perspective on financial savings and borrowing, while drawing upon a market logic. This implied that women had to learn to repay on time with interest, had to pay for services of the bookkeeper and equally shared dividends. As shown above, this market logic was, however, built up and infused with assumptions, norms and informal control mechanisms related to the community logic. By creating social obligation, a sense of cohesion was slowly developing. The new social structure was clearly based on an equal stake of all women and an egalitarian normative structure, which meant that members could hold each other accountable. As such, being a member of the social structure provided the normative basis for individual behavior "with a belief in trust and reciprocity as the basis of legitimacy" (Smets et al., 2015, p. 940).

The institutionalization of the new social structure serves as the backbone for building a rural business ecosystem with new market-based activities to advance livelihoods and facilitate social and economic change. Moreover, the development of the business ecosystem went hand in hand with developing social loyalty that included a sense of belonging and promoting an amicably competitive nature of SHGs. The women had to contribute savings on a weekly basis to the SHG and sharing experiences created a sense of belonging. In addition they had to demonstrate credit worthiness, with savings being stable and loans being repaid on time in order to establish relations with banks and governments. Connecting the new social structure with existing systems and developing partnerships is an important part of this stage of institutionalization (see also Mair & Martí, 2009; Mair et al., 2012). The shared accountability among group-members was strengthened while increasing the competitive nature of each SHGs financial capital at the cluster level. As such, this made SHG members feel a sense of loyalty towards their respective SHG. Together with the families, PRADAN sought to further build the business ecosystem. They looked for scale efficiencies, pooling risks and providing services by creating a Cooperative, while at the same time generating supply and demand.

Hence, our case illustrates the dynamics of using multiple logics "on the ground", without a specific attempt to resolve the possible conflict between the two logics, as identified in previous studies (e.g. Mair & Hehenberger, 2014). PRADAN leveraged existing notions of the market and

community to start a process of gradual displacement of an established institutional arrangement: the subordinate role of women within the larger context of rural India. PRADAN initially introduced the poultry activity as “home based employment for women” while building on the extant normative and cultural-cognitive role identities (Thornton et al., 2012) of women’s domestic responsibilities. Thereby the man of the household and village men would not feel threatened that their wives were being waylaid by a rogue organization trying to draw women out of their domestic chores.

Despite the contradictions between market-based activities and women’s domestic responsibilities, this article clearly shows how PRADAN searched for common ground by framing entrepreneurial activities as being compatible with family responsibilities. As such, multiple logics can be skillfully combined as both the change initiator (PRADAN) and its recipients (families) work together in the transformative process. Where previous studies focused on the strategic use of logics (Durand & Jourdan, 2012; McPherson & Sauder, 2013), we argue that the simultaneous use of both market and community logics helped in the collective rationalization (DiMaggio & Powell, 1983) of new social structures and changing roles of women within families. The contentious effort that PRADAN initiated benefitted greatly from the competitive and collaborative processes by which multiple logics were instrumentally drawn upon. The mutual involvement and participation of various actors with seemingly divergent interests (women versus their families) was critical for the development of the collective rationality concerning the role of women in rural India.

Our second contribution is to the organizational literature on development. We showed that PRADAN was able to challenge deeply ingrained family roles and household decision-making by drawing strategically upon multiple institutional logics. The instrumental use and enactment of two logics by PRADAN drives on a “concatenation” of activities directed at multiple levels of analysis (i.e. individual women, families and their communities). More importantly, we demonstrated how the interplay between both logics “on the ground” can mitigate institutional voids from the perspective of “beneficiaries”. Our findings suggest that the social structures created through the interplay of market and community logics facilitate the participation in market-based activities and enable families to engage more effectively with the market and thereby help to fill or mitigate important institutional voids. Our findings differ from recent findings of Beath et al. (2013) in Afghanistan, where development aid changed the role of women in village life, but had “virtually no effect on their position within the family, with no change in the degree of agency over what is done with the money and assets that women identify as their own”. Our findings suggest that PRADAN’s strategic and skillful efforts to engage two distinct logics in parallel did not overtly challenge existing institutional arrangements but over time improved both social and economic conditions for women.

In line with existing studies (Purdy & Gray, 2009), our findings hint to the importance of aligning resources offered with existing local institutions. As argued by Mair and Martí in their study on BRAC in Bangladesh (2009), resources per se do not add much value. The value addition of resources comes from the possibility of actually using them and understanding their utility value. PRADAN did provide the women entrepreneurs with critical resources and knowledge to build market literacy, but it was the ongoing interplay between the two logics that ensured the actual use of these resources. As such, our findings reveal the micro-processes and mechanisms involved in the process of creating, sustaining and institutionalizing social structures. In this context transitions are likely to be piecemeal and encompassing not one, but several generations. Processes that resonate more with the image of gradual transition within rather than radical replacement of institutional arrangements (Mair & Hehenberger, 2014). More importantly, we find that the development of new social structures in developing countries is only possible by creating a context that is built simultaneously upon community values, such as loyalty, equality, social obligation, reciprocity,

cohesion and on market principles such as financial transactions, book keeping, lending and returning loans, paying for services as participation fees, etc. Our study points to the possibilities of development organizations to operate and emphasize the structural work that is needed in order to mitigate institutional voids.

Our findings also suggest that the strategic use of market and community logics can help alter the traditional role of women as the women we studied take up a different role within their families as entrepreneurs. With the spread of the poultry model across geographies, more men are confronted with the new realities of women engaging in market activities. The identity of women changes accordingly as they can think of themselves as entrepreneurs: being poultry producers, next to their traditional duties inside the household. In developing countries, the challenges of having to deal with longstanding institutionalized norms and traditions about the role of women, deeply rooted suspicion towards outsiders and a traditionally high degree of aversion to the pursuit of new practices are exacerbated (see also McKague et al., 2015). In our study, it was the continuous interplay of market and community logics that eventually led to the institutionalization of a new social structure to enable families to engage more effectively with the market, which, in the end, may result in social and economic progress by enabling poor families in situations of chronic poverty to access and participate in the market and overcome existing institutional voids.

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## Note

1. SHGs are groups in which members provide each other with various types of support for a particular shared characteristic or theme. Cooperatives instead consist of more clearly defined organizational and relational boundaries.

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