

Social and cultural anthropology
Standard level
Paper 1

Wednesday 17 May 2017 (afternoon)

1 hour

Instructions to candidates

- Do not open this examination paper until instructed to do so.
- Read the passage carefully and then answer all the questions.
- The maximum mark for this examination paper is **[20 marks]**.

Texts in this examination paper have been edited: word additions or explanations are shown in square brackets []; substantive deletions of text are indicated by ellipses in square brackets [...]; minor changes are not indicated.

Extract adapted from Guérin, I. (2014), “Juggling with Debt, Social Ties, and Values: The Everyday Use of Microcredit in Rural South India”, *Current Anthropology*, **55** (9): S40–S50.

Microcredit is the lending of small amounts of money at low interest to new businesses in the developing world. Loans are provided by non-governmental organizations (NGOs)*, banks or other financial companies.

5 In India, microcredit is celebrated as a powerful tool to eradicate poverty and informal debt, and for women’s empowerment. In rural Tamil Nadu, microcredit organizations focus on women, who account for around 95% of the clientele. However, women’s participation in microcredit programs does not create jobs, eliminate informal debt or challenge men’s domination.

10 Women use microcredit for non-business purposes to pay for food and health services, and to settle existing or socially degrading debts, or debts which threaten a family’s reputation. They also use microcredit for religious and family ceremony expenses and to negotiate a better position within their social relations. Households are entangled in endless debts from multiple traditional sources and, for women, microcredit becomes one more source of debt.

15 Microcredit draws its legitimacy from the expectation of job creation, allowing borrowers and their families to escape from poverty. This expectation is not realized. While some women have tried to start businesses, many have failed. Microcredit is also supposed to replace informal debt and eradicate dependency on money lenders. This has proven to be false as villagers still maintain ancestral informal borrowing and saving practices. Microcredit is expected to encourage women’s collective action and help them assert their rights. Actual practices are very far from expectations. Instead of organizing collectively to claim their rights, they prefer to act individually to engage local
20 networks of patrons and clients as these offer more concrete returns.

25 Caste hierarchy and patriarchy are still an essential aspect of everyday life and microcredit is embedded in the relations of caste, kinship and gender. Caste regulates debt relations: higher castes are usually the money lenders. For lower castes, financial conditions appear quite favourable, with low interest rates. Debts are rarely repaid in full because of the useful social relations that come with them. For example, many lenders provide “political support” by facilitating borrowers’ access to public programs (bicycles for students, subsidized housing). Despite the frequent claim that microcredit will “free the poor from the clutches of moneylenders” it has little effect on these relationships.

30 Women manage household budgets without any control over income, so they have no choice but to seek new sources of borrowing. Women appreciate any additional source of money, which enables them to better fulfill their role as wives and mothers. Women are also expected to respond to unforeseen demands such as health problems or unexpected visitors.

35 Of all debts, kin debts are the most sensitive. Borrowing from family frequently raises reservations and suspicions. There can be concerns about whether loans have been left unpaid, misunderstandings about cash transfers (was it a gift or a loan? Is there an interest rate?), and loans diverted from the initial purpose. Microcredit rarely replaces family loans, but it can temporarily ease tensions. Sometimes women use microcredit to repay debts or avoid asking relatives for money. Microcredit may build relationships of solidarity such as a stepmother paying a debt for her stepdaughter. Microcredit may also stir up underlying conflicts, for example
40 between sisters-in-law.

When women have to borrow from men, they have to be seen to preserve their morality. A woman who borrows from a man from outside of the family may be accused of being a prostitute. Male lenders commonly sexually harass women borrowers. The gender of debt is both a source of discrimination and a source of concern for women; sometimes it is better to
45 borrow at very high cost if this helps protect one's reputation.

Microcredit provides opportunities for women to buy things which they normally could not: gifts or school equipment, gold jewellery (a key form of financial security for women), clothing and beauty products. Low caste women who have long been excluded from this type of expenditure give these expenses considerable symbolic value. Even before microcredit was available,
50 women had strategies to cover these expenses including secretive sources of income, arrangements with neighbours or theft from their husbands' pockets. Now access to microcredit provides an additional opportunity.

[Source: CURRENT ANTHROPOLOGY, Isabelle Guerin, "Juggling with Debt, Social Ties, and Values: The Everyday Use of Microcredit in Rural South India".
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* non-governmental organizations (NGOs): organizations that may provide financial and technical help to developing countries to promote economic and social development

1. Describe how women in rural India use microcredit in everyday life. [6]
 2. Explain why microcredit is not achieving its intended purposes. [6]
 3. Compare the agency of women in rural India with the agency of **one** other group you have studied. [8]
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