CHAPTER III

CHALLENGE IN WOMEN DEVELOPMENT: PLAN AND PROGRAMMES
CHAPTER – III

CHALLENGE IN WOMEN DEVELOPMENT: PLANS AND PROGRAMMES

As seen earlier some of the evils against women were banned as illegal since they were against the egalitarian society. But however, those legal actions didn’t reach the masses. Women of the upper strata of the society only obtained education and got liberated from those ills. Majority of the women were still under the grip of many social tabooes. In spite of such efforts women, particularly rural women still suffered from handicaps in transcending gender rules. They still underwent painful discrimination in terms of remuneration, social status, opportunity for education, employment, and so on. Female literacy at the time of independence in 1947 was only six percent. In 1951 the total population of India was 238 million and on March 1, 2001 it rose at 1,027,015,247. The population of India rose by 21.34 per cent between 1991-2001, the sex ratio (i.e., number of females per thousand males) of population was rising from 927 as at the census of 1991. During 1991, the total women population was 403 million. It increased to 530 million during 2006 and is expected to increase to 615 million in 2016. In this context the Government faces many issues relating to women including gender equality.

After the independence of India the women issues such as equal rights to women in all fields was the major issue which stood as a stumbling block in the reconstruction of India. The age long suppression deprived them from getting education and improvement. The traditional belief and customs still lingered in the society because of that reforms relating to women were stifled in the bud itself. So the planners of India
had to think deeply before divising means to uplift them because such progressive steps might meet the stiff opposition from the casteridden society where the women have no right to dispute the decision taken by men. This chapter discusses the issue based measures taken by the Government and the impact.

India is a country of extreme diversities in language, religion, caste and socio-economic classes. It's Constitution provides equality for all, irrespective of gender, caste, religion, race and place of birth. It is considered as the vehicle for social transformation to realize vision of the freedom fighters of India.

**Constitutional Guarantee for Gender Equality**

The Constitution of India enshrines the principle of equality for all and it can be seen in its preamble, fundamental rights, duties, and directive principles. It not only grants equality to women but also empowers the state to take measures to uplift them.

The Constitution of India guarantees several rights for women as follows:

1. **Article: 14** Equality before law for women.
2. **Article: 15(1)** The State not to discriminate against any citizen on the ground of religion, caste, sex, place of birth or any one of them.
3. **Article: (3)** The State may make any special provision in favour of women and children.
4. **Article: 16** Equality of opportunity for all citizens in matters relating to employment or appointment to any office under the State.
The State may direct its policy towards securing for men and women equally the right of adequate means of livelihood.

Equal pay for equal work for men and women.

The State may promote with special care the educational and economic interests of weaker sections of the people and protect them from social injustice and all forms of exploitation.

The state may raise the level of nutrition and the standard of living of its people and improvement of public health.

Promotes harmony and the spirit of common brotherhood amongst all the people of India and renounces practices derogatory to the dignity of women.

Not less than one third (including the number of seats reserved for women belonging to the Scheduled Caste and Scheduled Tribes of the total number of seats to be filled by direct election in every panchayat to be reserved for women and such seats to be allotted by rotation to different constituencies in a panchayat.

Not less than one third of the total number of offices of chair persons in the panchayats at each level to be reserved for women.

The vision of Constitution of India on the position of women has its parallel in the U.N. Charter of Human Rights declared in 1945, which emphasizes “the dignity and worth of human person and the equal rights of men and women”.¹ From then onwards its agencies have been working

¹ UN Charter of Human Rights, UNO, 1945.
to advance the status of women across the globe. With the passage of firm the approach to women’s issues has considerably broadened from adoption and implementation of legal instruments for achieving equal rights to the level of evolving economic strategies which included the full range of issues affecting women’s status. Since India is a signatory country of the UN Charter it constantly modifies it’s women welfare measures in consonance with the policies and programmes of the United Nations Organisation.

Social upliftment of Women

With the constitutional guarantee the Central Government along with the support of State Governments projected its plans and programmes to restructure the society of India, particularly the women folk by mobilising its resources. During the First Five Year Plan period i.e.1951-56, the Government regarded the problems of population control as a long term objective which depended very much on the improvement of living standards and more widespread of education especially among women, thereby making them adopt methods for family planning. When educational improvement was imperative for the improvement of women were identified certain areas. The career related to women were:² (1) Social Welfare : Social work, medico social work, personal management and labour welfare and vocational guidance, (2) Medicine : Physiotherapy, Dentistry and Pharmacology, (3) Advertising : Copy writing, commercial drawing, display work and interior designing and (4) Others : Journalism, law, civil engineering, catering, institutional management, beauty care, architecture, film, linguistics, archives, food

² Report on First Five Year Plan, 1951-56, p.4.
technology, radio, handicrafts, library science and insurance. In those selected areas the women were given training for their careers.

The programme to promote women’s welfare and development have been evolved separately for rural and urban areas. Apart from certain general programmes there are others meant for specific groups of women as follows:

1. Programmes in rural areas aim to train and mobilise women in villages for their development and are modeled on Gandhian ideas for women’s progress to which the Kasturba Memorial Trust gave a concrete shape and

2. Education, health services and socio-economic programmes in the form of Khadhi and Village industries to relieve economic distress of women, formed the three composite programmes.

It trusted on social services like health, education, sanitation, housing and rehabilitation to build the human capital. In this process the Government recognised the women social problems such as high infant and marital mortality. It undertook many schemes such as feeding schemes at schools, maternity centers and child health centers. Here the concept of women development was made as a part and parcel of rural development. In this direction the Government first initiated a programme in the name of “Community Development Programme” in the year 1952, as per the recommendation of “Grow More Food Committee”. It was launched to initiate the process of transformation of social and economic life of rural women through village development.

---

It had been undertaken on a pilot project-basis, to which the main objective was to develop a self-reliant women community which would not only be conscious of its needs but would have the necessary drive, initiative and ability to satisfy its needs. The “National Committee on Women’s Education” with Mrs Durghaboy Deshmuh as its head, promoted the programme “Welfare Extension Project for grants-in-aid for women, children and under privileged group” under Central Social Welfare Board in 1953. Its activities were indeed Balvadis, maternity services and general medical and social education and craft training for women through activating women clubs. State Social Welfare Board in 1954 and afterwards implemented Central Government’s programmes. In continuation of this step, in 1955 the Directorate of Women’s Welfare was formed with the prime objective of elevating women through social welfare schemes.

Throughout India Block Development Offices were formed in each taluk for proper implementation of C.D.P. Separate welfare department for women was established in the States to look after the welfare of women. The Government entrusted the responsibility of women’s welfare to the private agencies such as All India Women’s Congress, National Council of Women, the Young Women Christian Association, and Girl Guides. It laid its stress on the organisation of women in Mahila Mandalas (women clubs). Further it was conceived that women clubs can do better only when literacy rate increased. Hence, the National Committee on Education urged that women’s education should get top priority and necessary steps should be taken to create a special machinery to deal with education of girls and adequate funds to be assigned for it as to attain benefit of education by even women in remote villages. Further

---

4 B.S. Baliga, Madras District Gazetteer, Govt. presss, Madras, 1966, p.79.
5 ibid.

57
The school dropouts had also brought to schools to continue their education which was cut short due to marriage, and other family circumstances up to the level of Secondary School Leaving Certificate (SSLC). However there was disparity in the total number of girls under instruction during 1956-1957 as about 88 lakhs of girls against 2.44 crores of boys.\(^\text{6}\)

The women clubs played a significant role in the rural extension programmes in rural areas in the sixties. Griha Kalyana Kendra camps, both residential and non-residential, were conducted daily where women were given training in child care, nutrition, health, hygiene, environmental sanitation and so on. *Mahila Mandals* were made as a great force for social regeneration of women.\(^\text{7}\)

For the first time *Mahila Mandals* rejuvenated and regenerated the women force in the integrated rural development. The most significant aspect of it is not only the immediate impact that it made on the rural life and the physical achievements it recorded but also it generated an interest in the people to improve their own economic conditions through self-help. However it did not deliver goods and services and failed to achieve the objectives as it was pledged to. There were no clearcut goals in the uplift of women in Community Development Program regarding equity and distributive justice vis-a-vis the gains of development. Efforts were not made either to create a sound economic base or increase the employment opportunities due to gender bias. Rural influential society derived maximum benefits from the Community Development Programme and other various schemes. Hence it was found inadequate in

\(^{6}\) *ibid.*

promoting the socio-economic development of women. Due to the inherent weakness of the Community Development Programme implementation, the aim of uplifting the women drastically failed.

In the direction of maintaining gender equality the Government took another progressive step in the year 1956. i.e. in the beginning of the Second Five Year Plan. It recognized the need of organisation of women as workers, that women should be protected against injury in work. They should receive maternity benefits and crèches should be established for children in work places. The issues that caused concern here were social, moral and hygiene. It also recommended speedy implementation of the principle of equal pay for equal work and provision of training to enable women, compete for higher jobs and expansion of opportunities for part-time employment. The rate of the participation of the female working force stood at 27.96 as against 57.12 for males. In the field of labour there was, for the first time, a view was expressed that women’s physical and biological disabilities should be taken care of at the working place while allotting the types of work.

On the basis of the above, the Government formed a separate department called Department of Women’s Welfare by combining the Social Welfare Board’s work related to women and that of Directorate of Women’s Welfare, since the necessity for the work for elevation of women was increased in 1961. It monitored the States’ endeavour to uplift the women. Mahila Mandals were guided by the Guidance Bureau of the Social Welfare Department “Guidance Bureau”. It guided the widows, destitute and poor women in self-employment, since it was

---

8 Maya Majumdar (Ed.), *Encyclopaedia of Empowerment of Women*, Vol., p.164.  
realised that without economic improvement the idea of social regeneration of rural poor women could not be achieved.\textsuperscript{10}

The failure of the Government in improving the status of women took to another dimension during the period between 1961 –1974. The Third Five Year Plan (1961-66) and the Interim or Annual Plan (1968-69) gave high priority to the education of women and creating employment opportunity in the filed of health, education workers, social educators and primary health workers. Further free and compulsory education was introduced in this period. The plan figures showed the number of primary schools as having increased from 2,09,671 in 1951 to 3,30,399 in 1966 and the enrollment of children from 1,91,50,000 to 3,49,90,000 during the same period. However the III Five Year Plan projects for women and children did not do much for the uplift of women as indicated by the expenditure of only Rs.19 crores against the budget of Rs.32 crores in the Fourth Five Year Plan.\textsuperscript{11} In the IV Five Year Plan mid-day meals was introduced in the primary schools for children. It was done with the view to matching the women’s skills with the occupations and provide them better opportunities.

All the Three Five Year Plans emphasised on family as a basic unit of operation. Thus family planning and nutritional care of expectant and nursing women were added to it. There was a phenomenal increase in the enrolment of women in the universities of India, from 40,000 in 1950-51 to 2,71,000 in 1965-66.\textsuperscript{12} The percentage according to the 1961 Census is 12.9 for girls as against 30 for the male population.\textsuperscript{13} Though the ground for development of women was paved, women were treated as ailing

\textsuperscript{10} ibid, p.216.
\textsuperscript{11} Third Five Year Plan, Planning Commission Report, 1961.
\textsuperscript{12} Journal of Indian University, New Delhi, Vol.V, 1966. September.
\textsuperscript{13} Census Report 1961.
category and were recipient of aid only. Altogether all the Five Year Plans were passed without integrating women into development process. When the such scheme was introduced without treating women as an integral part, women were benefited in a meager way. Since they were not seen as equal claimants with men, the gains did not filter down to the vast multitude of women who remained shackled and the situation of women remained more or less the same till the early seventies.\textsuperscript{14} The UNESCO gave grants for literacy campaigns in 1970, since it declared this year as the International Education Year in connection with its Silver Jubilee.

The Government of India devised a new scheme of education to suit only for women in the year 1969. It decided that education should be employment oriented with progressive method of teaching and testing and possibilities of self-employment to be encouraged at all levels so that after the completion of educational courses, girls don’t remain idle and frustrated. This policy was carried on in the Fifth Five Year Plan i.e., 1969-74. During this period it was realised the need of the hour resulting in shifting the policy from broadbased community development approach to a sharper focus aimed at intensification of women education.\textsuperscript{15}

Instead of making the women education as common to sections of the society women were given special courses intended for female only. The middle class educated women fared better and they assumed a new role as earning partners with development oriented career interests. This created a new trend in the matrimonial alliance of the middle class. The family of the bridegroom started to seek the educated and employed girls

\textsuperscript{14} Policies and Programme for the Advancement of Women in India, Dept. of Women and Child Development, Ministry of Human Resource Development, Govt. of India, New Delhi.
\textsuperscript{15} Fifth Five Year Plan Index, 1969.
instead of “dowry”.16 Here a small section of the ladies belonging to middle class began to enjoy the spirit of gender equality. The policy parameters continued to approach women through Social Welfare Board of assisting voluntary organisations including Mahila Mandals dealing with the welfare of women. Since the welfare measures increased in number, a better and intensive administration was warranted in the year 1972. The Department of Women’s Welfare was redesignated as the Department of Social Welfare and its activities were concentrated on the new women development programmes.

So far the Government have pinned its hope on the welfare of women as a part and parcel of community development. But actually due to the gender disparity the rural women were not permitted to come forward to utilise the benefit assured by the Government schemes. The new schemes such as Small Farmer Development Agency (SFD) (1969), The Housing and Urban Development Corporation (HUDCO) (1970), Drought Prone Area Programme (DPAP) (1971-72), and Command Area Development Agency (CADA) (1971-72) also failed to improve the economic status of women. A new strategy was thought of, for the development of non-student rural youth of India without gender-bias, as a part of the celebration of the Silver Jubilee year of India’s independence by the then Ministry of Education and Social Welfare by forming Nehru Yuva Kendras (NYK) in 1972. Non-formal education, including adult education, education in agriculture, family life education, vocational and technical training, recording room and library services, social service including work for better rural environment, sports and games and physical culture including identification of talents, recreational and cultural activities by revival of traditional forms of recreation, youth

leadership training camps, youth festivals, organisation of youth clubs, youth exhibitions, social forestry and promotion of National Integration, etc. are the main programmes of these Kendras. Nehru Yuva Kendras plays an important role in organising socially and economically backward section of the society for their development.17

**Micro – Finance: A boon to women development**

In the second phase of rural development the small farmers and landless agricultural labourers and women continued to suffer on account of lack of opportunities due to their low socio-economic status. In other words, sectoral approach hadn’t really made any impact on the rural poor particularly the women folk. This led to the realisation that unless a direct slaughat on poverty is launched by identification of the members of the largest group and providing assistance to them in terms of credit input, subsidy and marketing facilities etc., the development efforts are likely to bypass the rural poor women. Such a growing realisation of the truth led to a shift in the planning process in the fourth Five Year Plan from sector to target group and area-oriented approach.18 The major thrust was on the innovative educational activities to infuse the feeling in the minds of women the awareness of their rights, problems, needs and responsibilities and also to prepare them for participation in national and community development activities.19 A critical appraisal of the experience of the various women development programmes separately and combination of rural development schemes shows that a mere sectoral approach is not adequate to lead women development of rural areas and distribution of profits to local population, particularly the weaker sections of the society.

---

19 *ibid*
It is true that all other programmes for women as well as rural development implemented since Independence under different Five Year Plans aimed at improving the socio-economic conditions of the rural poor, particularly women, didn’t yield the desired and expected results because most of the developmental programmes are often planned and implemented in a fragmented and compartmental way and in most cases it led to duplication of efforts. The past experience shows the limited effectiveness of the “trickle down effect”.20

At this juncture the inequality that persisted between the sexes even after a quarter of a century later of its establishment prompted the United Nations Organisations (UNO) to declare the year 1975 as the “International Women’s Year” and the day March 8, of every year as the “International Women’s Day”. In the mean time a World Conference of the International Year was held at Mexico city to find out ways and means to ensure equality for woman, her participation in development process and her role in strengthening of international peace. The decision and recommendations of this Conference were considered by the U.N. General Assembly and hence 1976-85 was declared a “UN Decade for Women”.21 It changed the whole concept of women development of India. Further as per the recommendation of United Nations Organisations, 8th March of 1975 was celebrated as the “International Women’s Day” in India to create awareness in the Indian Society and till date this day is observed as Women’s Day. It prompted the Prime Minister of India Mrs. Indira Gandhi to launch a new programme in 1975 called “20 point programme” which emphasised the restructure of the

whole women programmes in order to boost the economic power of women.\textsuperscript{22}

From this time onwards the Government gave much importance to the poverty alleviation programmes and changed the credit policy suitably. The credit policy has also changed. A system of providing small amount of credit to poor was developed during this period through disbursement of micro-finance, which is not a new phenomenon altogether. It began formally with the nationalisation of commercial banks in 1969. The new thrust in the women welfare was given towards the economic progress of women because it was for the first time conceived that the poverty of the country was due to non improvement of women in economic status. Hence, the poverty of India is the tragic consequence of women's unequal access to economic opportunities and hence the poverty has a women's face. The following are the factors for the feminisation of poverty: 1) One of the chief causes for women's limited access to income and economic opportunities lies in their occupational structure being at the margin of the major development efforts. Men dominate such assets and input as land, credit, technology and infrastructure. Lack of access to timely credit poses a big problem especially to rural women. Banks consider favourably only those borrowers who provide collateral assets as security and such borrowers are disproportionately male. As a result women constitute merely a small proportion of borrowers from formal credit institutions. A study of 38 branches of major banks in India found that only 11% of the borrowers were women. Although rural women constitute majority of farm labour in India they receive very little credit.\textsuperscript{23} 2) In the national context women in India face gender discrimination in all facts of regardless of their caste-

\textsuperscript{22} Report on 20 point programme. Govt. of India. 1975.
class status. Poverty aggravates the degree of gender inequality faced by women. The very fact that women living in poverty are generally voiceless, isolated and denied access to productive resources of all kinds further perpetuates the marginalisation. Poor access to credit worsens the marginalization of women, particularly women in informal sector. The worst affected are women headed households who constitute 30% of total households in rural India.\textsuperscript{24}

Despite funds being earmarked for what is termed as priority sector lending to weaker sections in rural areas, statutory hurdles like that of provision of collateral have forced the poor to return to the only available alternative of a local money-lender, to avail loans at exorbitant rate of interest 120-480% per annum very often leading to bonded labour and perpetual debt burden.\textsuperscript{25}

As the rural credit system in India has undergone radical changes in respect of focus, basic philosophy, and structure and approach overtime, a large number of financial institutions have been set up in India to provide credit to the rural poor which is the main objective of National Credit Policy. The policy was adopted in the 50s, expanded in the 60s and 70s culminating in the establishment of an apex institution at the national level in 1982 under the name of National Bank for Agriculture and Rural Development (NABARD). The Tamil Nadu Adi – Dravida Housing and Development Corporation (TAHDCO) was established in February 1974 to finance the weaker sections. One of its main objective is to lift them above the poverty line.

\textsuperscript{25} ibid.
The first phase of rural banking was (1904-69) characterised by the monopoly of co-operatives. The second phase in 1969-1991 witnessed the expansion of network of credit institutions and induction of commercial banks in rural credit. The third phase coincided with the introduction of financial sector reforms which attempt to transform credit institutions into organizationally sound, financially viable and operationally efficient.

Due to transformation of agricultural condition i.e., intensive agriculture and high yielding varieties the credit system began to change. Further the nationalisation of commercial banks in 1969 and social control of banks came in order to meet the growing demands for rural credit. Further to strengthen the rural credit system along with Co-operative institutions the commercial banks were brought into it. Hence the number of branches of commercial banks was increased from 1832 in 1969 to 35,508 as in March 1994; it raises the share of rural commercial banks to 57.8%.26

Thus with the nationalisation of banks, a special responsibility of stepping up their advances for agriculture activities, was given to them. The low level of credit has increased to a significant level. But surprisingly the benefit of such credit flow by-passed the relatively weaker section of the rural micro community. So regional Rural Banks as another component of the rural credit system were created in 1975 as a result of the demands raised by the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs in rural areas. The RRB grew rapidly and the number of these banks reached 196 covering 392 districts by March 1992.27

---

Since Sixth Five Year Plan several poverty alleviation schemes envisaging provisions of productive assets to poor families with the help of government subsidy and bank credit such as Integrated Rural Development Programme (IRDP), Development of Women and Children in Rural Areas (DWCRA) and Prime Minister Rojgar Yojana (PMRY) were implemented throughout the country through various agencies like District Rural Development Agency (DRDA) located in each district and District Industrial Centre (DIC).

In the meantime gradually International norms and conventions began to emerge to break the barriers against women. The UN member countries too declared 1976-85 as the Women’s Development Decade. In India the Women’s Decade was observed during which period (1976-85) women started mobilising and activating for getting redressed to their century-old problems of gender-discrimination. These acts compelled the Government to appoint a committee to study the status of women in India which suggested the establishing statutory women panchayat so as to ensure greater political participation. Its extensive survey and analysis brought to light many surprising facts. It reports that the planning and desired social change has affected women adversely. The report stresses that women were being subjected to numerous disparities and various types of exploitation. Some of the problems identified are the decline in the sex ratio, lower life expectancy, higher infant and maternal mortality, illiteracy and declining work participation. It calls for the participation of women in development process.

---

28 ibid
29 Report of the National Committee on Status of Women in India. Govt. of India, New Delhi, 1974.
A major outcome of the Committee as the status of women in report is the National Plan of Action (NPA) (1976) that provided the guidelines based on United Nations World Plan of Action of Women of 1975. It served as a guide and this Plan of action identified areas of health, family planning, nutrition, education, employment, legislation and social welfare for formulating and implementing action programmes for women and called for planned intervention to improve the conditions of women in India. An immediate outcome of the National Plan of Action was the setting up of the Women’s Welfare Development Bureau in 1976 under the point within the Government of India to co-ordinate policies and programmes and initiate measures for women’s development. At the State level, the Department of Social Welfare with the special section of women and child welfare looked after the development activities for women and children.30

As per Government policy on micro-credit system a new scheme called “Integrated Rural Development Programme (IRDP)” was launched in the year 1978-79.31 It is one single agency converging all micro-credit systems. The aim of this programme is to provide assistance to the poorest of the poor so that they may increase their income either by starting their own occupation or by improving their established work. Since the women were considered as a part of the family, they were also permitted to obtain loan to improve their family trade or establish new trade in her name. It was made as a policy note that 30% of the beneficiaries should be women. But certain unforeseen shortcomings like the gender differences, non co-operation of the officials very much the stumbling blocks in the execution.

30 ibid.
Integrated Rural Development Programme (IRDP) can be defined as an integrated development of the areas and the people through optimum development and utilisation of the local resources, physical, biological and human and bringing necessary institutional, structural and attitudinal changes by delivering a package of service to encompass not only the economic field but also the establishment of the required social infrastructure and services in the area of health and nutrition etc".\textsuperscript{32} It is based on decentralised micro-level planning at the Block level and offers a package of programme for the rural people especially weaker sections. This strategy has been designed to make the programme area-specific and target group oriented so as to ensure maximum possible exploitation of natural endowments and resources with the target group including agricultural labourers, tenants, share croppers, rural artisans, scheduled castes and scheduled tribes population in the rural sector. The Integrated Development Programme is a total approach to improve the socio-economic conditions of families living below the poverty line, family of five persons with the annual income below Rs.3,500/-\textsuperscript{33}.

This programme made a change in its policy from the earlier programmes as follows:

a. A total eradication of female illiteracy by A.D.2001
b. Job and Craft-oriented education programmes;
c. Co-educational patterns of learning.

In furtherance of the above policy “Challenge of Education” – a policy perspective was released by the Ministry of Education, Government of India, in August 1985. Adult Education assumed greater

\textsuperscript{32} Ibid.
\textsuperscript{33} Ibid.
importance during this period. New Educational Policy gave emphasis for co-education in order to give education to women.

The main objective of the Integrated Rural Development Programme (IRDP) is to reduce income inequalities through direct Government intervention by creating income and employment generating assets and opportunities to rural poor. The main characteristics of the programme are that it covered all the Blocks in the country and all other on-going special programmes were merged into it. Under this programme the poorest families were identified first for intensive assistance, 600 family per block per year was proposed to be assisted under this programme. Consequently 3,00,000 families during the five years of the Sixth Plan were to be assisted in the country as a whole.  

"Accordingly the Sixth Plan postulated a reduction in the percentage of people living below the poverty line from 48.44 in 1979-80 to 30 in 1984-85 and then on to 8.74 in 1994-95. However the estimates based on 32nd and 38th rounds of assessment showed that rural poverty which was 51.20 percent in 1977-78 declined to 39.80 percent in 1983-84 the corresponding figures for urban India are 38.20 percent and 21.77 percent for 1977-78 and 1983-84.  

Thus it had the unified field instead of the multipurpose approach of the programmes implemented earlier. It also gave special emphasis on labour mobilisation endeavour where opportunities for employment existed. Through these means, this scheme was designed to raise the income of rural families who were below the poverty line. In other words the concept of Integrated Rural Development aims at wiping out poverty

---

34 Report of Integrated Rural Development Programme (IRDP), Government of Tamil Nadu Publications.
by providing opportunity for gainful employment and emphasis on improvement in the quality of life. In a nutshell the objective of Integrated Rural Development Programme (IRDP) is to harmonise the welfare approach with production approach.36

Integrated Rural Development Programme (IRDP) has indeed been conceived as anti-poverty programme. Really, this is the first of its kind of anti-poverty programmes being implemented in the world on such a massive scale. The problem is not merely of development of rural areas but of development of rural communities to dispel ignorance and poverty and assist the process of creating self-reliant self-sustaining modern communities.

In the meantime the United Nation Organisations (UNO) Conference held in Denmark in 1980 reviewed the progress achieved in fulfilling the objectives of the UN Decade for Women in the first half of the Decade and also considered a Plan of Action for the second half of the decade. The Plan of Action called for a clear commitment on the part of the international community to give importance and priority measures to improve the situation of women. Education, employment and health are crucial to women all over the world and it laid special emphasis on those aspects. It spelt out specific target at the international, regional and national levels. Free and compulsory primary education should be provided to both boys and girls without discrimination. As employment regards Government should formulate policies for equality of opportunity and the guarantee of their right to equal pay for equal work. For women's full participation in development work especially in the rural areas, they should be encouraged to take training programmes so that they

can impart health care services to their communities, food and nutrition programmes based on the need for women should be developed. Improved sanitation hygienic conditions should be provided.\textsuperscript{37} It emphasised special support services to expand women's access to all types of education. It advocated the promotion of training centers for development of skill. Economic development was considered to be one of the ways which would accelerate the status of women.\textsuperscript{38} Besides another Women's Conference of Non Government Organisations (NGOs) was also held to impel the UNO to take concrete step towards the development of women by allowing the NGOs as a global partner in that field.\textsuperscript{39}

Due to the United Nations Organisations (UNOs) recommendations during the period 1980-85 (VI plan) it was acknowledged that the continued low status of women was the result of inadequate opportunities of independent employment and income and demographic trends such as high mortality, lower economic participation, literacy and sex ratio. Hence a multi-pronged but independent strategy that emphasized family centered poverty alleviation which would be dependent on the total development process is required. Hence during 80's women were recognized as a separate target group and given their rightful place in developmental planning by including a separate chapter viz. "Women and Development" in the Sixth Plan Document. This marked the final breakaway from the welfare approach to women's problems in the early years to the development approach. Since then all efforts of the Government have been directed towards bringing women to the main

\textsuperscript{38} ibid.
\textsuperscript{39} ibid.
stream of the national development process by raising their overall status - social, economic, political and legal – at par with that of men.

The strategy adopted under the sixth plan was therefore, education, employment and health. The Government decided to take steps to create a general awareness and understanding of the problems of women, strengthen voluntary action at the grassroot level, promote village level organization like Mahila Mandals, provide a fair share of employment opportunities, identify the specific needs and problems of self-employed women, and extend support to and diversify education and training opportunities for women. The most significant contribution of the approach is that it made women viable to the developmental machinery.\footnote{ibid}

Since all the financial institutions asked for some kind of security for sanction of a loan, the rural women were not able to satisfy this requirement because the property of her family was only in the name of male heir. In this context a change in the tradition was thought of. So joint titles to husband and wife in cases of transferred assets, like agricultural land was made a compulsory one to enable her to approach the financial institutions to get-loan.

As and when the Government of India changed the credit policy, India’s poverty alleviation programme such as Integrated Rural Development Programme (IRDP) also modified its credit policy. For women beneficiaries, subsidy is provided at 50 percent of the cost of the project, to make it more viable and serve as an incentive to the beneficiaries so that they may obtain credit to meet a part of the cost of the prorut. Under the programme, it was expected that 15 million families at the rate of 200 families per year per block, would be assisted
to cross the poverty line one and for all by the end of the Sixth Plan (1980-85). The total investment on the programme as envisaged in this plan was Rs.4,500 crore. While the programme was supported by a provision of subsidy of Rs.1,500 crore (if any) to make the scheme viable as well as to serve as incentives to the identified beneficiaries, banking system was called upon to provide loans amounting to Rs.3000 crore to those beneficiaries by way of credit support under the programme.41

Under the programme any viable productive activity like minor irrigation works (individual and community), supply of milch animals, poultry units, sheep units, piggery units, goats, ducks etc. as well as activities in the secondary and tertiary sector like setting up of pottery units, carpentry units, repairs and maintenance of workshops, shoe-repairing units, tailoring shops, rickshaw pulling etc. which are always, likely to raise the income level of the beneficiary above the poverty line on a lasting basis, can be taken up for implementation. It is fully implemented for the development of women in rural area. For this purpose it was opined that if the income of women of rural area increased, the poverty could be eradicated easily. Hence, a new thrust was given in the administration under Integrated Rural Development Programme (IRDP). First time a new monitoring authority for all the then existing schemes i.e. District Rural Development Agency (DRDA) at the district level was established in the year 1980. It was the principal organ at the district level to oversee the implementation of different anti-poverty programmes. The role of District Rural Development Agency was in terms of planning for effective implementation of anti-poverty programmes, co-ordinating with other agencies, viz. Governmental, non-governmental, technical and financial, for successful implementation of

---
programmes. It also enabled the community and the rural poor to participate in the decision-making process, overseeing the implementation to ensure adherence of guide lines, quality and efficiency, reporting to the prescribed authorities and promoting transparency in decision making. It is a landmark in the history of women development. A variety of programme were taken up under different sectors of development to ameliorate the working condition of women and raise their economic and social status.

In continuation of the efforts in the reduction of women poverty, the Government of India, postulated another programme as a sub-project under Integrated Rural Development Programme (IRDP), called “Development of Women and Child in Rural Areas (DWCRA) in 1981-82. It was implemented in 50 districts on all-India basis, on experimental basis. First preference was given to the women of the families living below poverty line. The main aim of this programme was to form a group of women to start income generation activities, make them aware of their problems and also make them self-reliant. To achieve the above said objectives there was a provision to appoint women volunteers at the village and regional levels. It was understood that women with financial independence utilise more portion of their income on child development, food, education and health etc.

In 1983 National Health Policy was brought to improve the welfare and development of women and children in the country. In 1983 the Corporation for Development of Women was created to promote the development of women in the fields like education, family welfare and

employment etc. States have also set up Women Development Corporation to carry out the mission.

The World Survey on the Role of Women in Development in 1983 strongly emphasised the 'empowerment of women' by building up their self-confidence and assertiveness. In continuation of this, higher educational institutions were opened for research on the women's position and necessity for empowerment of women. Separate universities for women, viz. Bombay Women University, Bombay, Padmavathi University for women in Tirupathi (A.P) and Mother Theresa University for Women, Kodaikanal in TamilNadu were established in 1983 to promote higher education among women. Department of women studies exclusively for doing research on the developmental programmes and future plans, were established in various universities in India.

The Ministry of Social Welfare implemented a programme called Functional Literacy for Adult Women, under the scheme of Science and Technology for Women a wide spectrum of activities were taken up to reduce the drudgery in women's day-to-day activities. Malnutritional mother belonging to weaker sections were given high priority under the Integrated Child Development Services (ICDS) program which is the largest program offering a package of supplementary nutrition, immunization, health care, growth monitoring, pre-school education etc. Along with special initiatives like the Universal Immunization Programs (UIP) those initiatives have helped India substantially reduce the infant mortality rate and also bring malnourishment under control. Thus the Government took series of measure to improve the health and education of women as envisaged in the constitution.

---

Self-Employment Concept: Economic Freedom of women

All the projects related to rural development are meant to provide sources of employment to poor families and to uplift their economic condition. Inspite of the sincere efforts, unemployment is increasing amongst youth in rural areas and they are migrating to cities in search of employment. With this migration problems like slums, exploitation of environment, burden on medical facilities and scarcity of drinking water etc., are increasing. It is also not possible to promise services to all unemployed persons. To overcome this problem, self-employment programmes have been started. The unemployed youth are given training and assistance to start their own income generation units at village level in their own villages.

The programme for Training of rural youth for self-employment was started in the year 1979-80, but was implemented in the 7th Five Year Plan. The Self-employment Industrial Service Scheme for promotion of rural small scale Industries under Integrated Rural Development Programme (IRDP) is an important scheme for promotion of self-employment in rural areas. This scheme has been routed through Khadi & Village Industries Commission (KVIC). Under this scheme financial assistance is given for establishing rural small scale industries and for upgradation of existing units. The list of the small scale industries is very wide. Some of them are – Bee keeping, Spinning, Weaving, Printing and Dying, Preparation of Soap from non-edible oil, manufacturing of Agarbatties, Workshops for manufacturing and maintenance of agricultural equipments, leather industry, preparation of
papad and Spices and Fruit preservation etc. Special grants are provided to co-operative societies and voluntary agencies for starting these units. Some other programmes are Social Forestry, Allotment of Land for plantation on lease basis, Farmer's Nursery, School Nursery, Commission Agent services. Industrial Training Institute and CAPART (an autonomous organisation of Rural Development Ministry) have the scheme of training in the name of Development of Women and Children in Rural Areas.

Ministry of Social Welfare and Central Social Welfare Board (an autonomous organisation under the Department of Women and Child Development) assist voluntary organisations for organising vocational training for women, destitutes etc. National Bank for Agriculture Rural Development assists programme through Dept. of Women and Child Development. The State Governments and autonomous organisations are eligible to receive financial support from National Bank for Agriculture Rural Development for vocational-cum entrepreneurship training for women. Shramik Vidyapeeth, District Industries Centres, Department of Agriculture and Extension of Government of India, Khadi and Village Industrial Commission (KVIC) etc. organise training programmes for unemployed people who want to start their own enterprise after the training. There are a number of specialised training institutes run by the Government. However, women find it difficult to get admission in many of them. Their social, economic and other background come in the way of their admissions and hence they are deprived of the training.

---

45 Report of Khadi and Village Industries Department, 1980-81, TN Govt., Secretariat File, No. 40, Sec.II.
46 ibid.

**Concept of Empowerment: Genesis and Growth**

Despite these efforts, nothing much could be achieved during the VI Five Year Plan. The planners were unable to incorporate women in the planning stream adequately. Though the plan defined the magnitude of women’s problems and suggested development strategy based on the integration approach, the family, rather than women, remained the basic unit of development programming. Here one has to recollect the method adopted by the Christian missionaries in luring the women under their fold. When they understood that all their efforts were failed to reach the heart of women, they visited them frequently at their residences and enticed them through attracting programmes. The plan developers at national level also conceived the same type of programmes.

In the meantime United Nations Organisations’s International Women’s Conference held at Nairobi (Kenya) in 1985 enunciated a new plan i.e., “Participation Approach” for the empowerment of women. Empowerment as a concept was first proposed here. The conference concluded that empowerment is a redistribution of power and control of

---


48 ibid.
resources in favour of women through positive intervention. Broadly, empowerment means individuals acquiring the power to think and act freely, exercise choice, and to fulfill their potential as full and equal members of the society. The United Nations Development Fund for Women (UNDFW) includes the following factors in its definition of women's empowerment.

- Acquiring knowledge and understanding of gender relations and the ways in which these relations may be changed;
- Developing a sense of self-confidence, a belief in one's ability to secure desired changes and the right to control one's life.

In the VII Five Year Plan (1985-90) the 'Participation Approach' of United Nations Organisation (UNO) demanded integration of women in nation building process as equal partners. This was done to provide human rights and privileges to women with others in the society. This plan has gone a step further by recognising that it is not enough to aim programmes at the family as a unit but at women specifically. For the first time the notion of "empowerment" in its real sense and meaning was adopted in this plan, as it was attempted to infuse confidence among women and bring about an awareness of their own potential for the development. The plan emphasised the need for encouraging non-governmental agencies in the women development process.\(^{49}\) It is to be noted here that the Government of India took initial steps here but the progress is not very encouraging.

The establishment of the Women Development Corporation during this plan period, is a new approach to provide better employment awareness for women so that they become economically independent and

self-reliant which in turn will enable them to overcome major obstacles to their employment especially in the self-employment sector. As a result various state governments constituted corporations for women welfare under the aegis of the Central government in order to bring women under the umbrella of economic schemes. And it is to be noted here that the Tamil Nadu took a pioneering step already in this direction by constituting the Corporation for Development of Women in 1983 itself in order to concentrate upon women’s development. It was conceived that women’s development could be done only by women’s empowerment through the innovation of various new schemes of income generation with a focus on empowerment strategies for women of Tamil Nadu.

In this situation the seventh plan adopted an integrated multi-disciplinary approach covering employment, education, health, nutrition, application of science and technology and other related aspects in areas of interest to women, with the major objective of raising their economic and social status. Further the plan made accessibility of women to such inputs and productive sources as Bank loans and technology. The plan also provided for legal facilities and adequate work environment for women. It was emphasised that technology that causes unemployment (or) displacement of women must be restricted. Monitoring beneficiary oriented schemes was also expanded. Collection and analysis of information and relevant data on the development programs for women were also undertaken and women study centres were initiated in the Universities. Thus, in essence, the seventh plan with the ‘participatory approach’ is the beginning of looking at women’s issue with a holistic

---

50 Ibid
perspective. It asked for the empowerment of women, which received due attention in the Eighth plan.

It was decided that the 25% of the beneficiaries under the Integrated Rural Development Programme (IRDP) should be women in the first year of the VII plan period and it should be progressively increased and include households headed by women to give new thrust for their uplift. Where the families are covered under the Integrated Rural Development Programme (IRDP), the assets would be registered in the joint name of husband and spouse. This would make women more credit worthy when dealing with banks and financial institutions. A sum of Rs.214.50 crores was allotted in the year 1985-86 for this purpose only.53

In addition to the above, preference to women is given in the Waste Land Development Programme for which they were provided with basic-rights and financial inputs under the Integrated Rural Development Programme (IRDP) and National Rural Employment programmes. They take up production of fuel and fodder which directly benefit them. Economic schemes suitable for women are identified. This is included the upgradation of their traditional skills and production of marketable items such as agricultural and horticultural products and such other items of mass consumption for schools and government offices. Nearly fifty percent of the beneficiaries under the National Rural Employment Programme are women and supportive services are provided to them. Similarly women are benefited under the Rural Landless Employment Guarantee Programmes (RLEGP). Further one third of the beneficiaries under Training of Rural Youth for Self Employment Programmes are also

women. In 1985-86 a sum of Rs.632.55 crores was allotted for NREP, RLEGP and TRYSEM programmes. In order to meet challenges under Integrated Rural Development Programme (IRDP) the administration of the Ministry of Social and Women’s Welfare and the Development of Rural Department was restructured. The Union Ministry of Labour has provided the assistance to the extent of 50 percent for setting up Women’s Industrial Training Institute (WITI) by the State Governments and also established six more Regional Vocational Training Institute for Women. Further the Government also provided maternity cover for women workers so that employers should not be prejudiced against them.54

The National Plan of Action for Women adopted in 1976 became a guiding document for the development of women till 1988 when a National Perspective Plan for Women was formulated, after the Women’s World Congress held at Nairobi in 1985 carrying down “Forward Looking Strategies for the Advancement of Women up to the year A.D. 2000.55 It emphasised self-reliance of women which state that Governments should also support local research activities and local experts to identify mechanising for the advancement of women focusing on the self-generating social, economic, and political development of women. Because of economic independence which is a necessary precondition for self-reliance such efforts should above all focus on increasing women’s access to gainful activities”.56 Following the resolution of the Conference the basic approach in the women development was changed in India. In order to inculcate confidence among women to bring about an awareness of their own potential for

54 All India Report on Women’s Industrial Training Institute. 1985-86, New Delhi.
56 ibid.
development as also of their rights and privileges, the Government of India constituted a separate department under the Ministry of Human Resource Development for the development of women and children called “Department of Women and Child Development”. It is the exclusive national machinery for women to co-ordinate with the government for women development and giving advocacy through policy and demonstrative programme initiatives. This Department plans and executes programmes for women besides monitoring the programmes meant for women in other ministries and departments. The thrust of the various programmes are for providing employment and income generation service, education and training services, support services, general awareness and legal support services.\(^{57}\)

The plan drafted by a core-group of experts is more (or) less a long term policy document advocating a multi-pronged and holistic approach for the development of women by integrating them into the main stream. It lays special attention to rural women who suffer from double discrimination and suggested the need for proper training of all women member of panchayats and other bodies, to enable them exercise the authority adequately. The plan also recommended, an exchange credit scheme for women which became the Rashtriya Mahila Kosh (RMK) in 1993. The most significant contribution of the approach is that it recommends land for landless women from which came the Indra Awar Yojana (I.A.Y.) in which land and home title are given to women (or) jointly in the name of women and their spouses, and there is a special reservation of 40 percent for women in all anti-poverty programmes.\(^{58}\) Despite the fact that many recommendations of the plan

---


were shelved, they were circulated to all ministries and departments, which were urged to study and adopt them.

In addition to women specific policies, many women related policies were also formulated such as National Health Policy (1983), The National Policy on Education (1986), the National Expert Committee on Women Prisoners (1986), The National Plan of Action for Children (1992), The National Plan for Action for the Girl Child (1991-2000) and the National Nutrition Policy (1993).

The DWCD have floated many programmes like providing short stay houses for women and girls in moral danger, counseling, medical care, psychiatric guidance etc. This department also set up core groups to evaluate the impact of developmental plans and programs on women of India. The overall approach of this plan is to perceive women in holistic manner.

In 1986 the National Policy on Education emphasized ‘education equality of women not just in terms of full and equal accrue of girls and women to education and removal of gender disparities but the major responsibilities and importance of education with all its institutions for the genuine empowerment of women by changing the social construction of gender.’ The schemes ‘Support for Training and Employment Program’ (STEP) aims to raise the income of rural women by updating their skills in the traditional sectors, such as dairy development, animal husbandry, sericulture handloom and social forestry. Since its inception in 1987, this program has benefited 4,48,000 women. In 1988, the

60 Annual Statement on Training and Employment, Dept. of Labour, Government of India, New Delhi, 1987 March.
National Perspective Plan for Women (1988-2000) formulated more than 360 recommendations including the reservation of seats for women in Panchayat Raj Institutions, State Assemblies and Parliament, and compulsory joint pattas (title deeds) for women and men in all cases of land settlement.\(^6^1\) In the same year the National Commission on Self-Employed Women and Women with the Informal Sector, created universal child care facilities for women, and setting up of exclusive credit facilities for women through a national credit fund for women. Shram Shakti, the report of the National Commission on Self-Employed Women and Women with the Informal Sector submitted in 1988, examines the entire gamut of issues facing women in the unorganised sector and makes a number of recommendations relating to employment, occupational hazards, legislative protection, training and skill development, marketing and credit for women in the informal sector.

The Jawahar Rozgar Yojana (JRY) established in 1989-90 provides facilities for women through training and employment. In 1991, the “National Plan of Action for the Girl Child” (NPA) is a set of time bound recommendations for survival, protection, development and participation of girl children, with emphasis on non-discrimination and the universality and individuality of rights. It is an integral multi sectoral plan of action for ensuring survival protection and development of children with a special gender sensitivity built for the girl child.\(^6^2\)

Women need development because women are disproportionately represented among the poor and the number of women in poverty in the rural area of India is growing faster than the number of men. In 1988, as estimated 564 million rural women lived below the poverty line

\(^{61}\text{ibid., 1989-90.}\)

\(^{62}\text{Plan Index, Jawahar Rozgar Yojana. New Delhi, 1989}\)
representing an increase of 47 percent since 1956-1970, in comparison, the number of men living below the poverty line increased 30 percent over the same period. Factors contributing to the increase in rural poverty are economic recession, civil strife and natural disasters. In addition to the rise in the number of households supported by women is an important variable explaining the increase in poverty among women. Recent statistics on the percentage of households headed by women in both the urban and rural areas are shown the important contributions to the economic support of their house holds. In Tamil Nadu, for example it is estimated that 96 percent of rural women engage in framework and 40 percent of small farms are managed by women. As a result of this work, women contribute subsistence income to household support. Data from Tamil Nadu show that poorer the house hold, the more women work for income and the larger the proportion of household income derived from women’s earnings. In some landless households in Tamil Nadu, women are often the main (or) sole income earners. Some studies show that women’s earnings contribute more directly to family welfare than men’s earnings because they go towards food and children’s education.

**Women development Vs National Development**

Though the Government took active steps in the direction of empowerment of women, still the women are not relieved from their poverty. There is a realisation that women have limited access to capital market, Education, Skill-training, Extension advice and Participation in the decision-making process. Hence the Government planned to lift the poor women through self-employment by giving training in small trade, providing credit suitably. This was further activated due to economic

\[\text{63 Dept. of Rural Development Administrative Proceeding’s, 1994-95, Secretariate Literary, Vol.V.}\]
\[\text{64 ibid.}\]
liberalization and market friendly economy during the 8th Five Year Plan period i.e 1992-97.\textsuperscript{65} It has enabled women to function to a certain extent as equal partners and participants in the development process of the nation. It also recognised the empowerment of women as the central issue in determining the status and development of women.\textsuperscript{66} The Eighth plan thus marks a shift in the approach from “participation” to “empowerment” and recognised the need to remove - socio - cultural and administrative constraint to the realisation of women’s social awareness of their contribution to women’s development and empowerment.

The Government has set up the National Commission for Women in January 1992, with the mandate to study and monitor all matters relating to the constitutional and legal safeguards provided for women for reviewing existing legislation and suggesting amendments wherever necessary and for looking into complaints involving deprivation of the rights of women.\textsuperscript{67} In the same year a “Legal Literacy Manual” was brought with the aim of educating women about the laws concerning their basic rights. These manuals have been written in an illustrated format and cover a wide range of subjects, namely laws relating to working women, child labour, contract labour, adoption and maintenance, Hindu, Muslim and Christian marriage laws and rights to property.\textsuperscript{68}

It is ensured that the benefits of development from different sectors don’t by-pass women and special programmes must be implemented to complement the general development programmes. It reiterated that the formation and strengthening of grass-root organisations should articulate local women’s needs and play an important role in decentralised planning.

\textsuperscript{65} Economic Times, 18\textsuperscript{th} April 1992.
\textsuperscript{67} Report of the National Council for Women, 1992 March.
and implementation. It emphasised the convergence and integration of service offered by health, education, employment and welfare programmes at the grass-root level. A policy was adopted to earmark a specific percentage (30 to 40%) of allocation and numbers (beneficiaries) for women in all anti-poverty schemes in rural and urban areas. This encouraged Non Government Organisations (NGOs) to mobilise and organize the people to play their role in the promotion of self-reliant development rather than limiting their activities to relief works, charity and welfare. It also identified of forming and strengthening of gross-root level women’s groups which articulate the needs of women in their respective coverage and which also hopefully plays a crucial role in the decentralized planning and implementation of planned programmes.\(^6\)

Further India accepted the recommendation of the CEDAW (to UNO which was declared on 18\(^{th}\) December 1970), on 8\(^{th}\) August 1993. Since it stressed for the Reservation of seats in the local administration for women, Government of India amended its Constitution by 73\(^{rd}\) and 74\(^{th}\) Amendment which provided for one third reservation of seats for women in the Local bodies of Panchayats and Municipalities. It lays the foundation for their participation in decision making at the local levels, the most revolutionary steps in the empowerment of women. The Panchayat Raj institutions are involved in the design and planning and implementation of women programs.\(^7\)

The Panchayat Raj Institution in the gross-root unit of self governments has been proclaimed as the vehicle of the socio-economic transformation in rural India. Before the enactment of the Act, the presence and participation of women in informal democratic process is

woefully inadequate at all the levels of Centre-State and local gross-root. But with the enactments of the Acts, women-oriented policies and programs are formulated with the desired women’s perspective. In the year 2007, more than 40% of local body seats were occupied by women. Consequently, women in general, particularly women in rural get an easy access to power structure and other effective methods to overcome their age-old inequality and subordination.

In 1993-94, Women Industrial Co-operative Societies were formed and through which women were made to involve in the development process, for gainful employment.

Another initiative to empower women by raising their economic status is the scheme Mahila Samridhi Yojana (MSY), was launched in October 1993. This scheme aims to promote the habit of saving among rural women with the objective of improving their financial asset. The Government offers an incentive of 25 percent on a deposit of Rs.300/- kept for a period of one year.

Setting up of a Rashtriya Mahila Kosh, a national credit fund for Women, in 1993 is yet another innovation. The fund aims to reach the poorest of the poor when they are in need of credit but cannot reach the formal banking or credit system. This credit fund has helped in development of a national network of credit services for women in the informal sector. It views credit as a tool for promoting self-employment leading to social change. It believes that micro credit for the poor has to provide for seasonality, allow repayment flexibility, avoid bureaucratic formalities and fix ceiling on loan sizes. Rashtriya Mahila Kosh

---

71 The Hindu, July 17, 2007.
73 Ibid.
essentially provides credit to Non Government Organisations (NGOs), Women Development Corporations and encourages credit delivery through women groups. It has several loan schemes. Interest free loan scheme for women development, loan promotion schemes, main loan scheme, revolving fund scheme, marketing assistance scheme, death relief and rehabilitation scheme, and borrower insurance scheme for refinance to urban cooperative banks / Mahalir Co-operatives. Further Friend’s of Women’s World Banking (FWWB) also provides funds to the women groups through NGOs. Further it provides training to the members of NGOs in the work of self-employment scheme. It also encourages other financial institutions of the Government to assist them to give micro-credit.

Another scheme Mahila Vikas Nidhi (MVN) is a specially designed fund for economic empowerment of women. Training and employment opportunities are provided to them through creation of necessary infrastructure. Besides supply of improved inputs, productions and technological improvements are also covered under the MVN scheme. The progress of the scheme has been noteworthy. By March 2007, 360 Non Government Organisations (NGOs) supported benefiting over 40,000 women with an aggregate assistance of Rs.950.00 lakhs.

In the meantime India participated in the United Nation Organisations (UNO) Fourth World Conference on Women, held at Beijing (China) in September 4-15, 1995, the year of the 50th Anniversary of the founding of the United Nations. India’s Draft Paper called “Strengthening social support net work system for women and for

providing immense employment opportunity to females”, proposed for micro-credit facilities to rural poor women. Further it said that currently emerging empowerment approach is a unique response to the challenge of equality and peace. “Women have been recognised as being critical to the success of development processes”, pointing out that the government’s major thrust has been on providing women with access to the factors of production.77

At the same time India also expressed its determination to (1) Intensify efforts and actions to achieve the goals of the conference for the advancement of women by the end of this century (2) Ensure the full enjoyment by women and the girl child of all human right and fundamental freedom and take effective action against violation of these rights and freedom (3) Take all necessary measures to eliminate all forms of discrimination against women and the girl child and remove all obstacles to gender equality and the advancement of empowerment of women (4) Encourage men to participate fully in all actions towards equality (5) Promote women’s economic independence including employment and predicate the persistent and increasing burden of poverty on women by addressing the structural causes of poverty through change in economic structures, ensuring equal access for all women, including those in rural areas, as vital development agents, to productive resources, opportunities and public services.78

77 The Hindu. 16th September, 1995.
Era of Empowerment

The following table shows how many women are benefited by the various schemes of the Government of India up to 1995:

Share of women in Employment generated under Poverty Alleviation Programmes in Rural Area of India

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Year</th>
<th>Total no. of families assisted under self-employment programmes</th>
<th>% share of women beneficiaries</th>
<th>Total No. of Man days generated under wage employment programmes (NREF + RLEP + JRY + EAS)</th>
<th>% share of women beneficiaries</th>
<th>Women benefited under DWCR A (in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1985-86</td>
<td>3.20</td>
<td>11.52</td>
<td>564.00</td>
<td>9.67</td>
<td>1.01</td>
</tr>
<tr>
<td>2</td>
<td>1986-87</td>
<td>3.90</td>
<td>16.61</td>
<td>701.50</td>
<td>15.47</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>1987-88</td>
<td>4.40</td>
<td>20.77</td>
<td>674.90</td>
<td>18.05</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>1988-89</td>
<td>4.00</td>
<td>24.53</td>
<td>691.50</td>
<td>20.75</td>
<td>0.98</td>
</tr>
<tr>
<td>5</td>
<td>1989-90</td>
<td>3.60</td>
<td>27.00</td>
<td>864.4</td>
<td>22.04</td>
<td>0.90</td>
</tr>
<tr>
<td>6</td>
<td>1990-91</td>
<td>3.10</td>
<td>32.29</td>
<td>873.80</td>
<td>24.64</td>
<td>1.10</td>
</tr>
<tr>
<td>7</td>
<td>1991-92</td>
<td>2.80</td>
<td>35.20</td>
<td>809.20</td>
<td>24.01</td>
<td>2.08</td>
</tr>
<tr>
<td>8</td>
<td>1992-93</td>
<td>2.30</td>
<td>35.22</td>
<td>782.10</td>
<td>24.69</td>
<td>1.29</td>
</tr>
<tr>
<td>9</td>
<td>1993-94</td>
<td>2.80</td>
<td>35.47</td>
<td>1075.30</td>
<td>22.82</td>
<td>2.69</td>
</tr>
<tr>
<td>10</td>
<td>1994-95</td>
<td>2.50</td>
<td>35.42</td>
<td>1225.70</td>
<td>22.25</td>
<td>5.92</td>
</tr>
</tbody>
</table>


Notwithstanding the impressive progress that has been made by the country on different fronts, poverty continues to be a matter of serious concern. The above table shows that from the period 1985 to 86, the number of women beneficiaries percentage is very low but since the employment of women is considered as a supportive income to the family, the society changed its altitude and allowed the women to take up...
remunerative works under government schemes. But however this employment did not provide regular income and employment of all women. The effect of large percentage of the poor on the country’s development is obvious. The situation needs to be reduced early.

Indira Mahila Yojana (IMY) was launched in 1995 for comprehensive empowerment of women. It is being implemented in 238 Blocks and 80,000 women’s groups have been formed under the scheme upto December 2007.

In this background having taken stock of national and international developments and with a series of consultations with State Government, non-governmental organisations, social activists, researcher and other experts in the country, the National Policy for the Empowerment of Women was drawn up in 1996. The goal of this policy was to bring about the advancement, development and empowerment of women. This is to be achieved by changing societal attitudes and participation of women in all spheres of life, in corporation of gender perspectives, enhancing the concept of equality between men and women.

The approach to this plan for the development of women was to be based on the prescriptions of National Policy for Empowerment of Women. This plan gives its emphasis on women development through group approach to eliminate gender discrimination and regional imbalance in socio-economic development.70

It is in this context that the Self-Employment Programs acquire significance as another step towards empowerment of women in the period between 1997 and 2002 (i.e., IX Plan Period). This period is

70 Meera Seth W., Indian Experience, New Delhi, Sage Publications. 2001, p.74.
called as period of “Empowerment of Women”. The empowerment of women is one of the stated objectives of this period. It called for the transfer of control of social intra-structure in the public sphere to women groups. It decided on a ‘Women’s Component Plan’ as a part of the plan of each sector to identify the flow of benefits to and the impact of plans and programmes on women. It called for reliance on women’s Self-Help Groups as a strategy. It declared the flow of benefits to women and children as one of the fundamental criterian determining the allocation of priorities.80

This period focused on the empowerment of women, decentralisation and people’s participation in planning and implementation of strategic. For the first time a sub-plan purely for women was drafted. This plan was pragmatically different from earlier plans (Projects) and focused for the first time on growth, equality and participation of women. It further proposes the empowerment of women in the field of both social and economic, and envisages the promotion of self-sufficiency for women and aims at gender equality.81 For the first time State Governments and every department were asked to earmark funds for ‘Women’s Component’. Thus it provides for empowerment of women and provides thrust on certain development strategies. These include:82

a) To create an enabling environment for women to exercise their rights both within and outside home, as equal patrons along with men through early adoption of “National Policy for Empowerment of Women”.

80 Index of the Ninth FiveYear Plan, 1997.
81 ibid
82 ibid
b) To legislate reservation of not less than one third seats for women is Lok Sabha and in the State Legislative Assemblies and this ensures adequate representation of women in decision making.

c) To adopt an integrated approach towards empowering women through effective convenience of existing services, resources, infra-structure and man power in both women - specific and women-related sectors.

d) To organise women into self-help groups and thus mark the beginning of major process of empowering women.

e) To accord high priority to reproductive child health services and thus ensures easy access to maternal and child health service.

f) To universalise the on going Supplementary Feeding Programme (SFP), Special Nutrition Programme (SNP) and Mid-Day Meals (MDM) Programme.

g) To ensure easy and equal access to education for women and girls through the commitments of the Special Action of 1998.

h) To initiate steps to eliminate gender bias in all the educational programmes.

i) To institute plans for free education for girls up to college level including professional courses.

j) To enquire women with necessary skills in the modern upcoming trades that could keep them economically independent and self-reliant and self-sufficient.

k) To increase access to credit through setting up of a development bank for women entrepreneurs in small and tiny sectors.
Self Help Group (SHG): Its formation

The Government of India took a vow to eradicate poverty of women by taking the support of United Nations Organisations (UNO) resolution on “empowerment of women” before the year 2001. This resolution declared the year 2001 as the “Women Empowerment Year”. With the above aim a new scheme called Swarnjayanthi Gram Swarozgar Yojana (SGSY), the single self-employment programme for the rural poor, was launched in April, 1999 in connection with the Golden Jubilee celebration of Independence of India. It is the convergent of all the earlier poverty alleviation programmes viz., Integrated Rural Development Programme (IRDP), TRYSEM, DWACRA, MWS etc. This program lays emphasis on the group approach under which the rural poor are organized into Self-Help Groups (SHGs). Self Help Group(SHG)s are voluntary associations of people formed to attain the collective goal. SGSY focuses on organising the poor through social mobilisation which involves intensive interaction with the community and the BPL families, created understanding about the program content and facilitate them to come together, participate actively and take decisions on all issues concerning their development.

It integrates various agencies viz DRDA, NABARD, banks, Panchayat Raj Institutions, Non Government Organisations (NGOs) and other semi government organisations. The objective is to bring the existing poor families about the poverty line by providing them income generating assets through a mix of banks credit and government subsidy and to ensure that an assisted family has a monthly net income of at least Rs.2000/- subsidy under Swarna Jayanthi Gram Swarozgar Yojana is

---

84 ibid.
uniform at 30% of the project cost subject to a maximum of Rs.7500/-, respect of SC/ST, it is 50% subject to maximum of Rs.10,000/-; for Se. Help Group (SHG)s the subsidy is 50% subject to ceiling of Rs.1.25 lakhs. Swarna Jayanthi Gram Swarozgar Yojana is founded by the centre and state in the ratio of 75:25 respectively.

The principal objective of the project is the empowerment of rural women which is sought to be achieved by socially mobilising the rural poor women into informal groups and it is realised as the most powerful weapon. Lending of loans through Self Help Group (SHG)s has been found to be one of the most appropriate mechanisms to trigger development impulses of the poor. This has prompted government and Non Government Organisations (NGOs) to create a way for organising the poor into informal groups for mutual help and thrift for the rural poor women to improve their economic and social status in the family and the community. The social enhancement could be achieved by organizing them into Self Help Group (SHG)s which would provide them a power base for self development through group dynamics. With these in view, the project envisaged development of strong and conducive women groups through increasing their income earning potential by integrating them into regular delivery system for credit and support services.

This scheme intends to give only a support to Self Help Group (SHG) particularly women Self Help Group (SHGs) through its partners. This scheme is aimed to promote the economic and social development of the poor women through a network of Self Help Group (SHGs). These Non Government Organisations (NGOs) educate the beneficiary women

---

85 Guidelines of Swarna Jayanthi Gram Swarozgar Yojana.
and help them to form into groups by giving guidance services for their savings, credit and related programmes.

This scheme issues loans only to senior and matured groups having sizable corpus fund say Rs.50,000 or more irrespective of the commercial activities of the groups. Even the size of loan is more or less in multiples of their savings not exceeding four times. Only members of Self Help Group (SHG) are eligible for loans. The members should inform the purpose of loan and the repayment period while requesting the loan. The maximum level of loan that can be available per member of Self Help Group (SHG) is Rs.5000/- which values the Self Help Group (SHGs), depending on the age of the group and funds availability. This is made available only after repaying the first loan. Interest rate for loans below Rs.2000/- is 10% p.a. (for consumption purpose) and for the amount above Rs.2000 is 36% p.a. \(^7\)

Further the SGSY mainly concentrates on the federation of Self Help Group (SHG)s at Panchayat Union level i.e. cluster groups so that a cooperative movement without the interference of the bureaucracy may be developed. Further it also desired the sustainability of the women groups by providing sufficient loan to make each women to become a trader or entrepreneur. This may give the economic and social empowerment.

NABARD, RMK, DWACRA and other central and state microfinance institutions have a major role in this scheme for financing the Self Help Group (SHGs). The role of NABARD in the Self Help Group (SHGs) are (1) Assisting in the formation of credit guidelines (2) assisting in creating Self Help Group (SHG) friendly banking

\(^7\) *Ibid.*
environment in District and State (3) Solving all field level rela
problems of Self Help Group (SHG) and through prompt intervention ( Providing refinance support to Self Help Group (SHG) credit to Banks (5) Ensuring inclusion of Self Help Group (SHGs) credit outlay under District Annual Credit Plan and disaggregating into branch wise credit (6) Promotional assistance to Non Government Organisations (NGOs) / Self Help Groups (SHGs) for their capacity building, providing training opportunities to Banks, Non Government Organisations (NGOs) and developed agencies on Self Help Group (SHG) related aspects and (8) Assist through funding some of the training programmes.

DWACRA, the sub- scheme under Integrated Rural Development Programme (IRDP) launched in 1980s , is a self- employment scheme, aiming at increasing women’s access to skills training for unemployed women, credit and other support services, has increased its central focus on women when it emphasises group strategy for the alleviation of women poverty. After Swarna Jayanthi Gram Swarozgar Yojana it aims at formation of women groups. It’s programmes are a) Podupulakhsni groups 2) NABARD and other bank promoted groups 3) IFAD promoted Self Help Group (SHGS) 4) Revamped Mahalir Samridhi Yojana (MSY) and e) Rashtrya Mahalir Kosh (RMK).

Generally the savings mobilised by the Self Help Group (SHG)s are inadequate for further circulation. Most of the members are poor and the savings they brought in are limited and hence external linkage is needed to uplift the rural poor. The linkage is essential for economic empowerment of women which line the way for faster path to financial sustainability of each household. After the successful completion of 6

---

months of effective performance, the credit rating of such Self Help Group (SHGs) is undertaken to assess the credit worthiness of such groups. Groups clearing standards set by Self Help Group (SHG) Credit Guidelines (satisfying the credit rating parameters) were recommended for linkage under SGSY, TAHDCO, NABARD, RMK etc.

**Self – Help Group : Procedures**

The group fund is an essential aid for sustainability. This will be created from the inception of the group, by keeping aside 50% of interest earned on loans. The rotating group fund is again a group decision, as also the interest rates (2-3%) per month. The Self Help Group (SHG) may open a bank account in any bank of their choice, depending on their connection and proximity. Books and registers i.e., attendance registers minutes book, saving ledger, loan ledger, general ledger., and cash book, individual’s pass book, subscription register etc, should be maintained in every group.

If a member was absent continuously for more than a month a fine of Rs.5 per month would be collected. All the proceedings have to be recorded in the Minutes Book and signed by members by opening a common bank account in the name of the Self Help Group (SHG) with the two members jointly operating. Owing to requirements to their schemes, it is advised to open accounts preferably in the service area branches. It is taken as an evidence of group “formation”. This requires a period of social mobilisation, cohesion and willingness to work together and pool resources. The formation and maintenance works are normally handed over to Non Governmental Organisation. The Non Governmental

---

89 *ibid.*
Organisation would be compensated for their services to be rendered in providing Non Governmental Organisation’s support costs based on their actual work done.

Training programmes are important because they (1) Expand their knowledge base, (2) Try to bring about the changes and (3) Impart new skills and build upon their existing ones. The role of Non Government Organisations (NGOs) is more important in the formation of Self Help Group (SHG). The experience across the country has shown that group formation and development is not a spontaneous process. A facilitator working closely with the communities at gross root level can play a critical role in the group formation and development. The quality of the groups can be influenced by the capacity of the facilitator. The facilitator may or may not be an official. In some cases Non Government Organisations (NGOs) cannot work only as the organiser but also help in training and capacity building of facilitators being used by District Rural Development Agency. The District Swarna Jayanti Gram Swarozgar Yojana Committee may therefore select suitable organisations /societies /individual as facilitators, community co-coordinators in the programme based on their past experience in Self Help Group (SHG) formation.

The formation stage may last for about six months (or) more depending upon the literacy awareness levels, socio-economic background of the people being organized as well as the capacity of the facilitator involved in the process of social mobilisation and group formation. At the end of the formation stage, which may be six months (or) more, it is necessary to subject each Self Help Group (SHG) to a test to assess whether it has evolved into a good group and is ready to go into the next stage of evaluation. This is done through grading exercise. The
The objective of the exercise is to identify the weakness, if any, and help the group to overcome the same through training and capacity building inputs, so as to develop into a good group. Grading exercise thus should help to focus attention on weak groups. So that DRDA can assist them to overcome the weakness and grading into good groups. Grading of the group should also enable the DRDAs to establish linkages for the good groups with the banks.

Self-Help Group: A Metamorphosis

Figure shows the development of self-reliance of SELF HELP GROUP (SHG)

I stage SHF formation (upto 6 months)

II stage 1st year training received selection of trade loan from group deposits and loan from linked bank.

III stage 2nd year assessed and graded successfully

IV stage 3rd year bank loan for economic purpose

V stage 4th year loan received and beginning of trade

VI stage 5th year groups self-reliant.

90 ibid.
The DRDA will have to play an effective role in grading exercise. Grading of the Self Help Group (SHGs) could be done by the same agency that is involved in the promotion and development of Self Help Group (SHGs). The grading criteria should be consistent with the characteristics that are agreed to be essential for strong, self-managed and vibrant Self Help Group (SHGs).

Following are the various processes that are involved in the grading:

- Development of exhaustive list of characteristics of a good group by DRDA in consultation with it partners if any, involved in promotion and development of Self Help Groups (SHGs).
- Development of criteria for grading of the groups with appropriate weightage for various parameters.
- Identification of a suitable agency to undertake the grading exercise.
- Intensive training to the investigators who will interact with the members of the groups to assess the group of various parameters. This training can either be conducted by the agency for grading or by DRDA.
- Facilitate the agency to visit the groups for assessing the status of the groups.
- Obtain Self Help Group (SHG) wise reports with the rating awarded and the reasons
- Develop an appropriate Self Help Group (SHG) wise action plan for strengthening the groups identified as weak of average.
- Pursue with bankers for securing Self Help Group (SHG) linkage with such Self Help Groups (SHGs) that are rated as good.
Another important step, which was undertaken in the project during this period, is the convergence of services in addition to savings and credit. With this opening of principal schemes like I.R.D.P., D.W.A.C.R.A., Prime Minister's Rojgar Yojana, Indira Mahila Yojana, Entrepreneur Development Programme for Women and Special Component Plan were converged through the network of Self Help Group (SHGs) thus making the women the entry point for government’s inputs in poor and rural house holds. Moreover Indira Mahila Yojana was fully integrated with this project.

This project has been successful due to following reasons:

1. Proper emphasis was given for training
2. The objective of creating assets was fulfilled, perhaps because the beneficiaries were nominated by the groups themselves.
3. High credit utilisation ratio and repayment rates are ensured through social poor group pressure by the co-group member, and the process is facilitated by the working of non-Governmental organisations.
4. The Project is being reviewed regularly in every two months.
5. Co-operation between and among from all the departments, Non-Governmental Organisations, Banks and above all from the women at the villages.

As the year 2001 was celebrated as the "Year of Women Empowerment", the Government of India gave more stress on the extension of Self Help Group (SHG) in all the villages and towns by utilising the services of more numbers of NGOs. As against 220

91 Guidelines for Self Help Group (SHG).
participating NGOs on 31.03.1997, the total number of NGOs increased to 265 in order to improve their participation in the linkage programme either as facilitators or as intermediaries. Because of this self-help group linkage and micro-credit programme is emerging as popular and effective means of assisting the poorest among the poor. The Self Help Group (SHG) linkage programme has gained momentum and 32,99 Self Help Group (SHGS) have been linked with banks as on 31st march 1999 against a refinance assistance of Rs.52.06 crore. Hence all the women and welfare scheme belonging to various departments were brought under one department i.e. Department of Rural Development. It was made as compulsory that priority should be given to the members of the Self Help Group (SHG) in all welfare scheme.¹²

It is an innovative and carefully thoughtout scheme. It takes into account all the strengths and weakness of the earlier self-employment programmes. It offers the perfect balance of credit and subsidy. It aims at establishing a large number of micro-enterprises in the rural areas, building upon the potential of the rural poor. It is rooted in the belief that the rural poor in India have competencies and given the right support can be successful producers of valuable goods. A significant aspect of SGSY is that every family assisted under this programme will be brought above the poverty line in three years and therefore the programme is aiming at creation of substantial additional incomes for the rural poor. Subject to availability of funds, it is proposed to cover 30% of the rural poor in each block in the next five years.¹³ The programme has been designed to provide proper support and encouragement to tap the inherent talents and capabilities of the rural poor. It will target the most valuable among

¹³ ibid.,
them. At least 50% of the swraozgaris will be Scheduled Caste / Scheduled Tribe, 20% women and 3% disabled.\textsuperscript{94}

It is conceived as a holistic programme of micro-enterprises covering all aspects of Self-employment viz., organisation of the rural poor into Self-Help Groups and then capacity building, planning of activity, clusters' infrastructure build up technology, credit and marketing.\textsuperscript{95}

Further it lays emphasis on activity of clusters. This activity will be identified for each Block based on the resources, occupational ability of the people and available markets. Selection to their activities will be with the approval of the Panchayat Samitis at the Block level and the District Rural Development Agency (DRDA), and Zilla Parishad (ZP) at the district level. The activities are taken up in suitable clusters to enable extension of appropriate facilities. The existing infrastructure for the cluster activities are reviewed and critical gaps are filled under SGSY. Efforts would be made to involve women members in each SELF HELP GROUP (SHG).\textsuperscript{96} Group activity will be given preference and progressively majority funding will be for Self-Help Groups. In each Panchayat Samiti, at least half of the groups will be exclusively women groups.\textsuperscript{97}

The Gram Sabha has to prepare the list of families living below the poverty line identified in the BPL Census and after identification individual \textit{Swarnjayanthi} will be made through participating process.

\textsuperscript{94} ibid.
\textsuperscript{95} ibid.
\textsuperscript{96} ibid.
\textsuperscript{97} ibid.
SGSY is a credit cum subsidy programme. Credit will be the critical component of SGSY, subsidy being only an enabling element. Accordingly SGSY envisages a greater involvement of the women in the planning and preparing project, identification of activity, clusters infrastructure, capacity building and choice of activity of the group, selecting individual-swarozgaris, pre-credit activities including loan recovery, etc. SGSY seeks to promote suitable credit rather than one time credit. In lieu of the credit requirement, the swarozgaris will be carefully assessed and they will be encouraged to increase their credit intake over the years. Subsidy under SGSY would be 50% of the project cost subject to a ceiling of Rs.7,500 for SC/ST it would be 50% and Rs.10,000 respectively. For Self-Help Groups, subsidy would be 50% of the project cost subject to a ceiling of 1.25 lakhs. There will be no limit on the subsidy for irrigation projects.\textsuperscript{98}

Special emphasis lays on skill development of the swarozgaris through designed training courses tailored to the activities selected and to the requirements of each swarozgari. Close attention to technology and market in need of the Swarozgaris is the hallmark of SGSY. Technology intervention seeks to utilise the local resources, including processing of the locally available material.

Experiences show that groups formed with thrift and credit as an entry point make the groups as cohesive unit as possible. The advantage here is that the members get greater access to credit and to the support services for enhancing their income levels. Any other entry points can also however be tried, depending on the local situations. Self Help Group

\textsuperscript{98} ibid.
(SHGs) broadly pass through stages of evolution. Viz., (1) Group formation, (2) Capital formation and (3) Taking up economic activity.

Self Help Group (SHG) formation is based on the following guidelines:99 (1) Self Help Group (SHG) may consist of 10-20 person (men, women (or) mixed groups) (2) Self Help Group (SHG) members may be drawn from BPL households with not more than one member from the same family. (3) Groups should devise and develop procedures, guidelines, byelaws and code of conduct to be followed by the members (4) Groups should develop an agenda for each meeting and conduct meeting accordingly (5) Groups should build up a common fund through regular voluntary savings of members (6) Groups should use common fund to advance loan to members. The groups develop loan prioritising sanctioning, repayment scheduling and interest rate, fixing norms on their own. (7) Groups should closely monitor repayment loans and operation of the group account with the banks to deposit balance amount (8) SGHs should maintain simple records like Minute book, Attendance Register, Loan Ledger, General Ledger, Cash Book and Bank Pass Book etc (9) 50% of groups formed in each block should be exclusively for women (10) On case of the disabled persons, the groups should ideally be disability specific. If sufficient number is not available, a group may comprise persons with diverse disabilities (3%) (11) Self Help Group (SHGs) are informal organisations if registered they can become Registered Bodies. This might help the groups to establish credibility with the banks and other financial institutions in mobilising credit. Self Help Group (SHGs) can federate at village and block level, develop a strong-managed organisational base of participation of the poor.

99 ibid.
In 1998, another new scheme called the Trade Related Entrepreneurship Alliance Development (TREAD) was launched by the Government. It was designed to generate self-employment for 45,000 women in rural and urban areas. The package involves financial assistance services through NGOs in the non-farm sector.\textsuperscript{100} This scheme supported the Self Help Group (SHGs) formed by women by giving training to them in crafts. Another scheme Swarnjayanthi Shahari Rozgar Yojana (SJSRY) was introduced in 1999. The objective of SJSRY is to assist those who live below poverty line.

Another scheme namely Rural Women’s Development and Empowerment Project (SWA-Shakti Project) was also launched in 1998, for strengthening the process of empowerment of women in six states through the establishment of self-help groups.

Small Industries Development Bank of India (SIDBI) has set up the SIDBI Foundation for Microcredit (SFMC) in 1999 as a private body to facilitate accelerated and orderly growth of the micro finance sector in India. The foundation has launched to create a national network of strong, viable and sustainable microfinance institutions both in the informal and formal sectors to provide microfinance services to the poor women. The foundation accelerates the credit flow to the microfinance sector. It also works towards building up the capacity of its partner MFIs so as to make them providers of the financial services to the poor. SFMC develops a market of service providers consulting agencies, microfinance, training institutions, etc. It also plays an active role in policy advocacy to bring

out effective policy and govern regulatory frame work. It also provides equity support to select eligible corporate MFIs.\textsuperscript{101}

Government also established a "National Resources Centre for Women" (NRCW) and developed "Women’s Information Net Work System" (WINS) in collaboration with the "National Information Centre" (NIC) NRCW acts as an apex body for promoting and incorporating gender perspective in policies and programmes of the government. A pilot project to list the concepts and methodologies underlying the NRCW has been successfully implemented.\textsuperscript{102} Subsequently, the women empowerment movement with a widespread network of the NGOs which have strong gross-root presence and deep insights into women’s concern inspired many initiatives for the empowerment of women.

\textbf{Group Strategy and the role of Felicitation}

The experience across the country has shown that group formation and development is not a spontaneous process. A facilitator working closely with the communities at gross root level can play a critical role in the group formation and development. The quality of the groups can be influenced by the capacity of the facilitator. The facilitator may or may not be an official. In some cases NGOs not only work as the facilitator but also help in training and capacity building of facilitators being used by DRDAs. The District SGSY Committee may therefore select suitable organisations/societies/individual as facilitators or community co-coordinators in the programme based on their past experience in Self Help Group (SHG) formation. The DRDA may devise a memorandum of understanding (or) contract to be used for entering into an agreement with

NGOs/CBOs/Community Co-ordinators/Animators being involved as facilitators for group formation, development and training. The DRDA shall regularly monitor the progress of group through periodic evaluation.103

In order to meet both the increasing and challenging needs of women and children there has been a progressive increase in the plan outlays over the period of last four developmental decades. The outlay of Rs.4 crores in the first plan (1951-56) has gone upto Rs.4000 crores in the Tenth Five Year Plan (2002-07) as shown in the following figure:104

Budget allocation of the DW & CD

![Budget allocation chart]


---

103 Guidelines of Swarna jayanthi Gram Swarazgar Yojana.
104 Economic survey of India, 2005-06, Government of India, New Delhi.
Self-Help Group (SHGs) and Micro-credit:

The Self-Help Group model has been identified as a potential pathway of alleviating poverty. The number of poor women and men who are enrolling in Self Help Group (SHGs) all over rural India has been increasing remarkably. They are not only active in thrift and credit management but are also taking up other activities, such as natural resource management and development work, literacy, knowledge management, nutritional security etc. Self Help Group (SHGs) lay the foundation for self-reliance through building up of institutions, which have the capacity to generate employment opportunities for the rural poor and lead to job-led economic growth.

During 1999-2000 NABARD and SIDBI redoubled their efforts in the direction of Self Help Group (SHGs) and covered 50,000 Self Help Group (SHGs), with the wider recognition and acceptance of the concept of Self Help Group (SHGs) among the NGOs, banks and government agencies, as also the policy support extended by the Reserve Bank of India and Government of India. The Indian banking system, on its part, has shown a willingness and resilience to this Self Help Group (SHG) movement providing micro-finance with 504 banks providing access of credit to 116 lakh poor families through 30,942 participating branches supporting over 7 lakh Self Help Groups (SHGs) upto March 2003.

Another stage was set on in the programmes of empowerment of women from 2002 onwards, when the X plan period started. When the “Working Group on Empowerment of Women”, an integrated organ for

---

105 Index Budget, 1999.
106 ibid.
women's development especially in the rural areas through micro-credit in several functional areas is launched. It submitted its recommendation as follows.\(^{107}\)

   a) Approach based on recognition of people's entitlements and the responsibilities of the State to provide conditions to achieve these entitlements.

   b) Substantially set-up investments in social sectors and also to focus on strategies to optimise public resources to increase gains for larger number of women and men.

**Success of Self Help Group (SHG) Through micro – finance**

The major form of micro finance in India is based on women's Self Help Group (SHGs), which are small groups of 10-20 members. These groups collect savings from their members and provide loans to them. While the term 'Self – Help Group or Self Help Group (SHGs) can be used to describe a wide range of financial associations, in India it has come to refer to a form of Accumulating Saving and Credit Association (ASCA) promoted by Government agencies, NGOs or Banks. These groups manage and lay their accumulated savings and externally leveraged funds to their members.\(^{108}\) By 2005, over 700,000 groups had obtained over Rs.20 billion (US $ 425 million) in loans from banks benefiting more than 10 million people. Delinquencies on these loans are reported to be less than 5 per cent. Savings in these groups is estimated to be at least Rs.8 billion (US $ 170 million).\(^{109}\)


\(^{108}\) Tamilarasu (Tamil), Tamil Nadu Govt. Publications, July 2003

By this time, Micro-finance is a movement and an institution, has reached its heights in every part of India. It is popularised as a right kind of strategy to redress the poverty among poor women. UN declared year 2005 as the International Year of Micro-Financing. To analyse the pattern of borrowing by Self Help Group (SHG) members, the loans are classified according to different sizes. The size-class of loan amount is shown in the following table:\textsuperscript{110}

<table>
<thead>
<tr>
<th>S.No</th>
<th>Range(Loan size)</th>
<th>Number of loan accounts</th>
<th>Amount of loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>500</td>
<td>46,687 (37.3%)</td>
<td>17,252,074 (9.7%)</td>
</tr>
<tr>
<td>2</td>
<td>500-1000</td>
<td>27,125 (29.7%)</td>
<td>34,879,579 (19.5%)</td>
</tr>
<tr>
<td>3</td>
<td>1000-3000</td>
<td>30,382 (24.3%)</td>
<td>61,659,704 (34.5%)</td>
</tr>
<tr>
<td>4</td>
<td>3000-5000</td>
<td>7,591 (6.1%)</td>
<td>33,940,225 (19.0%)</td>
</tr>
<tr>
<td>5</td>
<td>5000-7000</td>
<td>1,326 (1.1%)</td>
<td>8,259,600 (4.6%)</td>
</tr>
<tr>
<td>6</td>
<td>7000-10,000</td>
<td>1,399 (1.15%)</td>
<td>12,393,264 (6.9%)</td>
</tr>
<tr>
<td>7</td>
<td>10,000-15,000</td>
<td>366 (0.3%)</td>
<td>4,861,456 (27%)</td>
</tr>
<tr>
<td>8</td>
<td>15,000 and above</td>
<td>229 (0.2%)</td>
<td>5,474,722 (3.1%)</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>125,035 (100%)</td>
<td>178,720,624 (100%)</td>
</tr>
</tbody>
</table>

It can be seen that the size of loan accounts is very small as nearly about 91% accounts are in the size class below Rs.3000. Even in the case of amount taken, nearly 64% of the loan is below Rs.3000 indicating the demand for small loan. Catering to such small demand has been virtually impossible for the formal banking system in the past, mainly due to the

\textsuperscript{110}ibid.
high transaction and process costs involved.\textsuperscript{111} The following table shows for what purpose the loans as borrowed:

\begin{center}
\textbf{Utilisation of Self Help Group (SHG) Loans}\textsuperscript{112}
\end{center}

<table>
<thead>
<tr>
<th>Purpose</th>
<th>% share in number of loan accounts</th>
<th>% share in loan amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption</td>
<td>35.27</td>
<td>28.99</td>
</tr>
<tr>
<td>Agricultural loans</td>
<td>53.37</td>
<td>57.41</td>
</tr>
<tr>
<td>Off-farm enterprises</td>
<td>7.98</td>
<td>10.95</td>
</tr>
<tr>
<td>Loans for education</td>
<td>3.38</td>
<td>2.65</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The data shown in the above table indicates that the loans availed for agriculture (crop cultivation expenses) the most important purpose having a share of about 53 percent in the loan accounts and 57 percent share in the loan amount. This is followed by consumption loans which accounted for 35 percent in the loan accounts and about 29 percent in the loan amount. Evidence shows diversification in terms of borrowing for enterprises for non agricultural purposes. The purpose wise borrowing pattern for the BPL and Non-BPL members remain more or less the same. Indicating that such economic segregation between the two categories only illusory. In real life situation money is fungible. Borrowing from the Self Help Group (SHGs) has given the borrowers the required flexibility to manage their consumption and women capital needs simultaneously.

Over the last two decades Governments, NGOs and donor agencies have become more aware of the actual nature of their economic necessity

\footnotesize{\textsuperscript{111} Ibid.  
\textsuperscript{112} Ibid.  
117}
to earn on the one hand and their socio-economic vulnerability role in the developing economics and needs for group approach for their uplift.¹¹³

It aims at bringing about the advancement, development and empowerment of women by formulating and reviewing laws, policies, rules and regulations in order to achieve gender equality, as the policy desires:¹¹⁴

a) Creation of an environment through positive economic and social policies for full development of women to enable them to realise their full potential.
b) The *de jure* and *defacto* enjoyment of all human rights and fundamental freedom by women on equal basis with men in all spheres: political, economic, social, cultural and civil.
c) Equal access to participation and decision making of women in social, political and economic life.
d) Equal access to women to health care, equality, education at all levels, career and vocational guidance, employment, equal remuneration, occupational health and safety, social security and public offices etc.
e) Strengthening legal systems aimed at elimination of all forms of discrimination against women.
f) Changing societal attitudes and community practices by active participation and involvement of both men and women.
g) Mainstreaming a gender perspective in the development process.
h) Elimination of discrimination and all forms of violence against women and the girl child and

¹¹³ *ibid.*
i) Building and strengthening partnerships with civil society, particularly women’s organisations.

Recognising enormity of the task, the Government has sought the help and co-operation of involvement of voluntary organisations, women’s associations, trade unions, as well as institutions dealing with education, training and research to help in the formulation, implementation, monitoring and review of all policies and programmes that affect women.

The above discussion shows that the Government of India took series of steps to elevate the status of women. In the implementation of those schemes, it met many issues including women education, health care and sanitation and gender-inequality. The major stumbling block in the progress of women is the traditional belief i.e. women are not the income generators but they are only the managers of inner family affairs particularly “home-makers”. Further it is noted that women are talented and if they are trained in their traditional jobs to avail the local resources and they may become entrepreneurs and support their family income. After its failure in its many schemes, the Government utilised the experience of micro-financing institutions and the NGOs’ in the filed of promoting economic prosperity by adopting group system. In the Indian context women are traditionally more frugal and successful financial managers than men. The succeeding chapters show how the formatting of Self Help Group (SHG) is more suitable to them and how they are successfully elevated and attained sustainable development and how they mingled in the mainstream of national development also.