CHAPTER I
INTRODUCTION

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References
CHAPTER I
INTRODUCTION

1.0 Introduction

Women are an integral part of every economy. All round development and harmonious growth of a nation would be possible only when women are considered as equal partners in progress with men. Empowerment of women is essential to harness the women labour in the main stream of economic development. Empowerment of women is a holistic concept. It is multi-dimensional in its approach and covers economic, political, social/cultural, personal and familial aspects. Of all these facets of women development, economic empowerment is of utmost significance in order to achieve a lasting and sustainable development of society. Provision of micro finance is an important means for attaining women empowerment.

1.1 Micro Finance and Women Empowerment

Micro finance is the extension of small loans to entrepreneurs, too poor to qualify for traditional bank loans. It can also be described as provision of small-scale financial services to clients who are economically active in various urban and rural areas. According to the accepted definition, micro finance is the provision of thrift, credit and other financial services and products of very small amounts mainly to the poor in rural, semi-urban and urban areas for enabling them to raise their income level and improve living standards. Of late, micro finance has become a key word with Governments, NGOs and international institutions like the World Bank. It has proven to be an effective and popular measure in the ongoing struggle against poverty as well as for women empowerment.

The micro finance industry, which began in 1976 with the establishment of Grameen Bank in Bangladesh, is now a worldwide movement comprising thousands of specialist
banks, credit unions, co-operatives, village credit societies, NGOs and charities spanning across both the rich and the poor countries. Their common purpose is to extend the outreach of banking services especially business credit to those who do not qualify for normal bank loans. Micro credits are granted at commercial interest rates, though at much lower rates than those charged by the informal money lenders.

Micro finance has several other developmental objectives like mobilisation of savings. It has also been used as an inducer in different community development activities, as an entry point in the community-organizing programme and as an ingredient in a larger education or training exercise. All these programmes aim at the empowerment of poor people especially women and eradication of poverty.

The provision of adequate doses of micro finance in time to the women folk for their personal, familial and business purposes by a dependable agency would naturally generate confidence and zeal among them for the performance of their activities. It is based on the recognition that the capacity of the poor women for entrepreneurship would be encouraged with the availability of small-scale loans and would introduce them to the small enterprise sector.

Self Help Groups are the voluntary organisations, which disburse micro credit to the members and facilitate them to enter into entrepreneurial activities. Formation of Self Help Groups of women in India has been recognized as an effective strategy for the empowerment of women in rural as well as urban areas. Since the overall empowerment of women is crucially dependent on economic empowerment, women through these Self Help Groups are enabled to involve in a range of areas such as health, sanitation, nutrition, agriculture, forestry, etc., besides income generation activities availing micro credit.

1.2 Kudumbashree

The Kudumbashree project in Kerala traces back its origin to the Bangladesh Grameen Bank (BGB), which was started in 1976 by Prof. Mohammed Yunus in Bangladesh. With the success of BGB and similar organisations elsewhere, the concept of micro credit gained momentum. Based on this success, many NGOs in our country organised Self Help Groups (SHGs) which serve as an intermediary between the bank and the poor.
The State Poverty Eradication Mission known as Kudumbashree is an innovative poverty eradication programme of the Government of Kerala, which is a community based, women oriented and participatory programme in every respect. Kudumbasree programme is being implemented through the local self governments in the State. The three-tier community based organisation of women includes Neighbourhood Groups (NHGs) at the neighbourhood (grass root) level, Area Development Societies (ADSs) at the local level (centre) and Community Development Societies (CDSs) at the Village Panchayat/ Municipality (apex) level. These organisations act as the community wings of the local self-governments.

1.3 Statement of the Problem

Alleviation of poverty, the core of all developmental efforts has remained a very complex and critical concern for developing countries. Experience has shown that many of the poverty alleviation programmes have not achieved the expected success. In spite of considerable improvement in the status of women, they still comprise the largest section of deprived population. Empowerment of women is seen as one of the most important means of poverty eradication. Lack of capital is a serious constraint to the development of poor women in rural and urban areas who find little or no access to credit. Credit can help women take-up farm and allied activities such as keeping milch cattle, poultry or independent small enterprises, enabling them to respond to the opportunities created by the process of development.

Micro credit for women has been the mantra that has worked like nothing else in pulling the poor women out of poverty and empowering them wherever it was introduced. The Government of Kerala launched Kudumbashree with the active support of Government of India and NABARD for wiping out absolute poverty from the State within a period of 10 years through micro finance. Kudumbashree aims at the empowerment of women, giving them the central place in the programmes meant for their benefit. This project is implemented through the Local Self Governments formed and empowered by the 73rd and 74th Constitutional Amendments. At present all the poverty alleviation schemes in Kerala – both Centrally sponsored and State schemes – are implemented through Kudumbashree. The Kudumbashree project, if effectively implemented has the potential to achieve empowerment of women in Kerala in a big way. As the project has been in operation in
the State since 1999, it is necessary to analyse the performance of the project and to understand how far the project has succeeded in empowering women through micro financing.

1.4 Need and Importance of the Study

Empowerment of women is considered as an important responsibility of every government. Till recently very little attention has been given to empowerment issues or ways in which both empowerment and sustainability aims could be accommodated. Women’s access to savings and credit gives them greater economic role in decision-making through their decisions regarding savings and credit. When women control decisions regarding credit and savings, they optimise their own and the household’s welfare. In addition to the influence of the project in raising incomes and encouraging poor households to enter the market economy, it also serves as an entry point for comprehensive community and human development. A study on Kudumbashree project will enable us to know the role of this project in women empowerment through micro financing. It also helps us in locating the strengths, weaknesses, opportunities and threats of this project and to give suggestions for improvement and remedial measures wherever necessary. Though there are a large number of studies related to micro finance and women empowerment, empowerment of women through Kudumbashree has not received much attention so far. Hence, this study assumes great importance.

1.5 Review of Literature

The significance of women empowerment and the role of micro finance in the empowerment of women has been the focus of a number of studies carried out in recent times. A brief review of some of these studies has been made here.

Meenakshi Malhotra (2004)\(^1\), in her work entitled, “Empowerment of Women” (in 3 volumes), deals with the issues leading to empowerment of women with particular reference to rural women. Volume one deals with issues like gender inequalities in labour market and in entrepreneurship. Volume two focuses on micro finance options for women empowerment. It looks into micro credit schemes for rural women and micro finance movement in India. Third volume describes the various programmes introduced to empower women and bring them into the orbit of development network.
Sangeetha Purushothaman (2003), in her book titled, “The Empowerment of Women in India: Grassroots Women’s Networks and the State”, gives an analytical explication of grassroots women’s movements in India utilising a synthesis of social movements theory, development theory and theories of the state. Based on a case study of an informal network of non-governmental organisations and women’s collectives – the Swayam Shikshan Prayog – the author analyses the implications of the form and nature of organisations for changing power relations and for fostering women’s autonomy vis-a-vis men and other social groups. The case study also demonstrates the need for and effectiveness of flexible forms of organisations in mobilising resources for poor women and for facilitating their participation in the development process. She also demonstrates that a decentralised, loosely structured network of organisations can actually increase the visibility and participation of poor women, enable them to bargain for resources, and change state policy, while simultaneously protecting the autonomy of the organisations involved.

K.G.Karmakar (2003), in his book “Rural Credit and Self-Help Groups: Micro Finance Needs and Concepts in India”, explains in Part I, the problems and prospects of rural credit in the context of its ascribed role in rural development; traces the evolution and growth of the rural credit delivery system; analyses the problems associated with credit recycling and overdues; and discusses the recommendations of various committees. Part II, discusses the micro finance needs of various groups including tribals, the rural non-farm sector, rural women and micro finance entrepreneurs. Part III, focuses on the concepts and functions of self-help groups with special reference to the BAAC (Bank for Agriculture and Agricultural Co-operatives) System in Thailand and the Grameen Bank in Bangladesh. The concluding section outlines strategies for developing a sustainable rural credit delivery system in developing countries like India.

Thomas Fisher and M.S. Sriram (2002) in their book, “Beyond Micro Credit, Putting Development Back into Micro Finance” analyse Indian micro finance in depth to explore how development can be put back into micro finance. It sets out how micro finance can be designed, in practice, to contribute to a wide range of developmental objectives, including providing social and economic security, promoting livelihoods, building democratic people’s organisations, empowering women, and changing wider systems within the society. The analysis covers the great diversity of micro finance practice in India, and its many innovative products and organisational features. It looks in detail at
the fast expanding movement of savings and credit or ‘self-help’ groups in India and compares and contrasts these with groups promoted by the Grameen Bank in Bangladesh. This book also provides a comprehensive analysis of micro finance practice in India.

Indira Misra (2003)\(^5\), in her book titled “Micro Credit for Macro Impact on Poverty” explains the major micro finance initiatives of the Government, Banks and NBFCs and experiences in micro credit programmes of some of India’s neighbouring countries. The book also analyses the Self-Help Groups, the important role of NGOs and the performance of NGOs in Micro Credit. The book further explains the global commitment to micro credit and comes to the conclusion that micro credit is the new mantra for poor women; it is a better alternative for their economic development because it is only through micro finance that they can attain economic well being with dignity.

In her book, “Empowering Women - An Alternative Strategy from Rural India”, Sakuntala Narasimhan (2001)\(^6\), focuses specifically on rural Scheduled Caste and Scheduled Tribe women, who are triply disadvantaged as women, as members of the rural section of the populace and because of their low caste status. The book compares the effectiveness of State initiatives with the motivation - and conscientisation strategy advocated by Action for Welfare and Awakening in Rural Environment (AWARE), a non-governmental development organisation working in 6000 villages spread over 7 Sates in India. It analyses the success of AWARE’s work among women through various case studies and concludes that, besides monetary resources, it is the mind set of the policy makers, bureaucrats and particularly the women concerned that must change in order to assist the empowerment of women.

Jaya S. Anand (2002)\(^7\), in her discussion paper titled “Self-Help Groups in Empowering Women: Case Study of Selected SHGs and NHGs”, gives a review of progress of Self-Help Groups. She has attempted to examine the performance of selected SHGs and NHGs and to assess its impact, especially the impact of micro credit programme on empowering women. It has been clearly established that delivering credit alone may not produce the desired impact. The supporting services and structures through which credit is delivered, ranging from group formation and training to awareness-raising and a wide range of other supporting measures are critical to make the impact of group activity strong and sustainable.
M. Ambalagan and V. Selvam (2005), in their article, “Re-engineering the Mechanism of Micro finance for Poverty Alleviation and Social Change”, ascertain that improving the access to formal financial services by the poor is one of the effective tools to tackle poverty. In India, the State-led banking industry has been quite successful in improving the outreach of the financial services to the poor. But the banks did not involve themselves wholeheartedly in this field, as financing the poor was really not taken as a business opportunity. The financial products used by the banking system were primarily developed for the urban population. According to them, in the changed economic scenario, banking system needs to change its attitude to innovate and evolve new products which are not only poor-friendly but also appropriately priced so as to ensure the viability of lending. The SHG-linkage programmes being implemented by NABARD in India has made silent and significant progress in this direction.

Priya Basu and Pradeep Srivastava (2005), in their paper titled, “Exploring Possibilities – Micro finance and Rural Credit Access for the Poor in India”, empirically analyse the reach of the most dominant micro finance initiative, the SHG-bank linkage model. The paper draws lessons for exploiting the potential of micro finance in India, outlines areas of concern for government policy towards this important sector and suggests ways to scale up access to finance for the poor.

P. Satish (2005), in his paper, “Mainstreaming of Indian Micro finance” points out that the significant feature of the major part of micro finance in India is that it has built upon the existing banking infrastructure. In the process it obviated the need for the creation of a new institutional set up or introduction of a separate legal and regulatory framework. In the SHG-bank linkage model the financial resources are being sourced from regular banking channels as well as from members’ savings. Thus it overcomes the problems related to regulation and supervision of Micro Finance Institutions (MFIs), the accessing of public deposits by MFIs and the reliance on donor and grant funding. With the group acting as a collateral substitute, this model also overcomes the intractable problem of collateral provision by the poor. This mainstreaming of Indian micro finance has also been facilitated by a reasonable enabling environment created by the Central Bank and NABARD.

Frances Sinha (2005), in his Article “Access, Use and Contribution of Micro finance in India, Findings from a National Study”, describes that Micro finance is making a significant contribution to both the savings and borrowings of the poor in the country.
The main use of micro credit is for direct investment. While the presence of micro finance has increased the borrowing options for the poorer clients, it seems not yet to have significantly affected the terms and conditions of different informal credit providers. According to the author the performance of SHG model is exceptional in providing a savings-based mechanism for internal group credit to meet household needs. This mechanism, also serves to facilitate access to credit by poorer clients, who are more likely to need small amounts of credit for immediate household purposes but appear less credit worthy for larger MFI loans.

Mahendra Varman.P. (2005), in his paper titled, “Impact of Self-Help Groups on Formal Banking Habits”, makes a modest attempt to examine whether there is any association between the growth of SHGs and the increase in female bank deposit accounts and whether SHGs have a tendency to influence account holding in formal banks. In the process, the paper tries to trace the socio-economic factors that determine deposit and credit account holdings in formal banks among individuals and households. The analysis also reveals that being a member in SHGs, and more importantly, having leadership experience in SHGs greatly influences the bank account holding. Leadership experience in SHGs would also improve an individual’s banking habits.

M.S.Sriram (2005), in his article, “Micro finance and the State, Exploring Areas and Structures of Collaboration,” reviews the performance of formal institutional channels of micro finance and discusses the emergence of new forms of collaboration in the delivery of micro finance services. However, some persistent issues in regulatory policies and institutional arrangements need to be dealt with so as to help the State regulate the resources available for the poor, effectively and in a sustainable manner.

Tara S. Nair (2005), in her paper, “The Transforming World of Indian Micro Finance”, explains that upscaling the provision of micro finance on the strength of its performance measured primarily in terms of repayment rates and financial sustainability indicators of a handful of micro finance institutions and without a serious reconsideration of certain vital development issues may prove in the long run to be an imprudent development strategy. Any effort at upscaling thus needs to be viewed with caution as it could actually lead to increased failures and credit indiscipline in the field. Meanwhile, globally there is a visible trend of the commercialisation of micro finance, with NGOs transforming themselves into regulated financial institutions or Non Banking Financial Companies and commercial banks entering the business of micro finance.
Jaya Anand (2000)\textsuperscript{15}, in her article, “Micro Finance in Kerala”, points out that experience over the past few years in providing financial aid through micro finance programmes reveal that the poor are bankable. SHGs can really become agents to fight globalisation using micro finance where Gandhiji’s dream of whatever can be made locally should be made locally is realised. However, SHGs and micro credit cannot be considered as a panacea for the all the ills of the rural society. Micro finance should be viewed as complementary to the provision of basic services like education, housing, health and nutrition, the latter being indispensable in the fight against poverty. Opportunities for assured and remunerative marketing, skill upgradation and technological training and promoting business counselling centres at the grass root level determine the success of micro credit supported micro enterprises now being advocated to end poverty.

Muhammad Yunus (2004)\textsuperscript{16}, in his paper, “Grameen Bank, Micro Credit and Millennium Development Goals”, traces the evolution of the ideas and practice of micro credit as pioneered by the Grameen Bank. Over the years micro credit programmes in Bangladesh have grown, providing a wide range of services to meet the economic and social needs of its citizens, mostly poor women. It comes up with suggestions regarding the emerging issues of financial self-reliance and institutional sustainability of micro credit programmes.

Sunil Agarwal (2003)\textsuperscript{17}, in his paper, “Technology Model for Women’s Empowerment, Reaching the Unreached”, suggests that in rural scenario, choice and role of appropriate technology in relation to women and development became crucial in building up local capacity to devise solutions to tackle the identified problems to improve their quality of life. The emphasis should be to improve upon existing skills, provide managerial capabilities and to understand the science behind the processes/products. It will inculcate a scientific temper and make them more open to improved emerging technologies for improving production, efficiency and reducing drudgery in their day-to-day work. He is of the view that since rural women have special understanding of natural resource management, they can play a crucial role in re-nurturing and re-greening rural India. Use of science and technology is essential to ease women’s workload inside and outside the house involving them as equal partners, recognising their knowledge, experience and the significant role they can play in sustainable development.
Laxmi R. Kulshrestha (2000)\textsuperscript{18}, in her paper, “Micro Finance: The New Development Paradigm for Poor Rural Women”, points out that lack of capital is a serious constraint to the development of rural women. Often, the barriers like legal provisions, loan policies and procedures make credit inaccessible to women. Studies have shown that credit can help women to take up farm-allied activities and the income generated from credit given to women can be expected to be spent for well being of the household. This novel innovative approach of micro finance emphasises financial intermediation with self-sustainability of institutions.

Archana Sinha (2004)\textsuperscript{19}, in her article, “Micro Finance for Women’s Empowerment; A Perspective”, puts forward a debate on micro credit for discerning policy-makers, researchers and development practitioners. She says that understanding the viability of micro finance requires a comprehensive analysis from the right perspective. Micro finance can contribute to solving the problem of inadequate housing and urban services as an integral part of poverty alleviation programmes. The challenge lies in finding the level of flexibility in the credit instrument that could make it match the multiple credit requirements of the low-income borrowers without imposing unbearably high cost of monitoring its end use upon the lenders. According to her a promising solution is to provide multipurpose loans or composite credit for income generation, housing improvement and consumption support.

Arundhati Chattopadhyay (2005)\textsuperscript{20}, in her article, “Women and Entrepreneurship”, points out that economic empowerment is a sine qua non for elevating the status of women in our society. One possible approach towards achieving this end could be through entrepreneurship development. Through entrepreneurship development a women will not only generate income for herself but also generate employment for other women in the locality. This will have a multiplier effect in the generation of income and poverty alleviation.

K.K.Tripathy (2004)\textsuperscript{21}, in his paper, “Self-Help Groups: A catalyst of Rural Development”, describes that true development is achieved only when the community’s plans and actions take into account the roles and the potential opportunities for its present and future stakeholders. The SHGs formed and developed under various programmes provide a great scope for convergence of the programmes/activities of various ministries, departments and organisations. According to him with appropriate mechanisms, various
ministries/departments/organisations can look towards the SHGs for targeting their programmes, which ultimately would help in improving the quality of life in rural areas.

D. Nagayya (2000)\textsuperscript{22}, in his article, “Micro Finance for Self Help Groups”, describes that an informal arrangement for credit supply to the poor through self help groups is fast emerging as a promising tool for promoting income generating enterprises. The initiatives taken at the national level with a few institutional arrangements to support this programme for alleviation of poverty among the poor with focus on women are reviewed in the article. Apart from the NABARD and the SIDBI which play a prominent role at various stages of implementation of this programme, there are other national level bodies supporting NGOs/Voluntary Associations, viz., Rashtriya Mahila Kosh (RMK) and Rashtriya Gramin Vikas Nidhi (RGVN). SIDBI has established a Foundation for Micro Credit, and NABARD has set up a Micro Finance Development Fund.

J. Bhagyalakshmi (2004)\textsuperscript{23}, in the article, “Women’s Empowerment - Miles to Go”, points out that India as a signatory to the UN Convention has taken several measures to ensure full development and advancement of women. The women specific programmes are showing positive results in empowering women, yet, one feels, there are miles to go and promises to keep. All forms of violence against women, physical and mental, whether at domestic or societal level shall be dealt with effectively. She asserts that all forms of discrimination against girl child and violation of her rights shall be eliminated by undertaking strong measures both preventive and punitive within and outside the family. Though women play a major role in agriculture and allied sectors, their contribution is hardly recognised. Concerted efforts are needed to ensure that benefits of training, extension and various programmes will reach them to make them more effective in their own area of operation.

K. Manoharan Nair and Girija B (2005)\textsuperscript{24} in their article, “Micro Finance – The New Development Paradigm for Poverty Eradication and Women Empowerment” states that experience has shown that many of the poverty alleviation programmes through organised credit channels have not achieved the required success. Hence to bridge the gap between the demand and supply of funds in the lower rungs of rural economy, the micro finance schemes of NABARD have made a smooth foray into the role played by micro finance in eradicating poverty and empowering women to manage the enterprises.
1.6 Objectives of the Study

The main objectives of the present study are:

1. To understand the structure, working and progress of Kudumbashree Project in Kerala.
2. To examine the role of Kudumbashree Project in women empowerment through micro financing,
3. To make an appraisal of the performance of the Neighbourhood Groups (NHGs) and to identify their problems and constraints,
4. To analyse the impact of the scheme in rural and urban areas, and
5. To give suggestions for the improvement of the performance of Kudumbashree Project.

1.7 Hypotheses of the Study

The following are the hypotheses of the study:

1. Rural NHGs are performing better than Urban NHGs.
2. Kudumbashree has been instrumental in achieving empowerment of women through micro financing.
3. There is significant correlation between the ranking of the women empowerment variables in Rural and Urban areas.
4. There is no significant correlation between the ranking of the economic, political, social/cultural, personal and familial empowerment variables in Rural and Urban areas.
5. There is no significant difference between the overall empowerment of women through Kudumbashree and its micro financing in Rural and Urban areas.
6. There is no significant difference between the economic, political, social/cultural, personal and familial empowerment of women through Kudumbashree and its micro financing in Rural and Urban areas.

1.8 Methodology of the Study

The methodology of the study has been discussed under the following heads:
(a) Collection of Data

The study is both empirical and descriptive. Primary and secondary data have been made use of for the analysis. The overall progress of the Kudumbashree Project is being assessed with the help of secondary data which are collected from published sources like Annual Reports and Records of SPEM (State Poverty Eradication Mission) and Economic Review, books, periodicals, newspapers, internet, etc. Primary data have been collected through a field survey. The sample population for the field survey comprises a total of 200 respondents from Alappuzha and Kottayam districts. The sample comprises 50 NHG members each from Kanjikuzhy Grama Panchayat (Rural) and Alappuzha Municipal Corporation (Urban) in the Alappuzha District, and 50 NHG members each from Vazhappally Grama Panchayat (Rural), and Changanacherry Municipal Corporation (Urban) in the Kottayam District. Personal interviews with the officials concerned are also conducted to get the needed information for the analysis.

(b) Sampling Design

A multi-stage sampling method has been used for selecting the members of the NHG as the respondents for the purpose of this study. In the first stage, out of the fourteen districts in Kerala, two districts, viz. Alappuzha and Kottayam, have been selected purposefully for the detailed study. Since the programme of Kudumbashree was introduced initially in the Alappuzha district, it has been selected in the first instance. Kottayam district has been selected mainly because it has the highest literacy rate compared to other districts in Kerala.

In the second stage, two Municipal Corporations and two Grama Panchayats were selected from the two districts according to simple random sampling method. Out of the 5 Municipal Corporations/Urban Local Bodies in the Alappuzha district, Alappuzha Municipal Corporation has been selected. Similarly, out of the 73 Rural Local Bodies in the Alappuzha district, Kanjikuzhy Grama Panchayat has been selected. Likewise, out of the 4 Urban Local Bodies and 74 Rural Local Bodies in the Kottayam district, Changanacherry Municipal Corporation and Vazhappally Grama Panchayat have also been selected.

In the third stage, 50 respondents each from all the selected Urban and Rural Local Bodies/Community Development Societies (CDSs) have also been selected according to
simple random sampling method. Figure 1.1 reveals the way sample selection has been made for the study.

Figure 1.1 Selection of Samples for the study

A pilot study has been conducted both in Alappuzha and Kottayam districts for the purpose of finalising the Interview Schedule. The schedule has been pre-tested before execution.

(c) Method of Data Collection

One set of pre-tested Interview Schedule has been prepared and executed for the collection of data from the sample population. They were administered during June 2005 - May 2006 period. The model of the Interview Schedule is given in Appendix A.

(d) Method of Analysis

The general information and performance of the NHGs have been analysed with the help of primary data collected from among the respondents through structured schedules. Likewise, the economic, political, social/cultural, personal and familial empowerment of the Ayalkoottam members have also been analysed on the basis of primary data. The thrift and credit operations of Kudumbashree project have been analysed with the support of secondary data.
(e) Tools of Analysis

The tools applied for data analysis are: Simple Arithmetic Mean, Percentages, Rank Correlation Co-efficient, Student ‘r’ Test and $\chi^2$ Test. Trend Analysis has also been applied. The study has used Pie Diagram, Bar Diagram and Graph wherever necessary.

(f) Variables used in the Study

The variables used for the study are:

A. Economic Empowerment
   (i) Access to microfinance
   (ii) Increase in income
   (iii) Ability to make decisions regarding the utilisation of money/credit
   (iv) Poverty alleviation
   (v) Self-reliance

B. Political Empowerment
   (i) Political awareness
   (ii) Participation in political activity
   (iii) Membership in Local Bodies
   (iv) Position of power
   (v) Freedom to introduce new style of leadership

C. Social/Cultural Empowerment
   (i) Social status
   (ii) Mingling with others
   (iii) Access to various organisations
   (iv) Social involvement
   (v) Mobility
   (vi) Gaining voice
(vii) Mutual help and support
(viii) Collective bargaining
(ix) Participation in cultural activities/festivals
(x) Participation in competitions, seminars, discussions, etc.

D. Personal Empowerment

(i) Economic freedom
(ii) Freedom of action
(iii) Ability and involvement in decision-making
(iv) Self-esteem
(v) Improvement in health
(vi) Improvement in education
(vii) Exposure
(viii) Gender equality
(ix) Discovery of new possibilities and options
(x) Improvement in skills and abilities
(xi) Self-actualisation

E. Familial Empowerment

(i) Improvement in income
(ii) Support from the spouse
(iii) Improvement in family relationship
(iv) Help for dependents
(v) Education to children
(vi) Medical care to family members
(vii) Ability to provide nutritious food
(viii) Improvement in basic facilities and amenities
(ix) Improvement in standard of living

1.9 Standard Fixed for the Assessment of Level of Empowerment of NHG Members

In order to assess the level of empowerment attained by the NHG members - Economic, Political, Social/Cultural, Personal and Familial empowerment, structured schedule has
been drafted and administered with three point scale having three levels of empowerment - High, Average and Low - with scores 3, 2 and 1 respectively.

Based on the scores secured by each member of the NHG, the following standard has been set for assessing her empowerment:

(i) Above 90%                                   - Exemplary
(ii) Between 80% and 90%               - Very High
(iii) Between 70% and 80%              - High
(iv) Between 60% and 70%              - Above Average
(v) Between 50% and 60%               - Average
(vi) Below 50%                                 - Low

1.10 Operational Definitions

(i) Women Empowerment

Women empowerment is a process whereby women become able to organise themselves, to increase their own self reliance, to assert their independent right to make choices and to control resources which will assist in challenging and eliminating their own subordination. In this study it refers to empowerment of women especially the women under BPL category residing in rural and urban areas by various dimensions - economic, political, social/cultural, personal and familial.

(ii) Economic Empowerment

A woman is said to be economically empowered when she gains power as a result of increased access to economic resources. The means of achieving economic empowerment are: access to micro finance, increase in income, ability to make decisions regarding the utilisation of money/credit, etc.

(iii) Political Empowerment

A woman is said to be politically empowered when she has the awareness and power to act in accordance with the rights and rightful role of women in society and polity. The means of achieving political empowerment are: political awareness, participation in political activity, membership in local bodies, position of power, etc.
(iv) Social/Cultural Empowerment

A woman is said to be socially/culturally empowered when she has the power to participate in collective/cultural activities in society. The means of achieving social/cultural empowerment are: social status, mingling with others, access to various organisations, social involvement, participation in cultural activities/seminars/competition, etc.

(v) Personal Empowerment

A woman is said to be personally empowered, when she has the power to increase her own self-reliance and self-strength. The means of achieving personal empowerment are economic freedom, freedom of action, ability and involvement in decision making, self-esteem, gender equality, improvement in health and knowledge etc.

(vi) Familial Empowerment

A woman is said to have familial empowerment when she has the power to increase her own family welfare. The means of achieving familial empowerment are improvement in family income, support from the spouse, improvement in family relationship, education to children, medical care to family members, improvement in basic facilities and amenities, etc.

(vii) Micro Finance

NABARD has defined micro-finance as “provision of thrift, credit and other financial services and products of very small amount to the poor in rural, semi-urban and urban areas for enabling them to raise their income levels, and to improve living standards.” The terms micro finance and micro credit have been used interchangeably in the thesis.

(viii) Kudumbashree

Kudumbashree, a Malayalam coinage, means prosperity of the family. It is an innovative programme of the Government of Kerala introduced for the eradication of absolute poverty in ten years through concerted community action under the leadership of local self governments.

(ix) Self Help Groups (Neighbourhood Groups)

Self Help Groups are voluntary organizations of the poor at grass root level, which mobilize thrift and disburse micro credit to its members for various purposes such as
production, consumption, education, etc. In Kudumbashree, the Self Help Groups are known as Neighbourhood Groups (NHGs).

(x) Velocity of Lending
Velocity of lending refers to the ratio of loan disbursed to thrift mobilised.

1.11 Scope and Limitation of the Study
The scope of the study is to analyse the progress of Kudumbashree project in Kerala, in order to know how far it has achieved its objectives in empowering women through micro financing. The present study is conducted only in Kanjikuzhy Grama Panchayat and Alappuzha Municipal Corporation in the Alappuzha district and in Vazhappally Grama Panchayat and Changanacherry Municipal Corporation in the Kottayam district (two rural and two urban areas), due to constraints of time. For making the detailed analysis of ‘empowerment’, the attributes are tried to be quantified and the constraints apparent in such a process form the main limitation of the study.

1.12 Period of the study
The researcher has analysed the relevant data belonging to the period 2001-2002 to 2005-06 for the purpose of the study.

1.13 Organisation of the Thesis
The study is divided into six chapters:

1. Introduction: This chapter gives a general introduction to the thesis.

2. Women Empowerment – A Theoretical Analysis: This chapter deals with the theoretical frame work of women empowerment.

3. Role of Micro Finance and Self Help Groups in Women Empowerment: This chapter explains the theoretical frame work of micro finance and self help groups and their role in women empowerment.

4. Kudumbashree Project in Kerala – An Overview: This chapter deals with the theoretical framework and analysis of secondary data pertaining to Kudumbashree Project.
5. Women Empowerment and Kudumbashree Project in Kerala – An Empirical Analysis: This chapter analyses the primary data collected from Ayalkoottam (NHG) members.

6. Findings, Suggestions and Conclusion: This chapter gives the summary, major findings, suggestions and conclusion of the study.

References:


