

# CHAPTER-I.

## **INTRODUCTION AND METHODOLOGY**

The Government of India had ushered in the new millennium by declaring the year 2001 as 'Women's Empowerment Year' to focus on a vision 'where women are equal partners like men'. The most common explanation of 'women's empowerment' is the ability to exercise full control over one's actions. The last decades have witnessed some basic changes in the status and role of women in our society. There has been shift in policy approaches from the concept of 'welfare' in the seventies to 'development' in the eighties and now to 'empowerment' in the nineties. This process has been further accelerated with some sections of women becoming increasingly self-conscious of their discrimination in several areas of family and public life. They are also in a position to mobilize themselves on issues that can affect their overall position.

A review of government's various programmes for women empowerment reveals that little has been done or achieved through these programmes. The discrepancy in the ideology and practice of the empowerment policy of women in India constitutes its continued social, economic and social backwardness. Women make up nearly half of our country's population. Hence there can be no progress unless their needs and interests are fully met. Empowerment would not hold any meaning unless they are made strong, alert and aware of their equal status in the society. Policies should be framed to bring them into the mainstream of society. It is important to educate the women. The need of the hour is to improve female literacy as education holds the key to development.

Most of the women work in agricultural sector either as workers, in household farms or as wagedworkers. Yet it is precisely livelihood in agriculture that has tended to become more volatile and insecure in recent

years and women cultivators have therefore been negatively affected. The government's policies for alleviating poverty have failed to produce any desirable results, as women do not receive appropriate wages for their labour. There is also significant amount of unpaid or non-marketed labor within the household. The increase in gender disparity in wages in the urban areas is also quite marked as it results from the employment of women in different and lower paying activities. They are exploited at various levels. They should be provided with proper wages and work at par with men so that their status can be elevated in society.

The main reason for the contradiction is that, targeted schemes tend to have only limited impact when the basic thrust of development is not reaching an average woman, making her life more fragile and vulnerable. To make a positive change basic infrastructure should be provided in every village and city. To begin with, providing safe drinking water supply and better sanitation not only directly improved the lives and health of women but also reduces their workload in terms of provisioning and ensuring such facilities. An access to affordable cooking fuel reduces the need to travel long distances in search of fuel wood. Improved transport connecting villages with each other and with towns can also directly improve living conditions as well as unpaid labour time spent in transporting household items. It can also lead to access to a wider range of goods and services plus a better access to health facilities. Expenditure on food subsidy and better provisions for public distribution services directly affects the lives of women and girl children in terms of adequate nutrition. The patterns of resource mobilization by government also have significant effects on women that are usually not recognized. When taxes are regressive and fall disproportionately on items of mass consumption, once again these tend to

affect women more. This is not only because the consumption of such items may be curtailed but also because the provisioning of such items is frequently considered to be the responsibility of the women of the household. Also credit policies reduce the flow of credit to small-scale enterprises thus reducing the employment opportunities for women. There is a need to have women-friendly economic policies that can enhance their social and economic position and make them self-reliant.<sup>1</sup>

Cardine Moser has identified five paradigms towards women's development in Third World countries. The first paradigm related to welfare approach is based on the traditional view of marking the women's role in development or the basis of customary gender division of labour. The second paradigm came in existence during 1975-85, when the decade was declared as the 'Decade of Women'. This approach was aimed at gaining equity and procuring her as active participant in development process. It further aimed at giving equal opportunities to women even by creating positive discrimination or reservation. The third paradigm was concerned with anti poverty, directed at poor women to ensure and increase their productivity. This is still being followed under the assumption that women's problems arise out of under-development. In this context, the approach of rural development is increasingly confronting itself to the formation of Self Help Groups (SHG's), in stabilizing and linking with viable socioeconomic activities for sustainable livelihood. This is seen as the only solution of poverty eradication, equity and development of women. The fourth paradigm is related with efficiency which depends on the belief that policies of economic stabilization and adjustment rely on women's economic contribution to development and their economic participation is seen as a mechanism to achieve equity. The fifth paradigm is empowerment model, which envisages greater.<sup>2</sup>

Self-reliance among women their subordination is seen not only as a problem of men but also of colonialism and neocolonialism. This approach focuses on overall development and particularly on enhancing social and economic capabilities. In this task, a number of non-governmental organizations are playing crucial role since government is seeking partnership to ensure sustainable, people's centered and decentralized development and governance. It is also well accepted that women's active role in ecological and environmental programmes may ensure sustainable development, since increasing ecological and environmental degradation has caused environmental crisis when women belonging to weaker sections of society are protesting against government policies and programmes which are causing development induced displacement, loss of sustainable livelihood and natural resources.

The present paradigm of empowerment of women is not a woman in development but a gender and development. The women in development paradigm assumes that women have been left out in development process and hence need to be integrated to give benefit, gender and development paradigm recognizes women's triple role i.e. in reproduction, production and community management. Therefore, the main objectives of development programmes in this context may be categorized as (i) initiate income generating programmes; (ii) sensitize women about their rights, entitlements and legal framework; and (iii) take up capacity building measures.<sup>3</sup>

Gender and development approach stress as the need for gender analysis and identification of strategic gender needs before initiating any appropriate action for empowering women.

It is seen that gender inequality retards economic growth. There is growing evidence to suggest that several aspects of gender relations, the gender based division of labour, disparities between males and females in power and resources, and gender biases in rights and entitlements act to undermine economic growth and reduce the well being of men, women and children. It is commonly held that, investments in female education and health tend to increase the incomes of families; educated women who know more about health and hygiene, are also able to practice this knowledge; better educated women are able to adapt newer technologies, hold on to new opportunities, and cope us with economic shocks.

Women's development has come a long way from the earlier welfare orientation. In the welfare approach, women were taken as vulnerable sections of the population, whose situation could be ameliorated; through the provision of support services like health, nutrition and childcare. The economic self-reliance puts emphasis on income generation projects for women; the equality model put the blame on inequality and promoted affirmative action to promote equal opportunity. The present approach of empowerment looks at unequal gender and power relations and uses conscientization, mobilization, solidarity and collective action. The empowerment approach arises from a strong commitment to women's rights and capacity to make their own decisions about development strategies, under the credit for empowerment. The SHG offers the canvas to conduct social intermediation, provide women the opportunity to acquire the ability and entitlement to their own lives, set their own agenda, gain skills, solve problems and develop autonomy. Significantly, the member of SHG's may exhibit the following outputs, resulting from their activities: (i) acquisition of literacy and numerically skills; (ii) awareness of basic legal rights; (iii)

awareness of projects and state development activities; (iv) critical political consciousness; electoral process, societal analysis and gender issues; (v) enhanced social status as perceived by self and other's; (vi) freedom from exploitation, money lenders, landlords etc; (vii) active role in organization of group and other political bodies, viz. Panchayat; (viii) ensuring literacy and education of girl child; (ix) health consciousness; (x) restructuring of women's time utilization; and (xi) enhanced decision making powers within the household.<sup>4</sup>

The status of women in a complex society like ours, is not uniform. Within Indian subcontinent, there have been infinite variations of the status of women, differing according to the cultural milieu, family structure, caste, class, occupation, property rights etc. All these factors are significant determinants of variations in her position in different groups. Scheduled caste women who constitute sizeable population of India is subjected not merely to gender bias, but also to indignities arising out of the age old tradition of untouchability, marginalization and exploitation from which incidentally the entire social group of Scheduled Castes suffer. The deep-rooted social discriminations have compelled this section of population to lead a life of bare subsistence level, both in respect of economic terms and human dignity.<sup>5</sup>

### **Feminization and Poverty**

Feminization of poverty describes a phenomenon in which women represent disproportionate percentages of the world's poor describes it as "the burden of poverty borne by women, especially in developing countries". This concept is not only a consequence of lack of income, but is also the result of the deprivation of capabilities and gender biases present in both societies and governments. This includes the poverty of choices and opportunities, such as

the ability to lead a long, healthy, and creative life, and enjoy basic rights like freedom, respect, and dignity. Women's increasing share of poverty is related to the rising incidence of lone mother households. The term feminization of poverty itself is controversial and has been defined in many different ways.

Several factors affect the feminization of poverty, and these factors place women at high risk of poverty. Though low income is the major cause, there are many interrelated facets of this problem. Lone mothers are usually at the highest risk for extreme poverty because their income is insufficient to rear children. It then lowers their children's possibilities for good education and nourishment. Low income is a consequence of the social bias women face in trying to obtain formal employment, which in turn deepens the cycle of poverty. As the number of unmarried women increases, the diverse causes affecting their poverty must be examined. Poverty is multidimensional, and therefore economic, demographic, and socio-cultural factors all overlap and contribute to the establishment of poverty. It is a phenomenon with multiple root causes and manifestations.

### **Women Empowerment- still an illusion of reality**

Notwithstanding the remarkable changes in the position of women in free India, there is still a great divergence between the constitutional position and stark reality of deprivation and degradation. Whatever whiff of emancipation has blown in Indian society, has been inhaled and enjoyed by the urban women, their population belonging to the rural areas are still totally untouched by the wind of changes. They still have been living in miserable conditions, steeped in poverty, ignorance, superstition and slavery. There still exists a wide gulf between the goals enunciated in the Constitution. legislations, policies, plans, programmes and related mechanisms on the one

hand and the situational reality on the status of women in India, on the other. The human rights scenario in the country continues to be dismal and depressing. Women are being brutalized, commodified, materialized and subjected to inhuman exploitation and discrimination.

Although, gender discrimination has been banned by the Constitution and women have been guaranteed political equality with men, yet there is a difference between the constitutional rights and the rights enjoyed in reality by women. Even after half a century of independence, barring a few exceptions, women have mostly remained outside the domain of power and political authority. Although they constitute about half of the citizen and over the years their participation by way of voting has increased, yet their participation and representation in law making and law implementing bodies are not very satisfactory.<sup>6</sup>

No doubt the 73rd and 74th constitutional amendment acts have provided access to women in the decision making process at the grass-root level but their representation in the Parliament and state legislatures is woefully poor. Insecurity does not allow the women leaders to identify leadership at the grass-root level. In politics when a man proposes, they themselves depose. In reality women representatives are ornamental in nature and political consciousness is found lacking among them. They are affected by the caste and class divisions, feudal attitudes, patriarchal nature of the family and village-social, environmental, ethnic, religious separatism and the like. They are members on record only. Allegedly, they are not consulted while taking decision. Thus, women representatives are not free from male dominance in the village administration and no significant change in the power equal is observed in the villages.

In these days of scam-ridden politics, the increasing role of money and mafia in elections keeps most of the women away from politics. Increasing violence and vulgarity against them intimates women and consequently they prefer to stay out of politics.

### **Need for the Study**

Though different aspects of women credit by cooperatives and commercial banks have been studied, analysed and highlighted, the significance of credit made available by the lead Bank to non-agricultural sectors is an area yet to be fully analysed which pronounces the need for this study.

Most of the studies relating to the lead banks conducted so far were concentrated on their operational performance, based mainly on secondary data. Besides, most of these studies pertain to their initial stages and hence any assessment of their performance is not of much significance.

It is therefore felt necessary to study how far the lead Banks have spread their branch network in hitherto neglected areas and remote villages and how far they could penetrate into even hamlets which have some potential for development. It is desired to see how far they could mobilize rural savings and employ their resources available through deposits and borrowings for the benefit of the targeted women. An understanding of these is essential to provide solutions where needed for the fulfillment of their objectives. The lead Banks concept aims at poverty alleviation by generation of employment and income to weaker sections women. It is important to examine whether this objective is fulfilled.

Hence, comprehensive, area-specific, micro-level studies are necessary to understand the extent to which the lead banks are successful in fulfilling their manifold functions. Such studies would be helpful not only in identifying the factors responsible for the success or otherwise of the lead banks.

### **Scope of the Present Study**

In the present study, an attempt is made to examine the impact of Syndicate Bank, a lead Bank operating in the drought prone Anantapur District of Andhra Pradesh. The Bank has been specifically chosen because of its increasing relevance in bringing about rural women development in one of the most backward districts in the country through the financing of the rural poor and also on account of the paucity of research studies in the district, particularly in the field of rural women finance. Besides analysing the performance of the Bank in terms of branch expansion, mobilisation of deposits, disbursement of finances, recovery performance and profitability in its operational area as a whole, the study seeks to critically examine the problems faced by the borrowers in securing credit as well as the extent of proper utilisation of loans. The study is also an attempt to study the impact of bank finance on asset creation as well as on the generation of additional income and employment among the borrowers. Further, the study seeks to assess the repayment behaviour of the borrowers and identify the factors affecting overdues among the defaulters. Finally the study attempts to highlight the operational problems coming in the way of effective functioning of the Bank and offer suggestions for accelerating its role in bringing about socio-economic development in the district.

### **Objectives of the Study**

1. To discuss various sources of finance to women in India with particular reference to institutional sources.
2. To examine the genesis and growth of Lead Banks and to examine their role in poverty alleviation in general and women poverty alleviation in particular.
3. To analyse the performance of Syndicate Bank as a lead bank operating in Anantapur district with particular reference to loans advanced to weaker section women, recovery of loans, overdues and financial profitability.
4. To assess the quantum of financial assistance provided to the weaker section women who are poor women in the rural areas by the syndicate bank.
5. To assess the impact of Syndicate Bank finance on the generation of additional income and employment among the sample women borrowers; and
6. To suggest the effective measures, in the light of the empirical study, for the reduction of poverty by the Syndicate Bank in the rural areas.

### **Importance of the Study**

The study assumes significance in the context of diverse opinions prevailing in different quarters regarding the effectiveness, utility and continuance of the Regional Rural Banks which have been serving as separate financial institutions for meeting mostly the credit needs of the weaker sections in rural areas. Further, since the study is undertaken in one of the most backward districts in the country, the findings may throw light on the role of lead Banks in bringing about overall rural development in similar districts elsewhere. Besides, in view of the paucity of comprehensive micro-

level, region-specific studies in the field of rural finance, it is hoped that the study would fill the research gap to some extent.

### **Area of the Study**

Syndicate Bank - a lead Bank operating in Anantapur District- was taken up for studying the role of a Regional Rural Bank in bringing about rural development in general and women development in particular in its operational area. The Bank had 7 branches spread throughout the district. Since it is not an easy task for an individual researcher to study the working of all the branches of the Bank and all types of loans, a combination of Purposive Sampling and Simple Random Sampling methods was used for the selection of the branches and women borrowers for an in-depth study. While selecting the branches, it was thought useful to give equal and adequate representation to remote and developed areas.

### **The Universe and the Sample**

Syndicate Bank has been lending for different productive purposes to a greater extent and for consumption purpose to a very limited extent. Since the main objective of the study is to examine the role of Syndicate Bank in alleviation of poverty among the poorer women households and to assess the repayment performance of the borrowers, it was decided to confine the study to investment loans (to the exclusion of crop loans) and other productive loans in industrial and business/service sectors.

The universe of the study comprises the women borrowers who were given loans for the three purposes during the period 2005-2010. While selecting the women borrowers for the purpose of the study, it was thought useful to classify all the borrowers constituting the universe into three categories on the basis of 'purpose of loan', viz., (1) Micro, Small and Medium

Enterprises (2) Petty Trade or Small Business and (3) Self Help Group women. Fifty borrowers falling under each of these five categories were selected at each of the two selected Syndicate Bank branches on the basis of Purposive Sampling method as sample for the study. As such, the sample borrowers chosen are fairly representative of the universe of the study. The table1.1 clearly gives the picture sampling.

**Table – 1.1**

**List of Selected Branches and Respondents**

<b>Name of the Branch</b>	<b>Purposes</b>	<b>Number of Women Borrowers</b>
Atmakur	1. Small Scale Industry	50
	2. Petty Trade or Small Business	50
	3. Self Help Group women	50
Chiyvedu	1. Small Scale Industry	50
	2. Petty Trade or Small Business	50
	3. Self Help Group women	50
<b>Total</b>		<b>300</b>

**Methodology**

To examine the objectives of this study, relevant data were collected from both primary and secondary sources. Field Survey was undertaken for collection of primary data. For this purpose, a pre-tested interview schedule was employed. Further, observation technique was followed to understand certain aspects of the problem. Separate questions were framed for borrowers of different categories. The Field Survey was conducted in March-April 2011. The data collected from the sample borrowers relating to the

particulars of loans such as dates of application, sanction and disbursement as well as the amount outstanding, amount repaid and overdues were cross-checked with the bank records/ledgers and the latter were considered for analysis in the event of any discrepancy or variation.

Besides, secondary data regarding the growth of Lead Banks in India and in Andhra Pradesh and data regarding Syndicate Bank were collected from different published records which include Reports of the Government of India, Reports of the Reserve Bank of India, Reports of NABARD, Annual Reports and records of Syndicate Bank, Statistical Abstracts of Government of Andhra Pradesh and District Credit Plans prepared by the Lead Bank of the District viz., Syndicate Bank.

### **Analysis of Data and Use of Statistical Tools**

The collected data have been processed and analysed both manually and with the help of a computer. Both primary and secondary data were tabulated to bring out systematic analysis of the role of Syndicate Bank in terms of sanction of loans, utilisation of credit, impact of bank finance on the incomes, assets and employment of the borrowers, repayment performance etc. The analysis of primary data has been done in such a way that it enables, the comparison between the sample borrowers belonging to the three categories on the basis of purpose of loan. The data drawn from the various sources were analysed and inferences drawn by applying certain statistical tools like growth percent, averages, percentages etc.

### **Plan of the study**

The study is presented in six chapters. The first chapter deals with a brief outline of the problem of study, objectives of the study, importance of

the study, scope, methodology and sample design, data base and limitations of the study.

In the second chapter, an attempt is made to review the available literature on various aspects of banks in general and the Lead Bank and Syndicate Bank in particular.

The third chapter discusses banking sector reforms to empower people through Poverty Eradication Schemes.

The fourth chapter explains the growth and expansion of Syndicate Bank, its performance in respect of mobilisation of deposits, sector-wise advances, recovery performance, profitability etc., and its role in alleviating poverty among weaker section women in the rural areas of Anantapur district.

In the fifth chapter assess the Impact of Syndicate bank finances in improvement of socio-economic conditions of weaker section women in the rural areas of Anantapur district.

The last chapter presents summary of the major findings and conclusions of the study.

### **Limitations of the Study**

The study, it may be admitted, has certain limitations. In fact, the scope of the study is restricted to know the how many number of women borrowers crossed BPL from the financial help rendered by Syndicate Bank. On the other hand the primary data collected from the respondents with the help of a Schedule through Survey Method may not be accurate as none of the borrowers is in the habit of maintaining proper accounts/records with regard to income generated, number of man days of employment generated and the

extent of utilisation of credit for sanctioned purpose, repayment of loans, dues for the banks etc. Some of the borrowers were hesitant in furnishing the required data and information when it relates to their income and assets. In many cases, the borrowers could not remember their past operations and even if they do so, they were unable to give correct figures of income. So the data cannot be immune to built-in, biases in the responses obtained from the borrowers. Though much care is taken in obtaining correct information, there is bound to be some degree of error in the data furnished and hence, in its analysis. Besides, the data were collected from a limited sample of 6 to 10 villages in Anantapur district. The conclusions drawn are restricted to the survey findings and any generalizations need to be cautiously applied.

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