CHAPTER-I

INTRODUCTION

Introduction

Women constitute nearly half of the population of country. They play multiple roles in social and economic fronts of the society, but for ages, they have always been neglected and traded as inferior to men. A consensus that has emerged at the global level is that a country cannot achieve its level of development until and unless women are not considered equal to men. Women’s welfare like accessibility to development and participation in decision making process are considered imperative. The economic independence is required in all spheres in order to gain their due rights in the society and live their life with confidence and dignity. Therefore, in the current discourse of development, the scholars and policy makers are trying to enhance socio-economic conditions and political rights for women by providing policies and strategies so that women can attain a new way of life to walk together with men in every step.

Empowerment of women is regarded as the basis to obtain overall development and it is one of the essential instruments to promote gender equality and progress of society. Empowered women can contribute towards human development through household and community level activity. In order to empower women, first of all women have to acquire the sense of self existence to establish their rights within the family as well as in community.

The concept of empowerment simply refers to the increasing strength in political, social or economic aspects of an individual. The term women empowerment has come to be associated with women’s struggle for justice and equality in a male dominated society. It is a way for women to acquire the ability and opportunity to participate in decision making and implementation and influence the decision with proper knowledge, self dignity and self confidence. The term empowerment refers to a range of activities from individual self-assertion to collective resistance, protest and mobilization that challenge basic power relations. Empowerment means moving from a position of enforced powerlessness to one of power. It would promote women inherent strength and positive self-image. In short, empowerment is a process of
awareness and capacity building leading to greater participation, greater decision
making power and control, and formative action. Women empowerment involves a
continuum of interrelated and mutually reinforcing components.

In the present study, empowerment is understood as a multidimensional process,
which enables the individuals or a group of individuals to realize their full identity
and powers in all spheres of life. It consists of greater access to knowledge and
recourses, and greater autonomy in decision making to enable them to have greater
ability to plan their lives. Women empowerment would also mean equal status to
women, opportunity and freedom to develop their abilities. It would also mean
equipping women to be economically independent and personally self reliant, with a
positive self-esteem to enable them to face any difficult situation.

**Need of Women Empowerment**

The phenomenon of women empowerment today has become a rising issue for
women’s development and has been conceptualized by the policy makers,
administrators as well as the academicians. This is mainly because of the
subordination women face worldwide. Although they constitute about half of the
world’s rich human resource, yet because of this sort of gender inequality the
experiences and roles of women do always differ from those of men in the process of
social development and change (Evans-Pritchard, 1965). The situation is worse in the
developing countries.

Women empowerment has been felt as a universal necessity under the impact of the
inference that came through the ‘UN declaration of Women Rights, 1967’ on the
doctrine of equality on achieving equal rights for women, and there was a declaration
by the same to observe the year 1975 as the ‘International Women’s Year’
(Kuriakose, 2005; Dutta and Ghosh, 2002). In the meantime, the need for women
empowerment received importance with the UN General Assembly on ‘Women and
Development’ held in 1974 (Kaushik, 1997). These were followed and complemented
by the UN more significant step. The 1979 ‘Convention on the Elimination of
Discrimination against Women’ or CEDAW which India and its Supreme Court have
frequently relied upon (Mayoux, 2003; Kuriakose, 2005). The ‘Fourth UN World
Conference on Women’ held in Beijing in 1995 created an attempt to emphasize
women’s right on judicial aspect, and clearly pointed out the relation between women poverty and gender inequality (Lodha, 2003; Narasimhan, 1999). All the above-stated steps were actually initiated by the ‘Universal Declaration of Human Rights, 1948’ through which the need for women empowerment received due importance (Mayoux, 2003).

In case of Indian policy-making and women’s development, women empowerment has become today the central theme. The idea of empowerment for Indian women is almost equivalent to that of rights. This is because of the age old patriarchal system of Indian society that has marginalized them of most of the human rights and has pushed them in an oppressed condition (Joseph, 1997). Therefore, empowerment of Indian women indicates two main things: their liberty from the subordinate state at the social level and having rights and equality against gender bias. From this point of view, these rights are fundamentally of two types: economic right and social right.

Women empowerment broadly focuses on the enhancement of women’s level of self reliance choice-making and increasing their potentials (Rao, 2004; Vajpayee, 2001). This is to change their socio-economically inferior status and to improve their relations within the family as well as society at large. The concept of women empowerment has been rationalized by entailing four mutually interrelated components, viz.: (a) Collective awareness, capacity building and skill development; (b) Participation and greater control; (c) Decision-making power, and (d) Action to bring about gender equality.

**Rationale of Women Economic Empowerment**

Amongst the other dimensions and indicators of women empowerment, a large body of literature and scholars has advocated the empowerment through economic empowerment is more visible and has primary and direct contribution to overall empowerment process. As, due to the lack of economic independence, many a time women find no other option but to surrender to their inferior status. In the economic arena, women thus keep facing discriminations in comparison to men, mainly owing to their poor participation in economic decision-making and exercising less or no power over economic resources at every level. Even their economic contributions to the family income do not guarantee them sure upgradation of their status. Hence, it is
important to seek the real nature and extent of their empowerment through economic empowerment (Rowlands, 1997).

The scholars also reported that economic acquirement brings some positive changes in their rate of participation in decision-making within the family, and also improves their status in the society (Singh, 2005). It is also true that due to gendered division of work, women hardly get the opportunities that they need to use their economic capacities. This sort of disadvantage strongly shows the need for empowerment of women in the economic sphere.

Further, women constitute about half of the world’s population and perform two-thirds of the world’s work, but they receive only one-tenth of the total income less than a hundredth of the world’s property (Balakrishnan, 2005). Moreover, out of total world poor population, around 70 per cent are women (UNDP, 1995). In Indian context, the facts of growing percentage of poor women in the last few years in India and lack of sufficient progress in the country’s poverty elimination programmes clearly indicate that, there is a keen relation between these two facts. The increasing rate of poverty among women is the single most important factor to interrupt the progress of development of the nation. These entire facts and figures sum up into the indication of poverty of women around the world and in India and provide a strong reason to make the logic of why women must be empowered economically.

The economic poverty may be determined by low per capita income level, malnutrition, poor health and housing conditions, etc. When women’s poverty is to be judged, it may be broadly viewed as a socio-economically disadvantaged state that results out of insufficient expression of their economic capabilities, social barriers thrust on them against such exposure, their poor access to and control over productive resources including formal credit facilities, inferior position in the labour market and earning meager income (Rahman, 2007).

**Empowering Rural Women**

It is to note that the poverty is found to be increasingly more intensive in rural areas than urban areas. The rural poverty is even often overlooked due to putting more focus on urban poverty and thus making it more visible. In reality, rural areas face worse conditions in comparison to urban areas in terms of literacy rate, income level,
mortality rate, life expectancy, etc. When observing the poverty situation of women in India, it has been found that majority of the Indian population below poverty line consists of women (Verma et al, 2006). These facts and figures evidently show why women should be the main target group for poverty eradication policies, programmes and strategies all over the world in general and India in specific.

Most of the rural women in the developing countries are circumstantially compelled to go out to work as it is difficult for their families to survive only on men’s income. In this way, by supplementing the family income through their earning capacity does not emancipate them from their disempowered position within the household. These women take up jobs mostly in the unorganized sector, as casual and unskilled labourers. In fact, in most of part of world rural women are vulnerable to exploitation and discrimination, as they are beyond the reach of any legal provision for protection.

In the domain of household they suffer low status although they make huge amount of contributions by playing multiple roles; but their contributions often remain invisible or shadowed. Women also constitute a large share as agricultural workers in India. They are not only engaged in activities like weeding, sowing seeds, transplantation, harvesting, etc. but also engaged in several other farming operations like dairy farming, horticulture, sericulture, pisciculture, poultry, etc. Through this process, they make substantial contributions to total agricultural output of the country and in the area of rural development as a whole. Unfortunately, despite such significant contributions, they do not receive what they actually deserve, rather they are put under surplus labor and hence, more exploitation. That is, more and more profit is made by employing these women at lower wages and for longer working hours. Moreover, the reality of their exploited condition can be perceived to be more serious when it is found that, these women make more agricultural contributions than their men (Roy, 2003). This discussion reveals how rural women in India suffer from multiple marginalizations that have made them the severely disadvantaged segment of the society.

Approaches to Women’s Development

Studies on women empowerment have focused that since long periods of time women have been suffering from discrimination. They have been kept apart from
participation in political, economic and social aspects. It is remarkable that to abolish gender inequality, many feminist writers and social thinkers are trying through their thoughts, researches and writings from different approaches and dimensions. From 1950s onwards, the approaches relating to development and empowerment of women in male dominated society have been prevailing in feminist discourses. These approaches are categorically described as Welfare Approach, Women in Development (WID) Approach, Women and Development (WAD) Approach, Gender and Development (GAD) Approach and Empowerment Approach. In the initial phase, development of women was basically welfare oriented. During the seventies there was a shift in the approach from welfare to development where women were recognised as participants in development programmes. During the eighties, a multi-dimensional approach was adopted including health, education and employment. In the nineties, it was the beginning of trying to empower women economically through training cum income generating programmes.

The Welfare Approach

The Welfare Approach was introduced in 1950s and 1960s. It is the oldest approach and still this approach is considered as an important policy approach for welfare of the developing countries in general and women in particular. Moser (1993) stated that this approach was introduced for the implementation of welfare policies concerned with women in developing countries. The major implementation focus of this approach was to provide free goods and services, food aid for the refugees suffered by natural disasters like earthquake and famines, mother-child health programmes, family planning programmes etc.

As stated by Moser, this approach is based on three assumptions; first that women are passive recipients of development, rather than participants in the development process; secondly, that motherhood is the most important role for women in society; thirdly that child rearing is the most effective role for women in all aspects of

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3 Ibid
economic development. According to Welfare approach, motherhood is the important role of women in development of society. Therefore reproductive health care services, programmes and strategies have been taken care of in this approach.

The low income women have been also targeted for improving the welfare of family, particularly of children. Akhter pointed out that women and children health programmes are popular in this approach. The welfare approach included two important programmes in developing countries; first the elimination of malnutrition through food and nutrition education and second population control through widespread dissemination of contraceptive information and technology.

The Welfare approach is criticized by some scholars, as this approach could not change the traditional role of women which have been making them more vulnerable for quite long periods of time. Moser (1993) argues that welfare approach does not attempt to change the traditional role of women and this approach ignores women’s multiple roles like productive and community managing roles and only addresses women’s reproductive role as mothers and wives. As regards gender needs, the welfare approach meets women’s practical gender needs which arise from being wives and mothers.

**Women in Development Approach (WID)**

As a result of critique of Welfare approach, Women in Development (WID) perspective became widespread as a movement during 1970s. This was based on modernisation and three feminist waves. It was aimed at integrating women in development processes. This widespread movement demanded social justice and equity for women of the world. Under this broad perspective, World Conference of the International Women’s Year (1975) at Mexico City and the United Nations Decade for Women (1976-1985) gave expression to the major preoccupations of women around the world, improved educational and employment opportunities;

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6 Ibid
equality in political and social participation; and increased health and welfare services.  

In the late 19th century, women’s suffrage movement emerged in North America. It was the first feminist wave or movement through which women fought for equal right to vote and participation in politics. The second wave of feminism is concerned with social and cultural inequalities, violence, reproductive right and sexual discrimination faced by the women in day to day life. This second wave of feminism was very influential as the United Nations (UN) organised the first global conference on women in 1975 at Mexico. The conference sought to address role of nations on fighting gender inequalities and support women’s right. The third wave of feminism emerged by the influence of Ester Boserup’s publication on —Women’s Role in Economic Development in 1970. It was the first and policy oriented book that explained women exclusion from development projects in the Third World.

Boserup in her publication focused on the increasing specialized division of labour associated with development undermining or neglecting the value of women work and status especially in the developing world. She tried to show why women were being deprived of equal share with men in social benefits and economic gains and explained how women were marginalised in development activities. Boserup argued that lack of access to training and technology was the primary cause of economic marginalisation of women. Within the dominant colonial administration system, men and development workers (male) were centralised in the decision making process and women were not prioritised. While the women performed more work with their productive and reproductive activities, they enjoyed less power and lesser share in the fruits of any rural development. It is considered a waste of scarce resources for those who were less productive. Boserup works had an influence on making women more visible in development approach and as a specific category when addressing women.

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11 Ibid
in development. Drawing the insights of Boserup study, the WID advocates rejecting the narrow view of women role as mothers and wives, underlying much of development policy concerning women\textsuperscript{12}. The WID approach helped to ensure women integration in work force and increase their level of productivity in order to improve their lives. Instead of characterising women as needy beneficiaries, WID arguments represent women as productive members of society\textsuperscript{13}. Women in Development approach is categorised into three sub approaches viz. equity approach, anti poverty approach and efficiency approach.

**Anti Poverty Approach**

Anti-poverty approach was introduced from the 1970s onwards. The aim of this approach was to ensure that poor women of low income household increase their productivity. This approach identifies poverty as a problem of underdevelopment of women rather than subordination. It recognises the productive role of women. Moser pointed out this approach seeks to meet practical gender needs to earn an income, particularly through small scale income generating projects\textsuperscript{14}. This approach emphasises that poverty is the main cause of economic inequality between men and women in society. According to this approach lack of access to private ownership of land and capital, sexual discrimination in the labour market are the major attributes of the poverty of women. Therefore, this approach endeavours to increase employment and income generating opportunities of low-income women through better access to productive resources.

To abolish women’s poverty through the idea of accessing women in income generating activities, this approach ignores to see the socio-cultural subordination of women in household as well as in community. In developing countries like India women are the subordinate of men. Poverty is not only the cause of underdevelopment of women in developing countries. Men have the power of control over resources and income. Where men control household financial resources women are unable to save. There are many cultural constraints that restrict women’s ability to


\textsuperscript{13} Ibid

move freely outside their domestic arena and to compete equally with men running similar enterprise.\textsuperscript{15}

**Equity Approach**

Equity approach emerged in 1976-85 UN Women’s Decade with the purpose to achieve equity for women in development process. It identifies the continuance of exploitation, subordination and oppression of men on women not only within household but also in work place. This approach recognises that women are active participants in developmental process who through both their productive and reproductive roles provide contribution to economic growth.\textsuperscript{16} In the review of 1976 UN Women’s Decade Tinker and Jaquette defined the goal of women’s equity as the right of divorce, custody of children, property, credit, voting and freedom of choice over child bearing.\textsuperscript{17} Under this broad perspective of equity approach, majority of implementing agencies and the government of developing countries had taken initiatives through legal measures.

Some criticized this approach as being more western and could not focus the situations of women of the east or developing countries. It fails to acknowledge the collective and cultural concerns of women in the developing world.

**Efficiency Approach**

During 1980s and 1990s due to the economic recession, World Bank and International Monetary Fund forcibly introduced Efficiency approach in developing countries to reduce economic crisis. Since 1980s, efficiency approach is predominant in WID approach. The purpose of this approach is to ensure effective and efficient development through economic contribution of women. The assumption is that increasing economic participation of women in developing countries can increase equity. This has allowed organisations such as United States Agency for International Development (USAID), the World Bank and the Organisation for Economic

\textsuperscript{15} Caroline O. N. Moser, (1989). Gender planning in the third world: Meeting practical and strategic needs. World development, 17 (11), 1813.
Cooperation and Development (OECD) to propose that an increase in women’s economic participation in development links efficiency and equity together\(^{18}\).

But in real sense, this approach focuses more on development than on women. To reduce economic downturn, export has been increased and import has been reduced and it resulted in raising cost of consumption goods and services. A number of studies carried out by UNICEF in 1987 shows that poor women and children are the hardest hit by neo liberal structural adjustment policies or by the efficiency approach\(^{19}\). Actually due to the reduction of employment and wages, and by restricting the labour market, the poor women are affected by increasing food prices and the cost of basic services, lack of provision for skill training and child care facilities.

**Women and Development Approach (WAD)**

In 1975, Women and Development (WAD) approach emerged as a way of thinking about women’s empowerment. This approach was theoretically introduced by the Marxist feminism. One of the best known and elaborate theories of Marxism is social oppression. Marxist feminism brings together Marxian class analysis and feminist social protest. This mixer of thought produces not only a strong theory of oppression but rather a more important statement of gender inequality. The foundation of this theory was laid by Marx and Engels. Though their major concern was social class oppression, but later on they turned their attention to gender oppression\(^{20}\). About gender inequality and gender oppression, Engels presented in his book - The Origin of the Family: Private Property and the State, 1884. According to this theory, women’s subordination results not from her biology, but from social arrangements which is socially created. The basis for women’s subordination lies in the family.

Engels first identified women’s subordination as being derived from their position within the monogamous family. He argued that the emancipation from patriarchy and

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control would come with their entrance into productive work\textsuperscript{21}. Society recognizes family as the most fundamental institution in every type of societies. Within such an institution, particularly in the middle class families, the women have no economic independence. They are in fact the possession of their husbands or head of their family. But society legitimizes this family system by claiming that such a structure is the fundamental institution in all type of societies.

Engels argues that in early societies there was no state power and family structure. People were linked in kin networks. These kin ties were traced through the female line because one’s direct link to one’s mother was more easily demonstrable than father’s link. So in other words primitive societies were matrilineal. Moreover, the early society was matriarchal, because in those primitive hunting and gathering economies, certain power were in the hands of mother as gatherer, crafter, storer and distributors of essential materials. This type of society, Marx and Engel describe as primitive communism which was free and empowered social status for women. But this type of social system was destroyed. Specifically the replacement of hunting and gathering by herding, horticulture, and farming economics private property has emerged. Engels links the rise of the state to the development of the family, arguing that the emergence of private property requires a monogamous nuclear family capable of organising the inheritance of private property by producing children of undisputed parentage and guaranteeing the supremacy of the male line. With this comes, the increased exploitation of women since household management now becomes a private affair and the wife becomes the chief servant of the household. While the man becomes the main wage labourer, the woman of the family is confined to domestic slavery.

Thus shows how the division of labour within society is more than just a class issue that is also linked to a system of patriarchal tradition. Since then, the exploitation of labour has developed into increasingly complex structure of domination, most particularly class relations, the political order was created to safeguard all these systems of domination, and the family itself has evolved along with the historic transformations of economic and property systems into an embedded and dependent

institution, reflecting all the more massive injustices of the political economy and consistently enforcing the subordination of women. Only with the destruction of property rights through communist revolution will women attain freedom of social, political, economic and personal action\textsuperscript{22}.

The WAD approach argued that women have always been part of development. Therefore, focus should be given on women’s integration into development. This approach identifies that capitalism is a reason of women’s poverty and oppression. WAD perspective argued that capitalism exploits the unskilled and poor women labourers through giving low wage. Therefore WAD approach tries to focus on the elimination of poverty and unemployment of women by increasing access of low income women to employment through income generating activities.

**Gender and Development Approach (GAD)**

Gender and Development approach emerged in 1980s by the influence of socialist feminist theory. Both the socialist feminists and GAD approach give special attention to the oppression of women in the family. Socialists have focused attention on the social relations of gender. They have no interest to illustrate the importance of greater female participation in all aspects of social, political, and economic life, but their primary focus has been on an examination of why women have been systematically assigned to inferior and secondary roles. Socialist feminists have identified the social construction of production and reproduction as the basis of women’s oppression and have focused attention on the social relations of gender, questioning the validity of roles that have been ascribed to both women and men in different societies\textsuperscript{23}.

The GAD approach starts from a holistic perspective to look at the whole of social organisation, economic and political life in order to understand the shaping of particular aspects of society. It analyzes the nature of women’s contribution within the context of work done both inside and outside the household including non commodity production and rejects the public or private dichotomy that commonly has been used as a mechanism to undervalue family and household maintenance work performed by


women. GAD argues that gender is socially and culturally created. Origin of this approach relates to the programme named Development alternatives with Women for a New Era (DAWN) network which was first initiated in India. This programme was officially recognised in 1986 during the Third UN Conference in Nairobi. It is a network of women scholars and activities from the economists that engaged in feminist research and analysis of the global environment and are committed to working for economic justice, gender justice and democracy\(^\text{24}\).

The literatures of this approach mainly focus on the patriarchal social tradition where the unequal distribution of power has been prevalent between the sexes. It hinders development and female participation in decision making within household and community level. Maguire (1984) argued that patriarchy as a process of exploitation that operates within and across classes to oppress women\(^\text{25}\). This approach elucidates that the main cause of subordination of women is the household, where women lack control over income and property. Their involvement is not required in decision making processes and they are not recognised as equal as other in their family. The basic aim of this approach is to change the structure of power within household into a long term end where all decision making and benefits of development are distributed on equal basis of gender neutrality. The GAD approach is not just focused on the biological inequalities among sexes, however on how social roles, reproductive roles and economic roles are linked to gender inequalities of masculinity and femininity\(^\text{26}\).

According to this approach to strengthen women, they have to organise themselves to create a common voice for their political, economic and social rights. This approach focuses on empowering women rather than helping them. It gives women a common, equal and strength voice by recognizing their knowledge, skill, experiences and activities, both in the household and outside of their household field. GAD also puts greater emphasis on the participation of the state in promoting women’s emancipation, seeing it as the duty of the state.

**Empowerment Approach**

Empowerment approach suggests that socio-economic empowerment is significant, because self-dependence is the basis of empowerment, and attainment of self-

\(^{24}\) http://www.wiser.org


economic liberty is an important tool to achieve self-dependence. It seems that in patriarchal society male uses power over women because they are the earners for their family. If woman can achieve economic liberty, then she also can make a powerful place within her family and gradually in society. Through economic improvement in the male dominated society, can absolutely achieve decision-making authority and contribute to the overall development, which will make an egalitarian society.

However, to achieve this capability of making decision and contribution to the overall development woman must empower herself in the domestic sphere. Empowerment of women in domestic level is important and it is because it determines women’s freedom from control by other family members and ability to effect desired outcomes within the household\textsuperscript{27}. The concept of women’s empowerment believes that in all societies, men control women or men control at least particularly those in their households and families. Once she can gain the sense of empowerment in domestic level, she can also make herself equal with men in community level.

**Gender Policies and Programmes in India**

The Five Year Plans as formulated and designed by the Planning Commission of India is definitely an important criteria for assessing the impact of the Government intervention in bringing about development for women in general and the rural women in particular. If one look at the time of India independence, India was one of those developing countries for which poverty was the most basic problem and hence, eradication of poverty becomes the prime goal of most of its development plans, policies and programmes.

Indian government has adopted different strategies through the successive Five Year Plans to combat poverty and other socio-economic deprivation conditions of women.

The first five Year Plan (1951-56) was devoid of any specific development strategy for women. It was because of the initial conception that gender neutral or general strategies would be sufficient to work equally for both men and women and the Plan only focused on basic services like education, health and welfare for women.

During the Second Five Year Plan (1956-61) the India Government launched the scheme of ‘Mahilā Mandal’ under the Community Development Programme (CDP) to help village organizations and village women by bringing about better home making skills for them. Unfortunately, the CDP failed and it was mainly because of the exclusion of real conditions and needs of rural women.

The Third (1961-66) and the Fourth (1969-74) Plans continued to give attention to this welfare aspect, with special thrust on education of women, care for maternal health services including adoption of oral pill as a family planning measure, and also care for child health facilities.

The Fifth Five Year Plan (1974-79) avoided any new strategies for women and mainly continued with the former ones. A committee on the status of women was formed but it failed soon in upholding its real objectives and aim.

A significant improvement was made during the Sixth Plan (1980-85) when a separate agenda was included for women. There was also a remarkable shift from the ‘welfare’ approach regarding the policies and programmes for women. Schemes like integrated Rural Development Programme (IRDP), Jawahar Rojgar Yojana (JRY), Tribal and Rural Youth Self Employment Scheme (TRYSEM), and Employment Assurance Scheme (EAS) were launched. More importantly, this plan recommended a number of women-specific programmes like ‘Development of Women and Children in Rural Areas’ or DWCRA. It was started in 1982-83 as a sub-scheme of IRDP.

The Seventh Five Year Plan (1985-90) extended the implementation of DWCRA throughout the country and at the same time, encouraged formation of self-help groups for women who are more marginalized and vulnerable.

The Eighth Five Year Plan (1992-97) for the first time mentioned about empowerment of women and involving them as equal partners and participants in the development process. Therefore, there were initiatives for expanding the former DWCRA groups, ‘Mahilā Mandals’ and other steps were taken to encourage rural employment and women entrepreneurship. Thus, ‘gender’ became a major inclusion under this plan.
It was during the Ninth Plan period (1997-2002) that the issue of women’s empowerment gained the greatest momentum with the official statement that ‘empowerment of women’ be the prime agent for overall socio-economic development and change of the nation. The ‘National Policy for Empowerment of Women Year’ in 2001 was adopted when the same was observed as the “Women Empowerment Year” all over the world. This new policy categorically focused on social and economic empowerment of women. Flow of adequate funds was directed by the Planning Commission to both the Centre and the States asking them to earmark at least 30 percent of funds for the women-specific and women-related sectors.

The Tenth Five Year Plan (2002-2007) shows a different approach in its nature and content. However, it lays focus mainly on social aspects, marginalized sections of the population, making of infrastructure and the issues associated with regional imbalance. This plan targets for making the ‘National policy for Empowerment of Women’ into real action through rights based protection, development and survival of women as well as children. The existing women related programmes like: target for reduction in gender gaps in literacy as well as wage rates by at least 50 per cent within 2007; reduction of Maternal Mortality Ratio (MMR) to 2 per 1000 live births; etc. have been taken care of under this Plan.

The 11th Five Year Plan (2008-2012) talks of transforming SHGs to community based organizations which will enable them to operate on a bigger scale and truly come up as poor people institutions. They would also be in a position to shift from micro credit to larger credit facilities offered by banking institutions and thus will come into their own as a formidable economic force.

The 12th Five Year Plan (2012-17) focuses on federation of SHGs that became powerful units of economic empowerment enabling the poor to change the balance of power in the market that they participate in as both producers and consumers.

The government of India also taken some other major steps for women empowerment through the establishment of several commission and department and boards like the

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28 [www.ilo.org]
Central Social Welfare Board (CSWB), Community Development Programme (CDP), National Commission on Self-Employed Women in Informal Sector, National Women Commission (NWC), Rashtriya Mahila Kosh (RMK), Department of Women and Child Development (WCD), Education Commission and Education Policy, Centres of the UN and other international and national agencies. The UN agencies like UNICEF, UNESCO, WHO, ILO and UNFPA have undertaken various projects all over the country. Some non-governmental organizations (NGOs) have also made worthy contribution in the area of women’s development. Many of them have been able to perform with more sincerity and commitment even as comparison to the government departments. The National Research Centre for Women and researchers from various universities and research institutes has also undertaken research on women empowerment.

The microfinance and self-help group concept has been accepted and advocated as a significant tool for poverty removal and women empowerment. A brief profile how SHGs concept emerged and gained ground in India is explained in the following section.

**Concept of Self-Help Groups**

In rural areas of India, the people living below the poverty line are unable to realise their potential. Our traditional society does not provide enough chances and social environment to the poor, especially women, to make full use of their abilities. But, forming groups of poor has helped them to take part in developing activities through self help. People in a group can put their ideas, experience and labour for improving their economic conditions. The group effort has better chances of success. So a group is regarded as powerful tool to achieve a voice in the village affairs. Group formation is a process of getting empowerment of poor.

Self-help Groups (SHGs) are the voluntarily organized homogenous groups consisting of 10-20 members with common goals and desires. The basic aim of Self help Groups is to give financial support to its members. Self-help Groups have emerged through the approach of self help. It is thought that entrepreneurial activity, borrowing and lending money, group meeting, training, mutual help of the members of Self-help Groups can give economic security, strong psychology and empowerment to its
members within and outside of their home. These small affinity groups by the support of outsiders can effectively manage and support its members to involve in multiple socio-economic activities and enterprises. It can be said that Self help Groups are ethically important. Self-help Groups are not only for providing employment to the poor and eradicate poverty, but also to empower the poor and vulnerable women by helping each other. Self-help Groups in connection with micro finance have played an important role for the improvement of socio-economic conditions of the poor. Self-help Group is defined in the National Bank for Agriculture and Rural Development (NABARD) literature as a small, economically homogenous and affinity group of rural poor voluntarily formed to save and mutually agree to contribute to common fund to be lent to its members as per group decision\textsuperscript{30}.

The characteristics of Self-help Groups can be defined on the basis of requirements of the members\textsuperscript{31}. Like the groups usually create a common fund by contributing their small savings on a regular basis. Self-help Groups evolve flexible systems of operations, often with the help of NGO and manage common pooled resources in democratic manner. Loan requests are considered by groups in periodic meetings with competing.

The concept of women self-help group and that of self-help group in general are basically the same except the fact that, the former is specifically emphasized for exclusive participation of and functioning by women. Women Self-help Groups (WSHG) can be describe as informal women groups from a similar class and region comprising 10 to 20 members, who organize, promote savings among themselves and use the pooled resources to meet urgent needs. They rotate the pooled financial resources to make small interest bearing loans to their members with a very small rate of interest\textsuperscript{32}.

Hence, self-help group is a group of people (usually of 10 to 20 in numbers) of somewhat homogenous status and with common social and economic goals for their


overall sustainable development through participatory decision-making in thrift and credit activities. With respect to the extent of vulnerability and marginalization of poor women and the importance of their empowerment, SHG approach is definitely more relevant.

Self-help Group is savings and credit organisation, organised by group of people who are similar in terms of class, religion and economic status. In some states of India it is seen that Self-help Group have federated into larger organisation. About 15 to 50 Self-help Group makes up a cluster and village organisation with either one or two representatives from each Self-help Group. At this cluster level, inter group borrowing, exchange of ideas, discussions exist. Depending on geography, several clusters come together to form Self-help Group Federation. At this level the federation interfaces with Self-help Group movement regarding their registration and recognition through banks or other government organisation.

After the 1980s, following the success of ‘Grameen Banks’ in Bangladesh many NGOs in India started SHGs by involving disadvantaged sections of society and initiating thrift and micro-credit activities among them. This was done for achieving some basic objectives like fulfilling the frequent but small and urgent credit requirements of the poor people through liberal institutional procedures and also to encourage income generation activities among them (NABARD, 1989).

**Origin of Self-Help Groups**

The origin of Self-Help Group is from the innovation of Grameen Bank of Bangladesh which was founded by Prof. Mohammad Yunus in 1976\(^3^3\). In 1974 he had conducted an experiment and provided 27 dollar among 42 poor people. He had got positive result and established Grameen Banks. Prof Yunus promoted it firstly as a village credit society in December 1976 in the village Jobra\(^3^4\). Later this Grameen Bank has got widespread success and spread all over the world. The success of

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microcredit strategy through Grameen Banks has changed the livelihood of the poor, especially women.

Bangladesh Rural Advancement Committee (BRAC) is generally considered as one of the landmark success achieved worldwide in terms of addressing the vulnerability of the poor women. It persuades them towards becoming the active agents of change and self-help approach is adopted by it as one of its concrete means for reaching such target (BRAC, 2009). In the early stages, Non Government Organisations (NGOs) played a crucial role in innovation and implementation of Self-help Group model with the aim of poverty eradication and to empower the poor by providing micro credit.

In India the idea of self-help groups (SHGs) was actually adopted during the Second Plan period, which was disseminated through ‘Mahila Mandal’ or women’s groups. Self-help Group first emerged in Mysore Resettlement and Development Agency (MYRADA) in 1985. It is a large Non Government Organisation started in 1968 in Karnataka with the aim of building institution of the poor and marginalized section. At present it is directly managing some projects in backward districts of the state collaborated with government. There were many Self-help Groups in MYRADA project. After that, policy makers have realised the importance of implementation of Self-help Group for the poor, especially women and discussed with the bankers and organisers of NGOs regarding necessities, possibilities and implementation of Self-help Group.

At Millennium Summit 2000, New York, Millennium Development Goals (MDGs) were set by the world leaders to eradicate poverty. One of the goals of Millennium Development is to make progress towards gender equality by 2005. At this summit microfinance was expected as means to reach Millennium Development Goals and considered one of the most effective and flexible strategies in the fight against the global poverty. Micro-finance institution started in India through Self help Group model.

35 <www.brac.net>
From 1990’s onward Self-help Group movement has got a successful path not only as financial supportive group but also as a platform for the poor and women to empower themselves psychologically, socially and economically. Several steps were taken by the National Bank for Agriculture and Rural Development, Reserve Bank of India and some leading Non Government Organisations for the upliftment of Self-help Group. NABARD supported and funded an action research project on Saving and Credit Management of Self-help groups of MYARADA and undertook a survey of 43 NGOs spread over 11 states to study the functioning of the Self-help Groups and the possibilities of collaboration in 1988-89. RBI issued a circular in 1991 advising the commercial banks, the regional rural banks and the cooperatives to extend credit to the Self-help Groups. In 1994, under NABARD pilot project on 500 Self-help Groups, the RBI working group reviewed the functions of the NGOs and Self-help Groups and gave guidelines for achieve success. RBI revised the guidelines in 1996 and advised that the banks lending to the Self-help Groups should be considered as an additional segment under priority sector and integrate with main stream credit operation. Since then Self-help Group became a regular component of the Indian financial system. During the year 2000, government has included Self-help Group as an important part of the Government Annual Plan to eradicate poverty.

NABARD is regarded as an apex institution for accredited with all matters concerning policy, planning and operation in the field of credit for agriculture and other economic activities in rural areas of India. NABARD is an apex development bank in India established in 1982 on 12 July by a special Act of the parliament and its main aim is to uplift the rural India by increasing the credit flow for elevation of agriculture and rural non farm sector.

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41 NABARD, Status of Microfinance in India, 2011
History of Self Help Groups in Post Independent India

The source and year of the origin of the first Self Help Groups (hereafter SHGs) in the post independent India had become a contentious issue. Many writers traced the formation of SHGs to the efforts of some non governmental organizations. Even the Ninth Report of Second Administrative Reforms Commission wrote that the first organised initiative in the direction of forming SHGs was initiated in Gujarat in 1954 (Government of India, 2008). According to Ajay Tankha (2002) this Programme was launched in 1992 by National Bank for Agriculture and Rural Development (hereafter NABARD), the apex bank for rural development in India. Fernandez, Aloysius P. (2007 and 2008) argued that SHGs were first organised by a voluntary organisation called Mysore Resettlement and Development Agency (hereafter MYRADA) in 1985 and the SHG-Bank Linkage Programme began in 1992. A report prepared by the Orissa regional office of NABARD wrote that first official interest in informal group lending in India took shape during 1986-87 when NABARD supported and funded an action research project on 'Savings and Credit Management of Self Help Groups' of (MYRADA). The report also added that in 1988-89 NABARD undertook a survey of 43 non-governmental organisations (NGOs) spread over 11 states in India to study the functioning of SHGs and possibilities of collaboration between the banks and SHGs in the mobilisation of rural savings and improving the delivery of credit to the poor and SHGs became a regular component of the Indian financial system since 1996 (NABARD, 2005).

However, a careful reading of the information available proves that Government of India was the first one to start SHGs. The first groups were started in 1982-83. After a gap of two years MYRADA started forming self help groups. The elaboration on the formation of SFGs by Government of India needs a brief overview of the efforts of the Government of India to meet the financial needs of people working in unorganized sector scattered in lakhs of villages in the length and breadth of this vast country.

The independent India inherited an underdeveloped rural economy. High levels of indebtedness and inefficient public financial services posed a serious challenge to the development of the country. Ever since, the policy makers concentrated their efforts to search for a viable solution to this Problem (Planning Commission, 1951, Vijay
Mahajan and Suman Laskar 2012 and Mihir Shah, Rangu Rao and P.S. Vijay Shankar, 2007:6). The whole issue of credit crunch and lack of rural development has been attributed to lack of access to credit from both national and private formal financial institutions. Inaccessibility to finance means stagnation in production, resulting in increasing both individual and national poverty. Public and private banking net work which can provide the finance to small and medium entrepreneurs was not available in rural areas. The informal finance provided by moneylenders, friends, relatives and chit funds was both costly and inadequate.

According to Reserve Bank of India findings, this costly informal credit accounted in 1951 for 90 per cent and in 1971 for 70 per cent of rural indebtedness (Seibel, Hans Dieter, 2005: 8, 2005a and Seibel 2010, Malappa Dandgund and Nayakara Honnurswamy 2012:1-4 and V. K. Ramachandran and Madhura Swaminathan ,2001:4-6). Though 80 percent of the population lived in rural areas and 40 per cent of Gross Domestic Product was contributed by agriculture, only nine per cent of total credit went to agriculture, only nine per cent of total credit went to agriculture in 1954 and it rose to an ignorable 19 percent (Mihir Shah, Rangu Rao and P.S. Vijay Shankar,2007: 13 and Planning Commission, 2007).

No attempt was made to build an indigenous formal financial structure. To find a solution to the problem, the Union Government took three related measures in 1969, viz., nationalization of 14 private banks (followed by another six in 1980), opening two rural branches for every urban branch and a mandatory system of priority sector lending. (Seibel, Hans Dieter, 2005: 8 and 9).

A review made in 1975 revealed that the institutional expansion policy resulted in opening of 10,882 rural and semi-urban branches. Still the expansion did not match the credit requirement of rural poor. It was concluded that rural branches of large commercial banks, be they private or public, are not the right answer. Hence, the government introduced a new network of government-owned Regional Rural Banks (RRBs) in 1975 under the provisions of an Ordinance promulgated on the 26th September,1975. The Regional Rural Banks Act, 1976 contributed for the expansion of RRBs. The purpose of these RRBs was to develop the rural economy and to create a supplementary channel to the Cooperative Credit Structure with a view to enlarge institutional credit for the rural and agricultural sector (NABARD, 2011 and Seibel, Hans Dieter, 2005: 8 and 9). Yet the problem persisted. The RRBs and cooperative
banks to a large extent catered the needs of farmers, but not the needs of vast numbers of landless, migrant labourers and illiterate women.

In 1981 RBI carried out the All-India Debt and Investment Survey and published the results in 1983. According to this survey after years of massive branch expansion, policies of directing credit to the rural areas, massive self employment programmes, and ready availability of donors some 250 million of the rural poor had no access to formal finance, and 39 per cent of rural indebtedness stemmed from informal sources (Seibel, Hans Dieter, 2005: 8 and 9). On the other hand the rural cooperative banks, established to meet the credit needs of the rural population engaged in productive activities, could not meet the social obligation. Their failure to do so created more pressure on credit availability which was the most essential requirement of the time. To quote the impression of the Planning Commission (2007:12), The Indian cooperative credit structure meant to empower the poor was not very successful as it was captured by a few powerful and because of excessive governmental interference and regulation(also see, Seibel, Hans Dieter 2005). To solve this problem the Government has decided to start Integrated Rural Development Programme (hereafter IRDP) in 1978-79. The aim of this programme was to deal with the dimensions of rural poverty in the country. The programme covered small and marginal farmers, agricultural workers and landless labourers and rural craftsmen and artisans and virtually all the families of about five persons with an annual income level below 3500. The main aim of IRDP was to raise the levels of the below poverty line families in the rural areas above the poverty line on a lasting basis by giving them income generating assets and access to credit and other inputs (Planning Commission, 1985:1, and Planning Commission, 1981, Sixth Five Year Plan). To extend the same benefit to the women, women self help groups with bank linkage facility were started. This programme was called Development of Women and Children in Rural Areas (hereafter DWCRA). The DWCRA programme was started in 1982, as a sub-scheme of IRDP (Planning Commission, 1985a, Vol.II, and Indira Bishnoi and Vibha Singh, 2007:1). Initially this was started as a pilot project in 50 blocks of the country for those Women who were not in a position to take advantage of schemes under the IRD Programme. The programme has become so popular that within a short period of two years the number of groups rose to over 1900, benefiting about 30,000 women by 1983-85 (Planning Commission,1985a Vol.II, Chapter 14, Paragraph 11). By 1997
91,900 DWCRA groups were formed and 22,66,817 lakhs of women were enrolled as members. An amount of 190.72 crores was given as loan to these members (Planning Commission, 1997, Ninth Five Year Plan).

This programme was started, as the name suggests, with the basic motive of focusing attention on the women members of rural families whose income falls in the category of below poverty line. The aim of the programme was to provide them with opportunities of self-employment on a sustained basis. But unlike other programmes, this programme was not confined to economic objectives only. It aimed at empowering women by building self-confidence, participatory planning and decisionmaking capacity. As stated in the Manual of DWCRA, DWCRA is not just a scheme for sewing machines and Revolving Fund. It is a development programme for women, to remove the causes of poverty and deprivation. It is a programme to empower women, to bring out the hidden strengths and power of women (Department of Rural Development, 1991, Manual for the Gramasevika in DWCRA, Ministry of Rural Development, Government of India, Delhi, Page No. 17.).

On 1 April 1999, the IRDP and allied programmes, including the Million Wells Scheme (MWS), were merged into a single programme known as Swarnajayanti Gram Swarozgar Yojana (hereafter SGSY). The SGSY is conceived as a holistic programme of micro enterprise development in rural areas, with emphasis on organising the rural poor into self-help groups, capacity-building, planning of activity clusters, infrastructure support, technology, credit and marketing linkages. Thus DWCRA programme was wound up and new scheme called Self Help Groups was initiated as a sub scheme of SGSY (Planning Commission, 2002).

Swarnajayanti Gram Swarozgar Yojna is a holistic programme initiated by Government of India in April 1999 covering all aspects of self employment like organisation of rural poor into Self-help Groups, capacity building training, planning infrastructure development, financial support through micro credit, subsidy and marketing opportunities. Under this programme, the Self-help Groups and individual Swarozgaries are trained through various stages of development and provided bank loan with government subsidy for their self-employment. After obtaining the bank loan with subsidy, the beneficiaries can increase their income and can uplift their quality of life. The main focus of this scheme is to assist the poor families above the
poverty line by organising them into Self–help Groups and by providing them income generating assets through a mix of credit from banks and subsidy from government.

The banks and other financial institutions are directly associated in the implementation of the SGSY programme. This programme has now been modified and renamed as National Rural Livelihood Mission (NRLM) from April 2012. The Swarnajayanti Gram Swarozgar Yojna is being implemented by District Rural Development Agencies (DRDA), with the active involvement of Panchayati Raj Institutions (PRIs), banks, the Line Department and Non Government Organisations.

**Micro-Finance through Self-Help Groups**

There is an effective demand for credit because poor people borrowing money from the lenders for their needs and for the purpose of small investments. The income from small investments is not enough to repay the loan amount because the lenders are charging- more interest on the borrowed amount. However, financial intermediation is not only for lending, but also to minimize their poverty by raising their income i.e. the sources of funds should be as sustainable as their use.

Micro-finance or provision of financial services for the low income households has been accepted in principle as a policy and considered to implement in developing countries as the most important intervention to alleviate poverty. According to the accepted definition, the purpose of micro-finance institutions is to provide, credit and other financial services particularly to the poor in rural and urban areas for enabling them to raise their income levels to improve their living standards. Even though it includes the initiatives made by both formal and informal sectors there is an increasing tendency to use the term micro-finance only by the institutions.

**Self-Help Groups Bank-Linkage Programmes**

Self Help Groups Bank Linkage programme initiated by NABARD in 1992 was the first attempt of mature Self-help Group. According to this programme Self-help Groups were linked with banks through financing them by banking services. There are two models of microfinance involving credit linkage with banks viz. SHG-Bank Linkage Model and MFI-Bank Linkage Model. In the first model Self-help Groups are directly financed by both private and public sector banks, RRBs and Cooperative
banks. In the second model Self-help Groups are financed by microfinance institutions.

National Bank for Agriculture and Rural Development initiated a project to link Self-help Group with banks and the real effort was taken during 1991-92 through SHG-Bank Linkage Programme. It was the first attempt to mature Self-help Group. SHG-Bank Linkage was an attempt to bring the unbanked poor into the formal banking system and to inculcate among the poor the thrift and credit habits, a natural corollary is for the group members to graduate into seeking more and better livelihood opportunities with access to credit. The objectives of the linkage programme are as follow\(^{42}\): (i) to evolve supplementary credit strategies for meeting the needs of the poor by combining the flexibility, sensitivity and responsiveness of the informal credit system with the technical/ administrative capabilities and financial resources of formal financial institutions; (ii) to build mutual trust and confidence between bankers and the rural poor; (iii) to encourage banking activity in both the thrift and credit aspects in a segment of the population that formal financial institutions usually find difficult to reach.

This was the turning point of success of Self-help Group movement in India. NABARD instigated Self-help Groups to link with banks by financing them by commercial banks. Reserve Bank of India also advised the commercial banks to consider them to lend. It has received support from Reserve Bank of India, central and state governments of India and leading Non Government Organizations.

**Rationale of the Study**

The socio-economic independence through access to self-generated income has been discussed as the major means of empowerment of women at the global level. This strategy is attempted and advocated by many governments in developing countries for empowering women. As, women’s income in a family is very important in relation to their full identity and powers in all spheres of life. However, as in the case of education, economic independence may also not give women the necessary decision making power and do not even make access to forums of decision making easy or

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smooth for them. The prevailing value system has put so many hurdles on the path for women’s equality through economic empowerment even so the role of the economic factor cannot be minimized.

India’s first Prime Minister, Pandit Jawaharlal Nehru refers that “freedom depends on economic condition even more than political. If a woman is not economically free and self-earning, she has to depend on her husband or son or father or someone-else and dependents are never free”. Empowerments of women through income generating activities are considered as those initiatives that affect the economic aspects of women lives through the use of economic tools such as credit. It is being increasingly realized that women’s income in a family is very important in relation to the nutritional, economic and educational upliftment of the family.

A strategy called, Self-Help Groups, provides an appropriate platform for initiating and sustaining income generating activities. The self-help groups are the voluntary organizations which play a vital role in the growth of socio-economic conditions of the poor, especially the women. The basic aim of self-help group is to give financial support to the poor women in the society. In connection with micro-finance, self-help groups are playing an important role for the improvement of socio-economic conditions of the poor.

Since 1947, Central and State Governments of India have initiated a number of subsidy like rural development programmes and involve formal financial institution in the implementation of these programmes. In spite of the best efforts of the government and financial institutions in reaching the poor and under-privileged section of the society, the poor and needy people failed to get their do share from the institutional finance. By early 1990, the share of informal financial institutions was quite high at 39.65 percent of total credit as per the data provided by RBI. It was in this context, the need for alternative financial innovations that penetrate into rural hinter-land and provide formal financial service without any hurdle was felt. It was in such an environment self-help groups emerged as strong and suitable innovation that fills the existing gaps in the present financial system.

Self help groups are emerged as one of the major strategies for women’s empowerment. Various schemes of the Government of India have shown that
strong women’s groups could contribute substantially to the development and convergence of services and activities. Experience with various programmes and a project has highlighted the benefits of formation of women’s groups for building confidence and focusing on development tasks.

Different groups in various states all over the country have focused on skill development and awareness generation, promoting economic development through income generating activities, inculcating thrift and credit management activities of poor women. Women cannot be ignored while devising various policies for rural and socioeconomic development. So, treating the women with equality of opportunities is very much required.

There exist several studies, presented in chapter-II, that have evaluated status of women empowerment through self-help groups. Though, very few attempts are made to measure the level of women empowerment and factors that contribute in empowering the women in Haryana context. The purpose of the present study is to evaluate the role of self-help groups in empowering women in four districts of Haryana. The empowerment in the study is understood as an improvement in socio-economic conditions of women, inculcating participative attitude and decision making power.

**Objectives of the Study**

This study is designed mainly to focus on extent of social and economic empowerment of rural women through income generating activities and constraints that are experienced by rural women. The main objectives are as follows:

1. To review the genesis, formation and development of SHG’s and status of women empowerment in India and particularly in Haryana.

2. To examine the impact of SHGs (micro-credit) on social as well as economic empowerment of rural women in selected districts of Haryana.
   - The social empowerment includes increase in their participation and decision making, etc. in household activities and outside. The economic empowerment includes increase in their income,
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consumption expenditure and saving. This is examined across the sample districts by socio-economic status of the sample households.

3. To highlight the problems in formation of SHGs, getting loans, effective utilisation of micro-credit funds and so on.

4. To suggest policy measures for socio-economic empowerment of rural women as well as effective and efficient functioning of SHG’s.

**Hypotheses of the Study**

The study has tested the following hypotheses:

1. High poverty ratio in any district leads to high number of SHGs.

2. The social and economic status (in terms of increase in participation and decision making, increase in income, consumption expenditure and saving) of rural women has increased significantly after joining the SHGs.

3. The social-economic-cultural factors negatively affect the functioning of SHGs.

**Chapter Scheme**

1. Introduction
2. Review of literature
3. Research Methodology
4. Status of Women Empowerment in Haryana and India
5. Self-Help Groups in Haryana: Progress and Performance
6. Socio-Economic Profile and Functioning of SHGs in Sample Districts of Haryana
7. Impact of SHGs on Socio-Economic Empowerment of Women in Selected Districts of Haryana
8. Summary and Conclusions