CHAPTER I

INTRODUCTION

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INTRODUCTION

1.1 Introduction

Women form the backbone of any economy. They are the effective channels to build a sustainable, just, and developed society. The advancement of women and the achievement of equality between women and men are a matter of human rights and a precondition for social justice. It should not, therefore, be seen in isolation as a women's issue. It is a developmental issue and bypassing women in development programmes means leaving almost half of the human resources outside development intervention (Beijing Conference, 1995).  

During the 1990s, with the shift from Women in Development (WID) to Gender and Development (GAD), political rather than economic aspects of development became the focus of concern. Along with gender mainstreaming, empowerment of women emerged as the main issue. As a process, it demands a life-cycle approach. It aims at a redistribution of social power and control of resources in favour of women based on development strategy (Christa Wichterich, 1995). In this approach, empowerment cannot be given; it must be self-generated (Kabeer N, 1998). All that a gender-transformative policy can hope to do is to provide
women with enabling resources which will allow them to take
greater control of their own lives, to determine what kinds of
gender relations they would want to live within and to devise the
strategies and alliances which will help them get there. So the idea
is that transformative change presupposes the empowerment of
women.

In a developing country like India, where the soul of the nation lies
in the villages, empowering rural women carries utmost weight
and significance. Development experience shows that gender
inequalities are a major factor impeding progress. This is
particularly true in rural areas, where women are generally
involved in productive work but lack access to assets they need to
play their roles effectively. As a result of this imbalance, rural
women are often more vulnerable to poverty than men, and their
limited ability to independently secure assets makes them more
likely to be negatively affected by ongoing changes in rural
markets and institutions. In order to improve the status and
position of women at home and in the society at large, it is
necessary to achieve economic independence for women. For
women, opportunity for productive work is not merely a means for
higher income, but a source of self-respect leading to the
development of their personality, and gives a sense of participation
in the common purpose of the society. The low status of women in
large segments of our society cannot be raised without further opening up of opportunities for independent employment and income. The concept of economic empowerment is, thus, a *sine qua non* for elevating the status of rural women in our society. If rural women are economically empowered, it becomes much easier for them to become socially empowered. This realization has been the impetus for the various micro finance programmes.

**1.2 Context of the Study**

As the financing of productive activities is a prerequisite for the rural economy to develop, credit plays a pivotal role in it. The popularity of micro finance as a development tool has grown from the recognition that the poor are excluded from formal financial institutions and are forced to depend on expensive - and often exploitative - informal sources of credit. Exclusion from formal institutions is a constant and common problem for the poor. In the case of financial institutions, socio-cultural reasons for exclusion are aggravated by market conditions, such as high transaction costs and information barriers, which render services to the poor costly and risky for traditional banks. Micro finance attempts to overcome these barriers so that the poor can have reliable and affordable access to much needed financial services. It has proved to be an important liberating force in societies where women, in particular, have to struggle against repressive social and economic
conditions (Ole Danbolt Mjoes, 2006). Theoretically, it may well initiate a “virtual spiral” of economic, social, and even political empowerment and, consequently, may appear as a means to increase the capabilities of vulnerable people (Goetz & Sen Gupta, 1996).

In the field of micro finance, the issue of empowerment has been analyzed, especially from the perspective of gender. Many researches have shown that micro finance should include a gender focus in order to have an effective impact in terms of gender, poverty, and empowerment. The principle of gender equality is enshrined in the Constitution of India (in the Preamble and fundamental rights). In terms of five-year plans, economic development through income generating activities was given the top priority from the fifth to the tenth plans so that women would become economically independent and self reliant to take part in the socio-economic development of the country (Pandey V, 2005).

The success of the Self Employed Women’s Association (SEWA) of Ahmedabad, the Mysore Resettlement and Development Agency (MYRADA), and several other experiments in different parts of the country, has attracted many States for replicating the strategy of micro finance. Right from the mid-eighties of the past century, micro finance has become a key strategy for poverty alleviation
and empowerment of women in Kerala (Jaya S Anand, 2002). It has been widely accepted that the programme, if taken up and implemented in the proper way, would be very effective in poverty eradication and women empowerment. Kerala seeks to achieve a breakthrough in poverty reduction through the decentralization policies of the State Government and empowerment of women’s groups. Recent policy initiatives, including participatory planning, decision-making, and implementation, combined with fiscal devolution, are the primary components of the new Kerala model. The State Government has taken initiatives in organizing the poor women into Neighbourhood Groups (NHGs). These NHGs are recognized as Self Help Groups (SHGs) as far as bank linkage and credit facilities are concerned. They enhance equality of status of women as participants, decision makers, and beneficiaries in the democratic, economic, social, and cultural spheres of life.

The women development programmes implemented in Kerala are generally antipoverty programmes, and are partially or fully centrally assisted schemes. The programmes benefit a large number of rural women, especially those belonging to the Below Poverty Line (BPL) category. The important programmes implemented during the last two decades in the State are the Integrated Rural Development Programme (IRDP) and the Training Rural Youths for Self Employment (TRYSEM). These are aimed at
generating additional income to the identified rural poor. Among the poverty alleviation programmes, an important women-based participatory programme launched by the State Government with the active support of the Government of India (GOI) and the National Bank for Agriculture and Rural Development (NABARD) to eradicate absolute poverty from Kerala within 10 years is the Kudumbasree Mission. The State Poverty Eradication Mission implements this project through the Department of Local Self-Government (LSG), formed in 1992 and empowered through the 73rd and 74th constitutional amendments. It has adopted a different methodology in wiping out absolute poverty by organizing the poor into community-based organizations. Women empowerment is a major concern and prime priority activity for the Mission. They disburse micro credit to the rural women to make them enterprising and to encourage them to enter into entrepreneurial activities.

Along with the Kudumbasree Mission, Non Governmental Organizations (NGOs) are also doing yeoman service in this regard. They try to ensure the participation of rural women in income generating activities (IGAs) for their families. In Central Kerala, prominent NGOs like the WIN Society Alappuzha, the Gandhi Smaraka Sevana Kendra Alappuzha, the Peerumedu Development Society Kanjirappally, the Integrated Development Society Kottapuram, the
Changanassery Social Service Society (CHASS), and the World Vision of India are engaged in not only poverty eradication but also the overall development of the poor folk. From the available literature, the researcher has found that except CHASS and the World Vision, the activities and performance of all the other NGOs have been studied by different scholars and institutions. CHASS and the World Vision of India, through their micro credit programmes, especially the credit-plus approach, which blends the access to credit with awareness raising programmes, are working to bring about a significant change in the life of rural women. As a result, a large number of women have become members of these organizations. Though a few studies on the micro financing programmes of the Kudumbasree Mission and their impact on the rural folk have come out, no empirical study has been carried out on the Changanassery Social Service Society and the World Vision of India. Further, there is scope for a comparison between Kudumbasree and these NGOs with regard to programmes and performance. This study is an earnest attempt in this direction. The researcher tries to assess how far these organizations have succeeded in effecting women empowerment, as it should be. At the same time, there is a general perception that NGOs are the frontrunners in the field of women empowerment. This is an attempt to find out the actual situation, and identify the reasons for the success and failure, if any, of the women development programmes of these organizations.
Suggestions have been made regarding the new policies to be adopted to fill the gaps so that the effort, energy, and money spent on these programmes find their deserved fruits.

1.3 Objectives of the Study

Bearing on the above problems, the study bases itself on certain objectives.

**General Objective**

This study attempts to compare the impact of micro finance programmes of the Governmental and Non-Governmental organizations on rural women empowerment in Central Kerala.

**Specific Objectives**

1. To study the socio-economic conditions of the respondents before and after Governmental and Non-Governmental interventions.
2. To study the membership and participation of the beneficiaries in their respective Self Help Groups.
3. To make a comparative analysis of the performance of the Kudumbasree Mission, CHASS, and the World Vision of India in economic, social, psychological, and political empowerment of rural women.
4. To identify the major factors determining rural women empowerment.
5. To quantify the magnitude of major variables influencing rural women empowerment.

1.4 Hypotheses

The hypotheses formulated for the study are:

1. Financial assistance forms the major motivation for becoming a member in SHGs.
2. There is significant difference in the annual family income and standard of living of the respondents before and after joining the SHGs.
3. There is significant impact of income generating activities on the overall personal development of the respondents.
4. There is significant difference in women empowerment, measured by empowerment index, between GOs and NGOs.

1.5 Methodology and Source of Data

The present work is a comparative social diagnosis study, which is exploratory in nature. Empirical method is used to compare the performance of the GOs and NGOs in rural women empowerment through micro financing. It requires tapping both the primary as well as the secondary sources of data. Hence a survey of literature, both published and unpublished, consisting of books, journals, government documents, different websites, reports, minutes of the meetings, attendance and accounts registers, other relevant
documents and registers maintained by the SHGs of the Changanasserry Social Service Society (CHASS), World Vision of India, and the Kudumbasree units has been done.

With regard to the primary sources, the first phase was the collection of information regarding the activities of CHASS and World Vision of India in the areas where they are engaged in the process of empowering rural women. A list of women beneficiaries of Kudumbasree/Neighbourhood Groups was collected from the different panchayat offices and another list of women beneficiaries of CHASS and World Vision was obtained from the main offices of these NGOs.

Finally, an interview schedule was designed for the collection of information from the women beneficiaries. The schedule was finalized after pretesting. It was divided into fifteen parts having questions on the identification and household details, membership and participation in the organization and SHGs, details of income generating activities, support from the organization, loans and repayments, impact on employment, income and asset holding, details of savings and liabilities, expenditure on consumption of food and non-food items, impact on education, impact on health, role in decision-making, impact on extradomestic intervention, overall evaluation, and suggestions.
Psychological empowerment could not be measured statistically. Therefore, observations, focus group discussions, and individual interactions have been held at all the levels of SHGs to supplement the quantitative data collected through the interview schedule.

1.6. Sample Design

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. A multi-stage stratified purposive sampling technique has been adopted for this study. In the first four stages, purposive sampling has been used whereas in the fifth stage, 25% of the total number of SHGs/Kudumbasree/NHGs has been selected. In the last stage, 10% of the total women beneficiaries have been selected. The following chart and the table show the sample design of the study.
Fig. 1.1 Sample Design
<table>
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<tr>
<th>Dist</th>
<th>Block</th>
<th>Panchayat</th>
<th>Wards</th>
<th>NGOs/GOs</th>
<th>No.of SHGs</th>
<th>Women Beneficiaries</th>
<th>10% of the total</th>
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Source: Field survey
Central Kerala

Pathanamthitt

Alappuzha

Kottayam

Kottangal

Vadasserikkara

Edathua

Kumaranalloor

Vakathanam

Kavalam

Manarcaud

Naranganam

Fig. 1.1
Sample Design

Wards 1,4,5,6,9,10
Wards 1,2,5,6,7,8,9,10
Wards 1,3,7,8
Wards 3,4,6,8,10,15,16,17
Wards 3,4,6,8,9,12,13
Wards 1,3,4,6,7,10,14,19

Kudumbasree / NHGs/ World Vision / CHASS (63)
Kudumbasree / NHGs/ World Vision / CHASS (60)
Kudumbasree / NHGs/ World Vision / CHASS (66)
Kudumbasree / NHGs/ World Vision / CHASS (47)
Kudumbasree / NHGs/ World Vision / CHASS (65)
Kudumbasree / NHGs/ World Vision / CHASS (53)
Kudumbasree / NHGs/ World Vision / CHASS (52)
Kudumbasree / NHGs/ World Vision / CHASS (90)
**Selection of Districts**

In the first stage of sampling, three districts - Kottayam, Alappuzha, and Pathanamthitta – have been selected from Central Kerala. They have been selected purposefully because together with the governmental initiative of Kudumbasree, Non-Governmental organizations like CHASS and the World Vision of India are active and fully engaged in the empowerment of rural women folk in these areas.

**Selection of Blocks**

In the second stage, three blocks each from Kottayam, Alappuzha, and Pathanamthitta districts have been selected. They are Ampalappuzha, Champakkulam, and Veliyanadu blocks from Alappuzha district; Madappally, Ettumanoor, and Pallom blocks from Kottayam district; and Mallappally, Elanthoor, and Ranni blocks from Pathanamthitta district. These areas have a concentration of the activities of the selected NGOs.

**Selection of Panchayats**

In the third stage, one panchayat from each block has been selected. The panchayats so selected are Kumaranallor, Vakathanam, and Manarcad from Kottayam district; Edathua, Kavalam, and Arattupuzha from Alappuzha district, and Kottangal, Naranganam, and Vadasserikkara from Pathanamthitta
district. The criteria for this selection are economic backwardness and the presence of the selected NGOs.

**Selection of Wards**

In the fourth stage, 51 wards have been selected from the nine selected panchayats. Along with the Kudumbasree units, SHGs of CHASS and World Vision are present only in these 51 wards in the selected panchayats.

**Selection of SHGs and Kudumbasree Units**

In the fifth stage, 25% of the total numbers of SHGs/Kudumbasree units have been selected randomly from each ward. 320 SHGs/Kudumbasree units have been thus selected. Among these, 174 are Kudumbasree units/NHGs, 83 are SHGs of World Vision, and 63 are SHGs of CHASS.

**Selection of Beneficiaries**

In the final stage, 10% of the total 7008 women beneficiaries from the selected SHGs/Kudumbasree units have been selected. The size of the sample thus selected is 700. These respondents are from both Above and Below Poverty Line categories. The selected women beneficiaries have a minimum of two years of participation in the programmes as the impact will be measurable only in such cases. The sample includes women who are engaged in income generating activities (IGAs) and Non-IGAs.
1.7 Data Management and Analysis

Several statistical tools have been used for the analysis of the data. Apart from simple averages and percentages, Chi square test, ‘t’ test, One way Analysis of Variance (ANOVA), Factor Analysis and Multiple Linear Regression analysis have been used. The Chi square test has been performed to test the interdependence between variables. ‘t’ test and ANOVA have been used for testing the differences in mean values. Factor analysis has been used to identify the major benefits accrued to the beneficiaries through the micro financing programmes of GOs and NGOs. Through the Empowerment Index, Multiple Linear Regression analysis has been carried out to identify the relevant influencing variables and the magnitude of their influence on rural women empowerment.

1.8 Limitations

This study includes only the members of the selected GOs and NGOs and excludes non-participants, as they are out of the scope of the study. Non-documentation of the programmes of certain SHGs and NHGs posed certain problems while collecting secondary information. During the field survey, a few women were reluctant to disclose their income, savings, expenditure, and habit of alcoholism among their husbands. This has caused certain problems for the researcher to fill in the schedule accurately.
1.9. Schematic Arrangement

The entire work has been divided into three sections. The first section includes the introduction, the review of empirical literature, and theoretical framework. The second section deals with data analysis and the last section consists of the major findings and conclusions of the study. These are given in seven chapters.

The first chapter is the introductory chapter, which deals with the context of the problem, objectives, hypotheses, methodology, sources of data, sample design, major statistical tools used for analysing the data, limitations of the study, and schematic arrangement. The second chapter reviews the literature available on the subject and identifies the research gap. The theoretical framework and policy approaches of microfinance and women empowerment are dealt with in the third chapter. The fourth chapter analyses the profile of the beneficiaries. The fifth chapter is a comparative analysis of the performance of GOs and NGOs in rural women empowerment. The factors determining empowerment are discussed in the sixth chapter. The seventh chapter consists of the summary and conclusions of the study and brings out the policy implications and scope for further research.
End Notes

1. The fourth World Conference on Women: Action for Equality, Development, and Peace was held on 15 September 1995 in Beijing which proclaimed women’s empowerment, together with gender mainstreaming and partnership, as the most effective approaches to eradicate society-wide entrenched gender inequalities. (See fourth World Conference on Women, Beijing, 1995, Country Paper – India - A Draft).

2. The Women in Development model explains the reasons for women being treated as beneficiaries of the crumbs thrown at them, in the margin of the economy, as consumers and an auxiliary labour force to be utilised in the crisis period and eased out the moment men are ready for take over (See Caroline O.N.Moser, 1993).

3. The Gender and Development model is based on an understanding of gender relations and empowers the weak (See Caroline O.N.Moser, 1993).

4. On 17th May 1988, the Kerala Government initiated ‘the State Poverty Eradication Mission’ popularly known as Kudumbasree meaning prosperity of the family, exclusively meant for women, which aims at eradicating absolute poverty within a period of ten years (See Appendix 2).

5. The Changanassery Social Service Society (CHASS) is the initiative of the Catholic Archdiocese of Changanassery to ensure ‘sustainable development’. The thrust of the society towards the livelihood promotion of the communities has found new expressions of productivity fully absorbing the women in the economic scenario (See Appendix 2).
6. The World Vision of India is an international agency working for the upliftment of the poor families and their children by providing financial and moral support (see Appendix 2).

7. Interview schedule (See Appendix 1).

8. As per the Government of India, poverty line for the urban areas is Rs. 296 per month and for rural areas Rs. 276 per month, i.e. people in India who earn less than Rs.10 per day. As per GOI, this amount will buy food equivalent to 2200 calories per day and medicine enough to prevent death. At this level of earning, even in a poor country like India, survival on Rs.10 per day is a nightmare. This actually translates to Rs.3650 per year or US $75 per year.
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