CHAPTER-I

INTRODUCTION

Empowerment is the process of gaining control over resources. Empowerment process in order to sustain must alter both people's self-perception and the control over their lives and material environment. Currently empowerment among development agencies and government through to programmes to view empowerment as another handout, something government do for or on behalf of the people. The provision of accesses to external resources, assets or services will create advantages for people to build self-confidence and self-esteem. Empowerment may be viewed in terms of increasing their income, assets, empowerment, education etc. Another key to the aspect of Empowerment is rarely a Natural process.¹

The empowerment is often about both groups and individuals because the poor and powerless people in the present world lead such fragmented and marginalized lives. The empowerment through group processes can be highly effective; ultimately empowerment must lead to change the individual level and not in terms of control over extrinsic resources but also greater authority and autonomy in decision making assertiveness etc. The individual autonomy is tantamount to an acceptance of atomization and a negation of group; interest, and interaction. In order to be truly empowered poor people must be able

to go behind their consciousness of themselves as eternal victims to transcend their self-perception towards greater control over their lives and environment. Another section of empowerment is its relationship to participation, decentralization or bottom up, approaches to development. Empowerment is an end itself, while decentralization, bottom up approaches participation may be viewed as means to an end. The end may or may not be the empowerment of the poor. But decentralization also implies devolution of resources and power from central to local government without any empowerment of the poor. This is true, if social hierarchies are powerful in local areas.

In this case decentralization may even weaken the position of the poor especially if local opposition to their empowerment is strong. The situation of racial minority of the scheduled castes are example of the problems. The decentralization may also result in greater inequality across rich and poor regions and localities unless they accompanied by strong measures for them through taxes and transfers. They are both intrinsic and instrumental reason for believing that empowerment is an essential element in the strategies and policies and programmes that seek to address poverty. The most of the poverty measures based on the income consumption expenditure per capita of individual house holds, poverty itself is not inherently a purely individual phenomenon that is the probability of being poor is not randomly distributed across the population.

Factors such as race ethnicity, caste gender, marital status age along with regional locations act as poverty clustering mechanism there
is significance difference in earnings. Educational levels, occupational strategies and unemployment rates, as well as significance difference across racial groups in health as measured by life expectancy.

A recent study based on national sample survey data for the 38th round (1982-83) in four Eastern states in India found scheduled caste and tribe member to be distinctly poorer in terms of per capita household consumption expenditure (Suggar and Pany 1994).²

According to Report³, Poverty probabilities are not distributed with in households with gender and age acting as significant sorting variables. This is true both when using traditional income or consumption notion of poverty and also broader concept of capability poverty used. It is also true that education and occupation status also acting as intervening between social factors such as race, or general and income or consumption, poverty, there is no considerable evidence that there is a significant not explained residual in earnings, even after accounting for differences due to education.

The face of poverty is disproportionately female or very old or very young or belonging to scheduled caste, a racial or ethnic minority or indigenous group. Each of these groups is poor for different, through overlapping sets of regions. Members of these groups tend to be disempowered in terms of their control over external resources. In

² Saggar and Pany, 1994, SCs STs in Eastern India inequality and Poverty Estimates, Economic and Political Weekly xxix, March 5.
³ Human Development Report. 1996
consequence they tend to be at the bottom of high unequal labour markets or entirely marginal from main stream economic processes.

The economic contribution of these groups are critical to human survival and reproduction is unorganized and unvalued. These groups includes poverty of income and poverty of assets, as well as in terms of Human Development. Economic, social and political factors interact to perpetuate the experience of poverty, the deprivation, marginalization, oppression occur along with more than one dimension. The multidimensional poverty experiences and anti-poverty strategies that focuses on employment which can address these intrinsic multi dimensionality better than a standard welfare driven programme. To create assets or generate income, an empowerment approach can have a salutary effect on programme efficiency and effectiveness by making possible for people to hold the programme and its monitoring authority to account the empowerment the potential and methods classified into three main types of empowerment by nature. The changing agents are as follows

1. N.G.O.'s
2. People's movement.
3. Joint Governments N.G.O’s initiatives.

The best-known empowerment experiences of those of non-governmental organization such as Self Employed Women Organization Grameena Banks are providing specific services such as credit technologies etc.
Empowerment is the key for long term poverty alleviation in developing countries increasing self reliance of poor people (OAWSON 1998). Empowerment is an abstract and complex concept which mean to give power or authority and to enable or permit. In practical terms empowerment would mean the processes of challenging existing, in equality and greater control over resources or power. Empowerment is a multifacited, involving the pooling of resource of achievement. The collective strengthened countervailing power and establishing the improvement of manual and technical skills, administrative, managerial and planning capabilities. In India, it is the sixth five-year plan (1980-85), which enunciated the cause of women. These plan documents introduce the concept of women and development for the first time. It was realized that no more piecemeal approach but an integrated strategy would deliver the designed goods.

The mid 1980's also saw the term empowerment becoming popular in the field of development especially with reference to women. In grassroots programmes and policy debates like, empowerment has virtually replaced terms like welfare, enlistment, community participating and poverty Alleviation to describe the goal of development and intervention.4

In various development projects, benefits accrual to many poor families. But then can we agree that mere accrual of benefits contributed to meaningful participation? The meaningful participation

of the rural poor in development should be concerned with direct access to the resources necessary for development and some active involvement and influence in the decisions affecting these sources. The meaningful participation implies the ability which will positively influence the course of events.

1.1 MEANING OF EMPOWERMENT:

Empowerment refers to the expansion of freedom of choice action to shape the life of human beings. It implies that control over resources and decisions for poor people. The freedom in covertly curtailed voicelessness and powerlessness in relation particularly to the state and market.

"Empowerment is the expansion of assets and capabilities of poor people to participate in negotiate with influence, control, and hold countable institutions that affect their lives". Empowering poor men and women requires the removal of formal and informal institutional barriers that prevent them taking action to improve their well-being individually or collectively and limit their choice. The key for formal institutions include the laws, rules and regulations upheld by states, markets, civil society, and international agencies; informal institution includes norms of social cultural political and economic conditions are differ and institutions are contractually specific, reform strategies must also Barry as well the certain elements are always present when empowerment is successfully, these elements act in synergy\(^5\) and

strengthen the demand side Governance. The four key elements of employment that must under line Institution reforms are:

1. Access to information: Information is power. Two ways information flows from government to citizens and from citizen to governments are critical for responsible citizenship and responsive and accountable governance. Informed citizens are better equipped to take advantage of opportunity, access services exercise their rights and hold state and non-state actors accountable.°

2. Inclusion/participation: An empowering approach to participation treats poor people as co-producers with authority and control over decisions and resources devolved to the lowest appropriate level. Inclusion of poor people and other excluded groups in decision making is critical of ensure that limited public resources build on local knowledge and priorities, and brings about commitment to change.

3. Accountability: State officials, public employees, private providers, employers and politicians must be held to account, making them answerable for their policies and actions that affect the wellbeing of citizens. There are three main types of accountability mechanism; political accountability of political parties and representatives takes place increasingly through elections. Administrative accountability of government agencies

is ensured through internal accountability mechanism, both horizontal and vertical, within and between agencies. Social and public accountability mechanism holds agencies accountable to citizens, and can reinforce both political and administrative accountability.

4. Local organizational capacity. This refers to the ability of people to work together, organize themselves and mobilize resources to solve problems of common interest. Organized groups and communities are more likely to have their voices heard and their demands met.

1.2 DEFINITION OF EMPOWERMENT:

In accordance with the promise that we cannot really deal with the monitoring and evaluation of empowerment without the planning or programming of empowerment, we first need to raise a number of questions related to the planning first and foremost about the way in which empowerment has been problematized if all: as noted NGOs (Non-Government Developing Organization) often fail to elaborate ex ante the what and the why of empowerment is some detail indeed, one of the most strategic points of the whole discussion here is that such a prior or initial problematisation is an essential requisite for any coherent effort to intervene in process of empowerment, as well as for the evaluation expert to our efforts. Now at this point we need to have clear definition of “empowerment” itself. What is a stake here we need to simple core definition. A definition which can be substituted later by any other definition you would prefer to your own works. But the
purposes of our discussion here we needed to make a choice. Another definition is of empowerment in terms of control over community resources, others are related to the means required for an escape from poverty (Schneider 1999). Another group of authors (Friedman 1992), Galjart (1987) Stifle & Wolfe (1994) think of empowerment as involving participation in decision-making "on matters important to the empowerment subjects to meet, this last definition seems to be the clearest when it comes to capturing the basic element of "power" in "empowerment". The power of decision-making, of choosing between alternatives when others don't like it, decision-making is a central instance where and when power is applied, including the power to influence the behaviour and choices of (relevant/significant) third parties in principles. Then, the subjects of empowerment are as Tandon would prefer it; the "self-empowered"... are those who normally are, or have been excluded from such decision making inclusion empowers them, gives them power in a socio-political context, empowerment, it should be clear, though linked to social, economic or cultural dimensions is essentially a political strategy and process.

It will be appropriate to clarify the level of empowerment, the kinds of subjects involved and what decision-making in empowerment refers to clearly, the context or level and with it, the related subject of

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9 Amartya Sen (1888) has written extensively on the importance of Substantive freedom and their individual freedom to choice an achieve different outcomes.
empowerment differed enormously from case to case. From the level of interpersonal relationship involving gender and generation, to the level of household, local communities and neighborhood to those of municipalities and district regions societies and even the global system, the subjects of empowerment, too very greatly, for example from women to children, member of households, community based organizations, slum associations, the poorest regional and ethnic groups, social classes, national citizens, southern even countries and so on.10

The 'matters' in empowerment (the general objective of Empowerment, really), too obviously varies a great deal. It concerns decision making over many different things, ranging from control over resources (Time, money, household budget, land, labour, use of a community's mobilization power etc.), to access to inputs (credit, government programme): to holding own leadership and external agents accountable; to freedom to make life-choices. For example in the field of marriage and divorce, education, occupation and regional mobility; to the division of tasks, ranging from household choices to non-caste bound free choice of kind of work; to the setting of priorities in community, district or normal planning on policies and programmes' to the participation in project cycles and so on. For our discussion of the PMES (Planning Monitoring Evaluation System) of empowerment, such variations in the level and the what of empowerment are great importance of course: the help define specific objectives of empowerment and the corresponding indicators of change, while

10 Narayan and Shah, 2000b.
meeting of course, all the time SMART criteria, that is in each care where empowerment represents a crucial object of interventions such variables like the level and subject of empowerment, and the objective of decision-making being sought (what "matters") need to be spelled out in quite some detail.

1.3 DEFINING EMPOWERMENT:

The terms include self-strength, control, self-power, self reliance, own choice, life of dignity in accordance with one's value, capacity to fight for one's rights, independence, own decision making, being free, awakening, and capacity to mention only a few these definitions are embedded in local values and belief system.

Empowerment is intrinsic value; it also has instrumental value. Empowerment is relevant at the individual and collective level, and can be economic, social, or political. The terms can be used to characterize relations within households or between poor people and other actors at the global level. These are important gender differences in the causes, from, and consequences of empowerment or disempowerment. Hence, there are obviously many possible definitions of empowerment, including rights based definitions.11

In its broadest sense, empowerment is the expansion of freedom of choice and action.

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11 Rowlands (1997), Popular Coalition to Eradicate Hunger and Poverty: in an Extensive Exploration of the Term Empowerment, Oxford Press, USA.
It means increasing one's authority and control over the resources and decisions that affect one's life. As people exercise real choice, they gain increased control over their lives. Poor people's choices are extremely limited, both by their lack of assets and by their powerlessness to negotiate better terms for themselves with a range of institutions, both formal and informal. Since powerlessness is embedded in the nature of institutional relations, in the context of poverty reduction institutional definition of empowerment is appropriate. This also helps draw out the relevance to bank operations.

Empowerment is the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control, and hold accountable institutions that affect their lives.

1.4 EMPOWERMENT APPROACHES:

Empowerment Approaches are applied in the following areas:

1. Provision of basic services, such as, education and health.

2. Improved local governance, village, taluk and district level body.

3. Improved national governance, state level government, NGO's Banks etc.

4. Pro-poor market Development, PDS and controlled prices for poor

5. Access by poor people to justice law and order at all levels of civil society.

6. Access to join groups and organizations.
7. Physical asset and welfare asset creation like redistribution land for land less and construction of roads and buildings in rural areas.

8. Government rural development schemes and programmes.

9. Reservation for people with disadvantaged, SC, ST and Women and other backward.

An empowerment approach to state reform can be viewed as strengthening the demand side of governance for greater public effectiveness. A demand side approach focuses on creating laws, rules and procedures that enable citizens and poor people's organizations to interact effectively with their governments. Such an approach inverts in educating and informing citizens, in creating institutional mechanisms for their sustained inclusion and participating, and in enabling the emergence of strong poor people's organizations and citizen's groups.

1. **Provision of Basic Services:**

This refers to improving poor people's access to and effective use of basic services including health care, education, water, and roads. The Bank supports government efforts to get resources down to the community level through a variety of institutional models; through private or public actors, through central agencies, sectoral agencies, are decentralized authorities of local government, through stand alone sector projects or multi-sectoral community driven development projects.
An empowering approach to provision of basic services focuses on a variety of co-production strategies. These include (a) putting information about government services and performance in the public domain; (b) designing mechanisms for inclusion and participation, including service delivery schemes that poor people can afford or demand side financing strategies; and (c) promoting social accountability and local organizational capacity by giving community groups authority and control over key decisions and financial resources in community driven development projects.

2. **Improved Local Governance:**

Improved local governance is critical for better service delivery and greater responsiveness to poor people's priority problems. Decentralization and local government reform have so far focused primarily on the supply side of formal systems and not on strengthening the demand side through actions that enable citizens to effectively utilize the space created by new rules and regulations. Empowered local governments (with authority and resources) need to empower local communities through mechanisms that increase citizen access to information, enable inclusion and participation, increase accountability of Government to citizens, and invest in local organizational capacity. In general there has been, insufficient attention to the relationship between citizens and local governments, and very few cases of investment in strengthening poor people's organization or other local civil society intermediaries to perform these
new functions to keep national governments responsive and accountable.

3. **Access to Justice and Legal Aid:**

   Rule of law and a functioning judicial system are important not only for the investment climate, but also for protecting poor people and their livelihood. A new generation of judicial and legal reform projects are creating the legal environment for accountable governance and empowering poor people by increasing their access to justice through a mix of strategies. These projects focus on:

1. Improving administrative justice and making Administrative decision accountable and affordable to ordinary citizens.
2. Promoting judicial independence and accountability.
3. Improving legal education.
4. Improving poor peoples cultural, physical, and financial access to justice.
5. Public outreach and education.

4. **Poor people's assets and Capabilities:**

   "Assets" refers to material assets, both physical and financial. Such assets - including land, housing livestock, saving and jewelry - enable people to withstand shocks and expand their horizon of choices. The extreme limitation of poor people's physical and financial assets
severely constrains their capacity to negotiate their fair deals for themselves and increases their vulnerability.

Capabilities, on the other hand, are inherent in people and enable them to use their assets in different ways to increase their well being. Human capabilities include good health, education, and production or other life-enhancing skills. Social capabilities include social belonging, leadership, relations of trust, a sense of identity, values that give meaning to life, and the capacity to organize. Political capability include the capacity to represent oneself or others, access information from associations, and participate in the political life of a community or country.

Assets and capabilities can be individual or collective given lack of voice and power and deeply entrenched social barriers, even in many formal democracies, poor people are often unable to take advantage of opportunities to invest their assets or exercise their individual rights.

For poor people, the capacity to organize and mobilize to solve problems is a critical collective capability that helps them overcome problems of limited resources and marginalization in society. Social capital, the norms and network that enable collective action, allows poor people to increase their access to resources and economic opportunities, obtain basic services, and participate in local governance. These are important gender differences in social capital need to be addressed. Poor people are often high in “bonding” social
capital - close ties and high levels of trust with others like themselves. These close ties help them cope with their poverty. Sometimes poor peoples groups establish ties with other groups unlike themselves, creating “bridge” relations to new resources managed by other groups. Traditionally these ties have been unequal as in patron client relations. The poor people organizations will bridge with organizations of the state, civil society, or the private sector, they are able to access additional resources and participate more fully in society.

The Economic empowerment of rural poor is also possible through the basic educational facilities, rural employment, government schemes and programmes of income generation in rural areas and Physical asset and welfare asset generation activities in rural areas. The training and reservation facilities for people with disabilities are also an integral part of empowerment. Agriculture in rural areas is in the hands of private sector has seen the benefits of employing people at their work and enabling larger output. Employing people with disadvantaged also stands well with the private sector corporate social responsibility.
1.5 EMPOWERMENT FRAMEWORK

Reform of State Institutions
Local and national

Investment in Poor People and Their Organizations

- Support for Empowerment
- Information
- Inclusion/Participation
- Accountability
- Local
- Organizational Capacity

Rules, Incentives, and Resources

Norms behaviors and Process

Assets and Capabilities:

- Individual:
  - Material
  - Human
  - Social
  - Political

- Collective:
  - Voice
  - Organization
  - Representation

Nature of Social and Political Structures

Development Outcomes:
- Improved governance and access to Justice.
- Functioning and more inclusive basic service.
- More equitable access to markets and business services.
- Strengthened civil society.
- Strengthened poor people organizations.
- Increased assets and freedom of choice.
Empowering of the rural poor will only be found in promotional activities that can be described as community based, fostering people's organizations, or project partnership. Qualitative dimension of these three approaches in various rural development projects, benefits occurred in many poor families. The meaningful participation of the rural poor in development activities should be concerned with direct access to the resources which is necessary for development and some active involvement and influenced in the decisions affecting those resources. To participate meaningfully it implies that the ability of poor positively influence to the course of events.

A new term 'knowledge empowerment' which brings about, Kronenburg (1986) also links participation with empowerment when he says, "with the newly acquired power of knowledge, which has not been given or taken away from some where but has been auto generated, the participants can influence the course of events to liberate themselves from oppressive situations and determine their own destiny".

"Economic empowerment should precede rather than follow group formation, when members are economically empowered prior to group formation, those who are economically and politically stronger will not be able to force the others into a climate relationship". Experiences gained from another participatory development project dealing with rural saving and credit, promoted by a national NGO in a relatively small isolated village in Sri Lanka again reveal certain critical dimensions of participation and empowerment.
Pro-Poor Market Development:

Poverty and vulnerability will not be reduced without board-based growth fueled by private sector activity. However, economic growth cannot be sustained if the poor people are excluded from optimal engagement in productive activities. While an overall investment climate that fosters entrepreneurship, job creation, competition, and security of property and benefit rights is crucial for poor people's involvement in marketing activities, it is not enough. Micro and small enterprises face constraints and exclusion that are not automatically corrected by improvements in the macro investment climate. Poor people are with regulations, discrimination, and lack of information, connections, skills, credit and organization elements of empowering approaches can help to overcome many of these barriers that present poor people's entry into new markets, changes in regulations can encourage private sector actors to innovate and develop new products that can potentially reach large number of poor people with financial and insurance products to manage vulnerability.

1.6 SCOPE OF STUDY:

In this study of economic empowerment, an attempt is made to examine the institutional and non-institutional arrangements for asset creation, income generation and employment creation for up-liftment of weaker section of the society. Anti poverty programme have been playing a major roll in rural economy. The main objective of IRDP is to make a multi pronged attack on problems of rural development with particular reference to employment and unemployment in rural areas.
The present study precedes greater insights relating income-generating programme for rural poor. Through the investigation into this study and enquiry represents the encouragement of poor people in Economic participation of the rural sector. The planning commission has been emphasizing that there is declining poverty ratio but poverty has been increasing at national level. The main thrust of the study is to enquire into fact that to what extent of income generation schemes and assets creation schemes are really working to improve the economic position of rural people.

Though majority of the studies have been made in area but these studies have not made any attempt on production and income generation activities of rural areas. The present study examines skill generation, skill development, and identification of economic activity, resources and production activities. Finance Management is casting, pricing and marketing on going to be analyzed to estimate economic viability of rural poor in Tumkur District of Karnataka.

Present study mainly focus on economic empowerment of rural poor in Karnataka A case study of Tumkur District which is one of the district of the Karnataka has implemented several rural development Programmes and schemes to improve socio-economic condition of rural poor. The study has considerably significant to investigate into the empowerment activities by the government, NGOs and SHGs. The strategies of rural development are designed to improve the socio-economic life of a specific group of the rural poor. The importance has been extending the benefit of development to the poorest in the rural
area which includes small-scale farmers, tenants and landless. \(^{12}\) The Framework of Rural Development is able to generate new employment, improving health, education, providing, housing facilities etc. \(^{13}\) The World Bank defines rural development in terms of an overall improvement in the socio-economic life of rural poor.

However, the importance of rural development is encouraging in enhancing capacity of the people for sustained self development.

\(^{12}\) W.B. Rural Development of Sector Policy Paper 1975, p.3

\(^{13}\) WDI, World Bank 2002