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CHAPTER I

INTRODUCTION AND DESIGN OF THE STUDY

“We can create a poverty free world if we redesign our system to take out its gross flaws which create poverty. We can create a world in which the only place you would be able to see poverty is in poverty museums.” – Muhammad Yunus

I.1. Introduction

An overview of how the Government of India looked at women in the context of development gives us a clear picture of changes in vision, strategies and programmes. The shift from viewing women as beneficiaries of welfare to involving women in their own empowerment has happened. Several factors have contributed to this, including international commitments, pressure from women’s groups and movements and also the factor of ‘efficiency’ that has contributed to hastening the development process.

Kerala is considered as one of the most successful states from the point of poverty reduction in the country. The success is primarily due to public action in carrying out effective land reforms and providing all round social infrastructures, particularly education and health.

Kudumbashree, a state government initiative of poverty eradication programme differs from conventional programmes in that it perceives poverty not just as the deprivation of money, but also as the deprivation of basic rights. The poor need to find a collective voice to claim these rights. This state-led approach focuses strongly...
on gender and has been found to positively influence women's income opportunities and help empower women.

Kerala is seeking to achieve a break in participatory poverty reduction through **Kudumbashree**, which is implemented by the State Poverty Eradication Mission through the local self-government institutions. All urban local governments and village Panchayaths have been included under Kudumbashree.

**I.2. Empowering Women through Micro Finance and Micro Enterprise**

The declaration of the year 2001 as the "Women’s Empowerment Year" is therefore, significant as it reiterates the Government’s commitment to bring about equality for women in all walks of life.

The potential of microfinance for empowerment is similar to the economic model of empowerment. Microfinance makes women economically independent by putting capital and financial resources in their hands. Economic independence results in higher bargaining power for women in their households and communities, and subsequently results in higher prestige and self-esteem. Here the functions of microfinance are synchronous with its potential to empower.

Women entrepreneur play an important role in local economies, and a large percentage of micro-enterprises in developing countries are undertaken by women. Increasingly women in urban and rural areas are successfully turning to self-generated employment in small-scale enterprise activities in the informal sector to support their households.
I.3. Kudumbashree

Kerala is the only state in India that has a dominance of women in the population (1084 women per 1000 men, Census of India, 2011). The women in Kerala live six years longer than men. Human resource indicators related to development such as education, maternal health and access and utilization of health care facilities are very high in the state. Kerala leads the other states of India in women's education. Female literacy rate according to 2011 Census is 91.98 per cent (Census of India, 2011). Maternal mortality in the state has come down sharply. For every 3000 deliveries, the reported maternal mortality is below one.

Poverty alleviation can be achieved through a reduction in regional and gender gaps – the two important gaps that are quite prominent in the development experience. The former refers to the gap between backward and developed areas; the latter refers to the gap between the status of men and women. Kerala experience shows that the regional gaps as well as gender gap were quite narrow. There are a number of indicators wherein women perform as well as men or even better (Jose C, 2002).

Kudumbashree a coinage in Malayalam meaning prosperity of the family was started on April 1, 1991. It is a partnership between four major players (Central Government, State Government, Local Bodies and National Bank for Agriculture and Rural Development – NABARD). The objective of the project is to eliminate absolute poverty from the state of Kerala.

Built around three critical components – micro credit, entrepreneurship and empowerment, the Kudumbashree initiative has today succeeded in addressing the basic needs of the less privileged women – thus providing them a more dignified life and better future. It is exclusively focussed on women, women in family and women in community. The core activity is women empowerment through micro finance,
micro enterprise and convergent community action. Kudumbashree stands for organising the poor under a community based organisation (Community Development Society - CDS).

The empowerment of women is sought to be achieved through the CDS strategy, which is an exclusively women-managed programme. Frequent group meetings, sharing of experience and training would broaden their outlook. Improved economic status of the women gained through CDS thrift and self-employment boosts their status in their own families and community. The enlightened, income-generating women refuse to accept poverty as their destiny. Once they realize their collective strength, they fight poverty and atrocities against them most valiantly.

The structure of the organisation has three tiers. For every 20-40 women from families below poverty line there is a grassroots level association known as Neighbourhood Group (NHGs). There are five organisers for every NHG (1) Community Health Volunteer; (2) Community Infrastructure Volunteer; (3) Community Income Generation Volunteer; (4) Secretary; and (5) President. All the NHGs in a ward (electoral and spatial unit of the local body) are federated to Area Development Society (ADS) and all the ADSs are also again federated in to Community Development Society (CDS) at the respective local body. CDS have been legally recognised as NGOs, since they are registered under the Charitable Societies Act, a legal provision provided for third sector. These organizations and their activities empower the poor women of the State to fight against poverty and social evils.

Among the significant works taken by Kudumbashree, some deserve special mention:
• **Ashraya**: The first role of this programme is to identify the destitutes and find out the various deprivations that they face in terms of food, health (chronic illness, fatal diseases), pension, education, drinking water, sanitation, employment, skills development and so on. The mission addresses these deprivations and tries to rehabilitate them.

• **Balasabha**: This is a grassroot children’s group for BPL families. The mission identifies these children and provides a supportive environment for informal education.

• **Bhavanshree**: This is a micro housing programme catering to the housing needs of BPL families, planned by Kudumbashree.

• **Yatrashree**: This programme aims at setting up a chain of hotels along the wayside of major roads of the state.

• **Vidyashree**: This programme provides computers for high schools to teach computer literacy in 14 districts across the state.

• **Kerashree**: This programme produces and looks into the marketing of branded coconut oil.

• **Harithashree**: This programme identifies leasehold land and provides it to poor families who are ready to do farming, but do not have the land.

• **S3 Panchayaths**: The focus of this programme is implementation of developmental of ‘Sustainability, Self-reliance and Self-sufficiency’ (S3) in selected Panchayaths.

• **Clean Kerala**: Under this programme groups of women have been established to undertake collection and transportation of solid waste from households, marketplaces, hotels etc.
I.4. Statement of the Research Problem

The micro finance scheme has kindled the spirit of entrepreneurship among rural poor, especially women. Micro finance and micro enterprises are being viewed as a mechanism to achieve laudable objective of growth with social justice.

Kudumbashree, an initiative of Government of Kerala stands for eradication of poverty from the masses by generating employment by utilizing women power.

The study focuses on how far a State sponsored poverty eradication programme, a women centric organization called as Kudumbashree has been successful in this area within the span of 15 years. The study looks into the progress achieved by the women respondents of the selected Grama Panchayaths after adopting Kudumbashree as their ray of hope. These women, who are primarily doing the household works, already have a habit of saving for the rainy day, but after joining Neighbourhood Groups (NHGs) whether their savings saw some meaning and purpose in improving their lives is analyzed in this study.

I.5. Objectives of the Study

1. To identify and discuss the major causes and driving forces for embracing micro finance and micro enterprising for socio economic empowerment of women.

2. To find out the working of informal banking and enterprise development programmes run amongst the women in Kudumbashree in the sample villages.

3. To analyze the effective usage of advances given for productive purposes.
4. To find out the innovations practiced by the women entrepreneurs in sample villages and its implementation.

5. To examine the socio-economic effectiveness of the programme on the families enrolled with Kudumbashree in sample villages.

6. To critically analyze the various problems faced by the women entrepreneurs in the sample villages and also offer a conceptually sound, socially desirable and economically feasible suggestions based on the findings of the study.

I.6. Research Methodology

The present study is both empirical and descriptive in nature. The researcher adopted a case study research design and gathered relevant primary and secondary data. Kudumbashree the women oriented participatory poverty eradication model of Government of Kerala has been implemented in all gram Panchayaths, and Municipalities of the state. The researcher has selected three gram Panchayaths from Thrissur district of Kerala, Nadathara, Cherpu and Vallachira for the study based on the following research criteria:

1) The chosen District for the study, Thrissur has adopted several innovative enterprises in general and in selected Panchayaths in particular.

2) The chosen Panchayaths were not much popular but still these Panchayaths were keen in implementing Kudumbashree.

3) To learn the relevance of this model Kudumbashree in these backward villages of chosen Panchayaths.

The researcher has chosen the rural areas deliberately. Generally researchers shy away from interior villages but the curiosity to know more about the functioning of
Neighbourhood groups in the rural area, researcher took the challenge of studying the rural area which hitherto is unknown to people.

I.6.1. Collection of Data

The study is both descriptive and empirical in nature. Both primary and secondary data are used for analysis.

Primary data were collected with the help of structured interview questionnaire. The questionnaire was pre tested with a sample of 25 NHG members and as a result some modifications were made in the phraseology of the questions and their sequence. Primary data are collected through field visits. The local language (Malayalam) was used for the interview so that the respondents feel comfortable and confident in answering the questions.

Secondary data were collected from Economic Reviews published by the State Planning Board, Kudumbashree Annual Reports, and Kudumbashree Publications. In addition to the internal documents and published articles on Kudumbashree the researcher consulted relevant books and periodicals and reports of NABARD to conduct an extensive review of literature. This helped the researcher to formulate research questions and to obtain useful insights for the purpose of preparing the questionnaire.

The researcher also made necessary visits to the State Mission of Kudumbashree at Thiruvananthapuram, District Mission at Thrissur, and interviewed the office bearers for necessary inputs. This has been done through structured as well as free-flowing interviews, focussed group discussions, participation in the meetings of Grama Sabhas, NHG groups (as an observer). Besides, relevant records and reports available with the Panchayaths and other organisations were also studied. Apart from this visits were also made to various Panchayath offices to collect related data and
action plans prepared by the CDS members and the reports prepared by the Chairpersons of respective Panchayaths. The researcher also attended the trade fairs organised by the District Mission and seminars and training programmes conducted by Kudumbashree in the selected Panchayaths.

The sample population consists of 300 respondents from three Panchayaths in Thrissur district. The sample comprises of 100 NHG members (two members per NHG thus 50 NHGs) each from Nadathara Grama Panchayath, Cherpu Grama Panchayath and Vallachira Grama Panchayath. Selection of the respondents was random.

I.6.2. Sampling Design

A multi stage sampling method has been used for selecting the members of the NHG as the respondent for the purpose of this study. In the first stage, out of fourteen districts of Kerala, Thrissur district has been selected for the study. In the second stage out of 92 Grama Panchayaths of the district, three Panchayaths have been selected namely - Nadathara, Cherpu, and Vallachira for the study. In third stage, 100 respondents from each selected CDS have been selected according to random sampling method. 50 NHGs from each CDS were selected. In fourth and final stage from each selected NHG, two members were selected at random constituting 150 NHGs and 300 members.

Thus the sample for the present study consists of 150 NHGs and 300 members.

I.6.3. Tools for Data Analysis

The collected data is analysed using the appropriate and relevant statistical tools such as descriptive statistics (Mean and standard deviation) and Chi-square test. For
testing the variables based on socio economic status of respondents Chi Square test is applied. Descriptive statistics (Mean and Standard Deviation), Range and Weighted Arithmetic mean are used to enable the comparison and analysis of data.

I.6.4. Data Processing and Analysis Plan

The collected data are processed using SPSS package. The empowerment of women is measured comparing pre and post NHG membership conditions. Changes in the variables are analysed to find the results.

I.7. Scope and Limitations

Kudumbashree has been accolade with several international awards including that of United Nations for their successful implementation of this model in the state of Kerala. Women are considered as agents of development and hence there is ample scope to study this project.

The projections and observations made in this thesis are based on primary data and the information from sample surveys conducted in one district that is Thrissur district of Kerala state, India. To that extent this study is a micro study.

Moreover, the views and perceptions of the women on empowerment programme differ from district to district and state to state. Further, several women expressed their inhibitions in disclosing some information.

Nevertheless, the limitations inherent in this study should not be viewed as serious deficiencies and instead they should be recognised as opportunities for future research in this domain.
I.8. Period of the Study

The NHGs taken for the survey was began before 2006. No NHGs were taken for the survey which was begun after 2006. The researcher has analysed the relevant data belonging to the period of 2007 to 2011 for the purpose of the study. The survey was conducted during May, 2010 to June, 2011.

I.9. Organisation of the Chapters

The present study titled “Empowering Women through Micro Financing and Micro Enterprising: A Study of Kudumbashree in Kerala” is comprised of eight chapters as detailed below:

**Chapter I:** “Introduction and Design of the Study” presents an overview of the subject matter, conceptual framework, statement of the research problem and research questions, objectives, research methodology adopted in the study, methods of data collection and sampling techniques, scope and limitations and layout of the thesis are also included.

**Chapter II:** “Review of Literature” is devoted to a comprehensive and critical review of earlier research studies pertaining to the current field of investigation. This chapter serves as an eye opener for identifying the research gaps and also formulating the objectives of the study.

**Chapter III:** “Kudumbashree: A Kerala Model of Empowering Women” deals with the profile of the case study. The chapter describes the philosophy, policies, processes, programmes and practices of Kudumbashree in Kerala. This chapter serves as a useful background to analyze and interpret the major findings of the present study.
Chapter IV: “Socio Economic Profile of the Sample Villages” projects the profile of the sample villages considered for study. This chapter gives an overview of the district and the three Grama Panchayaths namely Nadathara, Cherpu and Vallachira and also the functioning of Community Development Society in these villages.

Chapter V: “Thrift and Credit Operations in the Sample villages” reports on the thrift and credit operations carried out by the women in their Neighbourhood groups, credit transactions, and subsidy allocation to women for carrying out various activities.

Chapter VI: “Micro Enterprises and Development in the Sample Villages” provides information on emerging women entrepreneurs in the sample villages, their innovative practices, marketing strategies and training provided to the women for enterprise development in the villages.

Chapter VII: “Economic Empowerment of Women” projects how women in the sample villages attained confidence to deal with financial matters, gained family support, contesting elections, taking decisions of her own, and altogether empowering themselves through gender self-learning.

Chapter VIII: “Summary of Findings, Suggestions and Conclusions” gives a capsule summary of major results and discussions presented in Chapters IV, V, VI and VII along with major implications, directions for future research and concluding observations. Besides, the researcher has also developed a model based on the findings of the study, vision of Kudumbashree fifteen years ahead.
I.10. References


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