

Chapter 15

Tapping Rural Women Entrepreneurship Through Self-Help Micro-Credit: Evidence and Lessons From Jammu and Kashmir, India

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ABSTRACT

The chapter reveals that women's role in enterprise and household decision making, their access to assets, and control over self-earnings have improved significantly among client and non-client groups. Self-help credit program (SHCP) has facilitated them to make decisions for their personal needs, availing treatment, recreational facilities, and participate independently in household decision making. However, SHCP should incorporate necessary steps to enhance empowerment of women irrespective of their duration in program, types of economic activities, and marital status. In order to transform SHCP into a genuine livelihood diversification and gender strategy, women's empowerment needs to be understood as more than a marginal increase in access to income, and/or consultation in limited areas of enterprise and household decision making and/or occasional meetings with a small group of other women.

INTRODUCTION

Livelihood refers to a means of securing a living using individual's capabilities and activities including tangible (stores and resources) and intangible assets (claims and access). A livelihood comprises the capabilities, assets (both material resources and social resources), and activities required for a means of living (Scoones, 1998). A livelihood comprises the assets, activities, and their access by the individual or household (Ellis, 2000). The concept of livelihood has been studied through rural poverty alleviation, environmental protection and rural development in developing countries (Cramb, Purcell, & Ho, 2004;

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Ellis & Bahigwa, 2003; Ellis, Kutgengule, & Nyasulu, 2003; Ellis & Mdoe, 2003; Scoones, 1998; Ellis, 2000). A household is poor in relation to its vulnerability and location in a high-risk living environment. A fragile ecological environment, shortage of water resources, ecological problems, ineffective communication structures, and other issues are linked to a high vulnerability of household livelihood and lack of livelihood strategies (Zhou, Dong, & Li, 2004). Therefore, livelihood diversification and sustainable ecosystem can be seen as contributing factors toward rural poverty alleviation.

The concept of livelihood diversification is emerging as a survival strategy of rural households in developing countries (Ellis, 2000; Bryceson, 2000). The rural people are looking for diverse opportunities to increase and stabilize their incomes, which are determined by their portfolio of assets - social, human, financial, natural and physical capital (Ellis, 1999). The impact of livelihood diversification varies from negative effects - the 'withdrawal of critical labour from the family farm' to positive effects - the 'alleviation of credit constraints and a reduction in the risk of innovation'. The contribution made by livelihood diversification to rural livelihoods is a significant one, which has often been ignored by policy makers who have chosen to focus their activities on agriculture (Ellis, 1998). Reardon (1997) and Turner et al. (1993) have highlighted the importance of earnings from non-farm activities. The livelihood diversification activities are of increasing importance for women empowerment (Bryceson, 1996, 2000; Bryceson & Jamal, 1997) through additional income earning and improvements in family welfare (Ellis, 1999) supplemented by self help micro credit (Hulme & Mosley, 1996; Johnson & Rogaly, 1997). The self-help micro credit programmes have played valuable roles in reducing the vulnerability of the poor, through asset creation, income and consumption smoothing, provision of emergency assistance, and empowering and emboldening women by giving them control over assets and increased self-esteem and knowledge (Banerjee, Karlan, & Zinman 2015; Blattman, Fiala, & Martinez, 2014; Field, Pande, Papp, & Rigol, 2014; Khander & Samad 2014; Zaman, 2001). Several studies have also generally reported positive impacts (Simanowitz & Walker, 2002; Lalitha & Nagarajan, 2002; Krishnaraj & Kay, 2002; Khandker, 1998).

Keeping in view the pressure on agricultural lands and common property resources in ecologically fragile rainfed region of the *Shivaliks* in Jammu and Kashmir, the resource management policies are being supplemented by livelihood diversification and women empowerment strategy. The different sources of income represent opportunities to individual or to families possessing different incomes and assets; therefore livelihood diversification and women empowerment is affected by policies that promote self-help micro credit programme for operationalization of income generating activities. The operationalization of income generating activities is severely constrained due to inherent institutional rigidities of formal financial institutions to give credit to the rural poor women. Thus, removal of constraints to, and expansion of opportunities for, livelihood diversification and women empowerment are desirable policy objectives because they give rural poor women more capabilities to improve their livelihood security. With above backdrop, an attempt has been made to analyze the process of livelihood diversification and women empowerment through self help micro credit programme and its impact under Integrated Watershed Development Project (IWDP), Hills-II, Jammu and Kashmir; to find out difficulties in operationalizing income generating activities through self help credit groups; and to suggest policy recommendations to make the self help credit programme for livelihood diversification and women empowerment a success.

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