

**Livelihood Diversification and Women Empowerment
Through Self-Help Micro Credit Programme:
Evidence from Jammu and Kashmir**

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ABSTRACT

In the paper an attempt has been made to analyze the process of livelihood diversification and women empowerment through women self-help groups (WSHGs) and micro credit and its impact under Integrated Watershed Development Project (IWDP), Hills-II, Jammu and Kashmir; to find out difficulties in operationalizing micro income generating activities (MIGAs) through WSHGs and micro credit; and to suggest policy recommendations to make the programme of micro enterprise development through WSHGs and micro credit a success. The study reveals that through creation of WSHGs, 250 beneficiaries have been trained, out of which 50 percent have taken up MIGAs on sustainable basis and started earning up to Rs. 500 per month in Ramnagar Sub-watershed. The scheme of inter-loaning has also been introduced and members of WSHGs gets loan up to Rs. 5000. Through opening of saving accounts in nationalized banks, monthly savings of WSHGs have increased up to Rs. 1000. All these have resulted in increased income and improved livelihoods of the beneficiaries. New WSHGs should be formed through which new high potential MIGAs needs to be promoted. The system of revolving fund/mutual fund groups should also be promoted. The extent of beneficiaries' willingness to contribute towards the cost of any MIGA is a 'litmus test' of their interest and commitment. Efforts should be made to evolve cost-sharing mechanism to ensure sustainability. The members of the WSHGs should be imparted training related to technical, financial, and marketing aspects, for which reputed local NGOs should be roped in. Exposure visits and training programmes should also be organized on regular interval to give WSHGs the opportunities to learn and express themselves in public and to improve their self-confidence.

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1. INTRODUCTION

The concept of livelihood diversification¹ 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 labor 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, et al. (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 empowerment² (Bryceson 1996 and 2000; Bryceson and Jamal 1997) through additional income earning and improvements in family welfare (Ellis 1999) supplemented by self help micro credit³ (Hulme and Mosley 1996; Johnson and 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 (Zaman 2001). Several recent assessment studies have also generally reported positive impacts (Simanowitz and Walker 2002).

Keeping in view the pressure on agricultural lands and common property resources (CPRs) in ecologically fragile rainfed region of the *Shivaliks* in Jammu and Kashmir, the resource management policies are being supplemented by livelihood

¹ Livelihood diversification is defined as the process by which rural households construct an increasingly diverse portfolio of activities and assets in order to survive and to improve their standard of living (Ellis 2000).

² Empowerment is defined as the processes by which women take control and ownership of their lives through expansion of their choices (UN 2001). Thus, it is the process of acquiring the ability to make strategic life choices in a context where this ability has previously been denied. The core elements of empowerment have been defined as agency (the ability to define one's goals and act upon them), awareness of gendered power structures, self-esteem and self-confidence (Kabeer 2001). As long as the disadvantaged suffer from economic deprivation and livelihood insecurity, they will not be in a position to mobilize (UNDP 2001).

³ Micro-credit as an alternative source of credit for the poor has received wide attention in recent years. It is defined as "programmes that provide credit for self-employment and other financial and business services (including saving and technical assistance) to the poor persons" (World Bank 1997). In many countries, micro-credit programmes have succeeded in generating self-employment by providing access to small capital to people living in the poverty (United Nations 1998).

diversification strategy. The different sources of income represent opportunities to individual or to families possessing different incomes and assets; therefore livelihood diversification is affected by policies that promote self-help micro credit programme for operationalization of micro income generating activities (MIGAs). The operationalization of MIGAs 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 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 MIGAs through self help micro credit; and to suggest policy recommendations to make the self help micro credit programme for livelihood diversification and women empowerment a success.

The present paper is based on two studies namely “Study of Viable Income Generating Activities for Women, Landless and Disadvantaged Groups” and “Action-cum-Implementation Plan for Income generating Activities under IWDP (Hills-II), Jammu and Kashmir” completed in April, 2000 and March, 2002 respectively and sponsored by World Bank funded to “Integrated Watershed Development Project (IWDP), Hills-II, Jammu and Kashmir”.

Organization of the remaining paper is in the following way. In section 2 Literature Review is given. Section 3 is about Self-Help Micro Credit Programme in Jammu and Kashmir. Section 4 is about Demographic and Occupational Profile. Section 5 is about Formation of WSHGs and Identification & Initiation of MIGAs. Section 6 gives the details of Training, Financial and Marketing Linkages. In section 7 short Conclusion is given. Finally in section 8 Suggestions are given.

2. LITERATURE REVIEW

Livelihood literature (Hussein and Nelson 1999; Ellis 2000) suggests that though exogenous trends and shocks play an important role in pushing rural people towards a diversified livelihood strategy, diversification choices are also firmly rooted in the micro-economic logic of farming households. The availability of key-assets (such as savings, land, labor, education and/or access to market or employment opportunities, access to CPRs and other public goods) is an evident requisite in making rural households and individuals more or less capable to diversify (Dercon and Krishan 1996; Abdulai and Crole Rees 2001). The investment of a proper mix of the above endowments is the starting move of any independent activity. Moreover, labor capability and education determine the capability of finding a job and savings are often needed to migrate. Yet diversification may also develop as a coping response to the loss of capital assets needed for undertaking conventional on-farm production. The decreased availability of arable land, increased producer/consumer ratio, credit

delinquency, and environmental deterioration can be indeed important drives towards diversification.

The maximization of return per unit of labor (Ellis 1993; 2000) and risk management is often invoked to explain diversification behavior (Chambers 1997; Reardon, Delgado and Malton 1992; Bryceson 1996; Ellis 2000; Hussein and Nelson 1999). Social organization and culture can significantly influence the relative access of diverse gender to household's capital assets (Ellis 2000; Gladwin et al. 2001; Dolan 2002) or constraint/promote their mobility. This might result in a different degree of involvement in diversification activities and/or in an unequal distribution of their benefits between genders (Warren 2001). Women are often able to play an autonomous role in livelihoods diversification by undertaking on their own small-scale enterprises. The participation in innovative enterprises is often advocated as an important means to promote rural women empowerment and more equitable gender relationships within the household.

Household and individuals can diversify livelihood portfolios in different ways. Several classifications of activities included in rural livelihood portfolios have been proposed (Hussein and Nelson 1999; Ellis 2000; Barrett, Reardon and Webb 2001), focusing on different criteria (farm vs. non-farm; on-farm vs. off-farm activities; local vs. migratory; self-employment vs. wage labor). All these classifications are useful to make sense of the nature of the choices entailed by livelihoods diversification processes (De Janvry 1981). Overall, enterprise-based diversification looks attractive because of its alleged capacity to promote more sustainable rural livelihoods. Dixon, Gulliver and Gibbon (2001) have identified the development of small-scale, labor-intensive household enterprises as the most promising rural poverty reduction strategy. Moreover, several studies (Barrett, Bezuneh and Abud 2001; Ellis and Bahiigwa` 2001; Ferreira and Lanjouw 2001; Escobal 2001) indicate that in a variety of regional and local settings farmers capable of combining conventional farming activities with innovative rural enterprises enjoy higher income and safer livelihoods than farmers deriving their income from conventional farming alone or from a combination of conventional farming and wage labor.

Notwithstanding, small enterprise development can become a viable pathway towards sustainable livelihoods only if some basic conditions are made available to rural households. These include: (a) availability of (or access to) a reasonable start-up capital, which depending on the nature of the enterprise may comprehend natural (land), human (labor, know-how), financial (saving, credit), physical (infrastructure) and social (cooperative networks) assets; (b) some degree of protection against shocks and negative trends such as social welfare and insurance schemes, etc.; (c) supportive structures and processes including rural enterprise enabling policies, business development services, credit, transport and communication infrastructures, etc. (Escobal 2001); (d) access to a well developed market capable of providing both a steady supply of inputs, food and other consumption commodities and an outlet to enterprise outputs; (e) access to marketing information, including information on contracting and other vertical integration opportunities; and (f) resilience against

market failure and capacity to change the enterprise according to changes in demand and market contingencies (Woldehanna and Oskam 2001; Barret, Bezuneh and Aboud 2001; Rider Smith et al. 2001; Abdulai and Crole Rees 2001). Significant external investments in enhancing access to natural resources, credit, education and training, services, and infrastructure and fair market outlets are thus needed to make rural enterprise development a viable and effective component of rural livelihood security and poverty alleviation policies.

The micro credit provided to self-help groups have brought about an increase in household income and had lessened the severity of poverty (World Bank 1998). In India, micro credit studies done on groups dealing with dairy farming have noted positive profit levels and short payback periods for loans (Lalitha and Nagarajan 2002). The earnings generated from such undertakings have been instrumental in increasing the physical well being of the households. During the Asian economic crisis, self-help micro credit groups served as important cushions and safety nets. A high proportion of the funds made available for self-help micro credit schemes were utilized by women, enabling them to meet the subsistence needs of their families during those difficult economic times (ESCAP 2002). Many self-help programmes have also incorporated elements of savings, which can be used for purposes such as health insurance and emergency loans, thereby serving as private safety nets. Self-help groups have been instrumental in empowerment by enabling women to work together in collective agency. Women's networks do not usually obtain business or political favors as they command few economic resources and frequently rely on time and non-monetized labor exchange. However, self-help groups, when combined with savings and credit, have enabled women to benefit economically by monetizing their contributions and in the process have empowered them to become agents of change. A related aspect is that self-help groups have facilitated the formation of social capital, where people learn to work together for a common purpose in a group or organization (Putnam 2000).

Self-help micro credit schemes have not been without their critics, nor are they a panacea for meeting challenges in economic and social development. It is widely recognized that such schemes are not universally successful (UNDP 1997). Critics have charged that micro credit accessed by women has often been appropriated or "hijacked" by other household members, leaving women burdened with the responsibility of repayment and the sanctions of default (Goetz and Sen Gupta 1996). Some argue that micro-finance programmes divert the attention of women from other more effective strategies for empowerment (Ebdon 1995), and the attention and the resources of donors from alternative, and possibly more effective means of alleviating poverty (Rogaly 1996). While micro credit schemes have reduced the vulnerability of women, it has often been pointed out that these schemes do not reduce poverty. One important shortcoming is that as micro credit is made available to groups, based on collective collateral, the process of group formation often precludes the very poor, who are perceived as being poor credit risks (Krishnaraj and Kay 2002 and FAO 2002). The self-selection process will therefore be based on "positive assortative matching", where group members exercise risk aversion by excluding those who may

not be able to fulfill repayment requirements, leading to the economic rationing of credit. As self-help micro credit schemes are often lauded as one of the most effective mechanisms to reach the poor, measures must be taken to ensure that the poor are not excluded.

3. SELF HELP MICRO CREDIT PROGRAMME IN JAMMU AND KASHMIR

IWDP, Hills-II, Jammu and Kashmir has been launched in the state of Jammu and Kashmir in September 1999. One of the objectives of IWDP (Hills-II) is to diversify the rural livelihood conditions of the people inhabiting the watersheds lying in the *Shivaliks* through active community participation at each stage and in all project interventions. Most of the project interventions are land based and the women are not the sole owners of the land, so they are deprived of the benefits of most of the interventions directly. Women constitute about half of the population in the *Shivaliks* and their involvement is ensured to enhance the sustainability of the project interventions. The women of other disadvantaged groups viz. landless, Scheduled Castes (SCs)/Scheduled Tribes (STs) and nomadic and semi-nomadic pastoral communities are also roped in to take up suitable MIGAs to diversify their livelihoods and make the project interventions sustainable. MIGAs implemented for women of tribal - nomadic and semi-nomadic pastoral communities are demand driven and decided through participatory approach. The project is promoting MIGAs on group basis; however, in the case of tribal women of nomadic and semi-nomadic pastoral communities, those types of activities are being implemented, where more benefits accrue to individuals. IWDP (Hills-II), Jammu and Kashmir intends to support the WSHGs to inculcate the habit of saving and to take up viable MIGAs on sustainable basis with project assistance as well as with forging suitable linkages with Government and Non-Government development agencies. The targeted population possesses traditional skills, which is being utilized properly by upgrading the skills through training as well as extending/ providing other support services like credit and marketing. By doing so, not only the targeted groups could be able to utilize their spare/free time productively, but also rural livelihood diversification will be the outcome due to increased socio-economic status.

The rationale for MIGAs under IWDP (Hills-II), Jammu and Kashmir is highlighted as under: (i) The targeted groups exploit the forest resources in the project area ruthlessly in order to supplement their livelihoods. These groups venture in to the nearby forests for fuel wood and fodder, both for domestic needs and also sell them in the nearby townships in return for cash. They also graze their livestock on the village common lands beyond the carrying capacity, which results in land degradation and adds to the problem of low productivity and rural poverty. MIGAs under IWDP would reduce the over exploitation of environmental resources and help in restoring the productive potential of the project area. (ii) The provision of alternative MIGAs would help in rational utilization of spare time available with the targeted groups by reducing the drudgery especially for the women through the provisioning of the system of stall feeding, drinking water availability, rotational grazing, availability of more fuel and fodder. (iii) Most of the project interventions are land based, and the

targeted groups possess no land, thus provision of non-land based MIGAs would help in augmenting the livelihood strategies for them. (iv) MIGAs under IWDP would help in strengthening the economic base of the poorest of the poor in the project area by improving their bargaining power in decision-making and thus results in their empowerment. (v) The operationalization of MIGAs through WSHGs would generate confidence among the targeted groups in the sphere of organization and management capabilities. The rural livelihood diversification would have a “demonstration effect” on the rest of the communities. (vi) The provisioning of MIGAs would help in restoring the productive potential of the fragile eco-system of the *Shivaliks* and *Karewas* by reducing the pressure of over exploitation and unsustainable use of environmental resources. The targeted groups would be pursued to take up only those MIGAs, which would be sustainable, both ecologically and economically, and upkeep and enhance the carrying capacity of the eco-system in project area. (vii) The implementation of MIGAs through participatory process via WSHGs would help in achieving the goal of institutional strengthening and ultimately rural livelihood diversification and poverty alleviation would be the outcome. Thus, the twin vital objectives of the project would also be realized.

The overall objective of initiation and operationalization of MIGAs has been to strengthen the processes rural livelihood diversification and to empower the targeted groups. The selected MIGAs have been operationalized through adopting “bottom up approach” evolving and strengthening participatory process. Participatory approach has been utilized for the sustainability of the institutional arrangements and rural livelihood diversification.

The Action Plan for implementation of IGAs under IWDP (Hills-II) based on PRAs has been prepared (See Box 1). In the first year of the project, the participatory rural appraisal exercises have been undertaken by the Participatory Development functionaries and consultants of the project, which carried the baseline survey of the existing potential, socio-economic milieu, existing traditional institutions, their strengths and weaknesses, etc. in order to form village level institutions like WSHGs. The Participatory Development functionaries have organized awareness and motivational camps in the project area to propagate the policies and programmes among the stakeholders like the women, landless, disadvantaged sections of the population, NGOs, *Panchayats*, *Mahila Mandals*, functionaries of NABARD, DRDA, BDO and reputed local persons. On average, 2-3 camps have been organized in each micro watershed to motivate and create awareness regarding MIGAs and other activities to be carried out under the watershed development and protection. The Sector Officers in respective watershed have played a vital role in organizing these camps. A few separate camps have also been organized for the women especially from the disadvantaged sections of population including tribal nomadic and semi-nomadic pastoral communities, as this section of watershed community is traditional, introvert and shy in nature, without experience of handling money and material, and dependent on male folk for even minor decision-making. The local ethics like *purdah* system are also not conducive to encourage them to come in forefront to take up MIGAs on sustainable basis.

In order to improve community capacity building, steps have been initiated to mobilize the community through participatory approach. To ensure community ownership in project activities, the project provided extensive training to beneficiaries on technical, financial and social aspects of MIGAs. The social assessment and participatory planning exercises carried out by the participatory development functionaries have identified needs and constraints faced by the targeted groups in the project area, and integrated into the proposed plan for MIGAs. Special attention has been given to gender training, awareness campaigns and development of close links with other gender related poverty alleviation and social programmes. Keeping above in view, the participatory development staffs have initiated the participatory processes to motivate the various stakeholders regarding the objectives of the project, rationale for initiating MIGAs and other vital issues related to the project, which includes: (i) discussion with the community leaders and village level stakeholders; (ii) identification of their problems; (iii) raising the level of awareness regarding project objectives; (iv) building the confidence of the village level stakeholders; (v) collection of data and information about community and resource availability; (vi) undertaking of participatory planning and exploring the views of different group of stakeholders and integrating them with participatory planning process; and (vii) formation of WSHGs and their operationalization viz. creation of thrift habits, opening of accounts in bank, creation of users group, etc.

4. DEMOGRAPHIC AND OCCUPATIONAL PROFILE

In the project area, the percentage of males is higher than that of the females; however, the phenomenon is not uniform. The age composition of population reveals strength as well as its weakness. The dependency ratio is quite significant. The total population of the selected sub-watersheds is 51280 (Akhnoor), 29420 (Ramnagar), 44489 (Rambiyara), and 47711 (Rajwar). The population of sedentary Gujjars is 897 (Akhnoor), 597 (Ramnagar), 9399 (Rambiyara) and 13855 (Rajwar) of the selected sub-watersheds and the population of nomads is respectively 470, 160, 250 and 150.

Table-1
Demographic Profile of Project Area

Sub-watershed	Population	Nomadic Population	Sedentary Gujjar	Total
Akhnoor	51280	470	897	52647
Ramnagar	29420	160	597	30177
Rambiyara	44489	250	9399	54138
Rajwar	47771	150	13855	61776
Total	172960	1030	24748	198738

In Rajwar, some of the villages are entirely of Gujjars, whereas in others, it is quite substantial. The demographic composition of the project area is given in table 1.

The landholding status of the targeted population has an important role in agricultural production and livelihood strategies. The quality of the holding has a significant bearing on production as well as productivity. The agricultural land in the project area is rainfed and productivity is low. The majority of the cultivators have less than 2.5 acres of agricultural land holding and only an insignificant proportion of farmers have less than the basic unit of 5 acres and not even a single person in the targeted group have the optimum holding of 30 acres. Those of the farmers having a holding above 2.5 acres are just on the marginal edge above 2.5 acres and the average size of holding is in no case, above 2.85 acres. The smallholdings tend to be fragmented into a number of plots scattered over different parts of the village. Assured irrigation is not available. There is at least one water tank in almost all the villages, but the area covered by them is small and tank water is not utilized for irrigating agricultural fields, because of lack of proper water lifting facilities through pumping sets. The land holding status in project area is given in table 2.

Table-2
Landholding Status in Project Area (in acres)

Sub-Watershed	Un-irrigated	Average Holding
Akhnoor	316	1.68
Ramnagar	237	2.85
Rambiyara	245	2.45
Rajwar	165	2.75

Table-3
Occupational Profile of Project Area (Percentage)

Sub-Watershed	Agriculture	Horticulture	Cattle Rearing	Crafts	Construction	Others
Akhnoor	90.00	3.50	52.00	16.00	7.75	32.55
Ramnagar	83.00	8.00	50.50	39.00	5.14	38.50
Rambiyara	94.00	16.50	70.00	58.00	10.67	48.50
Rajwar	82.50	10.00	67.00	59.00	9.52	29.30

Work force participation rate for males is higher than females. On account of high incidence of casualisation, intermittency, and erratic availability of work, targeted population is engaged in multiplicity of activities. Along with multiplicity of activities, they are confronted with multiple employment status which varies from unpaid family work to wage labor outside home (mainly in other fields and households) and in this case they receive wages in kind, and rendering of services in exchange of goods and services. Due to underdevelopment, poverty and scarcity the women participate in agriculture but have low level of decision-making. Large number of households in project area is poor. Non-agricultural activities are almost non-existing, wherever available, it is irregular in nature. In the primary sector their mainstay is agriculture and even in agriculture they mostly work in their own fields.

Besides agriculture, the targeted population is engaged in cattle rearing, horticulture, crafts, and collection of goods, services and other activities. The landless male

population is also engaged in construction related activities, however, irregularly. The main economic base of the tribal and nomadic community in project area is livestock rearing. The sedentary Gujjars own lands, wherever they have settled. The size of land holdings of the sedentary Gujjars is small. Nomadic Gujjars and Bakarwals own no land, nor do the Banharas (Milk Gujjars). The sedentary Gujjars maintain small herds and feed their stocks indoors during winters. The living condition is subsistence in nature and during lean periods, they do manual jobs like wood chopping, loading and unloading of articles, etc. in urban towns. Weaving of woolen blankets is another occupational activity during winter. The main occupation of Bakarwals centers on livestock. The occupational composition of the project area is given in table 3.

5. FORMATION OF WSHGs AND IDENTIFICATION & INITIATION OF MIGAs

Through PRA exercises, the participatory development functionaries have identified the existing moderately homogeneous groups, which may undertake MIGAs. The consultations were held with the various interest groups at village level. The participatory development functionaries have motivated the poor women folk and disadvantaged groups to organize themselves in small homogenous groups called WSHGs. WSHGs have been provided elaborate training in technical, financial, and marketing aspects of the MIGAs and in record keeping. Clear roles, functions and accountability modes have been jointly worked out for the different members of WSHG. The members of the WSHGs contribute a small sum ranging between Rs. 20-50 on monthly basis, for the purposes of inter-loaning among themselves. Most of the WSHGs have already opened their accounts in the banks and some of them have started inter-loaning. WSHGs have been considered as an appropriate entry point for initiating the MIGAs. WSHGs have been financially integrated with mainstream rural credit and envisaged to become self-sustaining so that at the end of the project they will continue to function.

The participatory development staff has identified the viable MIGAs based on the factors like: skill possession; raw material availability; less training inputs required; better marketing potential; better financial viability; profit margin expected; and existence of linkages with government/non-government agencies. The proportion of the targeted groups covered by broader types of MIGAs - off-land, land-based and training-based is given in table 4.

The ultimate production considerations include the existence of physical infrastructure, raw materials, availability of training facilities, the norms for quality control, the production capacity, pricing the product etc. The targeted groups have been over-enthusiastic in arranging/providing production space, whether MIGA is home-based or group-based. However, most of the activities are group based to make them sustainable. The local availability of raw materials for a product is essential and if the same is not available locally, is being procured at reasonable price from the nearby villages/markets. Even if some raw material is locally available, sometimes, some raw materials and/or other inputs are to be procured from the markets. The

seasonal fluctuations in the availability of raw material have been taken into account while initiating activity planning. The targeted groups possess substantial skills in traditional activities, whereas other MIGAs like mushroom cultivation and poly-green house needs skill development, for which training facilities provided by respective line departments have been utilized. However, extension staff of the project has shared major training responsibilities. As for as the non-production skill training is concerned, the beneficiaries have been equipped with marketing, bookkeeping, management and cooperative skills.

Table-4
Proportion of Targeted Groups involved in Broad Group of Activities

Women Groups	Off-Land IGAs	Land-Based IGAs	Training-Based IGAs
General	28	34	32
Landless	34	Nil	22
SCs	12	22	14
STs	8	18	12
Sedentary Gujjars	10	12	12
Nomadic and Semi-Nomadic Gujjars	8	14	8
Total	100	100	100

Table-5
WSHG's Profile in Project Area (No./Rs.)

Sub-watershed	No. of WSHGs	No. of Members	WSHG Linked with Banks	Average Monthly Savings	No. of Training Centres	Inter-Loaning Scheme	MIGAs Taken
Akhnoor	40	911	40	1000	33	12	87
Ramnagar	30	589	28	700	35	18	125
Rambiyara	8	154	8	550	8	-	-
Rajwar	4	79	4	1000	8	-	-
Total	87	1733	79	737.5	84	30	212

In the second year of the project, a few WSHGs have been formed to inculcate the saving habits among the members and to initiate the training programme and MIGAs on experimental basis. About 30 WSHGs have been operationalized in Ramnagar watershed, out of which 28 are linked with banks by opening saving accounts. Other WSHGs have also been motivated to open the saving account in the banks. In Ramnagar, 35 crafts and tailoring centers have completed their tenure, out of which 12 crafts and tailoring centers are functioning successfully (See table 5). A few *fulkari*, *charkha*, and *khaddi* centers have also been initiated, which are functioning quite successfully. The progress in implementation of MIGAs between 1999-2000 and 2001-2002 is given in table 6.

Table-6
MIGAs' Profile of Project Area (No./Rs. in lakh)

Activity	1999-2000	2000-2001	2001-2002	Total
Poly-Green House	30	89	50	169
Mushroom Development	18	80	1087	1185
Apiculture	4	18	16	38
Dairy Units	46	122	95	263
Poultry Units	45	512	80	637
Sheep Units	23	72	15	110
Total Expenditure	84.11	127.72	97.55	309.38

Through the creation of WSHGs, 250 beneficiaries have been trained, out of which 50 percent have taken up MIGAs on sustainable basis and started earning up to Rs. 500 per month per beneficiary. The scheme of inter-loaning has also been introduced and members of WSHGs get a benefit up to Rs. 5000. Through the opening of saving accounts in nationalized banks, the monthly savings of these WSHGs have increased up to Rs. 1000. Likewise, WSHGs have also been formed in other sub-watersheds (See table 5). About 40 WSHGs have been formed in Akhnoor watershed and all have been linked to banking system by opening saving accounts in nationalized banks. WSHGs in other sub-watersheds have also successfully initiated activities related to skill up-gradation and MIGAs. The beneficiaries have been trained and started taking up MIGAs on sustainable basis, which have resulted into their increased income and improved livelihoods.

6. TRAINING, FINANCIAL AND MARKETING LINKAGES

The targeted groups possessed some traditional/technical skills in dairy farming, poultry rearing, etc. which have been harnessed by providing additional skills by arranging suitable training programmes to take up MIGAs. The targeted groups have shown keen interest in new promising and emerging MIGAs like agriculture and mushroom cultivation. In these areas, the skill gap is large, which have been bridged through proper training, for which suitable linkages have been maintained with the Departments of Agriculture and Horticulture. Training linkages have also been explored with existing technical/vocational training institutes. The services of local master craftsperson have also been utilized for upgrading the skill possession of the targeted groups. The reputed local NGOs have been identified for providing training in various aspects of MIGAs such as technical, financial, marketing and record maintenance. The project intends to support WSHGs till the goal of sustainability is achieved, for which the project has attempted to evolve the system of revolving fund/mutual fund groups. The extent of beneficiaries' willingness to contribute towards the cost of any MIGA is a 'litmus test' of their interest and commitment. Efforts were made to evolve cost-sharing mechanism to ensure sustainability.

Suitable financial linkages have been forged with the existing development programmes and schemes of the Women Development Corporation (WDC) and government for rural livelihood diversification and poverty alleviation. The Ministry of Rural Development implements various poverty alleviation schemes through District Rural Development Agency (DRDA). The outside sources of finance have been tapped, as the targeted groups have limited finances at their own. Even if they save some meager sum, they never risk these in MIGAs, as they have numerous social obligations to meet. The initiation of MIGAs requires investment in equipment, raw materials etc. for which funds must be made available with the WSHGs. The members of WSHGs have utilized the loans from the NABARD and nationalized banks for taking up of MIGAs. Besides, the existing government schemes such as SGSY have also been utilized for implementing MIGAs. The agencies and schemes mentioned above provides credit to self-sustainable WSHGs, so to begin with the project has undertaken the major responsibility in providing the seed money to WSHGs to take up MIGAs and they were encouraged to accumulate more savings, as their creditworthiness is the first step in establishing a long-term relationship with the lending institutions and ensuring financial sustainability.

The marketing potential of the initiated MIGAs is tremendous locally as well as in nearby town markets. Besides, attempts have been made to forge successful marketing linkages with a host of line departments, NGOs, etc. In ideal situation, local market is preferable to the distant market, because social norms and cultural patterns do hamper women's active participation in marketing. However, the WSHGs have been strengthened to undertake the task of marketing effectively. The market size of a particular product is constrained by the availability of substitutes, quality of the products etc. The products of MIGAs have a host of competitive and substitute goods available, often of better quality. Even though, if the qualities of the products of the MIGAs are kept at a certain minimum reasonable standard, still these products have better scope of marketing and expansion too.

7. CONCLUSIONS

It is concluded from the detailed study of this project that introduction of women self help micro credit in Jammu and Kashmir is fruitful through the participation approach. The Study also reveals that formation of WSHGs and identification and initiation of MIGAs are also successful and fruitful. Through creation of WSHGs, 250 beneficiaries have been trained, out of which 50 percent have taken up MIGAs on sustainable basis and started earning up to Rs. 500 per month in Ramnagar Sub-watershed. The scheme of inter-loaning has also been introduced and members of WSHGs gets loan up to Rs. 5000. Through opening of saving accounts in nationalized banks, monthly savings of WSHGs have increased up to Rs. 1000. All these have resulted in increased income and improved livelihoods of the beneficiaries.

8. SUGGESTIONS

WSHGs must have sufficient knowledge and skills to deal with the organizational and technical issues related to various aspects of the MIGAs, in addition to relevant management skills. Therefore, the training meant for grass roots organizations must deal with formation and structure of WSHGs, their roles and responsibilities, and account-keeping and financial management. Technical training should also be provided on a range of activities, with a view to build institutions that can make MIGAs sustainable. The professionals with a sound socio-economic perspective of the project area should be engaged for imparting technical training. The services of sociologist, economist, community organizers, and extension agents of various line departments including project professionals should be utilized for the task. The institutions and professionals involved in training should also be invited to participate in the monitoring and review of the progress. The review team should help identify the scope for skills enhancement in relation to specific groups and make necessary modifications in the content and the methodologies of the training. The extension agents of the project should be imparted necessary training on various aspects of MIGAs, such as institutional, technical, financial, participatory, social development etc. NGOs with sufficient experience in dealing with participatory issues in the field of micro enterprises and which are proficient in development communication should be engaged for this training task.

A fundamental part of the strategy should be to overcome the prevalent dependency syndrome, under which rural stakeholders have become conditioned to expecting subsidized inputs from the government programmes, and to inculcate a sense of local ownership and self-reliance. The basic process of participatory planning and implementation should encourage this. Important subsidiary factors for sustainability should be: (i) local institutional development (formation of WSHGs and training); (ii) reciprocal contributions by beneficiaries (in cash, kind or labor); (iii) encouraging formation and use of village-level funds to sustain the assets created and to enable villagers to generate income. More WSHGs should be formed, which will be involved with the subsequent implementation of MIGAs identified during participatory processes. Special focus should be given by the participatory development functionaries to motivate the women to form more sustainable and vibrant WSHGs. New WSHGs should be motivated to create revolving funds and accounts for sustainable development and future management of MIGAs after the end of the project. Villagers should be motivated and encouraged to formulate their own rules and regulations for loaning.

A prerequisite for success of MIGAs is that it should catalyze local entrepreneurship. If the villagers see direct benefits for themselves, they will support the village organization and its funds. For this purpose, the villagers should be allowed to use their accumulated funds for their own purposes, but at the same time, attempts should be made to inculcate a sense of moral responsibility for maintaining assets created by the project. Dictating how funds will be used would destroy the sense of local ownership. Exposure visits and training programmes should also be organized on regular interval to give targeted groups opportunities to learn and express themselves in public and improve their self-confidence. As confidence increases, leadership

emerges. The active members of the WSHGs should be identified and trained to conduct group meetings and sessions. This will ensure continuity and functioning of WSHGs after the project ends.

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APPENDIX-1

Box 1: Implementation Schedule for Implementation of MIGAs

I Year	I Year	II Year	III/IV/V Year	III/IV/V Year
Activity	Activity	Activity		
<i>Participatory Process</i>	<i>Participatory Process</i>	<i>Formation of WSHGs</i>	<i>Training/Financial and Marketing Linkages</i>	<i>MIGAs/Monitoring and Evaluation</i>
Discussion with Village Level Stakeholders	Identification of MIGAs Based on different Parameters	Operationalization of WSHGs	Provision of Training and Skill Up-gradation	Initiation of MIGAs
Interaction with Village Community and PRA process	Raising the Awareness of Different Stakeholders	Creation of Thrift Habits	Training in Financial and Marketing Issues	Evolving Participatory Monitoring
Identification of their Problems	Building the Confidence of Community	Opening of Saving Accounts and Creation of Inter-loaning Scheme	Linkages with Other Development Agencies	Participatory Evaluation