



Role of Financial Institutional Support For Women's Participation In Non-Farm Sector :A Case Study of Barak Valley in Assam

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Abstract :

Empowering women has been neglected for a long which is one of the most important factors and is now being discussed in nearly all developing countries. Lack of resources, poverty, low and/or unpaid labour in the agricultural sector among other factors, are the main problems for the underdevelopment of women in an economy. Economically empowering women is essential both to realize women's rights and to achieve broader development goals such as economic growth, poverty reduction, health, education and welfare. In today's world, there is an increasing trend of non-farm sectors contribution in the economy where it is observed that women are the predominant participants and contributors in this sector. Yet, the sector itself faces several constraints affecting the extent of its growth and development potential in the region. Though the percentage of female worker is increasing in the form of household industries and other workers as against cultivators, however, several barriers are there which needs to be highlighted to formulate the relevant policies towards better empowerment of women and its increasing participation of women in the non-farm sector of Barak valley. In Barak Valley too, women generally face many difficulties in participating in non-farm economic activities for which the government and non-government agencies should come forward with financial and other supports for the welfare of the women in the society.

Key Words: *Non-Farm Sector, Women Empowerment, Financial Institutions, Institutional Support, Non-Government Agencies.*

Introduction :

Historically the works of women have mostly been confined to the homestead due to culture, religion, and social restrictions. In a

complex society with gender bias, women have been the victims of religious prejudices, superstitions, oppression and various kinds of discrimination. However, with the change of the



socio-economic situation of the country, women are breaking through the traditional norms and coming forward to participate in economic and development activities outside their homestead. The role of women in different economic activities is important in determining their living standard, dependency burden and saving pattern in households. In today's world, in the strategies of both rural and urban inhabitants, though agriculture is the most inclusive growth sector of the Indian economy, yet it is observed that with time non-agriculture or non-farm income and employment opportunities have emerged. The non-farm sector is no longer residual but an emerging driver of economic development and transformation. However, while defining the non-farm sector (NFS), it is worth mentioning here that non-farm activity is used synonymously with non-agricultural activity. The non-farm sector includes all economic activities namely, household and non-household manufacturing, handicrafts, processing, repairs, construction, mining and quarrying, trade, etc. In other words, the non-farm sector may be defined as comprising all those activities associated with waged work or self-employment in income-generating activities (including income in-kind) that are not agricultural but which generate income (including remittances etc). Alike other parts of the country, Barak valley is also witnessing diversification from the agricultural sector to the non-farm sector which in turn, can pave the way for economic development. In rural and urban areas of Barak Valley, non-farm activities (NFS) have been part and parcel of the household economy in recent times and women are the predominant participants and contributors in this

sector. With its more significant potential of employment generation, the NFS can not only solve the unemployment problem but can also lead to the increased access of women to resources and employment opportunities, thereby empowering them. However, women generally face many difficulties in participating in non-farm economic activities for which the government and non-government agencies should come forward with financial and other supports for the welfare of the women in the society.

Objective :

Considering the important role played by women along with the financial obstacles or difficulties faced by them in non-farm sector, the present study aims to explore the significance of financial institutional support for women's participation in non-farm sector of Barak Valley.

Materials and Methods :

The study is based on both primary and secondary data. Secondary data has been collected from different publications of Governmental agencies like Directorate of Economics & Statistics, Government of Assam, Directorate of agriculture, etc., and also non-governmental agencies. Primary data is collected from sample survey. The data for the present study has been collected by using multi-stage random sampling method. Out of twenty seven blocks in the concerned study area (Cachar consisting of fifteen blocks, Karimganj having seven blocks and Hailakandi with five blocks), number of blocks has been selected in the ratio of 3:2:1 from Cachar, Karimganj, and Hailakandi districts purposively on the consideration of availability of both urban and rural population. Sample size of at least 50



households has been surveyed from each selected block of Barak Valley from both urban and rural areas. That is, sufficient care has been taken to select samples equally distributed between urban and rural area. Total 315 sample household has been selected from both rural and urban areas of Barak Valley.

Discussion :

The role of financial institutional support for women's participation in non-farm sector of Barak valley in Assam is discussed under the following headings:

A. Review of Literature :

Financial literacy can empower women to develop a financial identity even with their household savings and help them access formal credit for gainful occupation, giving them economic freedom and power. As such, this section presents some of the reviews of studies that deal with the role of financial institutions in empowering women. Singh (1990), in this study, emphasised that over the performance of the rural credit institutions in the nineties, which are likely to be functioning in an ambience characterised by a pre-eminence of non-farm activities, a trend towards fragmentation within agriculture with the consequence of the emphasis on high value-added crops and increased diversification. As per Shivamaggi (1997), there is now a long-overdue focus on infrastructure development without which it is not possible to achieve and sustain higher growth rates of the Indian economy. This is a multi-dimensional and challenging task. Datta, 2003, in her study-From Development to Empowerment: The Self-Employed Women's Association in India, analysed the strategies that SEWA (Self-Employed Women's Association),

which was formed in 1972 in Ahmedabad and is located in the state of Gujarat in western India, has used to mobilise and empower self-employed women in India, using materials and data collected on a field visit in 1998. Deivam (2008) highlighted in this study that the empowerment of women through Self Help Groups (SHGs) would lead to benefits not only to the individual woman and women groups but also the families and community as a whole through collective action for development. The present article tries to analyse the efforts of Tamilnadu in making the Self Help Groups an identity of women empowerment. The Government of Tamilnadu directs self Help Groups in Tamilnadu through the Tamilnadu Women's Development Project known as MahalirThittam, Women Plan. Moodie (2008) argued that, rather than representing a new paradigm for women's empowerment, microcredit had become one of several possible platforms from which rural Rajasthani women articulate their concerns about caste, poverty, and the burden of raising daughters.

B. Profile of Barak Valley Region of Assam :

The Barak valley (also known as South Assam) mainly comprising three plain administrative districts of the State - namely Cachar, Karimganj, and Hailakandi has a total area of 6922 sq. km and is situated between Longitude 92° 15' and 93° 15' East and Latitude 24° 8' and 25° 8' North. Administratively, the Barak Valley region is composed of 27 Blocks. Cachar district owns 15 community development blocks, Karimganj 7 blocks while Hailakandi district comprises 5 blocks. The demographic profile of Barak Valley can thus be seen through the Census Report 2011 as shown in the following tabular form:

**Table 1: Population by Area & Sex, Sex Ratio and Density of Population of Barak Valley**

Name of the State/District	Area	Agricultural Labourers			Household Industries			Other Workers		
		Persons	Males	Females	Persons	Males	Females	Persons	Males	Females
Assam	Total	15	13	21	4	2	8	47	48	43
	Rural	2	15	23	4	2	8	40	40	38
	Urban	2	2	3	4	2	8	92	93	86
Cachar	Total	11	11	14	4	2	11	65	65	65
	Rural	13	13	16	4	2	11	58	58	61
	Urban	1	1	1	2	2	6	95	96	92
Karimganj	Total	17	16	18	4	2	13	55	55	56
	Rural	18	18	20	5	2	14	51	51	53
	Urban	2	2	1	2	1	6	96	96	92
Hailakandi	Total	15	15	12	3	1	11	51	48	65
	Rural	16	16	13	3	1	11	48	44	63
	Urban	1	1	1	3	1	10	94	96	88
BV Total	Total	43	42	44	11	5	35	171	168	189
	Rural	47	47	49	12	5	36	157	153	177
	Urban	4	4	3	7	4	22	285	288	272

Source: Census 2011

It is observed from the table 1 that in terms of demographic profile, Cachar owns the largest share in respect of many characteristics like Population by Area, population density. The total female population is also more in Cachar followed by Karimganj and Hailakandi districts respectively.

C. Percentage Distribution of Non-Farm Workers in Barak Valley :

Distribution of non-farm workers both male and female in terms of percentages is depicted in

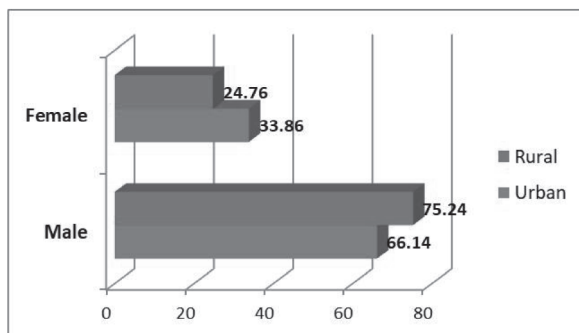
the following table 2 and accordingly represented graphically through figure 1.

Table 2: Percentage Share of Non-Farm Workers Population Barak Valley

Population	Barak Valley	
	Urban	Rural
Male	66.14	75.24
Female	33.86	24.76
Total	100	100

Source: Scholar's field survey, 2019

Graph 1 : Percentage Share of Non-Farm Workers



It is evident from table 2 and figure 1 that both male and female are participating in the non-farm sector of Barak Valley in a large number. In urban areas of the region, the male participation rate is 66.14 per cent, while 33.86 per cent of females are engaged in the non-farm sector. Similarly, in the rural areas of Barak Valley, 75.24 per cent of males and 24.76 per cent of females participate in the non-farm sector. This indicates that female participation as against male involvement in the non-farm sector is lower in both urban and rural areas of Barak Valley. However, the percentage of female workers in the non-farm sector is more in urban areas than that of rural areas in Barak Valley, which is 33.86 in urban areas and 24.76 in rural areas of Barak Valley. Moreover, compared to female workers, the percentage of male workers in the non-farm sector is more in rural areas than in urban regions in Barak Valley, which is 75.24 in rural areas and 66.14 per cent in urban areas of Barak Valley, respectively.

D. Financial Institutional Support :

Financial institutions play a pivotal role in every economy. They are regulated by a central

government organization for banking and non-banking financial institutions. These institutions help in bridging the gap between idle savings and investment and its borrowers, i.e., from net savers to net borrowers. There are a number of investment options available at the disposal of individuals as well as businesses. But in the current swift changing environment, it is very difficult to choose the best option. Almost all financial institutions (banking or non-banking) have an investment advisory desk that helps customers, investors, businesses to choose the best investment option available in the market according to their risk appetite and other factors, particularly to women entrepreneurs who are coming forward for investment. Financial institutions help small and medium scale enterprises set up themselves in their initial days of business. They provide long-term as well as short-term funds to these companies. The long-term fund helps them in the formation of capital, and short-term funds fulfill their day to day needs of working capital.

However, in Barak Valley, the financial requirements of modern businesses which operate in a highly competitive and ever-changing business environment are factors at play that hinder women from enabling them to run small and medium enterprises successfully. Readiness to give credit facilities to women entrepreneurs by lending institutions, as well as the amount of loan advanced, is determined by the value of collaterals, credit repayment records, the prevailing interest rates and the level of equity held in the accounts in the form of savings, which women account holders rarely possess. Hence, the lack of aggressive mobilization of business funds from financial



lending institutions resists the participation of women in non-farm activities of the Barak valley region. If we look at the trend of institutional

support in delivery of loans to both rural and urban women as obtained from financial institution in Barak Valley, the following observations is noticed.

Table 3: Extent of Financial Beneficiaries in Barak Valley

Populatiobn	Name of Schemes	Percentage of Beneficiaries in Urban Areas of Barak Valley		Percentage of Beneficiaries in Rural Areas of Barak Valley	
		Male (%)	Female (%)	Male (%)	Female (%)
2010-11	PMEGP	89.53	10.47	95.35	4.65
2011-12	PMEGP	87.18	12.82	89.38	10.63
2012-13	PMEGP	76.97	23.03	87.61	12.39
2013-14	PMEGP	71.62	28.38	87.76	12.24
2014-15	PMEGP	78.73	21.27	87.6	12.4
2015-16	PMEGP	72.6	27.4	81.09	18.91
2016-17	PMEGP	73.19	26.81	90.24	9.76
2017-18	PMEGP, SVAYEJ	79.9	20.1	91.25	8.75
2019-20	PMEGP	85.07	14.93	85.9	14.1

Source: DICC Cachar, Karimganj, Hailakandi

Table 3 shows that the percentage of beneficiaries from the schemes as mentioned namely, PMEGP (Prime Minister Employment Generation Programme) and SVAYEJ (Swami Vivekananda Assam Youth Empowerment Yojana) varies for women in both the rural and urban areas of Barak Valley. The extent of financial support is more for

urban women than that of rural women through the figure is not encouraging when compared to male figures. The following ANOVA tables depict the variation in the extent of rural and urban financial beneficiaries. Here one way ANOVA test is done to see the variance in the extent of beneficiaries along with different dimensions.

Table 4: One Way ANOVA for comparison of Mean Numbers of Beneficiaries for Urban Male and Females

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	98841.8	1	98841.8	1.86	0.19	4.41
Within Groups	954169.4	18	53009.41			
Total	1053011	19				



Table 4 shows the one way ANOVA for comparison of mean numbers of beneficiaries for urban males and females. It is

found from table 4 that financial support goes in favour of urban males in comparison to urban females.

Table 5: One Way ANOVA for comparison of Mean Numbers of Beneficiaries for Rural Male and Females

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	4112338	1	4112338	2.02	0.17	4.41
Within Groups	36710109	18	2039450			
Total	40822447	19				

Table 5 shows the one way ANOVA for comparison of mean numbers of beneficiaries for rural males and females. It is observed from table

5 that the financial support variation is there between rural males and females where rural males are again at better position than rural females.

Table 6: One Way ANOVA for comparison of Mean Numbers of Beneficiaries for Urban and Rural Females

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	20544.05	1	20544.05	0.97	0.34	4.41
Within Groups	379464.9	18	21081.38			
Total	400009	19				

Table 6 gives the one-way ANOVA to compare the mean numbers of beneficiaries for urban and rural females. Table 6 shows that the extent of financial support is more for urban women than that of rural women through the figure is not encouraging when compared to male figures.

In the respective analysis, it is observed that there is a significant difference in the extent of financial beneficiaries under different schemes implemented by the government, particularly the female beneficiaries, as against male beneficiaries and also between urban female beneficiaries as against of rural female beneficiaries.

The concept of community collateral has emerged as important in recent years. The self-help-groups (SHGs) present a viable mode of arranging community collaterals. The SHGs in addition to serving the needs of individual small-scale finances also resolve some specific problems associated with small-scale production of the non-farm sector. More precisely, in the era of globalisation, the Self-help group (SHG) has emerged and playing a vital role as a source of the micro-finance institution, which can pave the way for increased participation of women in the non-farm sector. Table 7 reveals that in 2017-18,



the number of women SHG constitutes 39.32 per cent in Barak Valley which is represented in the following table:

Table 7: District-wise Self-Help Group (SHG) in Barak Valley, 2017-18

District	No. of women SHG formed		No. of SHG provided with Revolving Fund	
	Target	Achievement	Target	Achievement
Cachar	196	473	260	587
Hailakandi	77	278	0	112
Karimganj	298	922	49	767
Assam	3418	4255	4514	6330
Barak Valley (%)	16.71	39.32	6.85	23.16

Source: Directorate of Economics and Statistics, Government of Assam

The data in the table 7 shows that as against the target of 6.85 per cent regarding the number of SHG provided with the revolving fund, the achievement is 23.16 per cent, indicating a positive step towards women's financial accessibility.

Results :

It is evident from the field study that there is a significant difference in the area of financial beneficiaries under different schemes implemented by the Government, particularly, the female beneficiaries as against male beneficiaries and also between urban female beneficiaries as against of rural female beneficiaries in the region of Barak valley. The extent of financial support is more for urban women than that of rural women through the figure is not encouraging compared to male figures. Hence, financial inclusion as a method of offering banking and financial services to the women workforce is a priority in the region to promote and increase their participation in different

non-farm activities. From banking to investments and beyond, the options will become vast and varied for female workers through financial inclusion. Extending adequate financial support through formal financial institutions to women groups in the region may eliminate the various barriers providing economically priced financial services to them to be financially independent without depending on charity or other means of getting funds that are not sustainable. Despite significant advances in institutional inclusion for both men and women in recent years, women still lag behind in access and usage of financial products and services, thereby, urging for more institutional support for their sustainable participation in non-farm sector.

Conclusions :

Since women are moving out of the low productivity and non-remunerative agricultural sector, an increase in employment opportunities in the non-agricultural sector is necessitated, both in rural and urban areas. Today in the era of globalisation, the increase in women's workforce participation rate, particularly in the non-farm sector, is a matter of concern and has implications for their overall economic empowerment. There is an urgent need to increase decent work and productive employment with more opportunities for women in different sectors in the general and non-farm sector, in particular, thereby improving the employability of women so that they can reap the benefits of economic growth, thus entailing social and economic stability and socially-sustainable development. Efforts are needed to identify appropriate and effective institutional vehicles for developing non-farm sector policy and



interventions for creating employment opportunities for the women workforce. One of the most important roles of organizations and institutions would be to link the activities of women entrepreneurs in the non-farm sector with external markets and supply services. They (women) would become the driving force towards development,

develop a sense of shared ownership and become managers of their development initiatives. In this regard, sustainable financial institutions geared to better serving the needs of medium-, small-, and micro-enterprises including sound and efficient banking systems and capital markets play a significant role.

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