

Rural Women Access to Credit and Resources in Dairy Farming in Haryana

Anika Malik¹, Gautam² and Kamaldeep³

1. PhD Scholar, 2. Assit. Professor, Department of Vet. and AH. Ext. Edu., 3. PhD Scholar, Department of Animal Genetics and Breeding,, College of Veterinary Sciences, LUVAS, HISAR- 125004 Haryana.

Corresponding author e-mail: gautamhisar@gmail.com

Paper Received on August 22, 2015, Accepted on September 23, 2015 and Published Online on October 20, 2015

ABSTRACT

Animal keeping is an integral part of rural life and is considered a pathway for women empowerment. Access of rural women to credit and resources are considered as main pillars for women empowerment in dairy sector. This paper reveals rural women's access to financial services, a key factor of successful dairy development strategies and to income and non income benefits generated from animals keeping. The study was conducted in Hisar district of Haryana state with a sample size of 120 rural women engaged in dairy farming. But access to outside finance source appeared constrained though there was reasonable degree of access to family resources for routine matters like purchasing feed, mineral mixture, medicines, etc. Women didn't seem to enjoy the free access to finance. Their access to non income benefits was better as compared to income benefits in animal husbandry. The money generated from animal products selling such as milk and milk products and dung cakes was received by women but income generated from sale of animals go in hand of men. It appears that patriarchal system is prevalent and is facilitating dominance & control of men over the animal resources in rural areas. Revisiting the idea of gender empowerment through livestock is suggested.

Keywords: Livestock, Rural women, Empowerment, Credit, Resources;

Women compose not only around 70 percent of the poor, they also make up the majority of poor livestock keepers. It is estimated that 600 million poor livestock keepers in the world, around two-thirds are women and most live in rural areas (FAO, 2011; Thornton et al., 2002). This fact is often relied on to suggest that improvement in livestock production will directly benefit women. Kristajanson et al. (2010) describe livestock as an asset that women can own more easily and that have the potential to contribute to a reduction in the gender asset gap within households. Access to finance for animal purchase and rearing is considered an important dimension of the women empowerment through animal husbandry. Designing appropriate financial products for women to be able to save, borrow and insure is essential to strengthen women's role as producers and widen the economic opportunities available to them. For this purpose it is essential to

understand how context-specific legal rights, social norms, family responsibilities and women's access to and control over other resources shape their need for capital and their ability to obtain it. (Fletschner and Kenney, 2011). The paper argues that women's direct access to financial services and resources is essential for ensuring empowerment. A second benefit of improving women's direct access to and control over resources is that this leads to higher investments in human capital and have a stronger impact on children's health, nutrition and education with important long-term implications for families and societies. Furthermore, without adequate access to loans or insurance, owners who face negative shocks, such as droughts, illness can lose some of the few assets they do have (Diagne and Zeller, 2001). Conversely, owners who have access to well-designed credit, savings and insurance services can avail themselves of capital to finance the inputs, labour

and equipment they need to generate income; can afford to invest in riskier but more profitable enterprises (Zeller *et al.*, 1997). Men are responsible for the purchase, sale or pawning of large animals, such as cows, horses and oxen, while women tend to claim control over small animals such as goats, sheep, poultry and pigs (World Bank, 2008; IFAD, 2004, and Miller, 2001). So present study examined the rural women access to financial services and to benefits generated from animal keeping.

METHODOLOGY

The study was conducted on women members of rural families engaged in diary animal keeping in Haryana state of India. The 120 women were interviewed from four different villages following a multi stage sampling plan.

Credit, livestock insurance, delivery of market information, output marketing are critical for enabling the poor to gain access to expanding markets (Ahuja and Redmond (2004). Considering these factors as necessary requisites for successful animal husbandry, the ability of the respondents to access these factors was explored. It was done by documenting respondents' perceived access to finance for animal husbandry and benefits (income and non income) generated from animal husbandry.

Access to finance refers to the possibility that individuals or enterprises can access financial services, including credit, deposit, payment, insurance, and other risk management services. The lack of financial access limits the range of services and credits for household and enterprises. It was assessed in two broad categories- from sources other than family & friends and second, the capacity to mobilize resources with-in family. Access to outside sources was assessed using a schedule containing 7 statements. The respondents' perception was recorded on 3 point continuum. Similarly, ability to mobilize finance with-in family was assessed by asking 4 statements on 3 point continuum.

Animals play a variety of roles like source of nutrition, enhancing social status, acting as financial instruments, generating income, providing manure and draft power, besides providing stability in changing times. In fact, animals are raised more as resource optimization mechanisms by the poor. Therefore estimating their true

worth is cumbersome. The access of respondents to the benefits generated by the animal husbandry was explored in two ways – (income and non-income) using schedules developed for this purpose. Income generating benefits generally include sale of milk & milk products and live animals. Non-income benefits of animal husbandry are also well recognized and were considered an important dimension in the study. Respondents were asked as to who receives income generated from the animal husbandry.

RESULTS AND DISCUSSION

Overall access to credit service was found on the lower side (Table 1). Evidently, the respondent's access to outside finance source appears constrained. It is not uncommon to come across the fact that rural women are more likely to be credit constrained than men of equivalent socio-economic conditions (Fletschner, 2009; Diagne *et al.*, 2000). Lack of access to credit is a major constraint in women's success in their agricultural pursuits, since it hampers their capacity to purchase the necessary inputs and services (Fletschner and Mesbah, 2010). It has been argued that their lower levels of literacy and lack of exposure to other languages, especially relative to male family members, hampers women's ability to benefit directly from information that is provided in writing or in languages other than those they speak at home (UNDP, 2007 and Ngimwa *et al.*, 1997) and to fully understand the conditions of complex financial products available to them (Brown, 2001).

Table 1. Respondents' perceived access to Finance and Resources associated with Animal Husbandry

Activities	Possible Range	Observed Range	Mean	%	SD
Access to finance	11-29	11-23	15.21	23.38	2.72
a).Outside sources	7-21	7-15	9.58	18.42	1.84
b).With in family	4-8	4-8	5.61	40.25	1.38
Access to resources	4-10	6-10	7.73	62.2	1.29
a).Income benefits	2-6	2-6	3.71	42.8	
b).Non income	2-4	4-4	4	100	1.27

Table 2.1 Respondents access to outside finance Sources

Operations	Yes	Undecided	No
Do you have bank account on your name?	51 (42.5)	-	69 (57.5)
Do you know that you can take loan on animals?	80 (66.7)	-	40 (33.3)
Have you ever tried to obtain loan on animals?	1 (0.83)	-	119 (99.2)
How confident do you feel that you can get a loan from bank for buying a dairy animal.	8 (6.7)	1 (0.83)	111 (92.5)
How confident do you feel that you can get a loan From neighbours/ relatives/ friends for buying a dairy animal	11 (9.2)	-	109 (90.8)
Have you ever tried to obtain a credit subsidy on animals?	4 (3.3)	1 (0.83)	115 (95.8)
Have you ever tried to participate in govt run programme?	-	-	120 (100)

Table 2.2 Percent respondents access to finance with in the family

Operations	Yes	No
Can you mobilise and use the family resources for purchasing new animals?	10 (8.3)	110 (91.6)
Can you mobilise and use the family resources for purchasing feed for animals?	54 (45)	76 (55)
Can you mobilise and use the family resources for purchasing medicines for animals?	61 (50.8)	59 (49.2)
Can you mobilise and use the family resources for purchasing mineral mixture for animals?	78 (65)	42 (35)

Evidently, the respondent's access to outside finance source appears constrained though there is reasonable degree of access to family resources for routine matters like purchasing feed, mineral mixture, medicines, etc. Though nearly 50% of women were having bank account but not many were confident of obtaining loan for buying dairy animals. Only one respondent reported to have availed loan for buying animal (Table 2.1). Even for countries where information is available, only 10% of credit allowances is extended to women, mainly because national legislation and customary law do not allow them to share land property rights along with their husbands, or because women heads of household are excluded from land entitlement schemes and, consequently, cannot provide the collateral required by lending institutions. This has been demonstrated by *Cole et al., (2009)* in her experimental work in India and Indonesia. She suggested that financial literacy is a strong predictor of demand for financial services reinforcing the gender gap in access to information.

In case of mobilization of family resources, the perceived access was moderate for routine matters like purchasing feed, mineral mixture, medicines, etc. Yet not many women felt confident of mobilizing internal family resources for purchasing new animals (Table 2.2). The relationship between allocative resource and their distribution tends to be embedded in authoritative

resources (*Giddens, 1979*). Although adopting a much broader view of resources, yet *Kabeer (1999)* believes that allocation of these is subject to rules and norms which give some actors the authority over others in determining the principle of distribution and exchange. Modifying these rules and norms appears unlikely given the fact that even in countries where laws do protect women's land rights, these laws tend to be loosely regulated and implemented (*Parada, 2008; Richardson, 2004, and USAID, 2003*). Conversely, the micro-enterprise credit programmes (like *BRAC and Grameen Bank*) have had promising results (*Hashemi et al., 1996*). The authors after a study in six Bangladesh villages concluded that such credit programmes provide access to an important economic resource, and thus enable women to negotiate gender barriers, increase their control over their own lives and improve their relative position in their own households. They further argued that while the magnitudes of their incomes may be relatively small, the effect on women's empowerment was substantial (*Ibid*).

Respondents were asked as to who receives income generated from the animal husbandry (Table 3.1). A large majority of women seem to have access to benefits of animal husbandry (table 1). Evidently, about 80 percent respondents received money from sale of milk and milk products and dung cakes. Contrary to this, around 15 percent respondents reported receiving

Table 3.1: Respondents access to income/resources generated from Animal Husbandry

Operations	Yes	Undecided	No
Do you receive the money from the sale of –milk, milk products like ghee etc. and dung cakes?	79 (65.8)	9 (7.5)	32 (26.7)
Do you receive the money from the proceeds of –. young calve, heifers and . milch animals?	17 (14.2)	12 (10)	91 (75.8)

Tabl 3.2 Respondents access to Non Income benefits generated from Animal Husbandry

Items	Yes	No
Do you receive full share of milk and other milk products like ghee obtained from animals?	120 (100)	0
Do you think that social status is linked with animals keeping?	120 (100)	0

money from sale of animals. It appears that the selling of milk, its management and receipt of its return are taken care of by the female members of the family. But sale of animals, which usually involves a significant amount, is again male dominated activity. *Tipilda and Kristjanson (2009)*, have earlier argued that women control over their families' livestock varies by culture. Access to non-income benefits was found better as compared to income benefits. (3.2).

Livestock production plays a major role in the life of farmers in developing countries. It provides food, income, employment and many other contributions to rural development and risk management and mitigation strategies. In India, over 70 percent of the rural households own livestock and a majority of these are small, marginal and landless (*Ali, 2007*). The contribution of livestock to household income ranges widely, from 2% to more than 33% in a number of developing countries (*Staal et al., 2009; Pica-Ciamarra et al., 2011*) and their products are more likely to be sold for income than consumed by poor households (*Scoones, 1992*). Yet in countries like India, livestock play diverse role. Besides being a source of cash income they are important for their roles that may not be directly linked with marketing of their products. Recognizing the fact that animals play both income and non income roles, an attempt was made in the study to explore the access of women to the benefits (both income and non-income) of animal husbandry.

It is argued that creating efficient value chains for linking rural milk production systems to high value urban markets will be beneficial for strengthening of female agency. An affirmative action in favour of rural women would add to the idea. Small experiments with ideas

like providing monetary incentive if the milk is sold and payment is received by female member should be tried. Cooperative milk marketing systems should be encouraged to take a lead in this direction. Non-income functions of the animals are also important in the day to day rural life. *Moll et al., (2007)* in a study comparing cattle systems in Kenya, Zambia and Sri Lanka concluded that a significant portion of the benefits from livestock (notably cattle) keeping came from non-market, intangible benefits, mostly insurance and financing. In the present study the women respondents felt that they do have full access to products generated and enjoyed the idea of social status associated with the animals. Perhaps, the idea of social status associated with the type of animals reflects the relative progressiveness of the farm family as such. One important non-income dimension that was not included in this study is the relationship of social capital and livestock. It is suggested that studies in this direction be attempted. Such studies could provide insights into the workings of social structures in relation to animal husbandry and have the potential to catalyze the development of innovative ways to strengthen female agency in the rural areas.

CONCLUSION

The present study relies on the hypothesis that rural women's ability to practice animal husbandry on their own can lead to translation of its benefits (both income and non-income) to their advantage in terms of empowerment. The respondent's access to outside finance source appears constrained in comparison to family resources which they could mobilize for routine purchases in most cases. Women didn't seem to enjoy the free access to finance. In case of income from

animals, a majority of them reportedly received money from sale of milk and milk products and dung cakes. Yet when it came to receipt of money from sale of animals the percentage was much lower. Their access to non income benefits was better as compared to income benefits in animal husbandry. Community based education programmes, knowledge enhancement of women, promotion of women only organizations such as SHGs, making banking services women friendly in rural areas, fixing credit and subsidies – in favour of women members of families, women only rural animal fairs, social capital strengthening, improving market opportunities, etc are outlined. Others like promoting rural markets, streamlining extension and support mechanisms, improving staff ratios by engaging more of female staff in extension services find mention. Further studies to understand the livestock and gender relations especially for non income roles are advocated.

REFERENCES

- Ahuja, V and Redmond, E. (2004). "Livestock services and the poor". *Tropical Animal Health and Production*. 36 (3): 247-268.
- Ali, J. (2007). Livestock sector development and implications for rural poverty alleviation in India". *Livestock Research for Rural Development*. 19 (2).
- Brown, W. (2001). "Microinsurance–The risks, perils and opportunities". *Small Enterprise Development*. 12 (1): 11–24.
- Cole, S., Sampson, T. and Zia, B. (2009). "Financial literacy, financial decisions, and the demand for financial services: evidence from India and Indonesia". Working Paper 09-117. Cambridge, MA, Harvard Business School.
- Diagne, A., Zeller, M. and Sharma, M. (2000). "Empirical measurements of household's access to credit and credit constraints in developing countries". FCND Discussion Paper No. 90, Washington, DC, International Food Policy Research Institute.
- Diagne, A. and Zeller, M. (2001). "Access to credit and its impact on welfare in Malawi". Research Report 116, Washington, DC, International Food Policy Research Institute.
- FAO (2011). "The State of Food and Agriculture". Women in agriculture. Closing the gender gap for development". Rome. Available at <http://www.fao.org/docrep/013/i2050e/i2050e00.html>.
- Fletschner, D. (2009). "Rural women's access to credit: Market imperfections and intrahousehold dynamics". *World Development*. 37 (3): 618–631.
- Fletschner, D. and Mesbah, D. (2010). "Rural women's access to information: Do spouses share what they know"? *World Dev.* 39(8):1422-1433.
- Fletschner, D. and Kenney, L. (2011). "Rural women's access to financial services-credit, Saving and insurance. Food and Agriculture Organization of the United Nations" ESA Working paper No. 11-07.
- Giddens, A. (1979). "Central Problems in Social Theory". London: Macmillan Press.
- Hashemi, S.M., Schuler, S.R. and Riley, A.P. (1996). "Rural credit programs and women's empowerment in Bangladesh". *World Development*. 24 (2): 635–653.
- Heffernan, C. and Misturelli, F. (2000) "The Delivery of Veterinary Services to the Poor: Preliminary Findings from Kenya". Report for DfID. Reading: Veterinary Epidemiology and Economics Research Unit, University of Reading.
- IFAD (2004). Livestock services and the poor. Rome.
- Kabeer, N. (1999). "Resources, Agency and Achievements: Reflections on the Measurement of Women's Empowerment". *Development and Change*. 30: 435-464.
- Kristjanso, P., Bayer, A.W., Johnson, N.A., Tipilda, J.N., Baltenweck, I., Grace, D. and MacMillan, S. (2010). "Livestock and Women's Livelihoods: A review of the recent evidence". Discussion Paper No. 20. Livestock Research for Rural Development.
- Miller, B.A. (2001). "Empowering women to achieve food security: Rights to livestock". *International Food Policy Research Institute*. Washington.
- Moll, H.A.J., Stall, H.J., Ibrahim, M.N.M. (2007). "Smallholder dairy production and markets: A comparison of production systems in Zambia, Kenya and Sri Lanka". *Agricultural Systems*. 94 (2): 593-603.
- Ngimwa, P., Ocholla, D.N. and Ojiambo, J.B. (1997). "Media accessibility and utilization by Kenyan rural women". *International Information and Library Review*. 9: 45–66..

- Parada, S. (2008). "Rural women in Latin America and their access to economic resources". Paper prepared for the 2009 World survey on the role of women in development, Division for the Advancement of Women, Department of Economics and Social Affairs, New York, NY, United Nations.
- Pica-Ciamarra, U., Tasciotti, L., Otte, J., Zezza, A. (2011). "Livestock assets, livestock income and rural households". FAO, Rome.
- Richardson, A. M. (2004). "Women's inheritance rights in Africa: The need to integrate cultural understanding and legal Reform". Human Rights Brief No. 19, Washington, DC, Center for Human Rights and Humanitarian Law.
- Scoones, I (1992). "The economic value of livestock in the communal areas of southern Zimbabwe". *Agricultural Systems*. 39: 339-359.
- Staal, S., Poole, J., Baltenweck, I., Mwacharo, J., Notenbaert, A., Randolph, T., Thorpe, W., Nzuma, J and Herrero, M. (2009). "Strategic investment in livestock development as a vehicle for rural livelihoods". ILRI Knowledge Generation Project Report. International Livestock Research Institute Nairobi, Kenya.
- Thornton, P.K., Kruska, R.L., Henninger, N., Kristjanson, P.M., Reid, R.S., Atieno, F., Odero, A.N. and Ndegwa, T. (2002). "Mapping poverty and livestock in the developing world". International Livestock Research Institute, Nairobi, Kenya.
- Tipilda, A. and P, Kristjanson. (2009). "Women and livestock development: A review of the literature". ILRI Innovation Works Discussion Paper 01-08. *International Livestock Research Institute*. Nairobi.
- UNDP. (2007). Human Development Report. New York, NY.
- USAID. (2003). Women's property and inheritance rights: Improving lives in changing times. Office of Women in Development, Bureau for Global Programs. Washington, DC.
- World Bank (2008). "World Development Report 2008: Agriculture for Development". World Bank, Washington D.C.
- Zeller, M., Schrieder, G., Braun, J. and Heidhues, F. (1997). "Rural finance for food security for the poor". Washington, DC, International Food Policy Research Institute.

