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Brigitte M. Holzner

INCOME GENERATING ACTIVITIES FOR WOMEN AS DEVELOPMENT STRATEGY: VIEWS AND DILEMMAS

Introduction

The assumption that more and more regular income for women is a goal necessary to be achieved can be found in many publications on issues of Women and Development (see Joeke 1987). Women's employment and participation in the labor force and prospects in the informal sector are welcomed as indicators of development, autonomy or emancipation.

This article will particularly focus on income generating activities as a strategy to provide women with income. It attempts to critically examine the implications of this strategy and will explore its dilemmas by drawing attention to the linkages between micro- and macro-economic levels. At least, the conceptualization of income and women's work will be discussed in order to place income generating activities in a wider context than an economic topic.

Investigating these issues, at once the problem of generality arises: women work for income in such a variety of labor and market relations (for overview of women's work see Joeke 1980) that the courage to draw conclusions from an inevitably limited source of data seems frightening or may appear as naive and scientifically doubtful. To evade the problem of induction, we decided to put our attention on writings about policy recommendations and evaluations of already implemented projects. The reason for this way of approaching the issue of income generation by women is that the activities planned and executed based themselves on those sources which advocated income generating activities as development strategy and hereby justified as well directed actions to increase women's income.

Women as Income Generators in the Third World

That women earn income throughout the Third World is in the meanwhile, after a big amount of research about women's work, widely acknowledged. That predominantly poor women are the ones, who earn income from a variety of occupations is not only shown from evaluation reports like Carr (1984), but also from publications about the informal sector (see Heyzer 1981). This literature shows that women earn income in common work places or at home, in rural and in urban areas, in traditional and modern (using non-local, purchased materials and new technology) occupations, in self-employed and dependent settings, working for the domestic and the foreign market. But, in general all these endeavors to earn income have little return, are very time-consuming, are an extension of women's

reproductive work, and do not prevent that women remain poor (Carr 1984; Heyzer 1981; Karl 1983).

Poor women are compelled to take up any opportunity to earn income, where by a multiplicity of occupations (see White 1976) is pursued during short periods of time. The 'family wage' from one income earner, usually seen as the husband, is not the reality of poor households — wages are often even lower than an officially defined subsistence level for one person — hence the notion of the family wage must be relegated into the realm of ideology to justify the even lower wages of women and young persons. Meager wages, land scarcity, and lack of employment opportunities pressure on the reproduction of poor households (1). For women household heads, reported to constitute at least 1/3 the Third World's households (Karl 1983), this pressure is even worse. Thus, income generation by poor women must be understood as survival effort, as a vital necessity to make a living in an inequalitarian society, in which poverty is increasingly "feminized" (2).

If poverty anyway compels women to earn income, we may ask, why and with which argumentations income generating activities are advocated as a development strategy, and which notions about women lie beyond this strategy.

Before we start to answer these questions, we want to pay attention to the concept of income so crucial for this topic. Without saying, the literature on income generating activities means with income money. Monetary income is understood payment for the sale of a good or service. For the time being, income will be understood in its monetary form to follow the usage in the examined literature.

Arguments about income generating activities

The literature on income generating activities allows to identify two perspectives, which we call the 'development perspective' and the 'world capitalism perspective'. The first one is basically in favor of income generating activities, whereas the latter one criticizes the economic and political rationale behind development and the conceptualization of women's work and income.

The Development Perspective

Though there are overlappings, various views can be discovered in the development literature and especially in those publications encouraged to put attention to Women & Development issues during the International Women's Decade announced by the United Nations in 1975.

First, a *traditionalist* view can be singled out, in which income generating activities are advocated for women as housewives, wives, and mothers. This point of view sees Third World women from a welfare approach, somehow outside the economy. Handicrafts, particularly those which are significant for Western women like knitting and sewing, are the promoted activities (see Buvinic, 1983). Incomes

from these activities are seen as supplementary, a kind of pocket money for women. Representatives of this view can be found already in colonial times and still in religious institutions (Rogers 1980).

These types of income generating activities have been widely criticized (see Rogers 1980, Hoskins 1978) as unproductive, roleconfirming, and discounting the situation of poor women whose time is too precious to be used for this type of handicrafts. According to Hoskins (1980), the traditionalist view failed to distinguish between leisure and income generation, and overlooked any social differentiation among women.

Second, another ideation about the desirability of income generating activities is found in the *integrationist* view of the Women & Development perspective (see Dixon 1978). Here, the integration of women into the mainstream of development is thought to be achieved via income generating activities. Acknowledging the critique of the 'traditionalist' view and of those who criticized the expulsion of women from income-earning opportunities due to modernization and male-biased development, in the 'integrationist' view income generating activities are placed into a perspective of general development. Women, especially rural women, are now respected as producers, but women's subsistence work should be transformed into work remunerated with money (Dixon 1978).

Tellis-Nayak (1982: 54) gives preference for income generating activities by women as more trustworthy targets than men: "Cash in the hands of women, often mean more nutrition and education for children." Another argument is put forward by Dixon (1978: 40): she emphasizes the necessity to draw young women into income generating activities in "Small-scale industries, ... in cooperatively organized central workplaces that offer additional services as functional literacy programs, family planning, child care, living quarters, and financial incentives". In his view, income generating activities are tied to population and educational programs to increase women's opportunity for income-earning, be it by liberating them from the toil of frequent child birth and nursing of children, or by upgrading their skills or teaching them new ones in order to compensate for gender discrimination and to increase women's economic competition ability. Inequality with men is the main issue within this way of thinking.

A third view within the developmentalist framework could be called *rationalist*. Like the 'integrationists', advocates of a rationalist approach also do not question modernization as such. Poor women are pictured with inefficient occupations, whose productivity should be raised. Hereto a row of suggestions are made, from feasibility studies for prospected activities, credit facilities and technological improvements to management training (Buvinic et al. 1979; Buvinic 1983; Carr 1984; Charlton 1984; Hoskins 1980) (3). These suggestions bear the assumption that equipping poor women with business skills would lift them out of their marginal position in the economy. The desired creation of a female petty bourgeoisie, productive and rational, goes along with a hidden propagation of a free-market ideology: "There is a place for everyone on the market, try and win!"

At least, a *structuralist* view can be identified; also outspoken feminists see income generating activities as a way out from poverty. By criticizing the sexual

division of labor within the household and on the labor market gender oppression is addressed as the main cause for women's little income-earning opportunities. Data have shown, that women are already very productive, and recognition of women's productivity would make any income generating strategy superfluous (Anand 1983). Though sceptically, Anand (1983: 7) accepts income generating activities for the poorest women: "Income generating projects may be a godsend to women, with few opportunities for subsistence farming and few or no skills for alternative work in a limited job market, who have been forced into non-farm work. However, it further exacerbates the problem of vanishing subsistence farming and food dependence on foreign markets." This argument refers already to macro-economic relations as a powerful cause of women's poverty.

In order to evade those macro-economic relations of increasing cash crop production and dependence from developed countries, the structuralist view advocates autonomous organization and suggests non-exploitative working conditions and participative structures, which should provide more dignified circumstances than usually accessible for poor women. In these settings a break through the sexual division of labor may open women productive opportunities, which the common labor market often denies. In this line of argumentation, autonomy is the theoretical reference (see Sen & Grown 1987) (4).

The example of SEWA in India (5) rises some hope of the possibility to create in an autonomous organization fair and women-friendly credit facilities, education, health, and child care services, and cooperatives for and by women.

The World Capitalism Perspective

While the protagonists of the development perspective basically think of income generating activities as something good and desirable, though to be improved, sociologists from Bielefeld apply a fundamental critique towards income generating activities.

The purpose of income generating activities is seen to draw women into market-oriented production. "It does *not* mean that women should expand their subsistence production, that they should try to get more control over land and produce more for their own consumption, more food, more clothes, etc., for themselves." (Mies 1986: 118, emphasis by Mies) Further, Mies (op. cit.) criticizes that in this strategy income means money: "Poor Third World women produce not what they need, but others *can pay*." (ibid., emphasis by Mies) Even more sharply, she claims that "... the subordination of poor women's work under capital is *obscured* by defining it as income generating activities ..." (op. cit.: 123, emphasis by Mies). Income generating activities contribute to "housewifization", a concept crucial for representatives from the "Bielefeld sociology".

This theoretical framework exposes that women are to be used as an yet untapped or insufficiently tapped resource, which should be connected to the market via income generating activities. Women are viewed as functional/instrumental for capital for "unrestricted exploitation and superexploitation" (ibid.).

None of the authors above questions the provision of credit to poor women. However, von Werlhof (1985b) stresses in her critique of income generating activities the supply with credits by state and private organizations (6). She criticizes the small production credits are only a substitute for wages and practically an illusion: To repay credits, more and more own resources are used, and less and less time and means are available for women's own reproduction. The deliverance of credits only then may be an acceptable option for poor women, when they can negotiate the terms of repayment or even determine themselves the credit conditions like in SEWA (Karl 1983).

Dilemmas

The developmentalist view acknowledges that women's income generation has to face economic forces. These forces go along with dependencies: It is the local or the foreign market, which determines for how much women can either buy the few productive assets or sell the finished product. It is the dependence on traders who regulate the supply of raw materials and technological inputs and the sale of the finished product that can force women to accept lower returns or to cope during periods of delay. It is the foreign and/or urban markets changing fashions and demand of e.g. handicrafts and therefore becoming very unreliable. It is the disciplining character of increased toil that reduces leisure to a rare pleasure. It is the necessity of a demand for the produce: if there is some money in the hands of those who buy the product, the project may be feasible, but if potential consumers themselves have less income, formerly successful projects may be terminated. And it is the double shift that pertains: income generating activities add more work on women's shoulders, leaving the sexual division of labour in the household untouched (Karl 1983).

But do suggestions for better entrepreneurship offer a way-out of these difficulties? Maybe on a micro-level for a few, but one can ask, if in principal *all* income generating activities can be successful? Would women not be forced to compete against each other, a competition which would result in lower prices and hence returns or even bankruptcy? Is not the dynamic of the capitalist economy structured in the way that free competition on the market differentiates between winners and losers?

Also, income generating activities plea for finding economic niches within a national and/or international economy that are irrelevant too, say unprofitable for big entrepreneurs. If income generating activities would be very profitable, presumably capital would be interested to take over the production process or would compete with better technology or better market relations (7). The forces of the wider socio-economic system work also upon those niches which women have created for themselves. As long as economic activities do not compete with national and international capital, women's initiatives can be continued rather unthreatened, and are only exposed to local economic interest groups (e.g. money lenders). Therefore, income generating activities have to confine themselves to

production with low returns; they only can survive as long as they remain small.

Ahmad & Loutfi (1985: 6) have summarized these pitfalls of necessary economic marginality and concluded "However, the fact that they tend to happen mostly to women points to something more fundamental. One can hypothesize that the cause might be either a weak commitment to improving the condition and status of women or even the desire to create an illusion of support without addressing the fundamental areas where change is necessary — in distribution of resources and in the family".

Would the plight for autonomy, as it is claimed even by USAID (see Hoskins 1983) diminish those pitfalls and be a way-out from "illusion"?

By defining an income-generating project as "... self-supporting project where benefits accrue to women participants from sale of items for money, from employment for wages, or in increased produce" Hoskins (1980: 3) advocates self-reliance in a very interlinked system. Even participative, non-hierarchical relationships in the production process do not exclude conflicts between the members or do include participation of the non-members, i.e. buyers or other members of the society. Non-exploitation among the members of an income generating activity maybe achieved, but can exploitation be avoided towards the outside, when the whole economic system is based on appropriation of surplus value? Also an autonomous organization like SEWA must operate within a wider economy. Ahmad & Loutfi's (1985) suggestion that the creation of the illusion of support (and autonomy we want to add) serves the intention to avoid any fundamental social change thus becomes very convincing.

Apart from the problems around micro- and macroeconomics, we want to put our attention now to another issue: the relationship between income and consumption. According to Streeten (1980: 335 f.), the income approach "recommends measures that raise the real incomes of the poor by making them more productive, so that the purchasing power of their earnings (together with the yield of their subsistence production) is adequate to enable them to buy (and grow the produce of) the basic-needs basket".

He argues with several reasons against this assumption: additional income is not always spent on more nutritious food, but also for candies or high status food, or for unproductive assets like wristwatches; higher human energy costs for more intensive production may finally lead to less nutrition; the distribution of food within the household is unequal, men usually getting the most and women and children the least; non-food basic needs like water, education, etc. must be satisfied through public services, like only public services can help the 1/5 of destitutes, who are incapable to work, because disabled, old, sick (see op. cit.: 337). An argumentation concerning women must be added here: if women are the ones, who receive income, there is no reason to assume that also they have the control over this income, or that it benefits them and not only family and other household members, given women's subordination in most societies.

Why then are there so many favorites for income generating activities, if due to the dynamics of the economy the goals are hardly achievable and the assumptions

questionable? We think that the capitalist state has an interest in the promotion of income generating activities not only as an attempt to increase women's labour power, but also as a justification for the continuance of the economic and political system in order to prevent any structural change. Such an ideology appears to be necessary to prevent food riots, in which women usually play a dominant part, or greater political upheavals which question an inequalitarian social system. Also, income generating activities bind energies of female power, which could be channeled into social protest, to the illusion of having a chance, or even a choice of income opportunities within a basically exploitative system that keeps its strength by creating a surplus labor force who competes for every tiny space in the economy.

The critique on income generating activities as an obscured method for dependence and exploitation by Mies and von Werlhof suggests a dismissal of income generating activities. Does a re-conceptualization of income provide an alternative?

If income would be defined more broadly, including produce from subsistence work, which is directly consumed or exchanged with use-values on the local market, would this non-monetary income, and here we think especially of agrarian products, reduce poverty? There are examples which prove the possibility of relations of production and circulation outside the monetary system even after small farmers have worked in a capitalized agriculture (von Werlhof 1985a). But is the concentration on subsistence production, along with a delinking from the monetary economy, an alternative for rural and urban poor alike? Or again only for a few? We do not have answers yet — development theorists throughout the world dispute the dilemma between an alternative for a few of the poor and structural improvement for all impoverished people.

A final critical remark must be made concerning the use of the term "activity" for women's income generation. This term suggests already less importance, irrelevance, or supplement, and expresses hereby women's subordination: men's work is nowhere called "activity". To define women's production as "work" would highlight women as economic force and prevent the idea that women are "unproductive". Feminists have debated in broad the value of women's work, paid and unpaid — exposing women's general subordination in the under- and devaluation of women's work (see Mies 1986).

Conclusively we want to say that higher prices for agricultural products and higher wages for agrarian and industrial labor, higher prices for products produced by poor women in rural and urban areas alike, would make 'income generating activities' as development policy for women superfluous.

NOTES

(1) On patterns and processes of poverty and suggestive strategies see e.g. Streeten (1980) and Kruijer (1987).

(2) On the "feminization of poverty", especially in the Third World, see Sen & Grown (1987).

(3) In general, the income approach towards the solution of poverty found recognition in the mind-seventies when development was defined as redistribution with growth (Streeten 1980).

- (4) As significant example we quote the suggestions from the Newsletter of the International Women's Tribune Center (1983: 8 f.): "Choose a product that uses locally available raw materials and a simple production process. Undertake a thorough market survey with a wide range of potential customers. — Utilize services of technicians and scientists who will advise on quality control and product development. — Pinpoint the advantages you can offer the consumer over other companies. — Create linkages between mainstream businesses and women's income producing projects. — Seek 'real life' training wherever possible. — Use the training and experience gained from working for a foreign firm to start a locally based production facility, serving the national market. — Be certain for reasons for starting a business. To make money? To create jobs? Profit or good works? Both? — Understand that new technologies may help you to be more competitive but may also reduce jobs. Decide how much profit you need to make. — Grants and no-interest loans may be available to help subsidize your business. Understand that this is a short-term solution and make plans to become independent."
- (5) SEWA (Self-Employed Women's Association) in India is an impressive example of an organization of self-employed workers into a Trade Union, with a.o. providing skill training, building a co-operative bank, and lobbying for public policies supporting self-employed women (see Karl 1983).
- (6) Informal credit systems of women exist already a long time and provide poor women with amounts of money they need for productive investments. The 'informality' of these credit systems is meant in the direct acquaintance between borrower and lender, significant for small communities, and the opportunity to negotiate about the terms of repayment (see Hill 1988).
- (7) For comparison, when devices of small technology became lucrative, big enterprises took over the production; e.g. solar heaters, initially meant to use cheap natural resources and liberate from dependencies of oil and nuclear energy companies, are now produced exactly by these companies.

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