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Analysis of Rural Entrepreneurship under the Theoretical approach of Resources and Capabilities: The case of a Rural Micro business in Mexico

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Abstract

The aim of this paper is to analyze the case of a joint venture stage to determine the successes and failures to undertake this business, based on the theory of resources and skills of entrepreneurship and business. It is intended to answer the question, what were the successes and failures committed by entrepreneurs to achieve the business goals in this particular case? The answers were found relating the situations described in the case with the theories of resources and skills and entrepreneurship. The analysis concludes that the empirical knowledge of entrepreneurs, in this case were not sufficient to direct the business to success, and that the lack of structured knowledge and adequate scientific support for this project strongly directed towards the non-permanence on the market.

Key Words: Entrepreneurship, women entrepreneurs, PROMUSAG, resources and capabilities, competitive advantage.

JEL: M13, O13, O18.

1. Introduction

The Mexican government through the Ministry of Agrarian Reform supports rural entrepreneurship projects. One way is PROMUSAG (program for women in agriculture). This is a support program for rural women entrepreneurs, seeking their integration in the productive sector to earn income to help in the fight against poverty in this rural environment. The support consists of a sum of money to start up the business to undertake, which is repayable but it is considered at lost funds. In 2009,

hundreds of projects have benefited from PROMUSAG, one of which has been analyzed for this report. This case is featuring nine women in the municipality of San Martín de Hidalgo, Jalisco. In that year, nine women was PROMUSAG order required for each project.

The team for this project consisted of women with little or no preparation in business, but the team had a leader with knowledge and skills acquired empirically that gave the project some routing to success. PROMUSAG central requirements

requested to be eligible for funding to the various proposals were teams of nine members, all participants should be female, a project to undertake the business detailing emphasizing the distribution of grant money, it is sent to be developed by an engineer in the agricultural area and the last requirement was to have an area of land sufficient to carry out the purpose of the enterprise activity.

The venture was marked by the fall in leader's illness, which conditioned the project to a resounding lack of profitability, this, coupled with the lack of scientific preparation and support scientists generated a mismanagement of resources and capabilities that had the project, bringing this to its final termination in six months.

2. Theoretical framework and literature Review

The enterprise is the basic and elemental production system of an economy, is an indivisible economic unit that is generated in the process of value creation that is the essence, purpose and function of the entire economic system (Alegre, Berne & Galve, 1995). Strategic management is the scientific discipline that studies issues related to management of organizations and how are managed the functional areas of the firm. Just as the way the company has designed herself, to set their goals and values, and to relate to their environment.

According to Rumelt (1997), the purpose of the strategy is to provide partial support for the company to survive and be successful. Strategic management analyzes and determines the behavior of the target company specifically focuses on the determinants of competitive advantage and how it can be used to generate profits. In any organization or company, it is essential to have certain resources and capabilities that are the basis for the generation of competitive advantages, which are crucial

to the achievement of the objectives of the firm, that is, to generate sales and more importantly, getting benefits.

The theory of resources and capabilities focuses on the analysis of assets owned and / or controlled by companies, as well as their differences, and the importance of this fact to explain the evolution of the results (Barney, 1991). From this approach, the company is considered as a unique set of resources and capabilities with a unique story (Castro & Lopez, 2006). In this perspective the strategy is defined as a constant search and maintenance benefits, which shows the economic approach model (Reynoso, 2005).

Achieving success in business depends on the performance of the tasks of management and internal coordination and the efficiency with which the company competes. The theory of resources and capabilities and the structural theory explain the existence of extraordinary benefits of this success, although the empirical analysis shows that the first explains even better.

The value of the company is more related to intangibles than tangibles aspects on which the valuation was done traditionally (Jiménez, 1999). In turn, intangible resources and capabilities are usually based on information and knowledge, so they have no limits in their ability to use (Guerras & Navas, 2007) and therefore it is necessary to manage knowledge, which means managing the processes of creation, development, dissemination and exploitation of knowledge to gain organizational capacity (Revilla, 1995). This makes every day more evident that the value of the company that is more related to intangible aspects than with tangible on which the valuation was done traditionally (Jiménez, 1999), and thus, with knowledge.

According to Arranz (2000), when the

company discusses how to achieve competitive advantage based on resources and capabilities, should take into account that these attributes, to become forms of knowledge, are the result of merging the ideas of the hierarchy with the rest of the organization. Ferrer (1989) argues that this merger or organizational ethos contains a latent energy of known and unknown resources, used or unused, which tells the company how to progress and change, because it can build on this potential enhanced capabilities and routines. Also these attributes should have the following characteristics: be valuable, rare or idiosyncratic, imperfectly imitable and transferable, and have hardly substitutes (Barney, 1991; Peteraf, 1993 and Fernández, 1993).

Characteristics of valuable resources in the model of Barney (1991): Simplicity in use, shortages, difficult imitation, difficult to replace, analysis of managers. In addition there should be strategically equivalent resources, whose existence can be seen as an additional amount in offering a superior resource. Reynoso (2005) mentions three definitions of company capabilities:

1. - The company's capabilities are the skills that are equally to integrate, build and reconfigure internal and external competencies of the company in order to react quickly to the changing environment.
2. - Ability to use resources through organizational processes of the company, with the aim of obtaining a particular purpose.
3. - High level routines (or collection of routines) that, together with resource flows, provides company management a set of decision options for producing significant results.

Efficiency is manifested in three complementary aspects: strategic capabilities allow the company to perform functional activities in a better way than

their competitors, will dynamically adjust to the demands of the environment and foster the enterprise to obtain strategic resources (Collis, 1994) Teece, Pisano, & Shuen (1997) mention that the capabilities of the company are supported by organizational processes, i.e., organizational routines that take place in the organizations and they have three functions: integration-coordination as static concept, learning as a dynamic concept and reconfiguration. Implications of learning: skills involves both the organization and the individual, organizational knowledge generated by activities that are performed on a daily basis in the company, reflected in new patterns of activity, in routines or a new organizational logic.

Routines are patterns of interaction that represent successful solutions to particular problems. These behavioral patterns reside in behavioral groups where some simple routines can be represented by individual behaviors. One of the determinants of the strategic position of the company is the active control, which are plants and specialized equipment and, even more, the knowledge-based assets are difficult to trade and the complementary assets. These assets determine the market share and profitability at any given time. Asset capabilities relevant to the company can be classified in different ways. One is to use the following categories: technological, complementary, financial, associated to reputation with structural, institutional derivatives market structure and organizational boundaries (Teece, Pisano and Shuen, 1997).

The orthodox explanatory scheme has eliminated the entrepreneur of this system has had its recognition throughout economic history, making it the fulcrum (pivot) on which everything turns business (Bustamante, 2004). The Royal Academy of the Spanish Language (La Real Academia de la Lengua Española, 2012) gives the following definition of an entrepreneur:

"That undertakes with resolution difficult and eventful actions".

Entrepreneurs are considered an important part of the process of job creation and stimulating factor of growth as they create new businesses, and thus, creating more wealth and prosperity in a country (Martín, 2009). As defined by Wennekers, Sander, Thurik, & Roy (1999) the entrepreneur is linked to the manifest ability and desire of individuals, either by themselves or by teams within or outside existing organizations, to create new economic opportunities, that is, new products, new forms of organization, new methods of production, etc. and introduce their ideas in the markets, facing uncertainty and other obstacles, by making decisions on location and in the form and use of resources and institutions.

Bilbao & Pachano (2002, p. 35), proposed the following definition of an entrepreneur:

"The successful entrepreneur is a person with a dream, a goal, a desire to create, to innovate, to capture a business opportunity, which is able to" see "HIS idea into finished form, which is not stopped by obstacles, so the persistence and tenacity are typical characteristics of HIS behavior."

Malagón (2003) found that entrepreneurs meet the following characteristics:

- Constance.
- Sense or business opportunity.
- Knowledge.
- Personal responsibility.
- Leadership.

To develop entrepreneurship, according to Rojas (2003) is:

- Make things, no look for excuses or reasons to prove that you can do.
- Getting stronger every time he falls, never dig in his heels to find the reason for his failure.

- It is worthy, conscious, responsible for his actions.
- The creator of something, a home, a business.
- Understand that honest work, well there is not a need or sacrifice but a privilege and opportunity it gives us life.
- Dreaming of something, do it and discover how special and unique we are, are always positive.

3. The PROMUSAG program

The Secretary of Agrarian Reform (Secretaría de la Reforma Agraria, SRA) is the institution of the Federal Government that serves women and men who live and work in the rural communities and ejidos or community's owned land across the country. The SRA provides legal certainty for the owners of the land and promote comprehensive rural development social justice. One of the ways the SRA supports rural development is through the promotion of entrepreneurial and productive projects in ejidos and communities through its programs Support for Productive Projects in Agrarian Nucleolus Fund (Fondo de Apoyo para Proyectos Productivos en Núcleos Agrarios, FAPPA) Program for Women in the Agricultural Sector (Programa de la Mujer en el Sector Agrario, PROMUSAG) and Young Rural Entrepreneur and Land Fund (Joven Emprendedor Rural y Fondo de Tierras, JERFT). PROMUSAG is aimed at women who are organized to develop a productive project that allows them to earn an income and thus help fight poverty in rural areas (H., L. V. 2012).

Within PROMUSAG program, projects can be installed in various areas, such as ecotourism, cattle fattening, rural stores, food production or various services. Women living in the countryside can access the program PROMUSAG women's groups of 3-6 members, over 18 years old, who inhabit agrarian and rural areas owners of community land. The financial support is of

\$30,000.00 per member provided it does not exceed the amount of \$ 180,000.00. Women may be benefiting from the support of PROMUSAG until they have been supported in the past five fiscal years by himself or by the FAPPA PROMUSAG (Fund for supporting productive projects in agrarian).

4. Method

The methods employed are the analytical and descriptive. The first aims to analyze the case and identify failures and successes which led the company for the ensuing year and the descriptive method to detail the situations experienced by the venture.

4.1 Case to analyze

The history and details of the case were provided by one of the women who undertook this business which in turn is a daughter of the initial principal leader of the enterprise. To gather the information, a personal informal interview was conducted on May 2012. What more motivated the business venture was the fact that the main entrepreneur has a great taste an innate ability for this type of business, her personal qualities and characteristics mostly agree with those of a successful entrepreneur. The main obstacle for this business venture was the lack of funding, which it once existed, the project was launched.

In 2009 the entrepreneurial principal, was blessed with a support of \$ 100,000.00 in cash, with the advantageous feature called "sunk" to the implementation of a rural business in the town of San Martin de Hidalgo, Jalisco, which consisted of raising and fattening cattle. Support was received from the government body called Agrarian Reform Secretariat by rural support program to women entrepreneurs "PROMUSAG". PROMUSAG central requirements requested to be eligible for funding to the various proposals were teams of nine members, all participants should be female, a project to undertake the

business detailing emphasizing the distribution of grant money, it is sent to an agricultural engineer to develop the agricultural area and the last requirement was to have an area of land sufficient to carry out the purpose of the enterprise activity.

The selection criteria for the formation of the task force were: being female is the PROMUSAG prerequisite required and indispensable, belonging to the family, time available for the project and interest in it. The skills and / or abilities that have the formed team made are the leadership, expertise in law, some livestock knowledge and empirical knowledge of small business management. The way in which it was given the work distribution between women entrepreneurs was by making meeting arrangements, where they defined their roles. The "lady" was the project leader, his daughter is bachelor in law and has the role of administrator of financial resources, and the other members would act as support staff, i.e. performing operational tasks of supplies purchase, cleaning stalls, feeding cattle and attention to situations that may arise in the production area.

The business plan prepared was paid before the monetary benefit was granted, it just detail issues relating to investment in equipment and production inputs such as instruments, equipment, food, young livestock, among others. Therefore, only was useful to structure the production plant and neither for business organization or healthy finance to sustain within inside. The way to get to the end customer and more convenient for the type of business, existing resources and the region where they conducted the enterprise, was to sell the product at a much larger broker to sell the product it the final consumer. The project lasted only six months from commissioning to decommissioning, which corresponds to a period of fattening cattle.

5. Application of the theory to the case

It is necessary to analyze the internal aspects of the company to find the main successes and failures committed in undertaking this business, as the main reasons for the success of a company are brewing inside of it. A business venture begins with the idea and the desire of an individual undertaking, which must have certain qualities and characteristics. In this case, for the entrepreneur's main business was a success in life, as she is a person who has the characteristics and qualities of a successful entrepreneur, which are constancy, sense or business opportunity, knowledge, personal responsibility and leadership skills.

The monetary resource was, together with the decision of entrepreneurship, the main trigger of the business. This financial resource was needed for the purchase of instruments and appliances for conditioning the production plant. These acquired assets would be tangible resources with which the company would have to begin to build a road and build competitive advantage. Unfortunately these were not innovative or special characteristics that could lead the company to take advantage of some sort as cost leadership, differentiation or focus. It really was the most common for a company to take from this type of business.

The fact that there was no proper business plan to guide this enterprise in the formation of a solid organizational structure led to the existence of a variety of situations, which the organization was not in a proper way as there is no basis for internal coordination. That is, the organization did not developed intangible resources, neither knowledge nor skills, and also did not took advantage of the existing resources in good way, and there was no strategic plan to guide the company towards a goal through proper orientation of each of the actions to be

undertaken. This due to the existing empirical knowledge and not theoretical basis exists. When it happened the disease of the entrepreneurship leader in the early stages, when the project did not even started to run was one of the situations for which the organization had no way to handle properly.

The lack of evidence document-based to guide the integration of the existent resources and capabilities propelled an unsuitable an inadequate knowledge management tied to hand and feet to the organization in terms of the creation and development of competitive advantages. There were three reasons why the venture was short-lived for only six months:

1. - Failures in the leadership capability, the main leader fell ill soon after received financing and abandoned the project, not permanently but did not have enough contact to conduct business to success, being at the head of the project the daughter of the main leader. Her daughter is Bachelor in Law as a profession, but without certainty in knowledge about business management and effective leadership skills. This created an atmosphere of des governance, which brought conflict among team members and discouragement to work and / or continue in the project.

2. - Lack of capacity in the area of procurement, equipment and supplies were bought at high prices, which were not covered by the investment project. This situation created a debt in addition to the already acquired through funding from PROMUSAG, turn in a few days unviable the business that was being undertaken, as the rate of return on investment would hardly be necessary for the project to survive in the short term.

3. - Lack of marketing capacity to market the product, at the time it was possible to have a finished product, feedlot cattle in optimum conditions, the price at which it was sold was low. However, it was

not possible to recover the investment in the production stage, the money raised was used to pay debts owed to suppliers and creditors, leaving the project without resources and women without encouragement to continue. This happens due to a lack of capacity in the area of negotiation and the lack of market intelligence to analyze the situation and to anticipate future price to implement the actions that were relevant.

6. Conclusions and recommendations

Empirical knowledge of entrepreneurs, in this case, was not enough to route this business to success and the lack of structured knowledge and appropriate scientific support to this project strongly directed towards not stay in the market. The recommendation for PROMUSAG is that it needs to call for a strategic plan as a requirement to be eligible for financial support. To start a business the entrepreneurs should also count on empirical knowledge, a scientific basis, either by the project members, or by external consultants.

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Obstacles and Inspirations of Women Entrepreneurs: Stumbling Blocks and Steps to Empowerment

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Abstract

India is a country where women have played an important role in the development of the society. With the major population being women, they no doubt play a vital role in the progress of the economy. This paper studies the obstacles faced by women entrepreneurs and the inspiring factors that help women gain empowerment. The main objectives of the study are to analyse the demographic and enterprise profile of the women entrepreneurs, to analyse the obstacles faced by women entrepreneurs that hinder their empowerment, to examine the inspiring factors that empowers women entrepreneurs and to suggest workable solutions to empower women entrepreneurs. A questionnaire was finalised and a total of 130 women entrepreneurs was studied in Madurai city. Findings suggest that women have the capabilities to start and run their own business. Though they face scores of obstacles, they are encouraged by various inspiring factors. The implication of the research is that through understanding the problems of the women entrepreneurs, solutions can be drafted which would facilitate the women entrepreneurs to enhance their empowerment. Recommendations are provided which will facilitate the women entrepreneurs to flourish in their enterprising.

Key Words: Women entrepreneur, obstacles, inspirations, empowerment, micro enterprises, business

Introduction

At present, the term "empowerment" has been a buzzing word in every field. The researchers write about empowerment of employees, leaders and even women. The empowerment of women entrepreneurs has been the topic of interest to many researchers as well. It is mainly because women are the backbone of our country. And if women are empowered, the family

will be empowered leading to the empowerment of the entire nation. Women are specially empowered when they start their own businesses. But sadly, women face many problems which need to be resolved by the government, financial institutions, NGOs and other institutions. Women had been treated very badly in many parts of India. Gandhiji said, "Of all the evils of which man has made himself responsible, none is so degrading, so shocking, or as brutal

as his abuse of the better half of the humanity – to me, the female sex, is not the weaker sex. It is the nobler of the two, for it is even today the embodiment of sacrifice, silent suffering, humility, faith and knowledge.” (Murthy & Gaur, 2002). Entrepreneurship is an imperative tool to eradicate inequality between men and women. This article focuses on the obstacles confronted by the women entrepreneurs that impede empowerment and the inspirational factors that empower the women entrepreneurs. An attempt is made to bring out workable suggestions in order to enhance empowerment the women entrepreneurs.

CONCEPTS AND REVIEWS Entrepreneurs

According to Evans (1949) “Entrepreneurs are persons who initiate, organize, manage and control the affairs of a business unit that combines the factors of production to supply goods and services, whether the business pertains to agriculture, industry, trade or profession.” McCrony (1956) opines that a successful entrepreneur lives frugally and saves for the development of his enterprise. He is skilled enough, quality conscious and very quick to learn from others, he is versatile and resourceful. Tandon (1975) opined that a successful entrepreneur should have capacity to bear risk involved in the business. He should possess the required technical knowledge and should be ready to adapt to change, as and when needed.

According to McClelland (1961) the successful entrepreneurs are endowed with an unusual creativeness, enriched by high property and strong need for achievement. McClelland (1961) identified two characteristics of entrepreneurship, namely doing things in a new and better way and decision making under uncertainty. He stressed the need for achievement or achievement orientation as the most directly relevant factor for explaining economic behaviour. This motive is defined as the tendency to strive for success in situations involving an evaluation of one’s performance in relation to some standard of excellence.

People having a high need for achievement are more likely to succeed as entrepreneurs.

Women Entrepreneur

Women entrepreneurs have emerged from unimaginable situations and places. They explore the avenues in almost all fields. Their desire to be independent has motivated them to stand on their own. Vinza (1987) claims that a women entrepreneur is a person who is an enterprising individual with an eye for opportunities and an uncanny vision, commercial acumen, with tremendous perseverance and above all a person who is willing to take risks with the unknown because of the adventurous spirit she possesses.

Relationship of Age and Women Entrepreneur

Neelaveni (2000) found that the age has a significantly and negatively associated variable with development priorities. As age increases, their energy declines and hence their attention in management of activities in agri-business declines. As the study by Neelaveni (2000) claims that age has an impact on women entrepreneurs, the current study on women entrepreneur endeavours to evaluate if there is a significant difference among the various age group and if it has an influence on the obstacles encountered and inspirations experienced by women entrepreneur.

Entrepreneurship

Entrepreneurship is the starting of a new business venture, with the capacity and willingness of the entrepreneur to plan, organise & controlling a business. The entrepreneur must be willing to face risk and earn profit.

According to Hoselitz (1961), managerial skills and leadership are the most important facets of Entrepreneurship; financial skills are only of secondary importance. He maintains that a person who is to become an industrial entrepreneur must have more that the drive to earn profits and a mass

wealth. He must have the ability to lead and manage.

Kumaran (2002) in his study on the role of self help groups in promoting micro enterprise through micro credit found about 45 percent of entrepreneurs earn below Rs. 5000. Above 17 percent of the micro enterprises reported no profit or running at loss. Among the profit making units, the average monthly net profits was Rs.1235.

Enterprising and Empowerment of Women

In the words of Bharadwaj (1980), Empowerment of women is basically determined by their socio-economic status. Socio-economic status would therefore be a ranking of an individual by the society she/he lives in, in terms of her/his material belongings and cultural passions along with the degree of respect, power and influence she/he wields.

Empowerment is a multi-dimensional process which should enable individuals or a group of individuals to realize their full identity and powers in all spheres of life. It consists of greater access to knowledge and resources, greater autonomy in decision making to enable them to have greater ability to plan their lives, or have greater control over the circumstances that influence their lives and free them from shackles imposed on them by custom, belief and practice.

Inspirations to Women Entrepreneurs

Aravinda & Renuka (2001) in their exploratory study on women entrepreneurs revealed that the important factors which motivated the women towards entrepreneurship are self interest in that particular area of enterprise and inspiration from their success. The facilitating factors that had an impact in maintaining the enterprises successfully were self experience, interest, families help and support women entrepreneurs in general face conflicts in work and home roles. The main conflicts in work role pertained to inability to

expand the enterprise and optimum utilization of available skills. Non availability of time to spend with family and being a good spouse were the conflict areas faced in the performance of home role. It may be concluded that women entrepreneurship requires a congenial entrepreneurial climate which motivates and facilitates women to take up entrepreneurial career.

Thangamani and Uma (2001) in their study on the Impact of micro enterprises undertaken by women beneficiaries of loan fund schemes of Avinashilingam district revealed that 33 percent of the women expressed that their employment is assured by undertaking micro enterprises so that they had become self reliant. Thirty two percent women had increased their family income and 16 percent women opined that their experience had developed self confidence in them.

Obstacles to Women Entrepreneurs

In their attempt to become entrepreneurs, women have to face several social barriers, particularly women from Madurai face innumerable problems as women are not given complete social freedom. Women have to really have a lot of courage to persistently work forward to succeed in her determination to become an entrepreneur. While some women are able to take the obstacles as a challenge, many other fail to overcome these obstacles and it becomes a stumbling block to the women to become empowered. Many women lack self confidence and the courage to fight against the obstacles, these detriments empowerment among women. Self confidence is a woman's confidence in the reliability of her mind. (Swarajyalakshmi, 1998).

Objectives

Following are the objectives of the study

1. To analyse the demographic and enterprise profile of the women entrepreneurs.

2. To analyse the obstacles faced by women entrepreneurs that hinder their empowerment.
3. To examine the inspiring factors that empowers women entrepreneurs.
4. To suggest workable solutions to empower women entrepreneurs.

Methodology

Measurement of variables

Both Primary and Secondary data were used in this research. A structured interview schedule was employed to collect primary information which would aid in attaining the objectives of the research. The questionnaire was divided into three parts. The first part was to examine the demographic profile of the women entrepreneurs, the second phase was to investigate the factors that inspired the women entrepreneurs to gain empowerment and thirdly, to analyse the obstacles that hindered empowerment of women entrepreneurs. These statements were scored on a Likert scale on 1 to 5 ranging from "Strongly disagree" to "Strongly agree". A pilot study was conducted with twenty respondents based on which few changes were made in the questionnaire.

The obstacles faced by the women entrepreneur were analysed based on 16 statements and the inspirational factors were measured based on 15 different statements. The women entrepreneurs were categorised into four groups based on the age of the respondents.

Data Collection

Data was collected using probability sampling technique, cluster sampling. The entire city of Madurai is divided into 13 blocks, from which, 10 women entrepreneurs were selected. Married women entrepreneurs who were involved in micro enterprises, associated with any NGOs were the population of the study. A total of 130 women entrepreneurs were studied.

Analytical Procedure

Hypothesis:

1. Null hypothesis - There is no significant difference among the respondents of different age groups with regard to the empowering factors that inspire women to become entrepreneurs. Alternative hypothesis - There is a significant difference among the respondents of different age groups with regard to the empowering factors that inspire women to become entrepreneurs.
2. Null hypothesis - There is no significant difference in the obstacles faced by women entrepreneurs of varying ages which hinders empowerment. Alternative hypothesis - There is a significant difference in the obstacles faced by women entrepreneurs of varying ages which hinders empowerment.

The data was analysed using the statistical software package SPSS. To accomplish the objectives of the research, the analysis tools employed include percentage analysis, crosstabs and one way ANOVA. One way Analysis of variance was executed to find out the significance difference on the obstacles faced by women entrepreneurs of varying ages which hinders empowerment. Annova was yet again used to test if there was a significant difference among the respondents in respect to the inspirational factors which empowered the women entrepreneurs of varying age groups.

Results

Demographic profile: AGE OF THE RESPONDENTS

In the present study, the age of the respondents is confined to "Below 20, 21 to 30, 31 to 40 and 41- 50 years", which are termed as group I, group II, III and IV respectively. The distribution of respondents according to their age is shown in Table 1.

TABLE 1
Age – wise Distribution of Respondents

S.No.	Age	Number of Respondents	Percentage to the total
1	Below 20(Group I)	5	3.8
2	21-30 (Group II)	25	19.2
3	31-40 (Group III)	85	65.4
4	41- 50 (Group IV)	15	11.5
Total		130	100

Most of the respondents (65.4 percentage) were between the age 31 to 40. And only around 3.8 percent of the respondents were below 20 years. This shows the women involved in entrepreneurship are the ones who are old enough to take their own decision in their lives. They know what they want to do and at the right age they decide to become an entrepreneur. All the analysis was carried out with respect to the above classification of age.

Source for the Development of Project

The persons who help the entrepreneurs to develop their projects are highly significant as far as entrepreneurship is concerned. Few entrepreneurs make their own project, whereas some seek the help of Banks, EDP or NGOs. When an entrepreneur does the entire task on her own, she exhibits some personality trait like self confidence and risk taking ability. These

traits would help the women entrepreneurs to become more empowered.

In the present study, the options provided for sources of development of project are Banks, EDP, NGO and “not applicable”. The respondents are asked to mention the source for the development of their business. The results are given in table 2.

TABLE 2
Source for the Development of Project

S.No	Source	Number of respondents in				Total
		Group I	Group II	Group III	Group IV	
1	Banks	2	9	23	3	37
2	EDP	1	7	18	2	28
3	NGO	2	6	31	6	45
4	Not applicable	--	3	13	4	20
Total		5	25	85	15	130

The important source for the development of the project among the respondents is NGO and Banks which constitute 34.62 and 28.46 percent of the total respectively. The most important source among the group I and group II respondents is NGO and Banks respectively. Among the group III and group IV respondents also, NGOs are the major source for the development of the projects. The analysis reveals that NGOs

play a dominant role among the respondents for the development of the project.

Subsidy among the Respondents

Subsidy is an incentive given by the financial institution to promote the micro entrepreneurs in rural areas. Since the subsidy is one of the inspiring factors to start an enterprise among the respondents, it is included in the present

study. The number of respondents receiving subsidy is illustrated in table 3.

TABLE 3
Nature of receiving subsidy

S. No	Nature of groups	Number of respondents in		Total
		Yes	No	
1	Group I	4	1	5
2	Group II	19	6	25
3	Group III	73	12	85
4	Group IV	9	6	15
Total		105	25	130

In total, around 80.77 percent of the respondents received subsidies from financial institutions. In the group I and group II respondents, the number of respondents who received subsidy constitutes 80.00 percent and 76.00 percent to its total respectively. Among the group III and group IV respondents, these respondents constitute 85.88 and 60 percent to its total respectively.

Emergence of the Business

The emergence of a business may be varied. It may be a new concern or existing concern or a family business. In order to exhibit the ways in which the respondents started the business they are asked choose one among the given options. The options of means of starting the business were confined to new start-up, franchising, buying existing company and family business. The distribution of respondents on the basis of the manner in which their business started is given in table 4.

TABLE 4
Emergence of Business.

S.No	Emergence	Number of respondents in				Total
		Group I	Group II	Group III	Group IV	
1	New start up	3	13	42	8	66
2	Franchising	--	3	6	2	11
3	Purchased existing company	1	4	18	3	26
4	Family business	1	5	19	2	27
Total		5	25	85	15	130

In total, a maximum of 50.77 percent of the respondents newly started their business, which is followed by family business which constitutes 20.77 percent to the total. The most important way to start up the business among all four groups of respondents is newly start-up. The other ways to start the business plays a passive role.

Number of Employees in the Organization

The employment opportunities provided by the organization have been analyzed by collecting the information on the number of employees employed by the women entrepreneurs. The options provided were confined to less than 2, 2 to 4, 5 to 7 and above 7. The distribution of respondents on the basis of the number of employees in their organization is shown in table 5.

TABLE 5
Number of employees in the organization

S. No.	No. of Employees	Number of Respondents in				Total
		Group I	Group II	Group III	Group IV	
1	Less than 2	3	16	42	9	70
2	2 – 4	2	6	27	3	38
3	5 – 7	-	2	10	2	14
4	Above 7	-	1	6	1	8
	Total	5	25	85	15	130

In total, a maximum of 53.85 percent of the respondents reveal that they have provided employment opportunity to less than 2 employees. It is followed by 2 to 4 employees per organization which constitutes 29.23 percent to the total. The maximum number of respondents from the Groups I, II, III and IV have employed less than 2 employees.

Weekly profit among the Respondents

TABLE 6
Weekly profit of the business

S. No.	Weekly profit	Number of Respondents in				Total
		Group I	Group II	Group III	Group IV	
1	Less than Rs.1000	2	7	13	5	27
2	Rs.1000- Rs.2000	2	8	25	5	40
3	Rs.2001 – Rs. 4000	1	6	29	4	40
4	Above 4000	-	4	18	1	23
	Total	5	25	85	15	130

The important ranges of profit among the respondents are Rs. 1000 to 2000 and Rs.2001 to 4000 which constitutes 30.17 percent to the total in each. The most important Weekly profit among the group I respondents is less than Rs.1000 which constitutes 40.00 percent to its total whereas among the group II respondents, it is Rs.1000 to 2000 which constitutes 32.00 percent to its total. Among the group III respondents, it is Rs. 2001 to 4000 which constitutes 34.11 percent to its total whereas among the group IV respondents, it is Rs.1000 to 2000 which constitutes 33.33 percent to its total respectively.

It represents the Weekly profit achieved by the business firm run by the respondents. Since the Weekly profit is one of the important financial indicators, it is included as one of the profile variables in the present study. The Weekly profit among them is confined to less than Rs.1000, Rs.1000 to 2000, Rs. 2001 to 4000 and Above Rs.4000. The distribution of respondents on the basis of their Weekly profit is shown in table 6.

Obstacles that hinders Empowerment

The respondents may not feel truly empowered due to a number of problems they face during the initial stages of setting up the business. In order to analyze the intensity of these problems, sixteen problems have been identified. The respondents are asked to rate the sixteen problems at five point scale namely very often, often, sometimes, rarely and not at all. The assigned marks are 5,4,3,2 and 1 respectively. The mean of each problem among the four groups of respondents and their respective 'F'

statistics have been computed and shown in table 7.

TABLE 7
Obstacles that hinders empowerment

S. No	Obstacles	Mean score among				F. Statistics
		Group I	Group II	Group III	Group IV	
1	License	2.0231	2.2162	1.8684	2.4562	1.8133
2	Lack of suppliers	2.4503	2.0864	2.9193	2.0143	2.7646*
3	Lack of finance	3.6233	2.8143	3.9141	3.8684	0.6331
4	Advertising the products	1.4562	3.0708	2.3641	2.5081	1.0868
5	Marketing of the products	2.5681	2.2162	3.0864	2.3342	2.9661*
6	Lack of labourers	3.1408	3.5632	3.6862	3.1408	1.8614
7.	Lack of family support	3.8184	3.9091	2.4508	2.3962	3.9197*
8	Strong competitors	3.6173	2.3462	3.0621	2.5081	3.0676*
9	Male Domination	3.9144	3.8643	2.9691	2.4562	2.9608*
10	Time management	2.6841	3.0333	2.5082	2.6863	1.9091
11	Poor payment & morale of clients	3.1408	3.2445	3.6551	3.5017	0.8614
12	Bottlenecks during purchases	2.3086	2.9149	3.0464	3.1129	1.0861
13	No child care	2.5142	3.6862	2.6183	2.4582	3.1703*
14	Lack of social acceptance	1.8684	2.0681	2.2142	2.3308	0.5062
15	Lack of acceptance by supplier	2.6441	2.3032	2.5049	2.7114	0.4684
16	Health problems	1.9193	2.5408	2.8919	3.3442	2.9093*

*Significance at five percent level

The highly perceived difficulties among the group I respondents were male domination, lack of family support and lack of finance since its mean scores are 3.9144, 3.8184 and 3.6233 respectively. Among the group II respondents, these difficulties were Lack of family support, Male domination and No child care, since the respective mean scores are 3.9091, 3.8643 and 3.6862. Among the group III respondents, the obstacles were Lack of finance, Lack of labourers and Poor payment and morale of clients, since the respective mean scores are 3.9141, 3.6862 and 3.6551. Among group IV respondents, these difficulties are lack of finance, poor payment and morale of clients and health problems, since its mean scores are 3.8684, 3.5017 and 3.3442 respectively.

Regarding the perception on obstacles, the significant difference among the four groups of respondents have been identified in the lack of suppliers, marketing of products, lack of family support, strong competitors, male

domination, no child care and health problems, since the respective 'F' Statistics are significant at five percent level. Hence the null hypothesis was rejected and the alternative hypothesis "There is a significant difference in the obstacles faced by women entrepreneurs of varying ages which hinders empowerment" is accepted.

Inspiring variables that promotes Empowerment

The respondents are inspired to become an entrepreneur through several factors which promotes empowerment. It may be related to personal, environmental or social factors. Since the respondents are inspired by more than one factor, they are asked to rate the given variables at five point scale as very important, important, neutral, not important and no idea. The marks assigned on these scales are 5,4,3,2 and 1 respectively. The mean mark of each variable have been computed to exhibit the important variables motivating them to be self employed among group I., II, III,

IV respondents. The one way analysis of variance has been executed to find out the significance among the four groups of

respondents regarding their perception on variables. The results are given in table 8.

TABLE 8
Inspiring Variables that promotes Empowerment

S. No	Key variables	Mean score among				F. Statistics
		Group I	Group II	Group III	Group IV	
1	Profit	2.8189	3.8671	2.4676	2.3109	3.1514*
2	Providing employment opportunities	1.4563	1.4903	2.0147	2.9821	2.6908*
3	Want to be on my own	2.9604	1.8182	2.1709	2.2142	2.9693*
4	Demand is very high	1.9193	2.0233	1.7144	1.8646	0.9147
5	Opportunity to serve the society	1.4508	1.9069	2.0818	2.1133	1.3308
6	Coincidence	2.5062	2.1441	2.7863	2.9193	1.4146
7	Status in the society	2.9091	2.6817	2.0334	2.0144	2.6331*
8	Somebody else is doing	2.1443	2.0339	2.4508	2.6862	1.1939
9	Being Successful	2.9863	2.4521	1.9693	2.0386	0.8373
10	Realization of own idea	2.0811	2.9109	3.1411	2.2641	2.8182*
11	Unsatisfied with previous employment	2.6861	2.9903	2.1146	2.0986	1.2491
12	Flexible timing	2.5868	2.9042	3.1308	2.4582	1.6869
13	Take care the family	1.9143	2.9841	3.4624	3.1408	2.7143*
14	Improve the family income	2.4146	3.0862	2.6861	3.4241	2.6366*
15	Irresponsible husband	2.0621	2.8608	2.1491	2.5696	1.2168

* Significant at five percent level

The highly perceived variables among the group I respondents are successfully, want to be on my own and status in the society. Since its mean scores are 2.9863, 2.9604 and 2.9092 respectively. Among the group II respondents, these are profits, improve the family income and unsatisfied with previous employment. Since its mean scores are 3.8671, 3.062 and 2.9903 respectively. The important variables among the group III respondents are takeover a family, realization of own idea and flexible timing. Since its mean scores are 3.4624, 3.1411 and 3.1308 respectively. Among the group IV respondents these variables are improve the family welfare, take over a family and providing employment opportunities. Since its mean scores are 3.4241, 3.1408 and 2.9821 respectively.

Regarding the perception on these variables the significant difference among the four groups of respondents are identified in the case of perception on profit, providing employment opportunities, want to be on my own,

status in the society, realization of own idea, take over a family and improve the family income, since the respective 'F' statistics are significant at five percent level. Hence the null hypothesis, "There is no significant difference in the obstacles faced by women entrepreneurs of varying ages which hinders empowerment." is rejected and the alternative hypothesis, "There is a significant difference in the obstacles faced by women entrepreneurs of varying ages which hinders empowerment" is accepted.

Summary of Major Findings Demographic and Enterprise Profile

The study findings on the demographic and enterprise profile indicate that around 65 percent of the women entrepreneurs were between 30 to 40 years of age. This shows that women above 31 are mature enough to venture into taking risk. Experience creates women who are more brave and confident to start their own enterprise.

Most of the women (45 percent) get help to develop their projects from NGO. This shows that many NGOs have been developed who try to help the women to start their own enterprise. Women entrepreneurs are prone to be more successful when they have a proper project plan.

Many women (81 percent) have received subsidies from financial institutions. This is a good motivation for the women to start their own enterprise. Around 51 percent of the women have started their own business and have not franchised or taken over their family business. This shows that women are becoming more independent and empowered. 54 percent of the women entrepreneurs employ less than 2 employees. The maximum number of respondents from the Groups I, II, III and IV have employed only less than 2 employees. This shows that women still focus on smaller enterprises. They do not have enough investment to start a bigger business and also they don't want to take the risk of employing more people. The weekly profit of most (80 percent) women entrepreneurs is between 1000 and 4000. Though this profit seems to be very less, it does contribute to the income of their family. More efforts ought to be taken in order to increase their profit.

Obstacles that hinders empowerment of women entrepreneurs

Through the mean score it is found that the main difficulties among group I respondents include male domination, lack of family support and lack of finance. This shows that women below 20 years are more dependent on the family and its approval when making life decisions. Among group II respondents, the difficulties faced were lack of family support, male domination and no child care. For group II, this problem arises as these are women in the age group of 21-30 when they are more likely to start a family and having children which makes it difficult to focus on entrepreneurial challenges. They still

continue facing the problems of male domination and lack of family support as in group I. Among group III respondents, the obstacles faced are lack of finance, lack of labourers, poor payment and morale of clients. This shows that they are the most empowered as they are able to start and run a business and face only business related challenges. Majority of the respondents belong to this group. Lastly among group IV respondents, the difficulties faced were lack of finance, poor payment and morale of clients and health problems which are mainly due to the respondents being aged. Apart from the similar obstacles faced in group III, they face health problems due to their older age. With increased likelihood of health issues, banks too are not willing to provide loans. Since these are senior citizens, clients assume that they can get away with late payments or no payments at all.

The significant difference among the four groups of respondents have been identified in the lack of suppliers, marketing of products, lack of family support, strong competitors, male domination, no child care and health problems, since the respective 'F' Statistics are significant at five percent level. The traditional culture and backward development in Madurai has a strong negative impact on the development of women entrepreneurs.

Inspiring factors for empowerment of women entrepreneurs

It is found that group I respondents although are the least empowered, being dependent on the family for financial support, have a desire to be independent and gain status in the society. Among the group II respondents, the inspiring factors are profits, improving the family income and dissatisfaction with their previous employment. This is the age when they have already gained work-experience and become confidence in doing something on their own. They are ready to take risks but unsure where to turn. The inspiring variables among the group III

respondents are taking care of their family, realization of own ideas and dreams and flexible work timing. Flexible timing is a motivating factor since they have children to take care of. Among the group IV respondents the empowering variables include improving family welfare, taking over the responsibilities of their family and providing employment opportunities. They are shouldered with the family responsibility and many women at this age earn for their families either because their spouse does not earn or does not earn enough to meet the family needs. Regarding the perception on these variables the significant difference among the four groups of respondents are identified in the case of perception on profit, providing employment opportunities, want to be on their own, status in the society, realization of own idea, take over a family and improve the family income, since the respective 'F' statistics are significant at five percent level.

Recommendations

From the outcome of the findings, the following recommendations are presented. The study reveals that majority of the women entrepreneurs are most empowered when they are in the age group between 31 and 40. Therefore the government, financial institutions and NGOs can arrange for entrepreneurial development programmes to this target group. Moreover, this is the age where women are more concerned about the well being of their family's financial condition; hence any training which is provided will be seriously so that they could succeed in their business.

The NGOs play a major role in the development of their business projects. Since the women entrepreneurs depend more on them, they should be more sincere in their work and should more involved in the proper guidance to the women entrepreneurs. Findings show that only 28 percent has got the help of the Entrepreneurial Development Programmes to develop their projects. Hence more such programmes could be

promoted by the government in order to involve and guide the women entrepreneurs.

Even though women entrepreneurs have opportunities for empowerment through subsidies from financial institutions, they were found to be ignorant of various incentives. Moreover, many who were aware, felt that the procedures for acquiring them is very complex. Hence it is essential to publicize the procedures for such assistance. There have been some efforts taken in the past by All India Radio Madurai to publicize the incentives to entrepreneurs through educational programmes. If such programmes are conducted more frequently in other media, more women will venture into entrepreneurship which would lead to their empowerment.

Marketing of their products is one of the main problems the women entrepreneurs face. Hence the governments can help the women to market their products. Websites could also be sponsored by the government and the NGOs so that the products of the micro enterprises can be sold worldwide. Yet another problem lack of family support. The government can provide training for the family members of the women entrepreneurs projecting the benefits the family would reap as a result of the women earning profits. The women also face problem in taking care of their kids as their family members do not support them, hence free child care centres could be opened by the government, so that the women entrepreneurs could concentrate in their business. Finance is another problem which hinders empowerment for women in group I, III and IV. Many banks doubt whether they will be able to pay back and the lack of security has made their position vulnerable. Women entrepreneurs either do not get any funds or receive a very meagre amount when compared their male counterparts. If the banks and financial institutions can trust the women entrepreneurs and provide special provisions for the development of

women entrepreneurs we can be sure that several talented women would come forward and flourish in the micro enterprises.

Micro women entrepreneurs contribute to the economy of the country. And when these women faces problem, it becomes the duty of both Central and State Governments and Non-Governmental organizations to come forward to motivate her. This could be done by providing incentives and entrepreneurial training programmes. Though the government has developed many schemes for the Self Help Groups we find that many does not reach the groups and its members and so steps should be taken to monitor that the funds are channelised in a proper manner so as to reach the target groups.

Conclusion

Women today have more opportunities than ever before to empower themselves and start new ventures. Though there is the will-power and the demand, the challenge today is to provide these women the direction and the required skills to achieve the best of their abilities. Family responsibilities and pressures are the biggest stumbling blocks to women becoming truly empowered and this can be solved only by creating awareness in society about the needs for women and men to be equal partners in the family, where men and elders too take their share of responsibility. Women have the zest and the motivation to reach success, but require guidance from responsible institutions to inspire them to step forward. Although we find many initiatives from the Government to provide entrepreneurial opportunities for women in society, there is much more than needs to be done for women to truly become empowered.

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A lessons on the Alleviation of Poverty through Microfinance of Women Self Help Groups

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Abstract

Even though the criticisms and restrictions of microfinance in poverty alleviation, the financial services offered by this innovative tool have powerful implications in promoting economic development among low-income population groups in the world. Based on different case studies conducted in developing countries, microfinance has been found to be a reliable and effective way of developing the poor, most especially women, while also increasing their level of participation in the global economy. By providing the poor with access to credit, savings, mortgage loans, education loans, among others, microfinance is able to facilitate the Poor's social mobility and enable the low-income populations to actively benefit from the financial sector. The poor can also acquire necessary entrepreneurship and risk management skills through trainings and information sessions provided by microfinance institutions, leading to an overall improvement in their human capital. Due to the positive impact affected by this poverty-reduction instrument, a greater interest has also arisen among developed nations to employ such a strategy in combating widespread poverty in their region. The year 2005 was declared by the United Nations as an International year of Micro Credit. In view of the fact that, microfinance has proven to be a successful tool for poverty reduction and financial support, this paper argues that microfinance can be considered an important component for an effective poverty alleviation strategy.

Key Words: Microfinance, Self Help Group, Micro Credit, Poverty.

Introduction

Poverty is a multi-dimensional concept implying lack of income, lack of resources, deprivation of the means of livelihood and vulnerability to economic

shocks. The inadequacy of traditional definitions of poverty, based on incomes and consumption was widely acknowledged and modern thinkers elucidated the new concerns of sustainable livelihood approach and

concept of social exclusion in the spectrum of poverty. The sustainable livelihood approach to the study of poverty has particularly emphasized the need for local participation. In this approach, each community can define criteria of well-being and the key elements of deprivation as they appear in the local context. In the 1970s, the concept of social exclusion came into the literature of poverty to analyze the condition of those who are not necessarily income poor though many are that too (UNDP, 1997).

Amartya Sen defined poverty as lack of entitlements and capabilities. Entitlements refer to the set of alternative commodity bundles that a person can command in society using the totality of rights and opportunities that he or she faces. On the basis of this entitlement, a person can acquire some capabilities and he/she may fail to acquire some other capabilities. Capability is thus a kind of freedom, the substantive freedom to achieve alternative functioning combinations (Sen, 1999).

Women and men experience poverty in different ways. Of the 1.3 billion people living in poverty, 70 percent are women. In developed countries like USA, more than half the women-headed households are poor. The number of rural women living in absolute poverty rose by nearly 50 percent over the past two decades (UNDP, 1995). In short, women constitute the poorest all over the world. This phenomenon is often referred to as feminization of poverty.

Microfinance: Financial deal for the Poor

Since formal credit institutions rarely lend to the poor, special institutional arrangements become

necessary to extent credit to those who have no collateral security to offer. Microfinance, by providing small loans and savings facilities to those who have been excluded from commercial financial services, has been promoted as a key strategy for reducing poverty in all its forms by agencies all over the world. Micro credit has been defined as "Programmes that provide credit for self-employment and other financial and business services (including savings and technical assistance) to very poor persons" (Micro Credit Summit, 1997). Now-a-days, microfinance represents something more than micro credit; it also refers to savings, insurance, pawns and remittances, in sum to a much wider range of financial services (Tankha, 1999). Thus microfinance refers to the entire range of financial and non-financial services, including skill upgradation and entrepreneurship development, rendered to the poor for enabling them to overcome poverty.

Microfinance acts as a catalyst in the lives of the poor. It has helped them achieve a reasonable rise in their income level and improve their standards of living. Thus, micro finance expected to play an important role in promoting financial inclusion and inclusive growth. However, there is a large gap in the demand and supply of credit to the poor. As per some estimate, the support for poor households in India has been assessed at about Rs. 4,50,000 Crore. Some of the micro level studies indicate that the poor still continue to depend on informal sources of credit, accounting for 40 percent to 60 percent of the household demand. There are, however, several challenges faced by the microfinance system (Report on Trend and progress of Banking in India 2006-07).

Foundation of Microfinance

The origin of Microfinance could be traced back to the beginning of the cooperative movement in Germany. The movement was started in 1944 in the field of cooperative based credit system by the Raiffeisen Societies as well as Rockdale pioneers in England. Similarly, the enactment of the cooperative credit societies Act 1904 could be considered as the beginning of Microfinance in India. (Hema Sundara Raju, 2009)

Experiences different anti-poverty and other welfare programmes implemented throughout the world have shown that the key to their success lies in the evolution and participation of community based organization at the grass roots level. People's participation in credit delivery and recovery and linking of formal credit institutions to borrowers through intermediaries of Self Help Groups have been recognized as a supplementary mechanism for providing credit support to the poor. NABARD is a pioneer in the conceptualizing and implementing the concept of Self Help Group through the SHG-bank linkage since 1992.

Wilson K (2002) has differentiated the emerging and traditional microfinance. He has stated that traditional or "old" microfinance has been characterized by intricate, explicit rules dictated and directed by Microfinance Institution (MFI), reliance on paid animators (field workers) to engage community members to participate in schemes seeking self-sufficiency at institutional level, institutions to cover all costs through internally generated income and interest rates often ranging from 36 percent to 87 percent p.a. As against this, the SHG-bank linkage programme, popularly known as the "new microfinance", is characterized by simple

rules made by groups, local volunteers spreading information self-sufficiency sought at group level and group level rates charged to individual members often has ranged between 24 percent - 60 percent p.a., while bank has charged 12-13 percent p.a., to the groups. The author has concluded that the "new microfinance" as demonstrated by the Self Help Group movement has definite advantages.

Micro Credit

Micro Credit is defined as provision of thrift, credit and other financial services and products of very small amount to the poor in rural, semi-urban and urban areas for enabling them to raise their income levels and improve living standards. Micro Credit Institutions are those which provide these facilities.

Need for Micro Credit

Walking along the street of any low-income settlement in developing countries, one is struck by the apparent contrast of dwelling and habitat. On one side of the street is a dilapidated, single story, windowless house of tin sheets and open drains; across the street is a fine two-storied brick and concrete house with glass windows, panelled doors, and painted walls. While there are many reasons for such contrasts, one variable that repeatedly surfaces as a common denominator is the accessibility to different sources and types of credit. This is also true if one looks at products and services (Bouman, 1989).

The "micro" of credit

Banks and other financial institutions have systematically kept low-income households outside their credit delivery networks, forcing them to resort to

informal and non-conventional systems of mobilizing credit. The positive features of such loans are only now being understood:

- a. Loans are small in size since money is acquired only for a part of a larger activity. These small amounts contrast starkly with loans from banks, which tends to be large, and for lump sum investments.
- b. Loans are usually made for very short periods. Borrowers prefer to repay loans quickly to avoid long-term commitments in repayments. This also reflects the insecurity of borrowers' jobs and income.
- c. Loans are unsecured, with little or no collateral or guarantees. Lenders rely on personal information and close proximity links to "keep an eye" on borrowers' expenditures and ensure repayment. Since services are localized, and only well-known borrowers serviced, the rate of repayment is also very high.

There is much we can learn from the people, listening to them and understanding and comprehending the solutions that they themselves have developed. These solutions have used resources that local, sustainable and accessible to them, transcending barriers that typify formal institutions.

Micro credit=Money?

But micro credit is more than just money and access to credit. As the contents of the website reflect, a broader perspective needs to be taken, emphasizing roles for local governments, NGOs, community development issues, and networking. Education and training,

including the design of micro credit policies and programmes should also receive prominence. Of greater significance from a long term and broader view is the role and effect of micro credit on environmental problems and sustainable development. Supporting and inspiring these objectives with pertinent and timely information has been the key activity of the website (Virtual Library on Micro Credit).

Pift and Khandker (1996) pointed out that micro credit has a greater effect on household welfare when women are the borrowers. The impact of Grameen Bank, micro credit on per capita household expenditure, schooling, supply and non-land household assets are all higher.

The limitations of formal financial sector in extending credit to the beneficiaries for assuring employment opportunities led to the evolution of the programmes of micro credit with the objective of providing poor timely and hassle – free credit without demanding any collateral.

The harmony among the self help group members, cohesiveness in the group followed by group pressure in determining repayment schedule and ensuring prompt and fault less repayment, supervision of co-borrowers activities in the system are the important aspects of the micro-credit.

Self-employment learning project (1997) describes micro credit provided for self-employment projects, which generate income-allowing borrowers to better care for themselves and their families. Such successful self-employment mitigates the strains on public benefit programmes, can inject investment in low income communities, and even generate employment opportunities for others.

NABARD's Initiative

First official interest in informal group lending in India took shape during 1986-87 on the initiative of the NABARD. As a part of this broad mandate, NABARD initiated certain research projects on SHGs as channel for delivery of Microfinance in late 1980s. In 1988-89 in collaboration with some of the member institutions of the Asia Pacific Rural and Agricultural Credit Association (APRACA), NABARD undertook a survey of 43 NGOs in 11 states in India, to study the functioning of Microfinance SHGs and their collaboration possibilities with the formal banking system.

Both these research projects threw up encouraging possibilities and NABARD initiated with a view to evolving supplementary credit strategies for reaching the unreached poor in rural areas like landless agricultural labourers, rural poor women etc, in a transparent and a cost effective way, NABARD had launched its pilot phase of the Self Help Group-bank linkage programme in February 1992 which could be considered as a landmark development in bank with the poor.

Scope to Spread Microfinance in India

The scope to spread microfinance is clearly evident and the current indicators are favorable. Nancy Barry (2004) president of women's world banking had stated "India's bank infrastructure is in place and the economy look robust with interest rates having been liberalized. The sharing of global experiences of private and public retail banks around the world will help India develop a strong formal and informal microfinance sector. The microfinance is assisting 12 million SHGs in rural areas, mostly in the four southern states. There is also a large missing loan size that needs to be supplied by the microfinance

institutions. Microfinance has a profitable banking opportunity in India with over 11.36 million poor clients, 26 percent of the total outreach of microfinance institutions of the world, meeting their financial needs from a range of organizations, including community based microfinance networks and co-operatives. But importantly there are 60 million clients of which 40-45 million are poor rural households. However, the major problem is to ensure a smooth flow of adequate amount of on-lending funds."

Self Help Groups

SHG is group of rural poor who have volunteered to organize themselves into a group for eradication of poverty of the members. They agree to save regularly and convert their savings into a Common Fund known as the Group corpus. The members of the group agree to use this common fund and such other funds that they may receive as a group through a common management. The group formation will keep in view the following broad guidelines:

Generally a self-help group may consist of 10 to 20 persons. However, in difficult areas like deserts, hills and areas with scattered and sparse population and in case of minor irrigation and disabled persons, this number may be from 5-20. The difficult areas have to be identified by the State Level SGSY Committee and the above relaxation in membership will be permitted only in such areas.

Generally all members of the group should belong to families below the poverty line. However, if necessary, a maximum of 20 percent and in exceptional cases, where essentially required, upto a maximum of 30 percent of the members in a group may be taken from families marginally above the

poverty line living contiguously with Below Poverty Line (BPL) families and if they are acceptable to the BPL members of the group. This will help the families of occupational groups like agricultural labourers, marginal farmers and artisans marginally above the poverty line, or who may have been excluded from the BPL list to become members of the Self Help Group. However, the Above Poverty Line (APL) members will not be eligible for the subsidy under the scheme. The group shall not consist of more than one member from the same family. A person should not be a member of more than one group. The BPL families must actively participate in the management and decision making, which should not ordinarily be entirely in the hands of APL families. Further, APL members of the Self Help Group shall not become office bearers (Group Leader, Assistant Group Leader or Treasurer) of the Group.

The group should devise a code of conduct (Group management norms) to bind itself. This should be in the form of regular meetings (weekly or fortnightly), functioning in a democratic manner, allowing free exchange of views, participation by the members in the decision making process.

The group should be able to draw up an agenda for each meeting and take up discussions as per the agenda.

The members should build their corpus through regular savings. The group should be able to collect the minimum voluntary saving amount from all the members regularly in the group meetings. The savings so collected will be the group corpus fund.

The group corpus fund should be used to advance loans to the members. The group should develop financial management norms covering the loan

sanction procedure, repayment schedule and interest rates.

The members in the group meetings should take all the loaning decisions through a participatory decision making process.

The group should be able to priorities the loan applications, fix repayment schedules, fix appropriate rate of interest for the loans advanced and closely monitor the repayment of the loan instalments from the loanee.

The group should operate a group account preferably in their service area bank branch, so as to deposit the balance amounts left with the groups after disbursing loans to its members.

The group should maintain simple basic records such as Minutes book, Attendance register, Loan ledger, General ledger, Cash book, Bank passbook and individual passbooks. The sample proforma for maintenance of above records by the group is in the Annexure II for guidance. These could be used with necessary changes/ modifications wherever required. 50 percent of the groups formed in each block should be exclusively for the women. In the case of disabled persons, the groups formed should ideally be disability-specific wherever possible, however, in case sufficient number of people for formation of disability-specific groups are not available, a group may comprise of persons with diverse disabilities or a group may comprise of both disabled and non-disabled persons below the poverty line.

The joint liability of the group enables the poor to overcome the problem of collateral security and also has an in-built mechanism of peer monitoring leading to better loan

recoveries and productive credit utilization.

The SHGs provide the benefit of economics of scale, cost effective services, collective learning, democratic base of platform for dialogue and co-operation. The functions of SHGs are based on co-operations rather than competition. It follows the principle of "contribute according to our ability and extract according to your need".

The origin of SHGs could be traced to mutual aid in Indian village community co-operatives, which are formal bodies, whereas SHGs are informal groups, which encourage savings and promote income-generating activities through small loans. The experiences available in the country suggest that SHGs are sustainable, reliable, stimulates savings and in the process help borrowers to come out of vicious circle of poverty. These groups are called as "Solidarity Groups" as they provide monetary as well as moral support to individual members in times of difficulties. Zaman (2001) pointed out, that self-help groups 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 embrodering women by giving them control over assets and increased self-esteem and knowledge.

Review of Literature

This study is based on the review of some relevant studies. The studies reviewed are excellent source to understand the process of change, though they do not provide precise estimates of impact assessment parameters. Formation, functioning and impact are the broad issues examined in the studies.

The impact assessment covered the related aspects of Microfinance.

Sarkan (2001) Pointed out on his study that, in the microfinance is a useful tool in building the capacity of the poor management of sustainable self employment opportunities, besides providing other financial services like savings, housing consumption credit, insurance cover etc, the Nation Policy on microfinance should emphasize on encouraging initiatives and participation of different type of institution in microfinance, bring the microfinance activities, irrespective of the type of institution involved, with in the regulation and supervision of completed authorities, creating policy environment.

Rao (2002) on his study "Women Self Help Groups (SHGs) and Microfinance schemes" he has pointed out that micro provide credit access to poor with no collateral obligation. It encourages savings and promotes income generating activities, loans and provided at the market driven rates of interest and poor pressure is used in repayment, Microfinance is carried out through Self Help Group where poor come together in the range of 10-20 by weekly, fortnightly and monthly meeting through their saving and loans.

Joshi (2002) on his study "Micro study Net Charity" he has pointed out that the micro credit programme extend loans to poor people for self employment projects that generate income, allowing them to care for themselves and their families, to their clients in addition to credit for self employment. the rural areas the poor have been dependent on money lenders for their financial needs, either marriage in the family, illness or any other emergency need, money lender always exploit the situation.

Kamal Vatta (2003) on his study "Microfinance and Poverty Alleviation" he has pointed that the Microfinance involves financing for Self Help Groups which are small, informal and homogeneous groups, of the not more than 20 members. The members have poor risk taking ability, no collateral to other and have limited earning opportunities. The working fund grown with time and group can also approach financial institution for credit. The group keeps taking decisions as in the past but with more resources.

Khan, Thomas (1989) on the book "Role of Voluntary Agencies Social Change" they point out that Voluntary Organizations are born because an inspired individual or a group of like minded individuals perceives a need or short coming in society and is determined to do something about it.

From the previous studies related to Microfinance and SHGs, it is clearly understood that the SHGs are tool to promote rural savings and gainful employment. Through this, the rural poverty is reduced considerably. Therefore women members are economically independent and their contribution to household income has also increased. The present study is also focusing the economic improvement of women after joining SHGs.

Objectives of the Study

Based on the above excerpts, the present study was carried out with the following objectives;

- To study the Social and Economic conditions of members of Self Help Groups.

- To analyze the impact of Microfinance on Alleviating Rural Poverty.
- To study the Self Help Groups performance in providing microfinance services

Research Methodology

The present study has been conducted in Kanchipuram District of Tamilnadu. Data is collected from the 100 respondents on the basis of convenient sampling and pre-tested interview schedule were administered for this purpose. For the usage in the appropriate places, secondary data were also collected from websites and related publications. To analyze the data collected, few statistics namely Chi-Square Test and Likert type scale were employed.

Analysis and Interpretation

The analysis and discussions are based on the data and information collected from the women involved in the self help groups. The findings of the study encompass various aspects of the groups such as age, community, religion, education, occupation, monthly income and etc. It is observed that all the women involved in Self Help Group are married and most of them belong to the age group of 31-40 (32 percent), while 30 percent of the women under the age group of 20-30 and the share of women between the age group of 41-50 is 28 percent and remaining 10 percent of women comes under the above 50 category. (Table1)

Table 1 : Distribution of the Respondents by Age

Age Group	Percentage
20-30	30
31-40	32
41-50	28
>50	10
Total	100

Source: Primary data

With regard to community of the respondents, it is found that majority (38 percent) of the women is Backward Class, 28 percent of them are SC/ST and the rest

of the respondents 26percent are Most Backward Class and remaining 8 percent are other categories. (Table 2)

Table 2 : Distribution of the Respondents by Community

Community	Percentage
SC/ST	28
BC	38
MBC	26
Others	8
Total	100

Source: Primary data

From Table 3, it is observed that majority of the Self Help Group members

have been for more than two years. (50 percent)

Table 3 : No. of Years in SHG

No. of Years	Percentage
Less than one year	28
One to Two Years	22
More than Two Years	50
Total	100

Source: Primary data

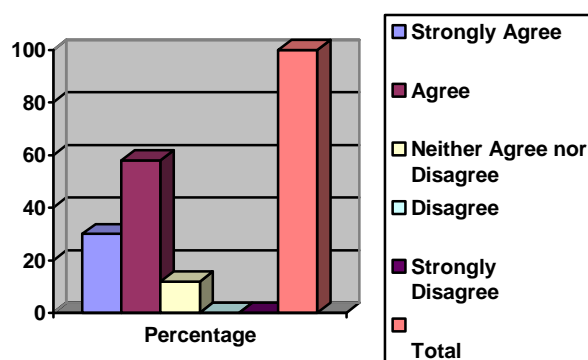
With regard to opinion about whether the Microfinance improves their income, it is found that majority (58 percent) of the women replied agree, 30

percent of them are strongly agree and the rest of the respondents 12 percent are comes under the neither agree nor disagree category. (Table 4)

Table 4 : Opinion about Microfinance improves your income

Scale	Percentage
Strongly Agree	30
Agree	58
Neither Agree nor Disagree	12
Disagree	0
Strongly Disagree	0
Total	100

Source: Primary data



The present study reveals that the main reason for joining the Self Help Group is to get loan, because of the low interest rate charged. Nearly 65 percent of respondents have agreed to this. 56 percent has joined Self Help Group

because it is easy to get credit and 55 percent have joined for economic independence (Table 5). Lengthy installment period and socio-economic status does not attract most of them towards Self Help Group.

Table 5 : Reasons for Joining Self Help Group

Reasons for Joining SHG	1	2	3	4	5	6
Easy to get credit	56	38	6	-	-	-
No collateral security	-	-	-	27	34	39
Low Interest rate charged	65	30	5	-	-	-
Lengthy installment period	-	-	-	30	28	42
Socio-economic status	-	-	7	42	51	-
Economic Independence	55	43	2	-	-	-

Source: Primary data

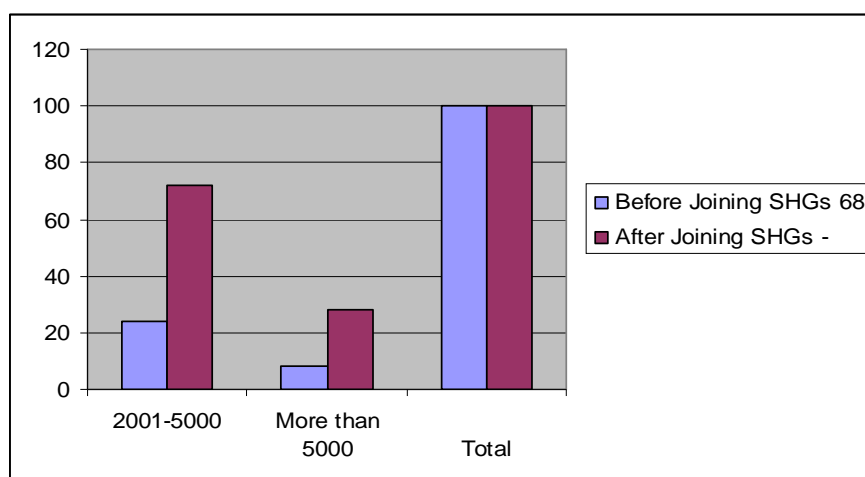
There has been an improvement in the income status of the respondents, as they shifted from lesser slab to a higher slab after joining SHGs. In the income slab less than

2000, 68 percent respondents are under the period of before joining, but after joining SHGs they change their level to above slab (Table 6). This shows that the credit and loan facilities of the SHGs raised the income level.

Table 6: Income of the Members

Income of the Members (Rs.)	Before Joining SHGs	After Joining SHGs
Less than 2000	68	-
2001-5000	24	72
More than 5000	8	28
Total	100	100

Source: Primary data



It is noted that most women are able to save more than Rs.500/- after joining the SHGs. The study clearly shows that the monthly savings from Rs.501-1000 (16

percent) and More than 1000 (8 percent) before joining the Self Help Group had been raised to 56 percent and 14 percent respectively in each category (Table 7).

Table 7: Savings of the Members

Savings of the Members (Rs.)	Before Joining SHGs	After Joining SHGs
Less than 500	76	30
501-1000	16	56
More than 1000	8	14
Total	100	100

Source: Primary data

Hypothesis

To carry out the research work, the researcher has set the following hypothesis.

H₀: There do not exist any significant relationship between Self Help Group member's monthly income and their opinion on Microfinance improves their income.

H₁: There exist significant relationship between Self Help Group member's monthly income and their opinion on Microfinance improves their income.

Chi-Square Test

The χ^2 test one of the simple and most widely non-parametric tests in statistics. Chi-Square test is employed for testing hypothesis when distribution of population is not know and when nominal data is to Analyzed. When a small no of degree of freedom increases the distribution curve become more symmetrical and resembles the normal curve.

Result:

χ^2 Calculated (2.92) < χ^2 Tabulated (21.03)

Inference:

Since Calculated Value is less than Table Value, we accept H₀ i.e; There is no significant relationship between Self Help Group member's monthly income and their opinion on Microfinance improves their income.

Likert Type Scale

Likert type scale are used to judge the most preferred items from the rank stated overall rating is taken into consideration. The weight is given to each

rank with respect to their relative preference to the question.

- a) Highly influenced with 5 as weighted points.
- b) Influenced with 4 as weighted points.
- c) Moderate with 3 as weighted points.
- d) Less significant with 2 as weighted points.
- e) Least significant with 1 as weighted points.

The weighted score are calculated using the above as ranking order and its weight age. The brand having the highest weight score is given the first rank, so until the having least weight score is give the lowest rank.

- Likert Scale applied in calculating the opinion of the members regarding, Reason for joining Self Help Groups.

Inference:

The likert scale helps to identify the respondent preference in a following order;

1. Easy to get credit
- **48.4**
2. Low interest rate charged
- **47.2**
3. Socio – Economic status
- **46.2**
4. No collateral security
- **45.4**
5. Lengthy installment period
- **44.6**

Conclusion

Microfinance and Micro credit have received extensive recognition as a strategy for poverty reduction, financial support and for economic empowerment. Microfinance is a way for fighting poverty, particularly in rural areas, where most of the world's poorest people live. Accessing small amounts of credit at reasonable

interest rates give poor people an opportunity to set up their own small business. Many studies show that poor people are trustable, with higher repayment rates than conventional borrowers. When poor people have access to financial services, they can earn more, build their assets, and cushion themselves against external shocks. Poor households use microfinance to move from everyday survival to planning for the future: they invest in better nutrition, housing, health, and education. Most poor people cannot get good financial services that meet their needs because there are not enough strong institutions that provide such services. Strong institutions need to charge enough to cover their costs. Cost recovery is not an end in itself. Rather, it is the only way to reach scale and impact beyond the limited levels that donors can fund. A financially sustainable institution can continue and expand its services over the long term. Achieving sustainability means lowering transaction costs, offering services that are more useful to the clients, and finding new ways to provide banking services to the poor. At the end it should be mentioned that Poor people with no income or means of repayment need other kinds of support before they can make good use of loans. In many cases, other tools will alleviate poverty better for instance, small grants, employment and training programs, or infrastructure improvements. Where possible, such services should be coupled with building savings.

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Study of Key Sectors Development in Indian Economy: New Horizons

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Abstract

India is a developing country, It has three major sectors Viz., Primary, Secondary and Tertiary. These sectors are the backbone of the country. The Characters of Primary Sectors directly depend upon nature of production, exploit natural resources for production examples: agriculture, forestry and fishing. The Characters of secondary sector is Natural resources changed into finished goods which are ready to consume, addition of value to the commodity, includes manufacturing and the Characters of Tertiary sector are Services e.g. Transportation. The key sectors viz., Agriculture, Industries and Infrastrure, Export and Import are discussed in this paper and its performance are analysed.

Key Words: Agriculture, Industries, Export-Import, GDP

Introduction

India has undergone a paradigm shift owing to its competitive stand in the world. The Indian economy is on a robust growth trajectory and boasts of a stable annual growth rate, rising foreign exchange reserves and booming capital markets among others.

According to Ministry of Statistics and Programme Implementation (MOSPI), Indian economy is estimated to grow at 5 percent in 2012-13 as compared to the growth rate of 6.2 percent in 2011-12. These GDP figures are based at factor cost at constant (2004-05) prices for the year 2012-13. As per the given data Gross Domestic Product (GDP) at factor cost at constant (2004-05) prices in the year 2012-

13 is likely to attain a level of US\$ 1013.63 billion, as against the GDP estimates for the year 2011-12 of US\$ 966.56 billion.

The sectors which registered a growth rate of over 5 percent are construction, trade, hotels, transport and communication, financing, insurance, real estate and business services, and community, social and personal services. There may be slow growth in the sectors of agriculture, forestry and fishing (1.8 percent), manufacturing (1.9 percent) and electricity, gas & water supply (4.9 percent). The growth in the mining and quarrying sector is estimated to be (0.4 percent)

Agriculture Sector

According to the Department of Agriculture and Cooperation (DAC), the agriculture, forestry and fishing sector are likely to show a growth of 1.8 percent in its GDP during 2012-13, as against the previous year's growth rate of 3.6 percent. Production of food grains is expected to decline by 2.8 percent as compared to growth of 5.2 percent in the previous agricultural year. The production of cotton and sugarcane is also expected to decline by 4.0 percent and 6.5 percent, respectively, in 2012-13. Among the horticultural crops, production of fruits and vegetables is expected to increase by 3.5 percent during the year 2012-13 as against 5.1 percent in the previous year.

Industry Sector

The manufacturing sector is likely to show a growth of 1.9 percent in GDP during 2012-13. According to the latest estimates available on the Index of Industrial Production (IIP), the index of manufacturing and electricity registered growth rates of 1.0 percent and 4.4 percent, respectively, during April-November, 2012-13, as compared to the growth rates of 4.2 percent and 9.5 percent in these sectors during April-November, 2011-12. The mining sector is likely to show a growth of 0.4 percent in 2012-13 as against a negative growth of 0.6 percent during 2011-12. The construction sector is likely to show a growth rate of 5.9 percent during 2012-13 as against a growth of 5.6 percent in the previous year. The key indicators of construction sector, namely, cement production and steel consumption have registered growth rates of 6.1 percent and 3.9 percent, respectively during April-December, 2012-13.

Services Sector

The estimated growth in GDP in the trade, hotels, transport and communication sectors during 2012-13 is placed at 5.2 percent as against growth of 7.0 percent in

the previous year. This is mainly on account of decline of 3.4 percent and 4.8 percent respectively in passengers and cargo handled in civil aviation and a decline of 3.1 percent in cargo handled at major seaports during April-November, 2012-13. There has been an increase of 4.3 percent in stock of telephone connections as on November 2012. The sales of commercial vehicles witnessed an increase of 0.74 percent in April-December 2012. The sector, financing, insurance, real estate and business services, are expected to show a growth rate of 8.6 percent during 2012-13, on account of 11.1 percent growth in aggregate deposits and 15.2 percent growth in bank credit as of December 2012 (against the respective growth rates of 17.2 percent and 16.0 percent in the corresponding period of previous year). The growth rate of community, social and personal services during 2012-13 is estimated to be 6.8 percent.

Recent Trends in Indian Economy

Indian economy is estimated to grow at 5 percent in 2012-13 as compared to the growth rate of 6.2 percent in 2011-12. These GDP figures are based at factor cost at constant (2004-05) prices for the year 2012-13. As per the given data Gross Domestic Product (GDP) at factor cost at constant (2004-05) prices in the year 2012-13 is likely to attain a level of US\$ 1013.63 billion, as against the GDP estimates for the year 2011-12 of US\$ 966.56 billion.

Growth in Gross Domestic Product

The Net National Income (NNI) at factor cost, also known as national income, at 2004-05 prices is likely to be US\$ 877.38 billion during 2012-13, as against the previous year's estimate of US\$ 842.42 billion. In terms of growth rates, the national income registered a growth rate of 4.2 percent in 2012-13 as against the previous year's growth rate of 6.1 percent.

Percentage changes for economic activities are depicted in the table below:

S.No.	Industry	Percentage change over previous year			
		At constant (2004-05 prices)		At current prices	
		2011-12	2012-13	2011-12	2012-13
1	Agriculture, forestry & fishing	3.6	1.8	12.2	12.1
2	Mining & quarrying	-0.6	0.4	2.5	11.7
3	Manufacturing	2.7	1.9	11.2	7.7
4	Electricity, gas & water supply	6.5	4.9	10.5	18.3
5	Construction	5.6	5.9	15.1	13.9
6	Trade, hotels, transport & communication	7.0	5.2	18.5	12.8
7	Financing, insurance, real estate & business services	11.7	8.6	18.7	17.3
8	Community, social & personal services	6.0	6.8	14.9	16.0
Total GDP		6.2	5.0	15.0	13.3

Source: Central Statistics Office (CSO), Ministry of Statistics & Programme Implementation, Government of India

The per capita income in real terms (at 2004-05 prices) during 2012-13 is likely to attain a level of US\$ 721.06 as compared to the estimate for the year 2011-12 of US\$ 700.851. The growth rate in per capita income is estimated at 2.9 percent during 2012-13, as against the previous year's estimate of 4.7 percent.

Agriculture

India is the first in the world in the production of milk, pulses, jute and jute-like fibres, second in rice, wheat, sugarcane, groundnut, vegetables, fruits and cotton production, and is a leading producer of spices and plantation crops as well as livestock, fisheries and poultry. In the past

few years Indian agriculture has done remarkably well in terms of output growth, despite weather and price shocks.

Indian agriculture is broadly a story of success. The Eleventh Five Year Plan (2007-12) witnessed an average annual growth of 3.6 percent in the Gross Domestic Product (GDP) from agriculture and allied sector against a target of 4.0 percent. While it may appear that the performance of the agriculture and allied sector has fallen short of the target, production has improved remarkably, growing twice as fast as population. India's agricultural exports are booming at a time when many other leading producers are experiencing difficulties. The better agricultural performance is a result of farmers' response to better prices; continued technology gains; and appropriate and timely policies coming together.

The rates of growth and share of agriculture and allied activities in the GDP of the country are given below

<i>(percent at 2004-05 prices)</i>				
S.No.	Item	2009-10	2010-11	2011-12
1	Growth in GDP in Agriculture & Allied Sector	0.8	7.9	3.6
	Share of Agriculture & allied sectors in total GDP	14.6	14.5	14.1
	Agriculture	12.3	12.3	12.0
	Forestry and logging	1.5	1.4	1.4
	Fishing	0.8	0.7	0.7
2	Share of agriculture & allied sectors in total Gross Capital Formation (GCF)	7.3	6.2	6.8
	Agriculture	6.7	5.6	6.2
	Forestry and logging	0.1	0.0	0.1
	Fishing	0.5	0.5	0.5
3	GCF in Agriculture and Allied sectors as percent to GDP of the sector	20.1	18.4	19.8
4	Employment in the agriculture sector as share of total workers	58.2		

Source : Central Statistics Office, Directorate of Economics & Statistics (Department of Agriculture and Cooperation.

Although agriculture, including allied activities, accounted for only 14.1 percent of the GDP at constant (2004-5) prices in 2011-12, its role in the country's economy is much bigger with its share in total employment continuing to be as high as 58.2 percent. The declining share of the agriculture and allied sector in the country's GDP is consistent with normal development trajectory of any economy, but fast agricultural growth remains vital for jobs, incomes and the food security. The growth target for agriculture in the Twelfth Five Year Plan remains at 4 percent, as in the Eleventh Five Year Plan.

Industry and Infrastructure

Index of Industrial Production (IIP)
Data -January 2013

The base year of all India Index of Industrial Production (IIP) has been revised

by the Central Statistics Office (CSO) of the Ministry of Statistics and Programme Implementation from 1993-94 to 2004-05.

The growth in the industrial sector as per the Index of Industrial Production (IIP) data for the month of January 2013 stands at 181.8, which is 2.4 percent higher as compared to the level in the month of January 2012. The cumulative growth for the period April-January 2012-13 over the corresponding period of the previous year stands at 1.0 percent.

The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of January 2013 stand at 134.0, 193.7 and 160.7 respectively, with the corresponding growth rates of (-) 2.9 percent, 2.7 percent and 6.4 percent as compared to January 2013. The cumulative growth in the three sectors during April-January 2012-13 over the corresponding period of 2011-12 has been (-) 1.9 percent, 0.9 percent and 4.7 percent respectively.

In terms of industries, the manufacturing sector has shown positive growth during the month of January 2013 as compared to the corresponding month of the previous year. The industry group electrical machinery and apparatus has shown the highest positive growth of 46.7 percent, followed by 19.8 percent in tobacco products and 18.1 percent in wearing apparel; dressing and dyeing of fur.

Index of Industrial Production (IIP) Growth for the month of January 2013

Index of Industrial production-Sectoral				
<i>(Base : 2004-05=100)</i>				
<i>(all figures are in percent)</i>				
	IIP	Mining	Manufacturing	Electricity
Weight (in percent)	100.00	14.16	75.53	10.32
Month				
January 2013	2.4	-2.9	2.7	6.4
Apr-Jan 2012-13	1.0	-1.9	0.9	4.7
January 2012	1.0	-2.1	1.1	3.2
Apr-Jan 2011-12	3.4	-2.5	3.7	8.8

Source: Central Statistics Office (CSO)

Agriculture, Industries, Export-Import, GDP

Index of Industrial production-Use based classification						
<i>(Base : 2004-05=100)</i>						
<i>(all figures are in percent)</i>						
	Basic Goods	Capital Goods	Intermediate Goods	Consumer Goods	Consumer Durables	Consumer Non-Durables
Weight (in percent)	45.68	8.83	15.69	29.81	8.46	21.35
Month						
January 2013	3.4	-1.8	2.0	2.8	-0.9	5.3
Apr-Jan 2012-13	2.8	-9.3	1.7	2.7	3.2	2.3
January 2012	1.9	-2.7	-2.5	2.5	-7.5	10.6
Apr-Jan 2011-12	5.8	-2.9	-0.8	5.4	3.7	6.6

Source: Central Statistics Office (CSO)

As per Use-based classification, the growth rates in January 2013 over January

2012 are 3.4 percent on Basic goods, (-) 1.8 percent of capital goods and 2.0 percent in Intermediate goods. The consumer durables and consumer non-durables have recorded growth of (-) 0.9 percent and 5.3

percent, respectively, with the overall growth in consumer goods being 2.8 percent. Some of the important items showing high positive growth during the current month over the same month in previous years include leather garments (73.0 percent), antibiotics and its preparations (18.8 percent), vitamins (100.7 percent), carbon steel (25.3 percent), CR sheets (62.4 percent), pressure cooker (29.5 percent), air conditioner (room) (31.6 percent), conductor, aluminium (71.3 percent) and cable, rubber insulated (140.1 percent).

Export- Import Data

Exports

Exports during February, 2013 were 4.23 percent higher in Dollar terms than the level during February, 2012. Cumulative value of exports for the period April-February 2012-13 registered a negative growth of 4.03 percent in Dollar terms over the same period last year.

Imports

Imports during February, represented a growth of 2.65 percent in Dollar terms over the level of imports in February, 2012. The Cumulative value of imports for the period April-February, 2012-13 registered a growth of 0.25 percent in Dollar terms over the same period last year.

Crude Oil and Non-Oil Imports

Oil imports during February, 2013 was 15.45 percent higher than oil imports valued in the corresponding period last year. Oil imports during April-February, 2012-13 were valued 11.92 percent higher than the oil imports in the corresponding period last year.

Non-oil imports during February, 2013 were 3.57 percent lower than non-oil imports in February, 2012. Non-oil imports during April - February, 2012-13 were 5.03 percent lower than the level of such

imports valued in April - February, 2011-12.

Exports and Imports

	February (2013)	Apr-Feb (2012-13)
Export		
% Growth 2012- 13/2011-12	4.23	-4.03
Import		
% Growth 2012- 13/2011-12	2.65	0.25

Source: Department of Commerce and Industry

Conclusion

The Indian economy is developing day by day with a steady upward direction, the key sectors in the economy such as Agriculture, Industry, Infrastructure, Export-Import are playing major role in the countries development. In Exports during February, 2013 were 4.23 percent higher in Dollar terms than the level during February, 2012. Cumulative value of exports for the period April-February 2012-13 registered a negative growth of 4.03 percent in Dollar terms over the same period last year. The Industries and Infrastructure data for the month of January 2013 stands at 181.8, which is 2.4 percent higher as compared to the level in the month of January 2012. The cumulative growth for the period April-January 2012-13 over the corresponding period of the previous year stands at 1.0 percent. Compared to previous year statistical data now the economy growth percentage is moving higher in all the sectors. Population level is also one of the back bones of the country. Which should be directed towards positive production side gives more benefit to the country.

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Analysis of Thrift Savings Operations of Kudumbashree Project for Empowering Women

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Abstract

The economic development of any economy should be reflected in the standard of living of the rural people. Women and children are the vulnerable group among the rural masses. The first Prime Minister of India Shri. Jawaharlal Nehru rightly identified the need and necessity of developing the women because the any development among the women will be reflected in the family. Kudumbashree project is one of the noble projects initiated in the State of Kerala to eradicate poverty from among the women through implementation of plans from the grass root level. The scattered savings from the vulnerable groups will realize the significance of women empowerment. Present paper is an attempt in this direction to identify the role of below poverty level (BPL) women based organization in mobilizing the petty savings

Key Words: *internal of lending, weekly savings rate, self help groups*

1. Introduction

"If you want to awaken country first awake women. If a woman is awakened a family is awakened and a family is awakened, a village is awakened thereby entire country is awakened"

-Jawaharlal Nehru

Poverty is the main hindrance to human progress and prosperity. Right from independence, rural development and poverty alleviation have been considered as major challenges to our country. Though the Central Government and the State Governments have implemented well-conceived anti-poverty programmes, most of them did not succeed to bring about the desired results. The centrally planned, rigid,

individual oriented poverty eradication programmes of the past could not give opportunity for the involvement and commitment of the poor. Under these programmes poor are viewed only as resource less 'receivers of benefits'. Later on it was realized by the Government and Development Agencies that a "Top Down" approach is not having significant impact in defeating poverty. As a result a new

approach ie. 'Bottom Up' is advocated. It is one in which the poor themselves design and implement development initiatives required for them. In the context of designing such programmes for the poor, micro finance is recognized and accepted as one of the new development paradigms for alleviating poverty through social and economic empowerment, with special emphasis on empowering the women. Micro finance self help groups are identified as powerful institutions for alleviating rural poverty and empowering the rural women. The empowerment of women through self-help groups would benefit themselves and also their families and community as a whole through collective action for development. Kerala has successfully aimed at a holistic approach to poverty reduction through its Kudumbashree programme, which aims at reaching out to needy families through women and reaching out to the community through families. Kudumbashree project is in the forefront in Kerala in building and nurturing the largest number of womens' self help groups across its length and breadth.

Kudumbashree that launched in Kerala during 1998-99 as an innovative poverty reduction experiment has accomplished its mission to extend the activities throughout the state by the year 2002-03. The programme has been scaled up to the entire rural areas of the State in three phases between 2000-2001 and 2002-2003. Kudumbashree, the participatory poverty reduction approach, has its focus on building organizations of the poor under the leadership of the Local Self Governments (LSGs). The three tier community based organizations of Kudumbashree project is an effective platform for converging various anti-poverty programmes of the State of Kerala.

II. The Research Problem

Women constitute more than one half of the population in the State of Kerala and

majority of them are living in poverty. To improve the living conditions of the women, it is mandatory to have their active involvement in the formulation and implementation of the projects both as contributors and beneficiaries. Kudumbashree project aims to achieve poverty alleviation and women empowerment through self-help groups that facilitates women participation in both of the above arenas. The project initiate different activities to achieve the objective. Micro finance operations and micro enterprises are the most significant among them. The Government take initiative in monitoring the functioning of the NHGs by setting District Mission Offices under the State Poverty Eradication Mission. As a result of this, the number of NHGs continued to mushroom in the state over the last decade. However the project that promotes the upliftment of the poor women can be sustained only if the NHGs function in conformity with the guidelines of the Kudumbashree Mission. This paper is an attempt to examine the thrift savings operations carried out by the NHGs for the empowerment of its members.

III. Significance of the Study

Kudumbashree project is a poverty alleviation programme initiated by the Government for the welfare of female. This self-help initiative, with strong backing of local governments, aims the empowerment of poor women in different dimensions viz. social, political and economical. The project considers the poor women as agents of development rather than objects of development. There have been constant efforts from the Government over a period of one decade to promote self-help groups as a vehicle for women empowerment and poverty alleviation. In spite of the rapid growth of women self help groups under the aegis of Kudumbashree, the full potential of these groups remains untapped. The paper will throw light to examine the role of Kudumbashree self-help

groups in promoting the overall advancement of its members.

ordinary members and one office bearer, per sample NHG were selected at random.

1V. Objectives of the Paper

To examine the pattern of volume of thrift savings, weekly thrift rate default in contribution of thrift and withdrawal of savings among the Neighborhood groups.

V. Hypotheses

1. Ho: There is no difference in the volume of thrift savings among the NHGs with respect to their age, size and districts of the NHGs.
2. Ho. There is no difference in the withdrawal of the thrift with respect to age and districts of the NHGs

V1. Methodology

A multi stage random sample technique was adopted. For the purpose of the present paper the entire State of Kerala is divided into three regions. They are the Southern Region, Central region and Northern region. The Southern region consists of four districts of Trivandrum, Kollam, Pathanamthitta and Alappuzha. The Central region consists of the five districts of Kottayam, Idukki, Ernakulam, Thrissur and Palakkad. The Northern region consists of the five districts of Malappuram, Kozhikode, Wayanad, Kannur and Kasargode. From these three regions one district each, with the highest number of NHGs in the region concerned, was selected for the study. The sample districts are Thiruvananthapuram of Southern region, Palakkad of Central region and Kozhikode of Northern region. At the next stage, a sample of 100 NHGs was selected from each district on random base, which made the total sample NHGs 300. In the final stage, a complete list of members in the selected NHGs was obtained from its officials. Three members, consisting of two

V11. Results and Discussions

The NHGs act as the micro financial intermediaries to the poor households. They start with mobilizing savings initially and then widen their activities into lending and micro enterprise development. Thrift credit operations are considered to be the crucial activities of the NHGs and they are governed by the guidelines of the Kudumbashree Mission. The Mission monitors the functions through thrift operations of the NHGs. Mobilization of thrift is a major activity of the NHGs since their inception. A fixed amount as decided by the members is collected as thrift during the weekly group meetings. Consistent growth in thrift is a clear indication of the growing confidence of the members in. The thrift operations of the NHGs are analysed on the basis of the following five selected variables.

- a. Volume of thrift savings
- b. Weekly thrift rate
- c. Default in contribution of thrift
- d. Withdrawal of thrift.

The results of analysis of each variable is presented below.

a. Volume of Thrift Savings

The volume of thrift of NHGs depends on a number of factors like age of NHGs, size of membership, weekly saving rate, promptness in payment of thrift by members, status of NHGs in regard to withdrawal of savings by members etc. The cumulative savings of sample NHGs vary from Rs.15060 to Rs.162000 with a mean of Rs.40953. The mean cumulative savings of sample NHGs according to independent variables are depicted in Table 1

Table 1**Distribution of Mean Cumulative Thrift Savings of NHGs based on Independent Variables**

Independent Variables		Mean	SD	N	F	p
Age of NHGs	<2 yrs	13928	8255	48	21.44**	0.000
	2-4 yrs	38767	46678	124		
	Above 4 yrs	53206	29270	128		
Membershi p of NHGs	<15	24169	18578	46	6.01**	0.003
	15-20	42174	45562	167		
	Above 20	47485	25932	87		
District	Kozhikode	44622	22496	100	13.24**	0.000
	Palakkad	26163	16953	100		
	Thiruvananthapura m	52075	56919	100		

Source: Survey data

** : significant at 0.01 level

The age wise analysis indicates that the mean thrift balance, a major constituent of the NHG corpus, increases in accordance with the age of NHGs. It is an indication of the sustainability of financial health of the NHGs on the one hand and better financial management on the other. The mean cumulative thrift of less than 2 years old NHGs stood at Rs. 13928 as against Rs. 38767 and Rs. 53206 in case of NHGs with 2-4 years of age and more than 4 years of age respectively. The difference noticed in the mean cumulative thrift savings based on age of NHGs is found to be statistically significant at 1 per cent level(F value 21.44)

Based on the membership (size) wise analysis of NHGs also a progressive pattern of thrift balance was observed. Those NHGs with less than 15 members reported a cumulative mean savings of Rs.24619 while it was Rs. 42174 in the case of NHGs, with 15-20 members and Rs. 47485 in the case of NHGs with more than 20 members. It reveals that there is statistically significant difference in the mean cumulative thrift savings of the NHGs. (F value 6.01 at 1 % level of significance)

According to the district wise analysis, Thiruvananthapuram district stood first in regard to the cumulative thrift with Rs. 52075 followed by Kozhikkod district with Rs. 44622 and Palakkad with

Rs.26163. There is significant difference in the mean cumulative thrift savings of NHGs based on districts as the F value is 13.24 at 1 % level.

Therefore the first hypothesis that there is no significant difference in the thrift savings as regards age, membership and district of the NHGs is rejected.

b. Weekly Thrift Rate

Each Group, based on consensus, fixes the amount of weekly savings internally. It varies mainly with the socio-economic status of its members. However the initial weekly thrift rate fixed may not continue to be the same forever. Well-performed NHGs used to revise the rate upwards in conformity with the increased affordability of the members to save. Group dynamics may also contribute towards the revision of thrift rate upwards. The present rate varies from Rs.10 to Rs.30 with a mean rate of Rs. 12.7 while the initial rate varies from Rs.10 to Rs.25, with a mean of Rs.11.2. The mean present and initial weekly thrift rate of sample NHGs on the basis of independent variables are shown in Tables 2 and 3 respectively.

Table 2 Distribution of Present Weekly Mean Savings Rate

Independent variables		Mean	SD	N	F	p
Age of NHGs	<2 yrs	11.5	3.4	48	2.64	0.073
	2-4 yrs	12.3	4.1	124		
	Above 4 yrs	13.4	7.1	128		
Membership in NHGs	<15	12.7	4.6	46	0.06	0.945
	15-20	12.6	4.2	167		
	Above 20	12.8	7.8	87		
District	Kozhikode	13.0	7.5	100	0.94	0.393
	Palakkad	12.1	4.0	100		
	Thiruvananthapuram	13.0	4.4	100		

Source: Survey data

According to the age wise analysis NHGs with more than 4 years of age rank top in regard to the present weekly saving rate while NHGs with less than 2 years of age stood at the bottom. The weekly saving rates of these two categories are Rs. 13.4 and 11.5 respectively. NHGs of 2-4 years old reported a present saving rate of Rs.12.3. The size wise analysis indicates nearly identical present weekly mean saving rates among the different categories of NHGs.

Those NHGs with more than 20 members reported the highest rate of Rs. 12.8, those with less than 15 members reported the next highest rate of Rs.12.7 and the other category with 15-20 members, the lowest rate of Rs. 12.6. As regards the district wise analysis it was found that both Kozhikode and Thiruvananthapuram districts registered an identical present weekly mean savings rate of Rs.13, while Palakkad district reported Rs. 12.1

Table 3 Distribution of Initial Weekly Mean Savings Rate

Independent Variables		Mean	SD	N	F	p
Age of NHGs	<2 yrs	10.9	2.9	48	0.52	0.597
	2-4 yrs	10.9	2.7	124		
	Above 4 yrs	11.5	6.4	128		
Membership in NHGs	<15	11.4	3.6	46	1.92	0.149
	15-20	10.7	2.3	167		
	Above 20	11.9	7.6	87		
District	Kozhikode	11.5	7.0	100	0.67	0.512
	Palakkad	10.8	2.7	100		
	Thiruvananthapuram	11.3	3.0	100		

Source: Survey data

Age wise analysis indicates no difference in the mean initial weekly savings of less than 2 years old NHGs and 2-4 years old NHGs. Both these categories registered an initial savings rate of Rs.10.9 as against Rs.11.5 in the case of more than 4 years old NHGs. As regards the size wise analysis NHGs with more than 20 members have the highest mean initial weekly

savings rate of Rs.11.9 while those with 15-20 members have the lowest of Rs.10.7. The other category with less than 15 members lie in between the two with Rs.11.4. Among the different districts, Kozhikkod registered the highest initial mean weekly savings of Rs.11.5 followed by Thiruvananthapuram district with Rs. 11.3 and Palakkad district with Rs. 10.8. The difference as regards the

mean initial weekly rate of savings is not significant based on the variables.

c. Default in Contribution of Thrift

Regularity in savings is a pre requisite for the functioning, survival and growth of NHGs. Healthy accrual of savings facilitates availability of funds for internal lending, which in turn contributes to the

group earnings. Kudumbashree Mission monitors the NHGs for achieving better saving performance. The status of NHGs in regard to presence of arrear of thrift savings classified on the basis of independent variables are shown in the following table.

Table 4 Distribution of Presence of arrear of thrift savings

Independent	Variables	Yes	No	c ²
	Total	154 (51.3)	146 (48.7)	
Age of NHGs	<2 yrs	20 (41.7)	28 (58.3)	2.19
	2-4 yrs	65 (52.4)	59 (47.6)	
	Above 4 yrs	69 (53.9)	59 (46.1)	
Membership in NHGs	<15	25 (54.3)	21 (45.7)	3.45
	15-20	78 (46.7)	89 (53.3)	
	Above 20	51 (58.6)	36 (41.4)	
District	Kozhikode	55 (55)	45 (45)	4.19
	Palakkad	43 (43)	57 (57)	
	Thiruvananthapuram	56 (56)	44 (44)	

Source: Survey data

Note: Figures in Parenthesis indicate percentage to total.

The above table highlights the presence of thrift arrear in 51.3 per cent of the sample NHGs, while in the remaining 48.7 per cent this unhealthy situation is found to be absent.

Age-wise analysis indicates that the majority of the more than 4 years old NHGs (53.9 per cent) and 2-4 years old NHGs (52.4 per cent) are facing the problem of thrift arrear while the corresponding percentage in the case of less than 2 years old NHGs stood at 41.7 per cent. Among the NHGs with different sizes, those with 15-20 members are found to be relatively prompt in the timely mobilization of thrift. More than fifty three per cent of this category

reported no thrift arrear as against 45.7 per cent of the NHGs with less than 15 members and 41.4 per cent of the NHGs with more than 20 members. According to the district wise analysis, Palakkad had better performance in the timely collection of weekly thrift. Fifty seven per cent NHGs in Palakkad district have no thrift arrear while the corresponding percentages in Kozhikkode and Thiruvananthapuram districts are found to be 45 per cent and 44 per cent respectively..

Chi-square test, however, does not reveal any significant differences in the arrear of thrift savings on the basis of the dependant variables.

To get a clear picture of default in payment of weekly thrift, it was further analyzed in terms of mean number of defaulters and mean amount of thrift arrears.

The number of defaulters varies between 1 and 38 with a mean of 8.5. The mean numbers of defaulters of thrift savings classified according to dependent variables are shown in Table 5

c. (i) Mean number of defaulters of weekly thrift

Table 5 Average Number of Members in Default of Weekly Thrift Savings

Independent Variables		Mean	SD	N	F	p
Age of NHGs	<2 yrs	6.0	5.1	20	1.34	0.266
	2-4 yrs	8.5	9.9	65		
	Above 4 yrs	9.3	6.7	69		
Membership in NHGs	<15	7.6	3.8	25	2.76	0.067
	15-20	7.4	9.1	78		
	Above 20	10.7	7.7	51		
District	Kozhikode	9.7	7.4	55	1.76	0.175
	Palakkad	6.7	4.2	43		
	Thiruvananthapuram	8.7	10.6	56		

Source: Survey data

The table indicates that the default in payment of thrift savings in older NHGs is relatively higher in terms of average number of defaulters. On an average, 9.3 members in each of the NHGs of more than 4 years old were found to be in default as against 8.5 in the case of 2-4 years old NHGs and 6 in case of less than 2 years old NHGs.

Size wise analysis revealed no significant difference between the two categories of NHGs with less than 15 members and NHGs with 15-20 members in regard to mean numbers of defaulters of thrift savings. However the NHGs with more than 20 members highlighted a different picture. On an average, 10.7 members in each of the NHGs with more than 20 members were found to be irregular in

making thrift payments, while the corresponding figures in case of NHGs with less than 15 members and NHGs with 15-20 members are 7.6 and 7.4, respectively. Among the three districts, Palakkad district registered top in regard to the lowest mean number of defaulters of thrift payment, Thiruvananthapuram ranks the second and Kozhikode, the third.

c. (ii) Mean amount of thrift arrear

The thrift arrear varies from Rs.60 to Rs.19650 with a mean of Rs.2077.3 The average thrift arrear of NHGs classified according to independent variables are shown in Table 6

Table 6 Mean Arrear of Thrift Savings among NHGs based on Independent Variables

Independent Variables		Mean	SD	N	F	p
Age of NHGs	<2 yrs	464.0	591.8	20	3.42*	0.266
	2-4 yrs	1654.7	3040.8	65		
	Above 4 yrs	2943.0	5352.8	69		
Membership in NHGs	<15	3351.2	6093.6	25	2.81	0.067
	15-20	1342.2	2313.9	78		
	Above 20	2577.2	5026.5	51		

District	Kozhikode	2124.5	4337.1	55	3.37*	0.175
	Palakkad	828.1	1436.3	43		
	Thiruvananthapuram	2990.2	5127.2	56		

Source: Survey data

* : significant at 0.05 level

As per the age-wise analysis the highest mean thrift arrear (Rs.2943) has been reported by more than 4 years old NHGs and the lowest (Rs.464) by less than 2 years old NHGs. Those with 2-4 years of age lie in between the two with Rs.1654.7. The study makes it clear that there exists wider variations in the average amount of thrift arrear among the NHGs belonging to different age groups. (F-value 3.42 at 5 % level of significance)

According to the size-wise analysis NHGs with less than 15 members have registered the highest mean thrift arrear of Rs.3351.2 as against Rs.2577.2 and Rs. 1342.2 in the case of NHGs with more than 20 members and 15-20 members respectively. Among the three districts, average thrift arrear has been reported high in Thiruvananthapuram district (Rs.

2990.2) followed by Kozhikode (Rs.2124.5) and Palakkad (Rs.828.1).The difference noticed among the regions is found to be statistically significant at 5 % level.(F-value 3.37)

d. Withdrawal of thrift

The periodic withdrawal of thrift by members is a setback to the micro finance operations of NHGs.. The number of members who registered withdrawal of thrift savings and the amount withdrawn vary from NHG to NHG. Tables 7, 8 and 9 depict the status of NHGs with regard to withdrawal of thrift savings, mean number of members who have withdrawn the thrift savings and the mean amount withdrawn respectively

Table 7 Status of Withdrawal of Thrift Savings

Independent	Variables	Yes	No	c ²
	Total	241 (80.3)	59 (19.7)	
Age of NHGs	<2 yrs	21 (43.8)	27 (56.3)	51.18**
	2-4 yrs	103 (83.1)	21 (16.9)	
	Above 4 yrs	117 (91.4)	11 (8.6)	
Membership in NHGs	<15	36 (78.3)	10 (21.7)	0.22
	15-20	134 (80.2)	33 (19.8)	
	Above 20	71 (81.6)	16 (18.4)	
District	Kozhikode	92 (92)	8 (8)	13.71**
	Palakkad	72 (72)	28 (28)	
	Thiruvananthapuram	77 (77)	23 (23)	

Source: Survey data

Note: Figures in Parenthesis indicate percentage to total.

** : significant at 0.01 level

The above table clearly indicates that withdrawal of thrift has become a common phenomenon among the NHGs .Out of the total 300 sample NHGs, 80.3 percent has reported the withdrawal.

Age wise analysis indicates that the tendency of withdrawal of thrift is more common among the aged groups. 91.4 per cent of the more than 4 years old NHGs reported the withdrawal as against 83.1 per cent of the 2-4 years old NHGs and 43.8 per cent of the less than 2 years old NHGs. Only 8.6 per cent of the more than 4 years old NHGs do exist without withdrawal of thrift while it was 16.9 per cent and 56.3 per cent respectively of the 2-4 years old NHGs and less than 2 years old NHGs.Chi-square test confirms the differences to be statistically significant at 1 per cent level.

As per the size wise analysis, no wider variation was observed among the NHGs belonging to different categories with

regard to the withdrawal of thrift. Above 81 per cent of the NHGs with more than 20 members, 80.2 per cent of the NHGs with 15-20 members and 78.3 per cent of the NHGs with less than 15 members have withdrawn their thrift. Among the districts, Palakkad stood first in retaining the NHGs with non-withdrawal of thrift. It accounts for 28 per cent NHGs in the district as against 23 per cent in Thiruvananthapuram district and 8 percent in Kozhikode district. The remaining 72 per cent, 77 per cent and 92 per cent in the respective districts are found to exist as characterized by thrift withdrawal. The differences observed among the three regions are found to be statistically significant at 1 per cent level. Therefore the second hypothesis that there is no difference in the withdrawal of thrift savings by the members across age and districts of the NHGs is rejected.

Table 8 Average number of members showing withdrawal of Thrift Savings

Independent variables		Mean	SD	N	F	p
Age of NHGs	<2 yrs	2.8	4.2	21	17.14**	0.266
	2-4 yrs	6.5	6.6	103		
	Above 4 yrs	12.7	12.0	117		
Membershi p in NHGs	<15	8.6	7.2	36	10.38**	0.067
	15-20	7.1	7.2	134		
	Above 20	13.5	14.0	71		
District	Kozhikode	12.3	12.9	92	7.69**	0.175
	Palakkad	7.7	7.9	72		
	Thiruvanantha puram	6.8	6.7	77		

Source: Survey data

** : significant at 0.01 level

The age wise analysis indicates that the average number of members who have withdrawn thrift savings were exceptionally high in more than 4 years old NHGs. It was 12.7 as against 6.5 in the case of 2-4 years old NHGs and 2.8 in the case of less than 2 years old NHGs respectively. According to the size wise analysis, the highest mean number of members reported to have withdrawn thrift savings was seen in the case of NHGs with more than 20 members followed by those with less than

15 members and with 15-20 members. The respective numbers reported were found to be 13.5, 8.6 and 7.1.Among the districts, the average number of members as seen to have withdrawn the thrift savings was as high as 12.3 in Kozhikkod district, while it was 7.7 in Palakkad district and 6.8 in Thiruvananthapuram district.

It may also be observed that the diference in the average number of withdrwals of thrift savings according to

the independent variables is statistically significant at 1 %

Table 9 Distribution of Mean Amount of Thrift Savings withdrawn

Independent variables		Mean	SD	N	F	p
Age of NHGs	<2 yrs	1300	3622	21	19.7 **	0.00 0
	2-4 yrs	6955	9807	103		
	Above 4 yrs	19364	22410	117		
Membership in NHGs	<15	10183	12727	36	6.34 **	0.00 2
	15-20	9756	14728	134		
	Above 20	18808	24230	71		
District	Kozhikode	16891	21611	92	4.48 *	0.01 2
	Palakkad	9788	15518	72		
	Thiruvananthapuram	9749	15025	77		

Source: Survey data

** : significant at 0.01 level * : significant at 0.05 level

Age wise analysis depicts that the withdrawal of thrift was extremely high in case of more than 4 years old NHGs. The average withdrawal of this category was as high as Rs. 19364 while it was Rs. 6955 in case of 2-4 years old NHGs and Rs. 1300 in case of less than 2 years old NHGs. The size wise analysis shows that the mean thrift withdrawal was exceptionally high in the case of NHGs with more than 20 members (Rs. 18808) followed by NHGs with less than 15 members (Rs. 10183) and NHGs with 15-20 members (Rs. 9756). The age wise and size wise difference in the mean withdrawal of thrift from NHGs is found to be statistically significant at 1 % level.

Among the districts, Kozhikkode reported the highest thrift withdrawal while Thiruvananthapuram, the least. The average withdrawal was found to be Rs. 16891, Rs. 9788 and Rs. 9749 in the districts of Kozhikkode, Palakkad and Thiruvananthapuram respectively and the difference is found to be statistically significant at 5 % level (F-value 4.48)

V111. Conclusion

As regards the thrift operations, various parameters like volume of thrift savings, weekly thrift rate, default in contribution of thrift, withdrawal of thrift were analysed. The cumulative savings of the NHGs was

found to vary from Rs. 15060 to Rs. 162000 with a mean of Rs.40953. A direct relationship of age of NHGs and volume of thrift was noticed. Moreover, a positive relationship between membership size and volume of thrift was also found to exist. The volume of thrift increased in accordance with the age and membership size of NHGs. Weekly thrift rate, one of the major factors that influence the volume of thrift, has been examined. The periodic withdrawal of thrift was found to be a common practice particularly among the aged NHGs.

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Women Entrepreneurship and Women Empowerment: Link Relative Analysis with reference to the District of South 24 Parganas in West Bengal

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Abstract

The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. The number of women entrepreneurs has grown-up over a period of time, especially in the 1990s. Microfinance programs have significant potential for contributing to women's economic, social and political empowerment. Access to savings and credit can instigate or strengthen a series of interlinked and mutually reinforcing 'virtuous spirals' of empowerment. Women constitute 70 per cent of the world's 1.3 billion absolute poor and the very young (girl children) and old (old women) are more vulnerable to poverty.

Given this backdrop the objective of the paper is to examine the two basic research questions.

- 1. First, to study how a woman's tendency to invest in safer investment projects can be linked to her desire to raise her bargaining position in the households.*
- 2. Second, in addition to the project choice, women empowerment is examined with respect to control of savings, control of income, control over loans, control over purchasing capacity and family planning in some sample households in the district of South 24 Parganas of West Bengal.*

Key Words: women entrepreneurs, empowerment, national economy, Microfinance, economic empowerment, social empowerment, political empowerment, virtuous spirals, bargaining power.

JEL Classification : CE8, JL12.

1.0. Backdrop

The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. The number of women entrepreneurs has grown-up over a period of time, especially in the 1990s. Microfinance programs have significant potential for contributing to women's economic, social and political empowerment. Access to savings and credit

can instigate or strengthen a series of interlinked and mutually reinforcing 'virtuous spirals' of empowerment.

Women constitute 70 per cent of the world's 1.3 billion absolute poor and the very young (girl children) and old (old women) are more vulnerable to poverty. Women dominate in those occupations with low pay and are least protected. There is an increase in vulnerable types of work: house

work/domestic work, migration etc. Women are increasingly migrating, both legally and illegally, for employment. Female migrant workers are among the most vulnerable to exploitation and abuse. The international trafficking of women and children (boys and girls) is one of the most serious and fastest growing problems today. In developing countries women work mainly in the informal sector and home-based work. Globally, women earn 20-30 per cent less than men. Women have less access than men to investments in skills, knowledge and lifelong learning. In a world increasingly dominated by information and communication technology, gender inequalities lead to new forms of social exclusion. (Lotta Nycander, Chief Technical Advisor, ILO, Dhaka, 2009).

Thinking about gender inequality against women and too much injustice to women who are nearly half of Indian population the Constitution of India not only grants equality to women but also empowers the State to adopt measures of positive discrimination in favour of women. The principle of gender equality is enshrined in the Indian Constitution in its preamble, Fundamental Rights, Fundamental Duties and Directive Principles.

2.0. Objectives of the Present Study

Given this backdrop the objective of the paper is to examine the two basic research questions.

1. First, to attempt to study how a woman's tendency to invest in safer investment projects can be linked to her desire to

raise her bargaining position in the households.

2. Secondly, socio-economic background of women entrepreneurs in the district of South 24 Parganas is to be identified. The socio-economic variables chosen for the study are education, age, father's / husband's occupation, family income, marital status, etc.
3. Nature of business of Women entrepreneurs is to be analyzed. Recently some entrepreneurs have shifted from traditional items like knitting, tailoring to non-traditional items involving sophisticated technology.
4. Effectiveness of services provided by Government, banks and other organizations relating to entrepreneurship development programmes is to be assessed.
5. Finally, we propose to find out the ways and means to have a healthy growth of small entrepreneurs in West Bengal, particularly in the District of South 24 Parganas in the light of the models that may be prescribed for the application in the specific situations.

3.0. Literature Review

To understand the change women undergo in becoming empowered we look at two sets of literature: behavior change and women's empowerment. In the first set of literature we review what leads to successful change, and in the second set of literature we review what is understood as empowerment for women.

Author/Authors	Title	Source/s	Methodology	Findings at a Glance
<i>FIRST SET OF LITERATURE</i>				
Ishita Mukherjee Sr. & Suvarna Sen ¹	The Changing Status of Women in India - The Challenges Ahead, 2006	ssrn.com	It throws light on the various aspects of gender related issues by examining the trends in women's employment,	In India, the challenges faced by women in dealing with issues relating to their deprivation, are

¹ Ishita Mukherjee Sr. , Suvarna Sen¹, The Changing Status of Women in India - The Challenges Ahead, 2006

			wages, literacy and school enrollment. This is followed by an analysis of the trends in women's health and participation in political decision making process.	manifold.
Susan M. Davis ²	Social Entrepreneurship: Towards an Entrepreneurial Culture for Social and Economic Development, 2002	ssrn.com	We have learnt significant lessons about how to foster an entrepreneurial culture globally that encourages and supports people,	Five of these lessons stand out with a particular emphasis on the fifth.
SECOND SET OF LITERATURE				
M. Pitt, Shahidur R. Khandker and Jennifer Cartwright ³ ,	Does Micro-Credit Empower women? Evidence from Bangladesh	<i>World Bank Policy Research Working Paper No. 2998 March 2003</i>	Examine the effects of men's and women's participation in group-based micro-credit programs on a large set of qualitative responses to questions that characterize women's autonomy and gender relations.	The results are consistent with the view that women's participation in micro-credit programs helps to increase women's empowerment.
Mohammad Shamsuddoha ⁴	¹ , <i>Micro Credit Program of Selected NGOs: An Empirical Study on Rural women of Comilla District in Bangladesh,</i>	<i>University of Chittagong February 10, 2009</i>	Both NGO's and Government have taken different entrepreneurial program for rural women development for their empowerment and alleviating poverty level.	The study has evaluated the entrepreneurial program of well-known NGO's like BRAC and Grameen and traced the problem facing the selected women entrepreneurs.

² Susan M. Davis², Social Entrepreneurship: Towards an Entrepreneurial Culture for Social and Economic Development, 2002

³ Mark M. Pitt, Shahidur R. Khandker and Jennifer Cartwright³, Does Micro-Credit Empower women? Evidence from Bangladesh, World Bank Policy Research Working Paper No. 2998 March 2003,

⁴ Mohammad Shamsuddoha⁴, Micro Credit Program of Selected NGOs: An Empirical Study on Rural women of Comilla District in Bangladesh, University of Chittagong February 10, 2009

4.0. IDENTIFYING THE ULTIMATE VACUUM

After having a minute details of the available literatures and also after going through the types of analyses made on the literatures, we came to a specific conclusion that no such in-depth study had been made with respect to the district of south 24 Parganas or the greater Kolkata, which could put stress on the women empowerment on the basis of women entrepreneurship in the state of West Bengal, India.

5.0. Methodology of the Present Study

A systematic study in any branch of social science needs a pre-determined and well thought out methodology, surely to find out the truth. It helps a researcher to collect necessary information analyze the data and interpret the findings. There are, in fact, a number of methods that may be applied for the purpose of a research work. Of these methods, I have used the descriptive research or exploratory research method, with which, specific techniques like the observation and the interview techniques, are the important ones.

5.1. Methods used in the Study

In my study, I have combined three techniques – the interview method, the observation method and the literature review method. Our investigation for the purpose of the present study is likely to be directed towards collecting necessary data through face to face interview of the women entrepreneurs. Therefore, the interview method has been adopted to collect necessary information relating to socio-economic condition, problems faced by the respondents, factors responsible for success or failure of women entrepreneurs. Accordingly, we have taken interview of 100 women entrepreneurs who are engaged in different types of entrepreneurial activities in the districts of South 24 Parganas of West Bengal.

5.2. Nature of Data Collected

For the purpose of my study, both the primary and the secondary data have been used. The primary data have been collected by direct interview method using a pre-designed interview schedule. For secondary data text books, research articles, government policies and strategies regarding women entrepreneurship development have been used in order to present the fact and findings in the logical format.

5.3. Selection of the Study Area

The main reasons for selecting the district of South 24 Parganas for case study are the easy access of the researcher to the sample respondents in this district and the problem of time and resources provided to an individual researcher. Another important reason for selecting the district of South 24 Parganas is that some area of it is falling within the greater Kolkata, which is the capital of West Bengal and principal business center of West Bengal and eastern region in India. Moreover, number of educated women is, perhaps, maximum in this district and they are coming out from kitchen to participate in the entrepreneurial activities to all spheres including advanced technology like electronics, engineering etc. Again a good number of women entrepreneurs come daily from the neighbouring districts to Kolkata and engage themselves in entrepreneurial activities. Not only that, what Kolkata thinks today, the rest of West Bengal thinks tomorrow. As a result we think that the study has been made more representatives by selecting the South 24 Parganas and Greater Kolkata district as the study area for our case study purpose.

5.4. Sample Size for the Study

The district of South 24 Parganas comprises of five subdivisions: Baruipur, Canning, Diamond Harbour, Kakdwip and Alipore Sadar. Alipore is the district headquarters. There are 33 police stations, 29 development blocks, 7 municipalities and 312 gram panchayats in this district. Other than municipality area, each subdivision contains community development blocks which in turn are divided into rural areas and census towns. In total there are 21 urban units: 7 municipalities and 14 census towns. In Alipore Sadar subdivision, there are three municipalities: Budge Budge, Pujali and Maheshtala. I selected 3 municipalities and 10 gram panchayats in Alipore Sadar

Subdivisions, due to paucity of time. We have selected 8 women entrepreneurs from each of these municipalities and gram panchayats by systematic random sampling procedure in order to avoid any bias in our sample selection process. Thus altogether 104 women entrepreneurs have been interviewed with the help of structured questionnaire, of

6.0. Detailed Analysis

6.1. Age of the Sample Entrepreneurs

Entrepreneur’s age is one of the important factors towards adopting such a risky venture. If an individual enters into entrepreneurship at an early stage she would

Table 1 : Age Range of Women Entrepreneurs at the time of Starting their Ventures

Age Range	Number
Below 20	02
21-30 years	22
31-40 years	58
Above 40 years	18
Total	100
<i>Source : Field Survey</i>	

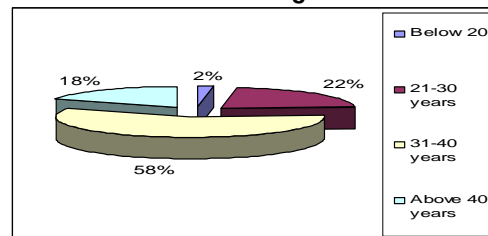
It is depicted from the above table that the highest number of entry into entrepreneurship is within the age group of 31-40 years (58%). Next comes the age group of 21-30 years (22%). Third position is the age group of above 40 years (18 per cent). It is interesting to note that the middle-aged women may be deprived or well-established in their family life, are coming to this entrepreneurship.

which 4 were rejected due to incomplete filling up or omission of signature on them.

5.5. Tools for Analysis

Only simple statistical tools like charts and diagrams, percentages, proportions and frequency distributions are used for simplification of the analysis.

certainly get more time to develop her enterprise than the aged entrant. The spirit and enthusiasm are also assumed to be higher of early age entrant than the aged entrant. A picture of the age-wise distribution of sample entrepreneurs is shown through the Table 1:



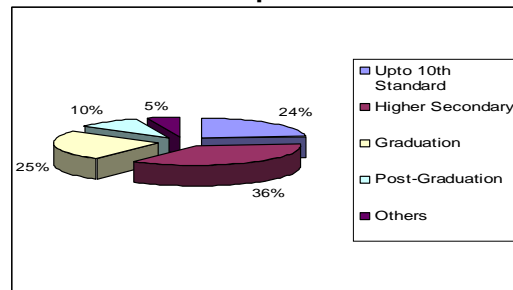
6.2. Educational Qualifications of the Sample Entrepreneur

As we know that education is considered to be an important factor for the development of an individual, especially in building one’s professional career. Education enables a man or Woman to acquire desired knowledge and skill for exploring the future possibilities of individual growth, for establishing business units and for communicating diversified knowledge in different fields.

Table 2 : Educational Qualifications of the Women Entrepreneurs

Types of Qualification	Number
Upto 10 th Standard	24
Higher Secondary	36
Graduation	25
Post-Graduation	10
Others	05
Total	100
<i>Source : Field Survey</i>	

It is observed from the above table that, out of 100 entrepreneurs, 24 have been below 10th standard, 36 have passed upto H.S. level, 25 entrepreneurs have passed graduation and 10 entrepreneurs



are post-graduate. Thus, we have observed that majority of the entrepreneurs (i.e. 71%) have, a reasonable level of educational background.

6.3. Year of Entry into Entrepreneurship

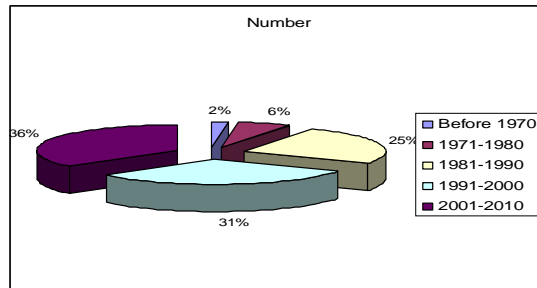
The year of entry into entrepreneurship focuses light on the scope of participation of the entrepreneurs because of the Government policy which

encourages participation of women in the mainstream of Indian economy. It helps us to identify the period in which most of the entrepreneurs established their business units and to find out the reasons behind it.

Table 3 : Entrepreneurial Units Established in Different Periods

Years of Establishment	Number
Before 1970	2
1971-1980	6
1981-1990	25
1991-2000	31
2001-2010	36
Total	100

Source : Field Survey



The above table shows that there exists a strong increasing trend of participation in the entrepreneurship by women during the last four decades. Among the 100 sample entrepreneurs only 2 started their venture before 1970, only 7 entrepreneurs started their venture during 1971-1980, but after 1981, a rapid growth in this trend is being observed. During the period 1981-1990 the number of new women entrepreneurs is 25, and 31 and 36

during 1991-2000 and 2001-2010 respectively.

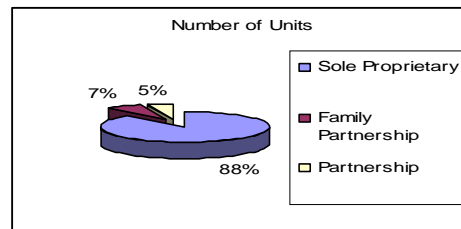
6.4. Ownership Pattern of the Sample Enterprises

For a successful business venture an entrepreneur will have to select the right type of ownership pattern. If the ownership policy is not suitably formulated then it may adversely affect the potential growth of an enterprise.

Table 4 : Entrepreneurial Units Established in Different Periods

Ownership Type	Number of Units
Sole Proprietary	88
Family Partnership	7
Partnership	5
Total	100

Source : Field Survey



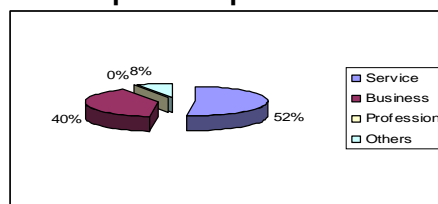
It is depicted from the above table that most of the units are sole proprietary forms of organizations. Only 12 units out of 100 units are either in the form of family partnership or only partnership. It may be observed from the above table that 88 units out of 100 follow the sole proprietary form of business organizations because formation of this type of organization is very simple and it is very popular form of ownership for small and tiny business and industry in India.

Occupational background of the father or husband of a woman acts as an important influencing factor in her entering into business. It is believed that daughter of a successful businessman or wife of an established businessman normally have the entrepreneurial quality. A good number of women entrepreneurs come from those families. Parents with business background perhaps train up their sons or daughters regarding business and self-reliance. Similarly, a married may get tips regarding the key of success in a business from her husband at the time of their normal conversation.

6.5. Occupational Background of the Sample Entrepreneurs

Table 5 : Father’s Occupation of the Sample Entrepreneurs-

Types of Castes	Number
Service	52
Business	40
Profession	00
Others	08
Total	100



It is revealed from the above table that 52 of 100 respondents have reported that their fathers' occupations are service, in 40 cases their fathers are manufacturing or trading business, in 8 cases their fathers are working in unorganized sector. In our case, highest number of women entrepreneurs comes from the families of service holders who are engaged in

Government, semi-Government or private services. Our observation reveals that young generation from service holder's family took part in the Entrepreneurship Development Programme (EDP) and after completing the course and being informed about business world they selected the entrepreneurship as an occupation.

Table 6 : Occupational Status of Husband of Married Women Entrepreneurs

Occupation of Husband	No. of Entrepreneurs	Percentage	Occupation of Husband	No. of Entrepreneurs	Percentage
Business	34	47	Others	13	17
Service	23	32	Total	73	100
Doctor/Lawyer	3	4	<i>Source : Field Survey</i>		
Cultivation	0	0			

The above table shows that 46 percent married women entrepreneurs' husbands are engaged in business, 31 percent came from the family where their husbands are in service, only 4 percent entrepreneurs' husbands are either doctor

or lawyer and 17 percent came from families where their husbands are engaged in other profession. It is observed from the table that not only the businessmen but also the service holders either encourage or allow their wives to do business.

6.6. Marital Status of Women Entrepreneurs

We know that marriage plays an important role in a woman's life. In our society two or three decades ago most of the families were conservative. Though the male dominated family sends women

before marriage to schools or colleges but after marriage women were not allowed to go outside alone. But the social picture has been changing. Married women are allowed to go everywhere – for education, for service even for doing business.

Table 7 : Marital Status of Women Entrepreneurs

Types of Marital Status	Number
Married	73
Unmarried	27
Total	100
<i>Source : Field Survey</i>	

The above table depicts that most of the women entrepreneurs are married. Only 27 percent are unmarried. Our field

study reveals that unmarried women are willing to continue to run the same enterprise after marriage if situation

permits. So, at present, in our society there is no reservation, at least in maximum families' husbands to allow their wives to

be self-employed and to find their own world.

6.7. Sources of Knowledge about Entrepreneurship

Before getting involved in entrepreneurship it is expected that one would be well-acquainted with the business world. At present, the prospective entrepreneurs have the opportunity to

acquire knowledge about the business world through different sources of information. During the field study we have collected necessary information about the source of knowledge on entrepreneurship from the sample entrepreneurs.

Table 8 : Sources of Knowledge about Entrepreneurship

Sources of Knowledge	Number of Entrepreneurs
Through Formal Education	20
Through Participation in EDP	25
Through Family Business	35
Through Friends or Relatives	20
Total	100
<i>Source : Field Survey</i>	

The above table shows that 35 per cent women entrepreneurs acquired knowledge on entrepreneurship through family business, 25 percent women acquired knowledge through participation in the Entrepreneurship Development Programme (EDP) and the rest 40 per cent women acquired knowledge either from friends and relatives or formal education. It is observed from the above table that all the women entrepreneurs acquired knowledge about their proposed entrepreneurship beforehand about getting themselves involved in the entrepreneurial activities. Maximum number of women acquired the knowledge from their family business.

6.8. Origin of the Sample Entrepreneurs

General inherent character of most of the people is to settle at places where they will be able to get better scope for maintaining their livelihood. They may face some natural obstacles which may be considered to be the deciding factors for permanent settlement in a particular place. On the other hand they may enjoy some favourable benefits that encourage the prospective entrepreneurs to settle in that particular place. The following table shows the origin of the entrepreneurs.

Table 9 : Origin of Entrepreneurs

Origin	Number of Entrepreneurs
Original Inhabitants	25
Migrated from other Districts	52
Migrated from other states	1
Daily commuters from other districts	22
Total	100
<i>Source : Field Survey</i>	

It is observed from the above table that out of 100 entrepreneurs only 25 entrepreneurs are original inhabitants of Kolkata, 52 entrepreneurs migrated from other districts, 1 entrepreneur migrated from other districts of West Bengal to settle their livelihood in Kolkata. A section of women entrepreneurs (22%) come to Kolkata and greater Kolkata daily to sell their goods (mainly cut-flower, vegetable, fish, green coconut, banana and other fruits, that are purchased from the nearby districts of Kolkata) and return to their native village daily.

6.9. Sources of Capital of the Sample Entrepreneurs

We know that Government has been trying to provide financial support to women to establish new enterprise through different self-employment schemes. But in spite of that little progress has been observed, at least, in our study. As always, the success of any project is possible only when adequate amount of finance is provided there. But most of the existing women entrepreneurs have been suffering from insufficient supply of finance.

Table 10 : Sources of Capital of the Entrepreneurs before starting their units

Sources of Capital	Number of Entrepreneurs
Contribution from own savings	12
Contribution by the family members	20
Own Contribution and family contribution	43
Borrowing from Bank	05
Family contribution and Borrowing from Bank	20
Total	100
<i>Source : Field Survey</i>	

It is revealed from the above table that at the time of starting their enterprises women entrepreneurs contribute capital from own savings and family contribution in 43 per cent cases. In 20 per cent cases, they started their units taking capital from their own family and again in 20 per cent cases the members of family contributed capital and bank supplied loan to the women entrepreneurs. 12 per cent entrepreneurs started their venture with their own savings from previous profession. It appears, therefore, that out of 100 entrepreneurs 75 entrepreneurs have procured their required capital from their own family. Most of the women entrepreneurs failed to take the advantage of taking loan from bank because they have

no permanent shops, and some of them come regularly from the neighbouring districts.

6.10. Volume of Capital of the Sample Entrepreneurs

The volume of capital is one of the criteria of size of an enterprise. Every entrepreneur needs capital for starting an enterprise. If an entrepreneur is able to collect large volume of capital then her business unit may be large. Entrepreneurs procured capital from different sources which have been discussed earlier. Now, we will analyse how much capital have been invested by the sample entrepreneurs.

Table 11 : Classification of Entrepreneurs According to Volume of Capital

Volume of Capital (Rs.)	Number of Entrepreneurs
Upto 25,000	48

25,000 – 50,000	13
50,000 – 1,00,000	16
1,00,000 – 2,00,000	11
2,00,000 – 5,00,000	12
Total	100
<i>Source : Field Survey</i>	

It is revealed from the above table that nearly half of the entrepreneurs have been able to invest capital in their units upto Rs.25,000. 13 entrepreneurs out of 100 entrepreneurs invested capital between Rs.25,000 to Rs.50,000 and 16 entrepreneurs invested capital between Rs.50,000 to Rs.1,00,000. Very few entrepreneurs have been able to invest capital above Rs.1,00,000. Only 11 entrepreneurs invested capital between Rs.1,00,000 to Rs.2,00,000. Again 12 entrepreneurs invested capital between Rs.2,00,000 to Rs.5,00,000.

6.11. Profit Margin of the Sample Entrepreneurs

Table 13 : Average Profit Margin on Sales of the Sample Entrepreneurs

Average Profit Margin on Sales	Number of Entrepreneurs
Upto 20%	60
20%-30%	18
30%-40%	12
40%-50%	6
Above 50%	3
Negative Profit	1
Total	100
<i>Source : Field Survey</i>	

It is revealed from the above table that out of 100 units, 60 units have an average profit margin on sales up to 20 per cent, 18 units have a profit margin of 20 to 30 per cent on their total sales. There are only 6 units which have a profit margin of to 50 per cent, and 3 units have a profit margin of more than 50 per cent. In our study it is observed that one unit has a

6.12. Women Entrepreneurs' Contribution to the Family

The main object of starting a business enterprise is to earn profit. A business unit cannot run for a long time without earning profit. It is necessary for its survival and expansion. The volume as well as margin of profit in relation to sales or capital investment may be considered as the measuring tool to evaluate the efficiency of an entrepreneur. The profitability prospect of an enterprise depends upon different related factors. There exists a positive correlation between volume of sales and volume of profit. Average profit margin on sales of the sample entrepreneurs are show through the following table :

negative profit margin. It appears from the above table that most of the entrepreneurs run their business with low margin of profit (up to 20 per cent of sales). One of the reasons of low rate of profit in those units is that they have to face tough competition in the market. Only 21 per cent units earn 30 per cent or more profit margin.

In modern days both the men and women earn money for running their family

comfortably. But in most of the families male members are the only earning members and female members engage themselves to look after the family work. Women from poor families as well as

middle class families coming out at an increasing rate from the four walls of their families and set up entrepreneurship to earn profit and contribute that profit for running their families comfortably.

Table 14 : Women Entrepreneurs' Contribution to Total Income of their families

Percentage of Family's Income	Number of Entrepreneurs
Upto 25%	40
25%-50%	24
50%-75%	13
Above 75%	23
Total	100
<i>Source : Field Survey</i>	

It is observed from the above table that out of 100 sample women entrepreneurs 40 entrepreneurs contribute upto 25 per cent of the total income of their families, 24 entrepreneurs contribute 25 per cent to 50 per cent of the total income of their families. Women entrepreneurs are not only helping their husband or father by contributing some money for running their family but also it is observed from the above table that 36 women entrepreneurs out of 100 take the financial responsibility more than 50 per cent of their families' expenses. In few cases the women entrepreneurs are the only earning members of their families.

Area of sale or market coverage of an enterprise depends on some components like nature of commodity or service rendered by the enterprise, size of the enterprise, quality of the products, communication and infrastructure etc. Usually the entrepreneurs fix some target markets in which they expect to sell their products or services effectively. Those target markets may be local, regional, national or international. The dream of a successful woman entrepreneur is to find out an opportunity to enter into the international market through expansion of their enterprise. But it is not an easy task to enter into the foreign market. The following table shows the classification of entrepreneurship according to area of sale.

6.13. Area of Sale of the Sample Entrepreneurs

Table 16 : Classification of Entrepreneurship according to Area of Sales

Area of Sales	Number of Units
Local	70
Regional	17
National	9
International	4
Total	100
<i>Source : Field Survey</i>	

It is depicted from the above table that out of 100 sample entrepreneurs 70 entrepreneurs limited their activities in local area, 17 entrepreneurs expanded their activities in regional area. Only 9

entrepreneurs are able to sell their products in national level and 4 entrepreneurs get the opportunity to sell their products in foreign market. Efficient women entrepreneurs who product soft

dolls and toys are engaged in handicraft work like needle work, jute work, cane work, leather work are able to join the national and international market. Of

course, the quality of product, reasonable price and contact with foreign agency are the criteria to enter into foreign market.

6.14. Participation of Women Entrepreneurs in Entrepreneurship Development Programme (EDP)

Entrepreneurial development is a process by which participants are injected with motivational drives of achievement and insight to tackle uncertain and risky situations especially in business undertaking.

Entrepreneurship Development Programme (EDP) focuses on training, education, orientation and measures to be taken to set up and growth of an enterprise. EDP is designed to help a person in strengthening and fulfilling one's

entrepreneurial motive and to acquire appropriate skills and capabilities which are necessary to be a successful entrepreneur. EDP helps to make link suitable projects with each one, gives training for developing managerial and entrepreneurial capabilities, makes arrangement for counseling and provides required follow up support to help her/him in establishing the venture. It may be said the EDP is the valid substitute for business family where a member of that family can know everything about a business.

Table 17 : Entrepreneurs completed an Entrepreneurship Development Programme (EDP)

Particulars	Number of Entrepreneurs
Entrepreneurs completed EDP	40
Entrepreneurs not completed EDP	60
Total	100
<i>Source : Field Survey</i>	

The above table portrays that out of 100 entrepreneurs 40 entrepreneurs participated and completed EDP course. Most of the participants in the EDP course have no previous experience of entrepreneurship or have not come from business families. After obtaining the training and active support from that organization they were able to start their enterprise. Other 60 entrepreneurs who did not get any formal training from any institute set up their enterprise after gathering knowledge either from her family or relatives or friends or previous engagement in this type of activities. Most of the entrepreneurs who have not participated in the EDP course engaged themselves in the business like retail trade

of vegetable, fruit, rice, fish, cut flower, etc. It appears therefore, that majority (60 per cent) of the sample entrepreneurs has not undergone any entrepreneurship development course. This sort of aversion may signify that they are unwilling to take interest or did not find any reason to participate in the training course.

6.15. Motivating Factors Encouraged to Enter into Entrepreneurial Venture

There are of course, certain factors that motivate a person to take up entrepreneurial activities and make her a successful entrepreneur. The motivating factors may help the planner and supporting agencies to take future cause of action. In our study we have observed that six factors have been responsible for promoting an entrepreneurial venture.

There are several factors for starting an enterprise and accordingly at the time of filling up the interview schedule we gave the opportunity to choose more than one

factors that they thought encourage them to enter into entrepreneurial venture. The following table shows the motivating factors of the entrepreneurs.

Table 18 : Motivating Factors of the Entrepreneurs

Motivating Factors	Frequency	Motivating Factors	Frequency
Strong Desire	85	Parents' Assistance	45
Profitability of the Venture	80	Government Policies	25
Family Business	35	Total	100
Past Experience	48	<i>Source : Field Survey</i>	

It is observed from the above table that the entrepreneurs' strong desire ranks first and profitability of the venture ranks second although the concerning respondents may be influenced by some other factors. Here we may assume that family business, experience in the same or related line or parents' assistance can very well influence the desirability of the entrepreneurs.

The above table shows that 48 respondents have mentioned past experience, 45 respondents have mentioned parents' assistance and 35 respondents have mentioned family business as factors that have influenced them to offer themselves into the field of entrepreneurial activities. It is observed from the above table that only 25 respondents have been influenced by the government policies taken from time to time for the development of entrepreneurship. So the government is expected to take adequate steps to maintain a wave of entrepreneurship development programme among the prospective women entrepreneurs so that they can enter into the entrepreneurial venture and accept it as their occupation. To encourage the women the government is to provide all sorts of supports and assistances to those prospective entrepreneurs.

7.0. Findings from the Study

The discussion so far has focused the attention towards the women entrepreneurial activities in West Bengal,

particularly, in the district of South 24 Parganas, along with the women entrepreneurial programmes undertaken there from time to time. In recent years development programme for women has been given one of the top priorities among the development activities of the Indian Government as well as West Bengal Government. This implies that the ultimate objective of that development programme is to be directed towards achieving the well being of women. Planning programmes have been trying to eliminate poverty of women. But unfortunately, the poverty among women is still continuing and disturbing our socio-economic system. It is possibly for that reason the Central and State Governments have given special emphasis on the development of women entrepreneurship. Accordingly, some strategic areas have been identified and specialized personnel have been called upon to design and implement those strategies. Majority of women work in the Third World is not a matter of equity or self actualization.' They work outside their family for economic survival. In our study we have observed that women entrepreneurs who come daily to South 24 Parganas with their goods from the neighbouring districts are from extremely poor families and include single woman with children, women married to men in the lowest income brackets and widowed women who are dependent upon their own resources. This picture is not only seen in

the district of South 24 Parganas. The same picture is also true in Latin America, Africa, South and South East Asia, where women's contribution to household income provide the means to meet basic survival needs such as food, clothings and shelter. Low male

income often imposes a double responsibility of married women who need to substitute the family income through additional home production and work outside the home.

8.0. Problems faced by Women

Entrepreneurs

Participation of women in entrepreneurial activities has been increasing day by day. In spite of that number of women entrepreneurs in relation to their counterpart men entrepreneurs is very low particularly in any developing country like India. The multifarious problems of women entrepreneurs are :

1. **Paucity of Capital** : Paucity of capital is the crux of all the problems. In male-dominated Indian orthodox society women particularly unmarried women cannot choose entrepreneurship due to lack of financial support from their family. Getting of required amount of financial support is a big problem to the women entrepreneurs. If sufficient financial assistance is not provided to the women entrepreneurs they could not be successful entrepreneurs. In our study we have observed that out of 100 sample women entrepreneurs 78 entrepreneurs have been suffering from shortage of capital, particularly, working capital.
2. **Non-availability of Raw Material** : One of the problems of women entrepreneurs is to get adequate volume of raw material in required time. Many of the sample women entrepreneurs fail to get good quality raw material at reasonable price which, in turn, reduce the quality and quantity of their product. Out of 100 entrepreneurs 62 entrepreneurs face the problem of purchase of material.
3. **Problem of Marketing** : Women entrepreneurs have to face severe

competition to sell their products or goods from the existing large size units which are managed and controlled by male entrepreneurs. In 76 per cent cases we have observed that women entrepreneurs face problem of marketing their products. They fail to work out an appropriate strategy to sell their product.

4. **Lack of Skilled Labour** : Lack of sufficient number of skilled labour is also a problem of some women entrepreneurs, particularly in case of making of soft dolls & toys, women garments, kantha stitch and other kind of handicraft articles.
5. **Lack of Permanent Shop** : The size of women enterprise is very small and their capital is very limited. As a result in many cases women entrepreneurs are unable to purchase or take lease of permanent shop for their enterprise. In our study, we have observed that 71 women entrepreneurs out of 100 have no permanent shop for running their business. Most of them sell their goods at the footpath or places in the market where the places are not allowed to them permanent. In addition to that some entrepreneurs sell their goods in different trade fairs in West Bengal or outside West Bengal. Finding no other way some of them bound to sell their products to the middlemen and get less price. Lack of permanent shop is one of the main problems to get loan.
6. **Less Risk Bearing Capacity** : In the business or industry entrepreneurs are expected to absorb sufficient risk and uncertainty. But women entrepreneurs

generally possess the capacity of taking lesser economic and social risk.

9.0. Observations about the Case Study

The cases examined in our study indicate the emerging trend of women entrepreneurial development in small and tiny business and industry. Developing entrepreneurship among women is very important for the all-round economic development of West Bengal because women comprise nearly 50 per cent of total population of West Bengal. However, it should be admitted that we have selected

South 24 Parganas District as case study and the number of cases examined is small so no claim can be made to have the entire picture of women entrepreneurs of West Bengal. Yet our case studies identified that the emerging women entrepreneurial classes consist of people from various socio-economic strata, motivated by different objective and by various persons and in their functioning of their enterprises they face various problems. Now, we can sum up different important points that have come out from the analysis of performance of the women entrepreneurs.

One major observation that emerges from the sample survey is that in the District of South 24 Parganas women in the low and middle income groups with some educational background and moderate experience in specific line of manufacture or trade entered into the entrepreneurial activities in the area of handicraft, ladies garments, beauty parlour, soft doll and toys, ladies tailors, electrical equipments, fashion designing, imitation ornaments, traveling agency, photocopy centre, STD booth etc. that are matched with their social status. On the other hand illiterate or semi-illiterate women from very poor families enter into another type of entrepreneurial activities. They purchase

rice, fruit, fish, cut-flower, vegetable, etc. from village market and sell them in South 24 Parganas and Greater Kolkata. They also set up tea stall and other very small size shop in Kolkata greater. It would be fruitful to identify and develop women entrepreneurs with such background.

Though there are different types of ownership pattern most of the women entrepreneurs prefer sole proprietorship pattern of ownership. This is probably due to the fact that sole proprietorship is the most suitable for tiny and small scale trade and industry. In the male dominating society though the unmarried women allowed to go to schools and colleges but after marriage their husbands, generally do not allow their wives to go outside along particularly to enter into entrepreneurship. But in modern days the picture has been changed particularly in Greater Kolkata and South 24 parganas where we observed that nearly three fourth of sample women entrepreneurs are married.

10.0. Suggestions for Women Entrepreneurship Development

Women possess sufficient talents with all the qualities and abilities required for successful entrepreneurs. A favourable environment is to be created which can motivate, encourage and provide required facilities to women to be successful entrepreneurs. To create the favourable environment to meet the requirement of women entrepreneurs or prospective women entrepreneurs we may put forward the following suggestions :

- Effective efforts should be taken by the Stat Government and different Chambers of Commerce to provide necessary information on entrepreneurship to all women of West Bengal through television and other media.
- Women Entrepreneurship Organizations and all other non-

government organizations (NGOs) should take necessary steps in the implementations of income generations schemes evolved by the State and Central Governments.

- Efforts should be taken to introduce Diploma or Certificate course on Entrepreneurial Management and Development for women with the commerce and industrial establishments and universities.
- State Government should set up trade centres exclusively for the benefit of women entrepreneurs and it should be linked up with the trade centres of all the foreign countries and make arrangement for exporting the quality product of the women entrepreneurs to abroad.
- State Government should make arrangement with the banks and other financial institutions to provide term loan and working capital loans to the women entrepreneurs in more liberal and easier term and the State Government should be the guarantor.

11.0. Epilogue

Since women constitute nearly half of human resources of West Bengal as well as of India, overall development of the State or India cannot be possible neglecting the women. When we are calling ourselves the next super-power comparing us with some other countries then we must acknowledge the equal right of women in relation to men. There must be no discrimination in any sphere of our society. But emancipation of women is not an easy matter. It requires radical change of attitude starting from family members of the society as a whole towards the position of women both in the family as well as in the society. Bureaucratic efforts and community consciousness

should be ensured for the implementation of the development programmes.

Both the Central as well as State Government has to introduce women-friendly economic policies that can enhance both social and economic position and make them self-reliant. Though development of women has always been the central focus of planning since independence but it has not yet been actively implemented. Empowerment is a major step in this direction and it removes the obstacles to the path of women's emancipation. But the Government as well as women themselves should take active role to remove those obstacles. All our efforts should be directed towards all round development of each and every section of women of West Bengal as well as of India by giving them their due share.

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Poverty Alleviation Programs in India: Approaches, Programmes and Effectiveness

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Abstract

Poverty alleviation programs in India focus on increasing economic growth, direct attacks on poverty, land and tenancy reforms, participatory and empowerment approaches and provision of basic minimum services. From time to time, the government has changed its approaches to poverty reduction which is reflected in the reformulation or withdrawal of existing programmes or the starting up of new programmes in accordance with changed policies. Even though the anti-poverty programs reduced the incidence of poverty, it was much lower than what is anticipated. Poor targeting, lack of transparency and accountability and non-participatory nature of functioning etc. are the identified as weaknesses of these programmes. The present paper suggests that poverty alleviation programmes must be reframed so as to accommodate the non-material and capacity building needs of the poor and the vulnerable. The context specific and participatory livelihoods approach can ensure a much better way out of poverty through its people centric and holistic methods

Key Words: Poverty Alleviation Programmes, India, Poverty, Trends

Introduction

Towards the realization of the goal of a 'Socialistic Pattern of Society', as enshrined in the Directive Principles of State Policy, developmental planning strategy in India pays greater emphasis on poverty alleviation. The poverty

alleviation programs focus on increasing economic growth, direct attacks on poverty, land and tenancy reforms, participatory and empowerment approaches and provision of basic minimum services. The main thrust of India's poverty alleviation strategy has been the use of economic growth as a

driver of employment and income for the poor.

The various dimensions of poverty relating to health, education and other basic services have been progressively internalized in the planning process (Nayyar, 2004). The broad spectrum includes Area Specific Programs and Special Programs for Vulnerable Groups such as elderly, occupational categories and ethnic groups. Constitution of Self Help Groups (SHGs) at the grass root level as part of the Micro Credit initiatives and the incorporation of Panchayat Raj Institutions (PRIs) are new frontiers in the task of poverty alleviation. The alternative approaches being experimented in India for the alleviation of poverty are discussed in the subsequent section.

India's Approaches towards Poverty Alleviation

Independent India has taken multiple initiatives to tackle the problem of poverty. Developmental planning in India was initiated to eliminate or reduce the existent social maladies like feudalistic social structure, widespread poverty, mass illiteracy, geographical, social and cultural isolation of the people etc. The government from time to time has changed its approaches to poverty reduction which is reflected in the reformulation or withdrawal of existing programmes or the starting up of new programmes in accordance with changed policies. The major approaches that evolved through planning and dominated the poverty alleviation domain of the country are grouped as outlined below.

Growth Mediated Approach

During the initial stages of planning the widely held belief was that the general development programmes would improve the living conditions of the poor through the 'trickle down' mechanism. The gist of trickle down hypothesis is that improvements in the overall economic performance of the country in terms of either national or per capita income will ultimately reach to the poor. Investment in strategic sectors will enhance employment opportunities and, thereby, the real purchasing power of the people. The theory has been manifested in rural India with the starting up of new programmes meant for improving agricultural growth. At that time poverty was conceived mainly as a problem of rural India.

Evidence from India has shown that the agricultural improvement programmes have not benefited the poor in improving their socio- economic conditions (Bardhan, 1979, Singh, 1989). It is argued by many that growth itself need not be poverty reducing. The effectiveness of trickle down mechanism depends on a substantial increase in aggregate income capable of ensuring long run sustainability. The growth of Net Domestic Product in agriculture was not fast enough to attain the desired reduction in poverty

The targeted agricultural improvement programmes benefited only the large farmers. At the initial stages of planning, the government could not implement much institutional reforms in the agricultural sector. The agricultural expansion had some positive response to the poor in increasing their level of income up to 1960s through increased

use of labour in agricultural operations. The large scale displacement of labour for technology as part of the Green Revolution initiatives prevented the trickling down of growth to the poor since the mid-1960s (Bardhan, 1979). Even though the growth oriented approaches were substituted for benefit oriented programmes, due to certain peculiar socio- economic complexities, the policies once again shifted towards growth by the end of the 80s, which got a further momentum during the reform period.

Capability Improvement Approach

The Capability Approach view poverty from a humanist perspective as the deprivation of one or more basic capabilities which are essential for individuals to attain a level of living that they have freedom to value. The goal of development is the expansion of people's opportunities to enjoy a greater set of valuable activities. In the words of Amartya Sen, 'poverty is not of failure of income and of living standards but of capability failure, to reach certain minimally acceptable levels'. The notion of multi-dimensional poverty hence requires a more holistic approach towards the elimination of it.

The recognition of the multi-dimensionality of poverty has brought to the fore the need for capability building programmes for the poor and other disadvantaged people. The national policies were re-oriented towards attaining this goal during the 1970s and 1980s. The focus on primary health care in the sixth plan, the Health Policy of 1983, the Special Component Plan for the SCs and STs, the formulation of a National Education Policy in 1986, the launching of the National Literacy mission etc. are the

instances of such a re orientation (Bandopadhyaya, 2010)). Sarva Siksha Abhiyan aiming at universalization of primary education, National Rural Health Mission for improving the health status of rural people, National Urban Health Mission for urban people etc. are some of the flagship programmes of Government of India towards realizing this goal.

Building up of basic capabilities can only ensure a sustainable way out of poverty. The achievements of the country in terms of the basic capabilities of the people such as total literacy and universalization of primary education, health for all, affordable housing, nutritional status, health of women and children, clean drinking water, free medical care etc. are still not satisfactory. The public sector provision of health facilities in terms of both quantity and quality is clearly lagging behind the needs and requirements of the poor and downtrodden. Regarding education, even though the infrastructural facilities have increased manifold over the successive plans, the quality has not kept pace with increased expenditure.

Direct Attack on Poverty

During the mid-70s, as an answer to the call of 'Garibi Hatao', India started the original poverty alleviation programmes, labeled as direct attack on poverty. It is the failure of the trickle down mechanism that made policy planners to adopt a new route of poverty reduction. Generally, the poverty alleviation programmes are designed to achieve the two broad objectives of guaranteeing a minimum standard of living to the poorer people, when they lack any other viable means of sustenance and the removal of certain basic

constraints such as poor infrastructure, inaccessibility of credit etc. as experienced by the rural poor.

The Fourth Plan had identified that the poor people comprises of small and marginal farmers, land less agricultural labourers, village artisans, the Scheduled Castes, the Scheduled Tribes, inhabitants of specific areas like hill areas, areas with scanty rains, coastal or forest areas. Hence the poverty alleviation programmes targeted these specific groups and areas.

The small Farmers Development Agency (SFDA), Programme for Marginal Farmers and Agricultural Labourers (MFAL) and Drought Prone Area (DPA) were started to meet this specific ends. The Minimum Needs Programme (MNP) and the Integrated Rural Development Programme (IRDP) of the Fifth Plan were the key pillars of the poverty eradication mission of the Government of India. Provision of self or wage employment and facilitation of asset building were the operational strategies of these programmes.

Social Security Programmes

The growing insecurity and informalization of the work force and the realization that the poverty alleviation programmes cannot guarantee adequate protection to the poor, gave way to the adoption of social security measures. The government implemented many institutional care and social assistance programmes for the benefit the disadvantaged people. Those programmes supported orphaned children, the aged, mentally and physically disabled, destitute etc. Institutional care of the government include provision of educational facilities,

skill development, livelihood support, food support etc. through the respective institutional mechanism meant for each category of the under privileged.

Provision of livelihood support to those who suffer from absolute poverty and deprivation is the main aim of social assistance programmes. The Government disburses funds through a large number of pension schemes to the deprived people as social safety nets. The Indira Gandhi National Old Age Pension Scheme, Widow Pension, Disability Pension etc. are the major social security pensions. In some states like Kerala, the social assistance programme is extended to the workers in the unorganized sector through the setting up of welfare Fund Boards.

Inclusive Growth Strategy

Inclusive growth emphasizes that the growth process should provide equality of opportunity for all especially to the poor at the maximum possible extent. Even though faster growth is the main goal, the growth in GDP is not treated as an end in itself. The end outcome of the strategy is the reduction of poverty and creation of employment opportunities, improving access to essential services like health, education and other amenities. The group focus in the strategy implies that pro- poorness would essentially involve outcomes ensuring equality of opportunity for all, especially to the poor and the poorest among them like the Scheduled Caste, Scheduled Tribes, Other Backward Communities, minorities and women.

While pro- poor growth strategy targets below poverty line people, the inclusive growth approach has a general outlook as it wants to include all strata of

society. The primary objective of the 11th five year plan of India was the attainment of inclusive growth with development. As such the plan has given special impetus to a large number of programmes aimed at building rural and urban infrastructure and providing basic services with the objective of increasing inclusiveness and reducing poverty. The Mahathma Gandhi National Rural Employment Guarantee Act (MGNREGA), one major flagship programme, has been highly influential in terms of both financial and physical inclusion of poor people.

Inspired by the achievements of some of the indicators of inclusive growth, the 12th plan too emphasized the strategy and laid down its objective as faster sustainable and more inclusive growth. An important dimension of pro-poor or inclusive growth is productive employment generation, through which the objective of poverty reduction can be achieved (Xth plan approach paper, 2012). However, growth to be inclusive, it requires a higher GDP growth rate so as to generate more employment opportunities and to mobilize additional resources for financing social sector programmes meant for the socially disadvantaged people.

The targeted and non-targeted poverty alleviation programmes have no doubt improved the living conditions of the poor. However, the achievements are often less than the expectations. Today poverty is conceived not only as deprivations of income, but also of deprivations of basic capabilities of life. As these deprivations are inter-related, a comprehensive approach alone can eliminate poverty and provide equality of opportunity for all. A brief description of the important poverty alleviation

programmes currently implemented in the country is provided in the following pages.

Poverty Alleviation Programmes

1. Swarnajayanti Gram Swarozgar Yojana (SGSY)

The programme which started on 1st April 1999, by combining the Integrated Rural Development Programme (IRDP) and allied programmes, focuses on providing self-employment opportunities to the rural poor people. It is conceived as a holistic programme of Micro Enterprises covering all aspects of self-employment including formation of self-help groups, capacity building, planning, infrastructure buildup, technology, credit and market. SGSY is a credit cum subsidy programme where credit forms the critical component.

2. Indira Awas Yojana (IAY)

This Centrally Sponsored Scheme aims to provide dwelling units to the houseless SCs and STs, freed bonded labourers, and other rural poor people. The beneficiaries of the scheme are selected by Grama Sabha, who has at least two cents of land for house construction. The assistance is sanctioned to the female members of the family or in the joint name of husband and wife. Of the total allocation of IAY, up to 20 percent is allocated for the up gradation of existing kutcha houses.

3. Sampoorna Gramin Rozgar Yojana (SGRY)

The scheme introduced in 2001 by merging Employment Assurance Scheme and Jawahar Gram Samridhi Yojana, aims to provide additional wage employment in rural areas and food security through

creation of durable commodity, social and economic assets and infrastructure development. The SGRY is implemented at the GramaPanchayat and Block or District Panchayat level. The benefit of SGRY is made available for all the rural poor willing to take up manual or unskilled work. Preference is given to the poorest of the poor and SC/ST.

4. Swarna Jayanthi Shahari Rozgar Yojana (SJSRY)

The integrated poverty alleviation scheme launched on December 2007 by combining the existing Nehru Rozgar Yojana, Prime Minister's Integrated Urban Poverty Eradication Programme and Urban Basic Services Programme, aims at providing gainful employment to the urban employed and under employed poor through self-employment ventures and wage employment in public works. The financial allocation is on 75:25 bases between Centre and the State, where as the Central share is tentatively allocated on the basis of official Head Count urban poverty Ratio of the Planning Commission. Added to it, past trend in the utilization of funds and special requirements are also been taken into consideration while allocating Central Share.

The Urban Local Bodies and the Community Structures act as delivery mechanisms in all the towns. Funds are released to the state as a whole, without segregating in to components. Flexibility in fund utilization and the timely estimation of component wise allocation of central share by the Ministry ensures balanced coverage. Urban Self Employment Programmes (USEP), Urban Women Self Help Programme (UWSP), Skill Training for Employment Promotion

amongst urban poor (STEP-UP), Urban Wage Employment Programme (UWEP) and Urban Community Development Network (UCDN) are the major components of SJSRY.

5. Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

Initiated in 2005, JNNURM is the first comprehensive attempt for development and poverty alleviation in urban India. It forms part of the UNDP assisted Government of India programme of 'National Strategy for Urban Poor. The Mission aims at fast track development of cities with emphasis on urban infrastructure and service delivery, community participation and accountability of Urban Local Bodies to citizens. The Mission objectives are:

1. Integrated development of infrastructure services in the mission cities.
2. Effective linkages between asset creation and asset management so that cities will become self-sustainable
3. Planned development of peri-urban areas, outgrowths and urban corridors and renewal of old cities.
4. Delivery of civic amenities, and provision of utilities with emphasis on universal access to the urban poor.
5. Provision of basic services to the urban poor.

The Mission has two sub missions, namely;

1. Urban Infrastructure and Governance (UIG)

This mission is administrated by the ministry of Urban Development. The main thrust is on infrastructure projects relating to water supply and sanitation, sewerage, solid waste management, road network, urban transport and redevelopment of old cities.

2. Basic Services to Urban Poor(UBSP)

It is administered by the Ministry of Urban Employment and Poverty Alleviation through the Sub Mission Directorate of Basic Services to Urban Poor. The focus is on the integrated development of urban areas through projects providing shelter, basic services, and related civic amenities.

In addition to the two Sub Missions, JNNURM has two further components namely the Urban Infrastructure Development of Small and Medium Towns (UIDSSMT) and the Integrated Housing and Slum Development Programme (IHSDP). The UIDSSMT, administered by the Ministry of Urban Development was launched by merging the schemes of Integrated Development of Small and Medium Towns (IDSMT) and Accelerated Urban Water Supply Programme (AUWSP). The programme aims at planned improvement of urban infrastructure in cities and towns under its purview.

The IHSDP launched during 2006-07 by combining Valmiki Ambedkar Awas Yojana (VAMBAY) and National Slum Development Programme (NSDP) strives

for holistic slum development, by providing adequate shelter and basic infrastructure facilities. The coverage of the scheme includes all those cities and towns except that selected under JNNURM. Admissible components under IHSDP include the provision of shelter including improvement and construction of new houses, provision of community toilets, physical amenities of life, community infrastructure, slum improvement and rehabilitation projects.

6. Rajiv Awas Yojana (RAY)

RAY for the slum dwellers and the urban poor envisages a slum free India through encouraging States/ Union Territories to tackle the problem of slums in a definitive manner. The main focus of RAY is an integrated approach that aims at bringing within the formal system, those who are forced to live in extra formal spaces, and enabling them to avail the same level of basic amenities, as that of the urban dwellers (Government of India, 2011).

Each slum up gradation process involves an integrated approach comprising provision of infrastructure, basic civic and social amenities and decent housing. Operationalization of strategy relies on the Slum Free Plan of Action prepared by the state for the selected cities, containing visions of inclusive urbanization, the perspective plan, phasing of implementation and time frames. The two phased programme launched in 2011 in a mission mode, covers the entire period of the 12th Five Year Plan.

The anti-poverty programs along with the initiatives of poor themselves, reduced the incidence of poverty, though much lower than what is anticipated.

Many of the poverty alleviation programs may not be performing well in terms of fund utilization or utility enhancement. While the economic reform did bring in prosperity to the country, the benefits are not evenly distributed and some sections of the society are deprived of the benefits (Yesudian, 2007). The following section contains the trends in poverty in India as released by the Planning commission of India.

The Trends in Indian Poverty

Methodological pluralism and dilemmas make 'counting the poor' always controversial, putting it at the core of the debate in the literature on Indian poverty. Indian policy making and politics are dominated by discussions of poverty, and measures of poverty rightly attract a great deal of attention (Deaton, 2004). Planning Commission is the nodal agency

for estimating official poverty, which publishes disaggregated poverty incidence (HCR) at national and state levels.

The sample households, having below poverty line consumption expenditure, whose proportionate estimation with the projected population of the reference year, generate the official poverty statistics of India. As a result of methodological controversies, refinements and alterations under successive Expert Groups on poverty estimation, it is very difficult to elicit any long term trend. Poverty estimation as per the 1993 Expert Group methodology from 1973-74 to 2004-05 is given in Table 1

Year	Poverty Ratio (%)			Number of poor (in Million)			Percentage share of poor		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
1973-74	56.4	49.0	54.9	261.3	60.0	321.3	81.33	18.67	100
1977-78	53.1	45.2	51.3	264.3	64.6	328.9	80.36	19.64	100
1983	45.7	40.8	44.5	252.0	70.9	322.9	78.04	21.96	100
1987-88	39.1	38.2	38.9	231.9	75.2	307.1	75.32	24.42	100
1993-94	37.3	32.4	36.0	244.0	76.3	320.3	76.18	23.82	100
2004-05	28.3	25.7	27.5	220.9	80.8	301.7	73.22	26.78	100

Table 1
Trends in Poverty in India

Source: Planning Commission, 2007

The Planning Commission published revised poverty estimates for the years 1993-94 and 2004-05, as estimated by Tendulkar (Tendulkar Committee, 2009). The latest 2009-10 poverty estimate also bases the Tendulkar methodology.

Table 2
Trends in Poverty as per Tendulkar Methodology

Year	Poverty ratio			Number of poor (In Million)			Percentage share of poor	
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
1993-94	50.1	31.8	45.3	328.6	74.5	403.7	81.5	18.5
2004-05	41.8	25.7	37.2	326.3	80.8	407.1	80.15	19.85
2009-10	33.8	20.9	29.8	278.2	76.5	354.7	78.43	21.57

Source: Press note, Planning Commission, 2012 and Economic Survey 2012-13

The broad picture arising from these diverse estimates is of an obvious decline in the incidence of poverty. The head count ratio at uniform reference period declined by about 50

percentage point between 1973-74 and 2004-05. Between 2004-05 and 2009-10, poverty declined by 20 percentage (Tendulkar Committee estimation).

Figure 1
Trends in Poverty

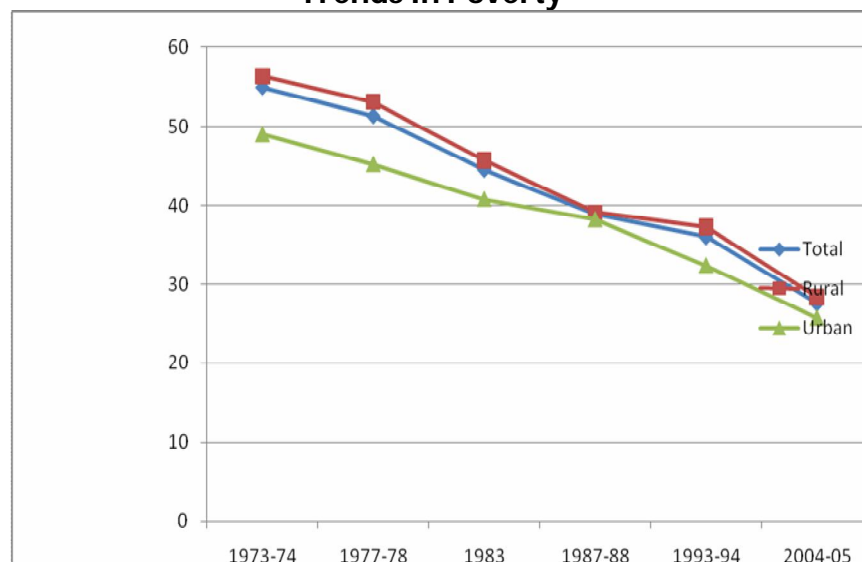
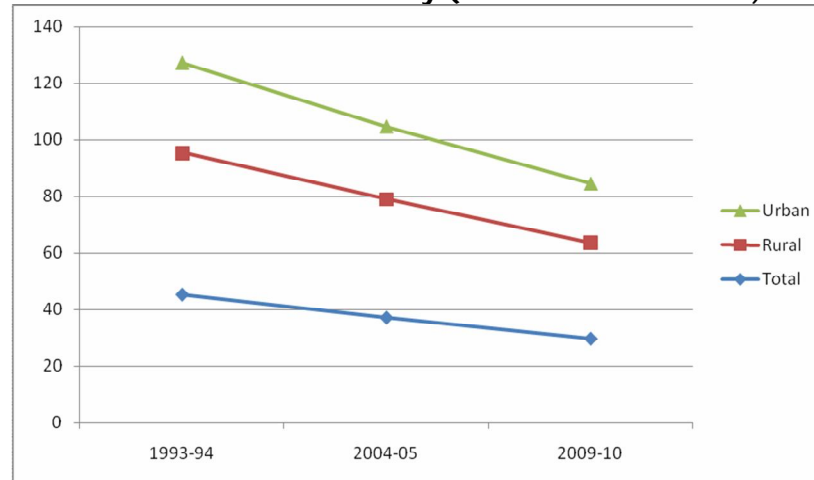


Figure 2
Trends in Poverty (1993-94 to 2009-10)



The overall trend is optimistic. However, concerns have been expressed with the poverty line itself, that the accepted methodology of poverty estimation used by the Planning Commission is incorrect and embodies a logical misconception. The changing consumption basket of implicit and explicit necessities including health care costs and energy costs are outside the purview of official methodology. The actual estimation as per the official methodology is a true under estimation of the actual poverty prevalence of the country. The controversies of 'counting the poor', reaffirms the inefficacy of the much cherished poverty alleviation programmes.

Conclusion

The anti-poverty programmes under taken by the government have been successful in curbing the level of poverty in India only to some extent. Poor targeting, lack of transparency and accountability and non-participatory

nature of functioning etc. are the identified as weaknesses of these programmes. Even though, many programmes failed to reach the real poor, there is much scope for increasing the efficacy of anti-poverty programmes. Today, poverty is conceived not merely as shortage of income or consumption, but as multi-dimensional encompassing all aspects of human life. Hence, poverty alleviation programmes must be reframed so as to accommodate the non-material and capacity building needs of the poor and the vulnerable. The complex, local, diverse and dynamic realities of the poor should be given due importance. The context specific and participatory livelihoods approach can ensure a much better way out of poverty through its people centric and holistic methods.

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